



MALAYSIA UPDATE

25 MARCH 2015



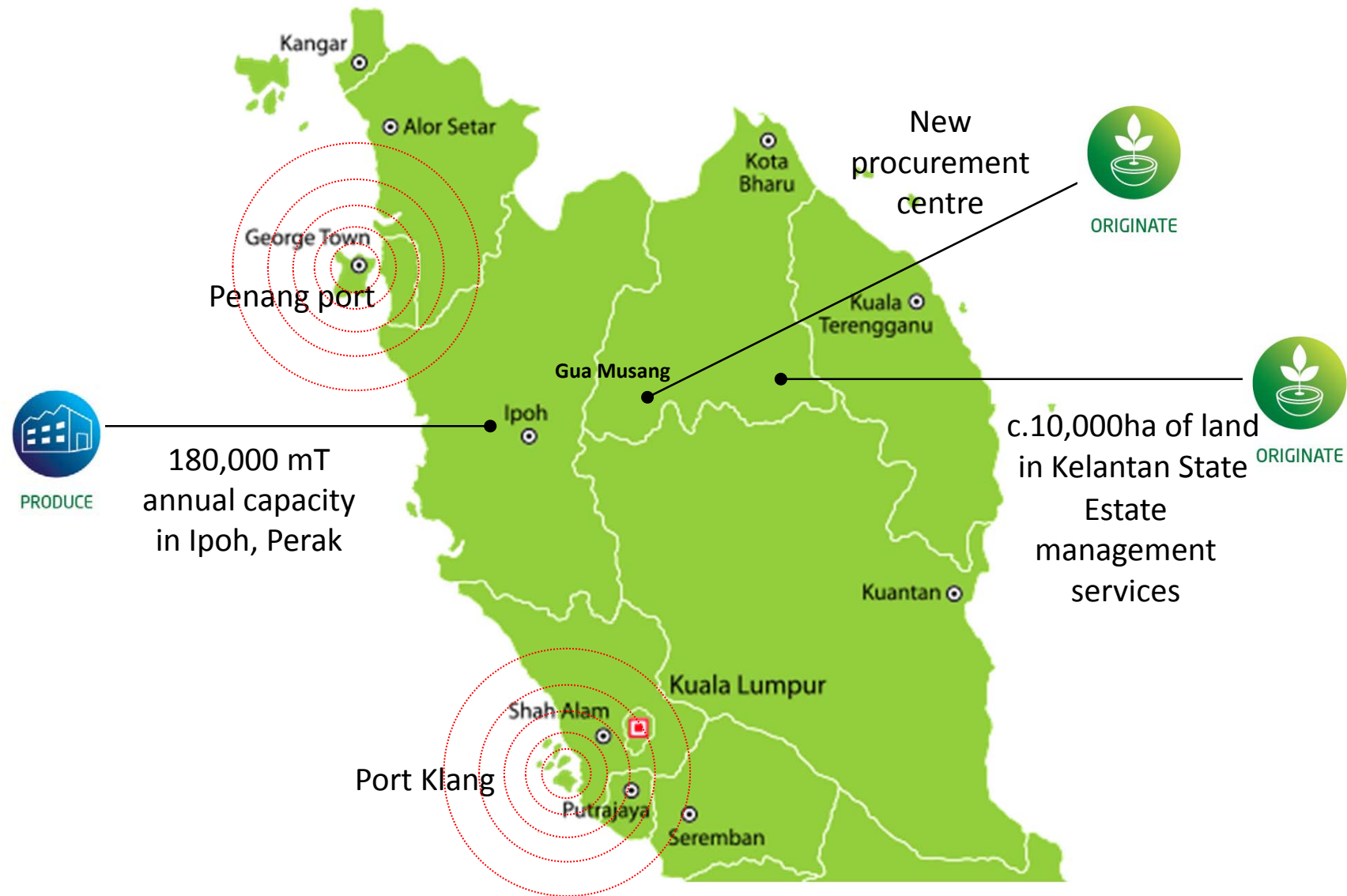
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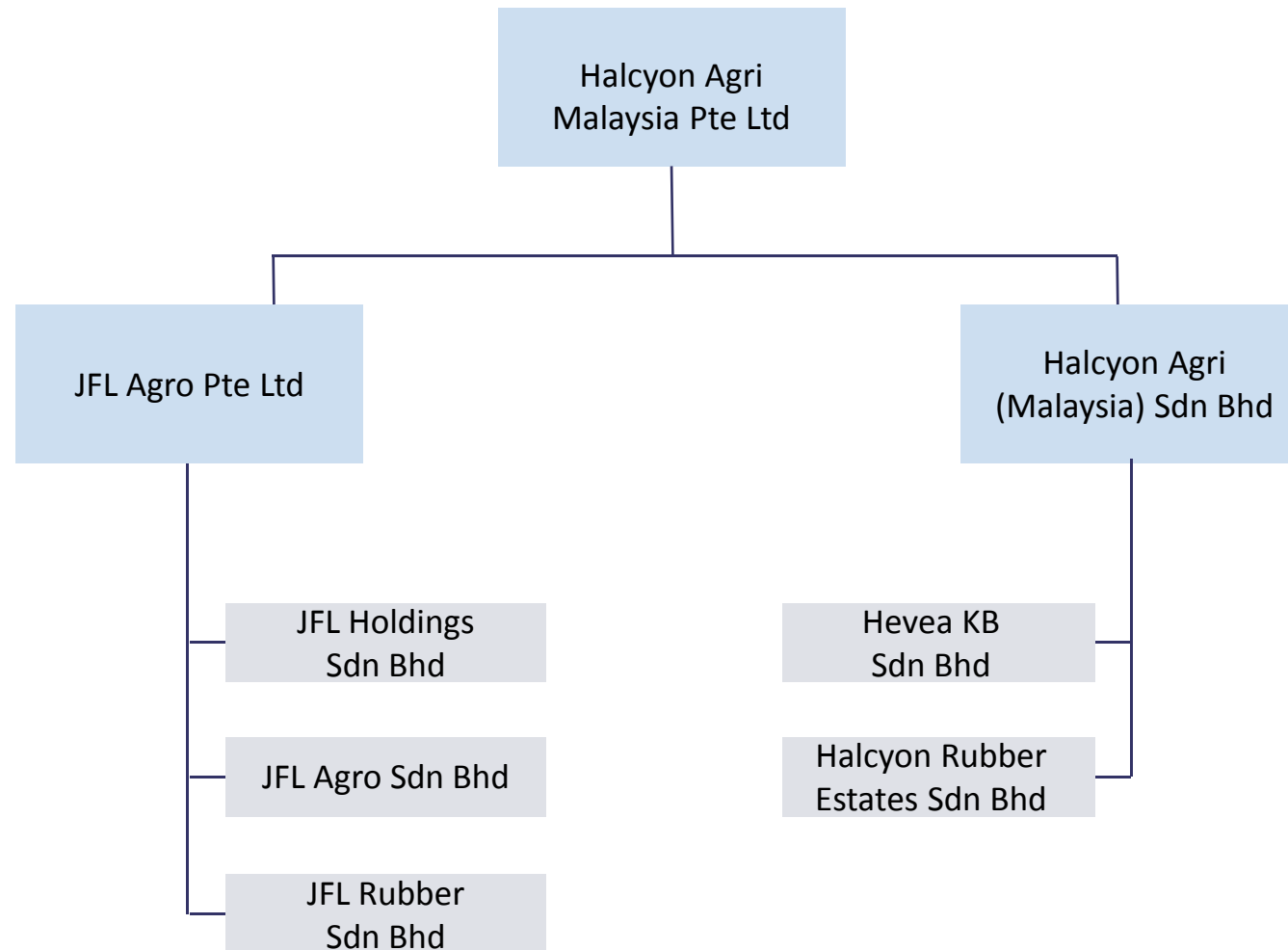
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Overview of Halcyon Agri Malaysia



Corporate Structure



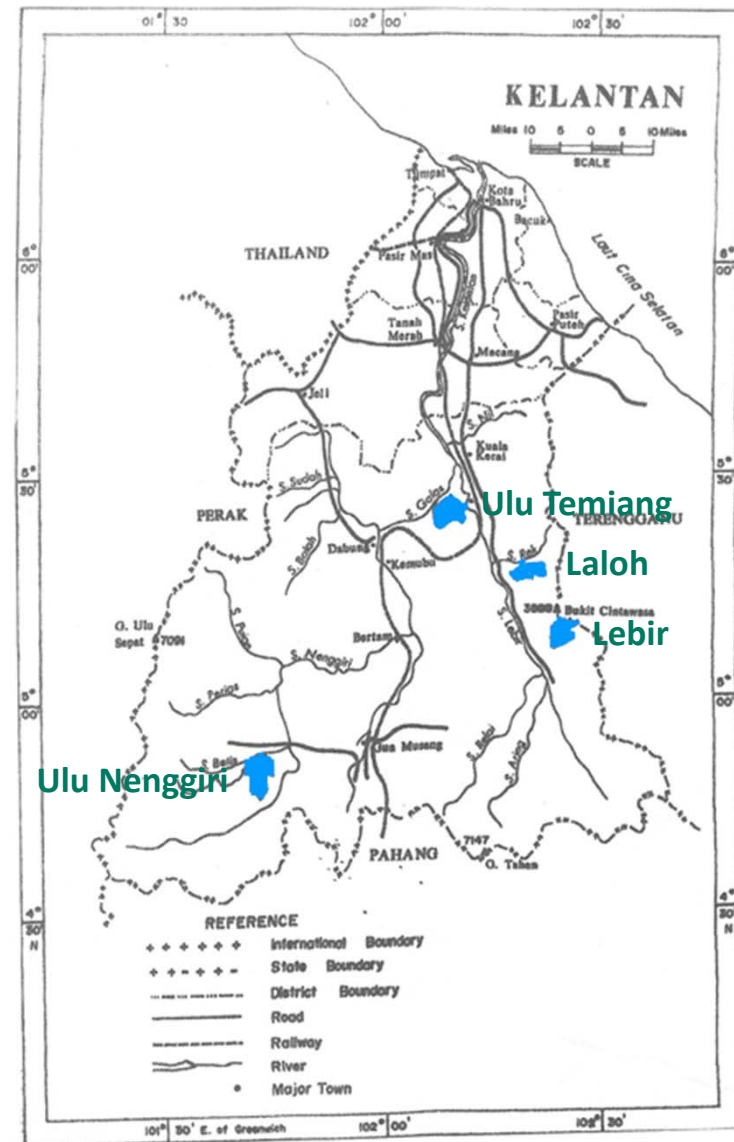
PLANTATIONS



Plantations overview

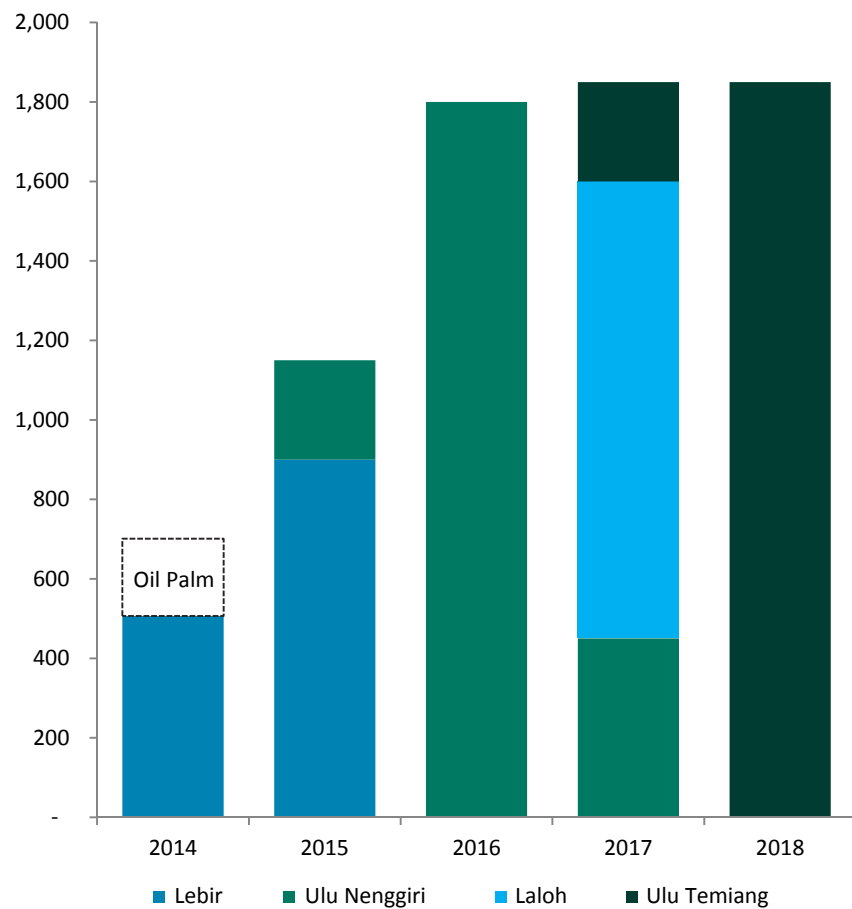
Strategy overview

- Four blocks of land in Kelantan State:
 - Lebir
 - Ulu Nenggiri
 - Laloh
 - Ulu Temiang
- 7,200 ha designated for natural rubber plantation
- 500 ha designated for oil palm plantation
- Oil palm provides early cash flow to support natural rubber planting. First FFB sales expected in Q4 2015
- First natural rubber tapping expected 2020
- Production will include latex and cup-lump. Pristine raw material for premium applications (eg. adhesives, medical)
- Estate management services to bring best practices and route to market for third party plantations

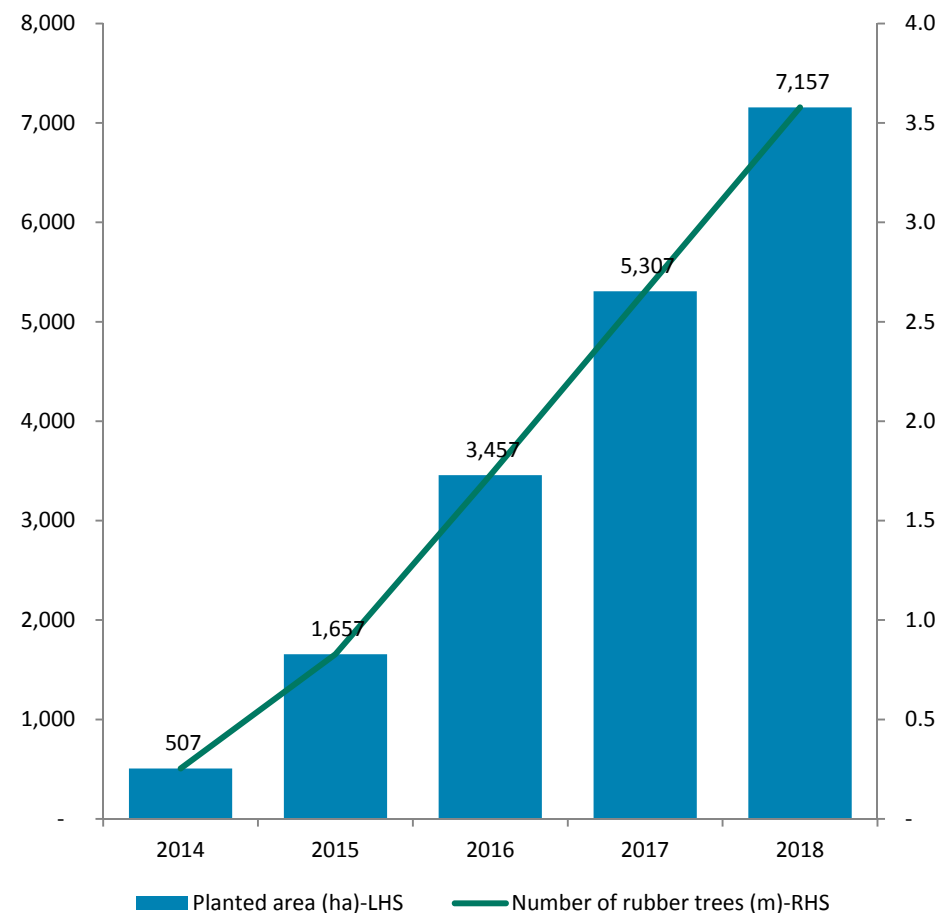


Development plan

Rubber planting plan (hectares)



Cumulative natural rubber planted area



Progress to date

Key statistics

Land area prepared for planting	1,600 ha
Natural rubber planted area	540 ha
Natural rubber trees planted	270,000
Oil palm planted area	449.6 ha
Oil palms planted	60,252

- Lebir Estate well progressed
- Land preparation for Lebir Estate (clearing and terracing) substantially complete
- Palm planting completed; Natural rubber planting on track
- Natural rubber nursery established
- Temporary worker accommodation established. Workforce being built up in proportion to activity
- Worker housing, stores and offices commenced construction
- Planning for 2015 planting program: contracts awarded for land clearing, terracing, road construction, establishment of nursery. Planting to commence, weather dependent, by late Q2 2015
- Lebir Estate to be completed and Ulu Nenggiri to be commenced in 2015



Progress to date: Lebir Estate

Terracing



Progress to date: Lebir Estate

Terracing



Progress to date: Lebir Estate

Nursery



Progress to date: Lebir Estate

Nursery



Progress to date: Lebir Estate

Nursery



Progress to date: Lebir Estate

New plantings



Financial profile: JFL Plantations

Development profile

Land area

Total land size	9,845 hectares
Minimum natural rubber area	7,200 hectares
Oil palm area	500 hectares

Development expenditure

Cost of land acquisition	MYR 142.6 million
Capital expenditure (to end 2014)	US\$1.77 million
Operating expenditure (to end 2014)	US\$0.46 million
Total expenditure to date ⁽¹⁾	US\$45.4 million
Budgeted planting cost per hectare	MYR 19,000

Production profile

Oil palm

Target FFB yield per hectare, per annum	23 tonnes
Target peak FFB production per annum	10,350 tonnes

Natural rubber

Target yield per hectare, per annum	2.2 tonnes
Target peak production per annum	16,000 tonnes
Budgeted production cost per annum	MYR 5,660/tonne

Note: (1) Amounts in MYR/SGD converted to USD at the rate prevailing at time payments were made

PRODUCTION



Production overview

Asset summary

- Two processing facilities with a combined annual processing capacity of approximately 180,000 tonnes
- Modern factories, however were acquired in a non-operational state as the vendor was under judicial management
- Strategically located for both raw material procurement and distribution of finished goods
- Factories capable of producing multiple grades of rubber

Progress to date

- Reconfigured factories to operate one SMR line and one Compound Rubber line
- Established raw material procurement arrangements, including Gua Musang purchasing station
- Overhauled SMR manufacturing line
- Acquired new high capacity dry pre-breakers for the Compound line
- Established workforce
- Conducted trial production runs from April 2014
- Commenced commercial production in Q4 2014
- 15,649 tonnes produced in 2014
- Both lines fully functioning; business now in ramp-up phase

Products

- Targeting production of SMR 5, SMR10 CV, SMR20 CV and Compound
- Compound to be CPD 88 specification, in line with new China import regulations expected to be implemented in July 2015
- Hevea KB uniquely well placed for CPD 88 production, given natural rubber feedstock availability, industrial capacity in Ipoh for masterbatch production and proximity to logistics assets for export to China

Production facilities

Aerial view of Hevea KB



Production facilities

Aerial view of Hevea KB water treatment



Production facilities

Hevea KB: SMR Line



Production facilities

Hevea KB: Compounding Line



Financial profile

Investment profile

Acquisition cost	MYR 63.0 million
Capital expenditure (to end 2014)	MYR 5.0 million
Total expenditure	MYR 68.0 million
Total expenditure	US\$20.6 million

Production profile

Target SMR production per annum	36,000 tonnes
Target Compound production per annum	120,000 tonnes



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