



HALCYON AGRI CORPORATION LIMITED
(Company Registration No.: 200504595D)

Unaudited Financial Statements for the Fourth Quarter and Full Financial Year Ended 31 December 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Profit and Loss Accounts- Fourth Quarter 2018 ("Q4 2018") and Financial Year Ended 31 December 2018 ("FY 2018")

	Group			Group		
	Q4 2018	Q4 2017	Change	FY 2018	FY 2017	Change
	(Unaudited)	(Restated)		(Unaudited)	(Restated)	
US\$'000	US\$'000	%	US\$'000	US\$'000	%	
Revenue	538,304	512,386	5.1	2,141,034	2,158,383	(0.8)
Cost of sales	(521,430)	(483,089)	7.9	(2,022,591)	(2,007,825)	0.7
Gross profit	16,874	29,297	(42.4)	118,443	150,558	(21.3)
Other income	5,343	23,877	(77.6)	6,655	24,920	(73.3)
Selling expenses	(11,177)	(15,313)	(27.0)	(43,859)	(49,295)	(11.0)
Administrative expenses	(22,921)	(22,887)	0.1	(82,106)	(79,717)	3.0
Administrative expenses - foreign exchange gain	1,798	2,624	(31.5)	5,342	12,783	(58.2)
Operating (loss)/profit	(10,083)	17,598	n/m	4,475	59,249	(92.4)
Finance income	1,509	1,306	15.5	4,900	2,950	66.1
Finance costs	(4,800)	(5,358)	(10.4)	(26,174)	(25,674)	1.9
Share of (loss)/profit of associates	(147)	105	n/m	(165)	10,043	n/m
(Loss)/Profit before taxation	(13,521)	13,651	n/m	(16,964)	46,568	n/m
Income tax credit/(expense)	4,844	(259)	n/m	3,551	(12,038)	n/m
(Loss)/Profit for the period/year	(8,677)	13,392	n/m	(13,413)	34,530	n/m
(Loss)/Profit attributable to:						
Owners of the Company	(7,362)	11,449	n/m	(8,484)	31,027	n/m
Non-controlling interest	(1,315)	1,943	n/m	(4,929)	3,503	n/m
	(8,677)	13,392	n/m	(13,413)	34,530	n/m
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	(122)	25,200	n/m	36,186	86,388	(58.1)
(Loss)/Earnings per share ("LPS/EPS") (refer item 6):						
Basic and diluted (LPS)/EPS in US cents	(0.46)	0.72	n/m	(0.53)	1.95	n/m
Adjusted (LPS)/EPS in US cents	(0.46)	0.72	n/m	(0.53)	1.95	n/m

n/m - not meaningful

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Consolidated Statement of Comprehensive Income - Fourth Quarter 2018 ("Q4 2018") and Financial Year Ended 31 December 2018 ("FY 2018")

	Group			Group		
	Q4 2018 (Unaudited)	Q4 2017 (Restated)	Change	FY 2018 (Unaudited)	FY 2017 (Restated)	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
(Loss)/Profit for the financial period/year	(8,677)	13,392	n/m	(13,413)	34,530	n/m
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit and loss</i>						
Exchange differences on translation of foreign operations	(2,876)	(10,254)	(72.0)	(31,711)	45,723	n/m
Realisation of foreign currency translation reserve upon liquidation of a subsidiary	-	-	n/m	(5,333)	-	n/m
Net fair value loss changes on derivative instruments at fair value through other comprehensive income	(315)	-	n/m	(315)	-	n/m
Net fair value loss on equity instruments at fair value through other comprehensive income	(4)	-	n/m	(4)	-	n/m
<i>Items that will not be reclassified subsequently to profit and loss</i>						
Actuarial gain/(loss) on retirement benefit obligation (net of tax)	3,132	(1,197)	n/m	3,132	(1,197)	n/m
Other comprehensive income/(loss) for the financial period/year	(63)	(11,451)	(99.5)	(34,231)	44,526	n/m
Total comprehensive (loss)/income for the financial period/year	(8,740)	1,941	n/m	(47,644)	79,056	n/m
Total comprehensive (loss)/income attributable to:						
Owners of the Company	(7,488)	695	n/m	(40,766)	72,725	n/m
Non-controlling interests	(1,252)	1,246	n/m	(6,878)	6,331	n/m
	(8,740)	1,941	n/m	(47,644)	79,056	n/m

n/m - not meaningful

Note:

Refer item (5) on details of restatement for Q4 2017 and FY 2017.

1(a)(ii) Notes to Consolidated Profit and Loss Accounts

(Loss)/Profit for the financial period/year has been arrived at after crediting/(charging) the following:						
	Group			Group		
	Q4 2018	Q4 2017	Change	FY 2018	FY 2017	Change
	(Unaudited)	(Restated)		(Unaudited)	(Restated)	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Amortisation of intangible assets	(137)	(20)	585.0	(372)	(79)	370.9
Cost of inventories recognised as an expense	(521,430)	(483,089)	7.9	(2,022,591)	(2,007,825)	0.7
Depreciation:						
-Cost of sales	(5,562)	(5,231)	6.3	(21,602)	(20,484)	5.5
-Selling expenses	(23)	(24)	(4.2)	(94)	(98)	(4.1)
-Administrative expenses	(1,554)	(2,020)	(23.1)	(6,783)	(6,210)	9.2
	(7,139)	(7,275)	(1.9)	(28,479)	(26,792)	6.3
Employee benefits expenses:						
-Cost of sales	(18,283)	(12,575)	45.4	(59,782)	(50,445)	18.5
-Selling expenses	(1,946)	(2,069)	(5.9)	(7,145)	(6,209)	15.1
-Administrative expenses	(10,818)	(11,207)	(3.5)	(41,119)	(41,373)	(0.6)
	(31,047)	(25,851)	20.1	(108,046)	(98,027)	10.2
Finance cost:						
-Working capital loans	(1,173)	(2,084)	(43.7)	(13,574)	(8,715)	55.8
-Term loans	(3,627)	(3,264)	11.1	(12,578)	(11,956)	5.2
-Medium Term Notes ("MTN")	-	-	n/m	-	(4,951)	n/m
-Finance lease obligation	-	(10)	n/m	(22)	(52)	(57.7)
	(4,800)	(5,358)	(10.4)	(26,174)	(25,674)	1.9
Foreign exchange gain/(loss):						
-Cost of sales	2,759	(3,192)	n/m	1,750	175	900.0
-Administrative expenses	1,798	2,624	(31.5)	5,342	12,783	(58.2)
	4,557	(568)	n/m	7,092	12,958	(45.3)
Non-recurring expenses: (included within administrative expenses)						
-Acquisitions-related expenses	(14)	(764)	(98.2)	(460)	(764)	(39.8)
	(14)	(764)	(98.2)	(460)	(764)	(39.8)
Other income:						
-Fair value gain on investment properties	4,515	1,258	258.9	4,515	1,258	258.9
-Fair value gain on biological assets	32	328	(90.2)	1	259	(99.6)
-Gain on disposal of an associate	-	18,130	n/m	-	18,130	n/m
-Gain on disposal of a subsidiary	-	3,406	n/m	-	3,406	n/m
-Others	796	755	5.4	2,139	1,867	14.6
	5,343	23,877	(77.6)	6,655	24,920	(73.3)
Professional fees	(2,942)	(2,142)	37.3	(7,301)	(5,116)	42.7

n/m - not meaningful

Note:

Refer item (5) on details of restatement for Q4 2017 and FY 2017.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Consolidated Statements of Financial Position as at 31 December 2018 and 31 December 2017				
	Group		Company	
	31 Dec 18	31 Dec 17	31 Dec 18	31 Dec 17
ASSETS	(Unaudited)	(Restated)	(Unaudited)	(Audited)
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Intangible assets	300,903	200,416	1,164	-
Property, plant and equipment	294,972	244,929	168	1,025
Plantation related properties	370,183	328,164	-	-
Biological assets	10,208	8,861	-	-
Investment properties	46,799	25,256	-	-
Deferred tax assets	15,056	14,346	-	-
Deferred charges	352	531	-	-
Other assets	1,787	1,793	-	-
Loan receivables	3,491	3,641	-	-
Investment in an associate	1,190	-	-	-
Investment in subsidiaries	-	-	680,010	600,824
Total non-current assets	1,044,941	827,937	681,342	601,849
Current assets				
Cash and bank balances	125,214	152,229	770	706
Trade receivables	146,745	121,689	-	-
Loan and other receivables	146,186	111,058	808,726	671,089
Tax receivables	9,386	2,175	-	-
Derivative financial instruments	44,190	22,885	670	-
Inventories	297,941	305,347	-	-
Consumable biological assets	17	49	-	-
	769,679	715,432	810,166	671,795
Assets of disposal group classified as held for sale	-	89,384	-	-
Total current assets	769,679	804,816	810,166	671,795
Total assets	1,814,620	1,632,753	1,491,508	1,273,644
LIABILITIES AND EQUITY				
Current liabilities				
Derivative financial instruments	1,920	145	670	-
Trade payables	34,570	38,757	-	-
Other payables	58,317	60,443	123,150	155,335
Loan payables	520,400	207,551	293,750	2,750
Provision for taxation	12,418	21,040	1	412
Finance lease obligation	42	496	-	496
	627,667	328,432	417,571	158,993
Liabilities of disposal group classified as held for sale	-	16,463	-	-
Total current liabilities	627,667	344,895	417,571	158,993
Net current assets	142,012	459,921	392,595	512,802
Non-current liabilities				
Loan payables	391,640	402,960	297,817	299,367
Retirement benefit obligations	19,024	19,024	-	-
Deferred tax liabilities	38,643	30,782	36	25
Finance lease obligation	132	86	-	86
Other payables	1,628	1,843	-	-
Total non current liabilities	451,067	454,695	297,853	299,478
Net assets	735,886	833,163	776,084	815,173
Capital and reserves				
Share capital	603,874	603,874	603,874	603,874
Perpetual securities	148,690	148,690	148,690	148,690
Capital reserves	1,617	711	-	-
Other reserves	(3,313)	-	-	-
Accumulated (losses)/profits	(51,651)	(5,694)	23,520	62,609
Foreign currency translation reserves	7,749	42,672	-	-
Equity attributable to owners of the Company	706,966	790,253	776,084	815,173
Non-controlling interests	28,920	42,910	-	-
Total equity	735,886	833,163	776,084	815,173
Total liabilities and equity	1,814,620	1,632,753	1,491,508	1,273,644

Note:

Refer item (5) on details of restatement for balance as at 31 December 2017.

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

	As at 31 December 2018 (Unaudited)		As at 31 December 2017 (Audited)	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Loan payables	77,036	443,364	33,672	173,879
Finance lease	42	-	496	-

Amount repayable after one year

	As at 31 December 2018 (Unaudited)		As at 31 December 2017 (Audited)	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Loan payables	1,375	390,265	3,215	399,745
Finance lease	132	-	86	-

Details of any collateral

Certain loans are secured by corporate guarantees from the Company or by a charge over certain of the Group's inventories, property, plant and equipment ("PPE") and certain cash and bank balances.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Cash Flows - Fourth Quarter 2018 ("Q4 2018") and Year Ended 31 December 2018 ("2018")

	Group		Group	
	Q4 2018	Q4 2017	FY 2018	FY 2017
	(Unaudited)	(Restated)	(Unaudited)	(Restated)
	US\$'000	US\$'000	US\$'000	US\$'000
Operating activities:				
(Loss)/Profit before taxation	(13,521)	13,651	(16,964)	46,568
Adjustments for:				
Depreciation expense	7,139	7,275	28,479	26,792
Amortisation of intangible assets	137	20	372	79
Retirement benefit expense	2,395	1,527	4,690	3,521
Interest income	(1,509)	(1,306)	(4,900)	(2,950)
Interest expense	4,800	5,358	26,174	25,674
Fair value loss/(gain) on open forward commodities contracts and inventories, unrealised	1,922	(1,665)	8,052	2,026
Fair value gain on investment properties	(4,515)	(1,258)	(4,515)	(1,258)
Fair value gain on biological assets	(32)	(328)	(1)	(259)
Unrealised foreign exchange loss/(gain)	3,148	(10,508)	1,730	(10,508)
Loss on disposal of property, plant and equipment and investment properties	41	286	79	173
Write off of property, plant and equipment and investment property	2,644	20	2,781	95
Gain on disposal of an associate	-	(18,130)	-	(18,130)
Gain on disposal of a group of subsidiaries	-	(3,406)	-	(3,406)
Gain on realisation of foreign currency translation reserve upon liquidation of a subsidiary	-	-	(5,333)	-
Allowance for expected credit losses on trade and other receivables	585	107	585	107
Share of loss/(profit) of associates	147	(105)	165	(10,043)
Operating cash flows before working capital changes	3,381	(8,462)	41,394	58,481
Trade and other receivables	28,004	19,933	(50,340)	(44,887)
Inventories	5,052	30,174	14,347	(49,839)
Trade and other payables	(6,497)	(7,261)	(31,265)	10,029
Cash generated from/(used in) operations	29,940	34,384	(25,864)	(26,216)
Interest received	2,122	763	4,371	2,407
Interest paid	(6,342)	(3,320)	(17,274)	(9,641)
Tax paid	(6,254)	(5,046)	(14,165)	(9,229)
Net cash generated from/(used in) operating activities	19,466	26,781	(52,932)	(42,679)
Investing activities				
Acquisition of subsidiaries (net of cash acquired)	-	-	(109,579)	-
Payment of capitalised corporate transaction	(208)	-	(208)	-
Proceeds from issuance of shares to non-controlling interests	1,000	-	1,000	-
Acquisition of non-controlling interests	-	(5,151)	(15,260)	(8,007)
Proceeds from disposal of a group of subsidiaries	-	10	-	10
Proceeds from disposal of an associate	-	219,110	-	225,053
Loan extended to a third party	-	(49,911)	-	(49,911)
Capital expenditure on property, plant and equipment, intangible assets and plantation assets	(24,250)	(14,157)	(78,714)	(54,493)
Proceeds from disposal of property, plant and equipment and investment properties	251	161	1,517	708
Net cash (used in)/generated from investing activities	(23,207)	150,062	(201,244)	113,360
Financing activities				
Net proceed from issuance of perpetual securities	-	-	-	148,690
Net (repayment)/proceeds of term loans	(206)	(2,963)	(15,330)	19,427
Net proceeds/(repayment) of working capital loans	11,635	(123,630)	295,923	(45,446)
Net repayment of Medium Term Notes ("MTN")	-	-	-	(87,291)
Interest paid on term loans	(3,235)	(2,649)	(12,356)	(9,727)
Interest paid on Medium Term Notes ("MTN")	-	-	-	(5,820)
Dividend paid on perpetual securities	(3,375)	(3,375)	(6,750)	(3,375)
Dividend paid on ordinary shares	-	-	(24,088)	-
Repayment of obligation under finance lease arrangement	-	(129)	(582)	(568)
Repayment of shareholder loan for newly acquired subsidiaries	-	-	(10,306)	-
Dividend paid to non-controlling interest	-	-	(354)	(183)
Decrease/(increase) in pledged deposits	1,113	76	2,288	(4,480)
Net cash generated from/(used in) financing activities	5,932	(132,670)	228,445	11,227
Net increase/(decrease) in cash and cash equivalents	2,191	44,173	(25,731)	81,908
Cash and cash equivalents at beginning of the period	122,499	107,079	153,372	66,625
Effects of exchange rate changes on the balance of cash held in foreign currencies	(1,759)	2,120	(4,710)	4,839
Cash and cash equivalents at end of the period/year	122,931	153,372	122,931	153,372
Cash and bank balances comprise the following:				
Cash and cash equivalents	122,931	153,372	122,931	153,372
Fixed deposits - pledged	2,283	4,689	2,283	4,689
	125,214	158,061	125,214	158,061

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statements of Changes in Equity as at 31 December 2018 and 31 December 2017

	Attributable to owners of the Company					Foreign currency translation reserves	Total equity attributable to owners of the Company	Non-controlling interests	Total
	Share capital	Perpetual securities	Capital reserves	Other reserves	Accumulated profits/(losses)				
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group (Unaudited)									
Balance at 1 January 2018, as previously reported	603,874	148,690	711	-	76,422	(34,776)	794,921	42,910	837,831
Impact of adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") - item (5)	-	-	-	-	(82,116)	77,448	(4,668)	-	(4,668)
Balance at 1 January 2018, as restated	603,874	148,690	711	-	(5,694)	42,672	790,253	42,910	833,163
Impact of adoption of SFRS(I) 9 - item (5)	-	-	-	-	(564)	-	(564)	-	(564)
Balance at 1 January 2018	603,874	148,690	711	-	(6,258)	42,672	789,689	42,910	832,599
Total comprehensive (loss)/income for the year									
Loss for the year	-	-	-	-	(8,484)	-	(8,484)	(4,929)	(13,413)
Other comprehensive income	-	-	-	(315)	2,956	(34,923)	(32,282)	(1,949)	(34,231)
Total	-	-	-	(315)	(5,528)	(34,923)	(40,766)	(6,878)	(47,644)
Transactions with owners, recognised directly in equity									
Dividends on ordinary shares	-	-	-	-	(24,088)	-	(24,088)	-	(24,088)
Distribution to perpetual securities holders	-	-	-	-	(6,750)	-	(6,750)	-	(6,750)
Statutory reserve fund	-	-	906	-	(906)	-	-	-	-
Non-controlling interests arising from acquisition of subsidiaries	-	-	-	-	-	-	-	258	258
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(354)	(354)
Total	-	-	906	-	(31,744)	-	(30,838)	(96)	(30,934)
Changes in ownership interests in subsidiaries									
Issuance of shares of a subsidiary to non-controlling interests	-	-	-	877	-	-	877	123	1,000
Acquisition of non-controlling interests without a change in control	-	-	-	-	(8,121)	-	(8,121)	(7,139)	(15,260)
Total	-	-	-	877	(8,121)	-	(7,244)	(7,016)	(14,260)
Others									
Capitalisation of corporate transaction expenses	-	-	-	(208)	-	-	(208)	-	(208)
Fair value changes on put option	-	-	-	(3,667)	-	-	(3,667)	-	(3,667)
Total	-	-	-	(3,875)	-	-	(3,875)	-	(3,875)
Balance at 31 December 2018	603,874	148,690	1,617	(3,313)	(51,651)	7,749	706,966	28,920	735,886
Group (Restated)									
Balance at 1 January 2017, as previously reported	603,874	-	455	-	48,116	(77,448)	574,997	47,082	622,079
Impact of adoption of SFRS(I) - item (5)	-	-	-	-	(81,395)	77,448	(3,947)	-	(3,947)
Balance at 1 January 2017, as restated	603,874	-	455	-	(33,279)	-	571,050	47,082	618,132
Total comprehensive income/(loss) for the year									
Profit for the year	-	-	-	-	31,027	-	31,027	3,503	34,530
Other comprehensive income	-	-	-	-	(1,042)	42,740	41,698	2,828	44,526
Total	-	-	-	-	29,985	42,740	72,725	6,331	79,056
Transactions with owners, recognised directly in equity									
Issuance of perpetual securities, net of transaction costs	-	148,690	-	-	-	-	148,690	-	148,690
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(183)	(183)
Statutory reserve fund	-	-	256	-	(256)	-	-	-	-
Distribution to perpetual securities holders	-	-	-	-	(3,375)	-	(3,375)	-	(3,375)
Disposal of a group of subsidiaries	-	-	-	-	-	(68)	(68)	(1,082)	(1,150)
Total	-	148,690	256	-	(3,631)	(68)	145,247	(1,265)	143,982
Changes in ownership interests in subsidiaries									
Acquisition of non-controlling interests without a change in control	-	-	-	-	1,746	-	1,746	(9,753)	(8,007)
Effect of additional investment in a subsidiary	-	-	-	-	(515)	-	(515)	515	-
Total	-	-	-	-	1,231	-	1,231	(9,238)	(8,007)
Balance at 31 December 2017	603,874	148,690	711	-	(5,694)	42,672	790,253	42,910	833,163
Company (Unaudited)									
Balance at 1 January 2018	603,874	148,690	-	-	62,609	-	815,173	-	815,173
Impact of adoption of SFRS(I) 9 - item (5)	-	-	-	-	(5)	-	(5)	-	(5)
Balance at 1 January 2018	603,874	148,690	-	-	62,604	-	815,168	-	815,168
Total comprehensive loss for the year									
Loss for the year	-	-	-	-	(8,246)	-	(8,246)	-	(8,246)
Total	-	-	-	-	(8,246)	-	(8,246)	-	(8,246)
Transactions with owners, recognised directly in equity									
Dividends on ordinary shares	-	-	-	-	(24,088)	-	(24,088)	-	(24,088)
Distribution to perpetual securities holders	-	-	-	-	(6,750)	-	(6,750)	-	(6,750)
Total	-	-	-	-	(30,838)	-	(30,838)	-	(30,838)
Balance at 31 December 2018	603,874	148,690	-	-	23,520	-	776,084	-	776,084
Company (Audited)									
Balance at 1 January 2017	603,874	-	-	-	(11,204)	-	592,670	-	592,670
Total comprehensive income for the year									
Profit for the year	-	-	-	-	77,188	-	77,188	-	77,188
Total	-	-	-	-	77,188	-	77,188	-	77,188
Transactions with owners, recognised directly in equity									
Issuance of perpetual securities, net of transaction costs	-	148,690	-	-	-	-	148,690	-	148,690
Distribution to perpetual securities holders	-	-	-	-	(3,375)	-	(3,375)	-	(3,375)
Total	-	148,690	-	-	(3,375)	-	145,315	-	145,315
Balance at 31 December 2017	603,874	148,690	-	-	62,609	-	815,173	-	815,173

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

	Number of ordinary shares	US\$'000
Issued and paid-up		
At 30 September 2018 and 31 December 2018	<u>1,595,011,941</u>	<u>603,874</u>

There were no outstanding options, convertibles, treasury shares or subsidiary holdings as at 31 December 2018 and 31 December 2017.

- 1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

The Company did not hold any treasury shares as at 31 December 2018 and 31 December 2017. As such, the number of issued shares excluding treasury shares as at 31 December 2018 and 31 December 2017 were 1,595,011,941 shares.

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on**

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been reviewed or audited by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5, the financial statements have been prepared using the same accounting policies and methods of computation as presented in the audited financial statements for the financial year ended 31 December 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted all applicable new and revised Financial Reporting Standards and Interpretations of Financial Reporting Standards which became effective for accounting periods beginning on or after 1 January 2018.

Convergence with International Financial Reporting Standards ("IFRS") and adoption of SFRS(I) 9 Financial Instruments and SFRS(I) 15 Revenue from Contracts with Customers

The Group has on 1 January 2018 adopted a new financial reporting framework identical to the IFRS, i.e. Singapore Financial Reporting Standards (International) ("SFRS(I)").

(i) Exemption for cumulative translation differences

On transition to the new financial reporting framework, the Group has elected the option to deem cumulative translation differences for foreign operations to be zero on 1 January 2017, and accordingly, the Group has reclassified an amount of US\$77,448,000 of foreign currency translation reserve to the opening retained earnings balance as at 1 January 2017.

(ii) Deferred tax on unremitted foreign sourced income

With the adoption of SFRS(I) by the Group from 1 January 2018, the Group is no longer able to apply the Recommended Accounting Practice 8 exemption of not providing deferred tax liability for unremitted foreign sourced income which it has no intention of remitting into Singapore. Consequently, the Group has recognised deferred tax liabilities of US\$4,668,000 and US\$3,947,000 as at 31 December 2017 and 31 December 2016 respectively, on the Group's unremitted foreign sourced income.

SFRS(I) 9 Financial Instruments

The Group has on 1 January 2018 adopted SFRS(I) 9 Financial Instruments, which effective for annual periods beginning on or after 1 January 2018.

The changes arising from adoption of SFRS(I) 9 have been applied retrospectively. The Group has elected to apply exemption in SFRS(I) 1 and has not restated comparative information in the year of initial application. The impact arising from SFRS(I) 9 adoption was included in the opening retained earnings at the date of initial application, 1 January 2018.

The impact of convergence with SFRS(I) and adoption of SFRS(I) 9 are as follows:

	1 January 2017 (FRS) US\$'000	Group SFRS(I) 1 adjustments US\$'000	1 January 2017 (SFRS(I)) US\$'000
Statement of financial position			
Deferred tax liabilities	(34,763)	(3,947)	(38,710)
Accumulated (profits)/losses	(48,116)	81,395	33,279
Foreign currency translation reserves	77,448	(77,448)	-

	31 December 2017 (FRS) US\$'000	Group SFRS(I) 1 adjustments US\$'000	31 December 2017 (SFRS(I)) US\$'000	SFRS(I) 9 adjustments US\$'000	1 January 2018 (SFRS(I)) US\$'000
Statement of financial position					
Trade receivables	121,689	-	121,689	(337)	121,352
Loans and other receivables	111,058	-	111,058	(227)	110,831
Deferred tax liabilities	(26,114)	(4,668)	(30,782)	-	(30,782)
Accumulated (profits)/losses	(76,422)	82,116	5,694	564	6,258
Foreign currency translation reserves	34,776	(77,448)	(42,672)	-	(42,672)
Profit or loss					
Profit for the year	35,251	(721)	34,530		

The Group has performed a detailed analysis and assessed the impact of SFRS(I) 15 to be immaterial. As such, there is no restatements to the Group's prior period's financial statements upon the adoption of SFRS(I) 15.

Prior year adjustment in accordance with SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations

In 2017, the Group had classified the processing business in Thailand (Teck Bee Hang Co., Ltd and its subsidiaries ("TBH Group")) as an asset held for sale, following the Group's strategic review. The decision was made at that time on the basis of the poor financial performance of TBH Group and also, unfavourable market environment in Thailand.

Subsequent to 2017, positive changes have been made to TBH Group's business and operations leading to improvement in TBH's financial performance in H1 2018. As part of the Group's continuous reassessment of its key business segments, it now determines that TBH fits into the Group's ongoing business strategy and the initial plan to dispose/discontinue the operations of TBH has changed significantly. As such, the Group decided to reclassify TBH Group out from discontinued operations to continuing operations.

Accordingly, the comparative figures in the income statement and cash flow statements for Q4 2017 and FY 2017 have been re-presented to reflect TBH Group as continuing operations in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group		Group	
	Q4 2018 (Unaudited)	Q4 2017 (Restated)	FY 2018 (Unaudited)	FY 2017 (Restated)
(Loss)/Profit attributable to owners of the Company (US\$'000)	(7,362)	11,449	(8,484)	31,027
Basic and diluted (loss)/earnings per share ("LPS/EPS") in US cents ⁽¹⁾	(0.46)	0.72	(0.53)	1.95
Adjusted (LPS)/EPS in US cents ⁽²⁾	(0.46)	0.72	(0.53)	1.95
Adjusted (LPS)/EPS in SGD cents ⁽³⁾	(0.63)	0.97	(0.72)	2.68

Notes:

- (1) The basic and diluted (LPS)/EPS for the periods under review have been computed based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue for the respective periods.
- (2) For comparative purposes, the adjusted (LPS)/EPS for the periods under review have been computed based on the profit attributable to owners of the Company and number of ordinary shares in issue as at 31 December 2018 of 1,595,011,941 ordinary shares.
- (3) Translated at the average exchange rates for each respective period.

The basic and diluted (LPS)/EPS for Q4 2018, Q4 2017, FY 2018 and FY 2017 were the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2018 and 31 December 2017.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	31 December 2018 (Unaudited)	31 December 2017 (Restated)	31 December 2018 (Unaudited)	31 December 2017 (Restated)
Net asset value per ordinary share based on issued share capital (US cents)	46.14	52.24	48.66	51.11
Net asset value per ordinary share based on issued share capital (SGD cents) ⁽¹⁾	62.97	69.82	66.41	68.31
Number of ordinary shares outstanding	1,595,011,941	1,595,011,941	1,595,011,941	1,595,011,941

Note:

- (1) Translated at the closing exchange rates for each respective period.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

REVIEW OF THE INCOME STATEMENT OF THE GROUP FOR Q4 2018 VS Q4 2017 AND FY 2018 VS FY 2017

Overview

Snapshot

Operating financial statistics

		Q4 2018	Q4 2017 (Restated)	Change	FY 2018	FY 2017 (Restated)	Change
Total sales volume	tonnes	377,239	326,665	15.5%	1,432,335	1,227,027	16.7%
Revenue	US\$ million	538.3	512.4	5.1%	2,141.0	2,158.4	-0.8%
Revenue per tonne	US\$	1,427	1,569	-9.0%	1,495	1,759	-15.0%
Gross profit	US\$ million	16.9	29.3	-42.4%	118.4	150.6	-21.3%
EBITDA	US\$ million	(0.1)	25.2	n/m	36.2	86.4	-58.1%
Net (loss)/profit	US\$ million	(8.7)	13.4	n/m	(13.4)	34.5	n/m

n/m - not meaningful

Q4 2018 and FY 2018 included the results of our newly acquired or incorporated subsidiaries, namely Corrie MacColl Group, PT Pulau Bintan Djaya ("PT PBD"), PT Sumber Djantin ("PTSD") and PT Sumber Alam ("PTSA").

Revenue

Q4 2018 vs Q4 2017

Revenue increased by US\$25.9 million or 5.1%, from US\$512.4 million in Q4 2017 to US\$538.3 million in Q4 2018 due to the increase in sales volume by 50,574 tonnes or 15.5% from 326,665 tonnes in Q4 2017 to 377,239 tonnes in Q4 2018. Nevertheless, the increase in volume is partially offset by lower revenue per tonne of US\$1,427 in Q4 2018 as compared to US\$1,569 in Q4 2017. The reduction of the revenue per tonne is in line with the movement of natural rubber market price during these periods.

FY 2018 vs FY 2017

Revenue decreased by US\$17.4 million or 0.8%, from US\$2,158.4 million for FY 2017 to US\$2,141.0 million for FY 2018 mainly due to the decrease in revenue per tonne from US\$1,759 (FY 2017) to US\$1,495 (FY 2018), which was in line with the movement of the natural rubber market price during these periods. However, the decrease in revenue is partially offset by higher sales volumes from 1,227,027 tonnes for FY 2017 to 1,432,335 tonnes for FY 2018. The increased volume was mainly contributed by additional volume from the newly acquired or incorporated subsidiaries.

Cost of sales

Cost of sales comprises the cost of procuring and processing raw materials into finished goods, and other incidental costs to transport the goods to customers.

Q4 2018 vs Q4 2017

Cost of sales increased by US\$38.3 million or 7.9%, from US\$483.1 million in Q4 2017 to US\$521.4 million in Q4 2018, due to the increase in volume.

FY 2018 vs FY 2017

Cost of sales increased by US\$14.8 million or 0.7%, from US\$2,007.8 million for FY 2017 to US\$2,022.6 million for FY 2018, mainly due to the increase in volume, partially offset by decrease in the price of raw materials which was in line with the decrease in the natural rubber market price.

Gross profit

	Q4 2018	Q4 2017 (Restated)	Change	FY 2018	FY 2017 (Restated)	Change
Gross profit (US\$ million)	16.9	29.3	-42.4%	118.4	150.6	-21.3%
Sales volume (tonnes)	377,239	326,665	15.5%	1,432,335	1,227,027	16.7%
Gross profit per tonne (US\$)	45	90	-50.1%	83	123	-32.6%

Q4 2018 vs Q4 2017

Gross profit decreased by US\$12.4 million or 42.4% from US\$29.3 million in Q4 2017 to US\$16.9 million in Q4 2018 mainly due to lower gross profit per tonne of US\$45 (Q4 2017: US\$90) despite higher sales volume of 377,239 tonnes in Q4 2018 compared to 326,665 tonnes in Q4 2017. HRC Group continues to experience margin compression as a result of low rubber prices, which restricted the supply of raw materials to our factories. However, it is partially offset by higher distribution margin from Corrie MacColl Group.

FY 2018 vs FY 2017

Gross profit decreased by US\$32.2 million or 21.3% from US\$150.6 million for FY 2017 to US\$118.4 million for FY 2018 as gross profit per tonne has reduced to US\$83 (FY 2017: US\$123). Our factories in Indonesia experienced margin compression due to intense competition in the raw material market. This resulted in the factories having to pay higher prices to secure raw material supplies to ensure delivery of committed volume to customers. In addition, in the Ivory Coast, the Group incurred a gross loss of US\$3.6 million in FY 2018 (becomes loss before tax of US\$15.4 million after operating expenses in FY 2018) mainly due to a loss of margin arising from a lower quality of raw material purchased, stemming from lapses in procurement processes.

Higher gross profit for FY 2017 was mainly due to a rally in rubber prices in January and February 2017, which enabled the HRC Group to capture strong processing margins. Sales in China also generated higher margins during the price rally. This rally was not present in 2018. In contrast, rubber prices remained at lower levels this year, which affected our gross profit for FY 2018.

(Loss)/Profit before tax

Q4 2018 vs Q4 2017

Loss before tax in Q4 2018 was US\$13.5 million, a decrease of US\$27.2 million from profit before tax of US\$13.7 million in Q4 2017. The decrease in profit before tax was mainly due to the decrease in gross profit of US\$12.4 million as explained above, partially offset by lower selling expenses and a one-off recognition of gain on disposal of an associate (SIAT S.A) and a group of subsidiaries (Inobonto Holdings Pte Ltd) totalling US\$21.5 million in Q4 2017.

FY 2018 vs FY 2017

Loss before tax for FY 2018 was US\$17.0 million, as compared to profit before tax of US\$46.6 million for FY 2017. The decrease in Group's profit before tax of US\$63.5 million was mainly due to the decrease in gross profit, non-recurrence of share of profit of associate (disposed of in Q4 2017), additional operating expenses from the newly acquired and incorporated subsidiaries, and a non-recurring gain on disposal of an associate and a group of subsidiaries in Q4 2017 explained above.

(Loss)/Profit after tax

Q4 2018 vs Q4 2017

Loss after tax in Q4 2018 was US\$8.7 million, compared to profit after tax of US\$13.4 million in Q4 2017. The tax credit in Q4 2018 was US\$4.8 million mainly due to over provision from prior years upon finalisation with the tax authority.

FY 2018 vs FY 2017

Loss after tax in FY 2018 was US\$13.4 million, compared to profit after tax of US\$34.5 million in FY 2017. The tax credit for FY 2018 was US\$3.5 million mainly due to over provision from prior years upon finalisation with the tax authority.

Reclassification of discontinued operations to continuing operations

As explained in Section 5(c), TBH Group has been reclassified from discontinued operations to continuing operations in 2018, which resulted in a restatement of comparative figures in the income statement and cash flow statements. Accordingly, TBH Group's assets and liabilities have also been included in respective assets and liabilities in the Group's balance sheet.

As at 31 December 2017, the balance sheet of TBH Group was classified as separate asset and liability item on the Group's balance sheet, and was broken down as follows:

	31 Dec 17
	Unaudited
	US\$'000
<u>ASSETS</u>	
Investment in associate	1,348
Property, plant and equipment	27,187
Investment properties	16,656
Cash and bank balances	5,832
Other working capital assets	38,361
Total assets	89,384
<u>LIABILITIES</u>	
Working capital liabilities	8,969
Deferred tax liabilities	7,494
Total liabilities	16,463
Net assets	72,921

REVIEW OF THE FINANCIAL POSITION OF THE GROUP AS AT 31 DECEMBER 2018 VS 31 DECEMBER 2017

Non-current assets

Non-current assets increased by US\$217.0 million or 26.2% from 31 December 2017 (US\$827.9 million) to 31 December 2018 (US\$1,044.9 million), mainly due to the following factors:

- (i) addition of US\$100.5 million in intangible assets mainly related to the provisional goodwill arising from the acquisition of Corrie MacColl Group (US\$27.7 million), the acquisition of 80% equity stake in PT PBD (US\$13.6 million) and the acquisition of PTSD and PTSA (US\$56.2 million);
- (ii) US\$78.7 million additional investment in PPE and plantation related properties as part of the planned capital expenditure;
- (iii) US\$41.5 million increase in PPE and investment properties due to acquisition of Corrie MacColl (US\$2.1 million), PT PBD (US\$7.0 million) and PTSD and PTSA (US\$32.4 million); and
- (iv) US\$42.2 million of PPE and investment properties belonging to TBH being reclassified from assets of disposal group classified as held for sale.

The increase in non-current assets was partially offset by:

- (i) depreciation expense of US\$28.5 million; and
- (ii) foreign exchange difference arising from the translation of foreign currency denominated PPE and plantation related properties in an aggregate of US\$22.9 million as a result of the weakening of respective local currencies in Indonesia, China, Malaysia, and Africa, against the US Dollar.

Current assets

Current assets decreased by US\$35.1 million or 4.4% from 31 December 2017 (US\$804.8 million) to 31 December 2018 (US\$769.7 million) mainly due to:

- (i) decrease in cash and bank balances of US\$27.0 million;
- (ii) decrease in inventories of US\$7.4 million due lower volume and lower natural rubber price; and
- (iii) reclassification of assets of disposal group classified as held for sale to non-current assets.

The decrease in current assets was partially offset by:

- (i) increase in trade and other receivables of US\$60.2 million, in line with the Group's enlarged operations; and
- (ii) increase in derivative financial instruments of US\$21.3 million mainly due to higher valuation gain on open sales contracts as at 31 December 2018.

Current liabilities

Current liabilities increased by US\$282.8 million or 82.0% from 31 December 2017 (US\$344.9 million) to 31 December 2018 (US\$627.7 million), mainly due to:

- (i) increase in loan payables of US\$312.8 million, for the acquisition activities as well as for working capital purposes, especially for the newly acquired subsidiaries; and
- (ii) increase in derivative financial instruments of US\$1.8 million.

The increase is partially offset by:

- (i) decrease in trade and other payables of US\$6.0 million due to lower purchases of raw materials; and
- (ii) decrease in provision of taxation of US\$8.6 million.

The breakdown of the current loan payables are as follows:

(US\$ million)	31 December 2018	31 December 2017
Working capital loans	519.1	196.6
Term loans	1.3	11.0
Total	520.4	207.6

* Please refer to group funding structure section for further explanation.

Non-current liabilities

Non-current liabilities decreased by US\$3.6 million or 0.8% from 31 December 2017 (US\$454.7 million) to 31 December 2018 (US\$451.1 million), mainly due to decrease in loan payables of US\$11.3 million (as a result of repayment). The decrease is offset by increase in deferred tax liabilities by US\$7.9 million as a result of the reclassification of liabilities of disposal group classified as held for sale to continuing operations.

Equity

The Group's equity decreased by US\$97.3 million from US\$833.2 million as at 31 December 2017 to US\$735.9 million as at 31 December 2018, mainly due to distribution of dividends on ordinary shares and perpetual securities of US\$24.1 million and US\$6.8 million respectively, the acquisition of non-controlling interests, foreign currency translation loss during the year due to weakening of respective local currencies in Indonesia, China, Malaysia, and Africa, against the US Dollar, and net loss incurred during the year.

Group funding structure

Against these lacklustre market conditions, the Group focused on further strengthening its balance sheet. The table below summarises the funding structure of the Group:

(US\$ million)	Unaudited 31-Dec-18	Unaudited 30-Sep-18	Unaudited 30-Jun-18	Unaudited 31-Mar-18
Working capital employed ⁽¹⁾	539.4	513.8	536.0	550.4
Working capital loans	520.4	507.4	515.1	422.1
% Efficiency of Working Capital Funding	96.5%	98.8%	96.1%	76.7%
Operational long term assets ⁽²⁾	938.7	923.6	861.3	785.6
Term loans	391.6	394.2	394.0	402.2
% Fixed Asset Gearing	41.7%	42.7%	45.7%	51.2%
Cash and cash equivalents ⁽³⁾	122.9	122.5	132.3	168.4
Non-core assets ⁽⁴⁾	46.8	93.2	149.3	148.6
Total equity (excluding Perpetual Securities)	587.2	602.7	621.2	680.1
Perpetual Securities	148.7	148.7	148.7	148.7
Total equity (including Perpetual Securities)	735.9	751.4	769.9	828.8

Note 1: Working capital employed for the Group are defined as the sum of operational trade and other receivables, net derivative assets, pledged deposits and inventories, netted off against trade and other payables. In Dec-18, loan receivable from third party has been reclassified from non-core assets.

Note 2: Operational long term assets of the Group are defined as intangible assets, property, plant and equipment, plantation and biological assets, other non-current assets, net off against non-current liabilities. In Sep-18, plantation assets and PPE in Malaysia have been re-classified from non-core assets.

Note 3: Cash and cash equivalents as stated in the statement of cash flows.

Note 4: Non-core assets includes loan receivable from third party (up to Sep-18) and investment properties, as well as plantation assets in Malaysia (up to June-18).

Halcyon Agri's treasury operations have developed a stable funding base where the Group maintains full control of cash balances, financing tenors are matched, and fixed assets sustainably financed.

REVIEW OF THE STATEMENT OF CASH FLOWS OF THE GROUP FOR Q4 2018 VS Q4 2017 AND FY 2018 VS FY 2017

The following table sets out a summary of cash flows for Q4 2018, Q4 2017, FY 2018 and FY 2017

(US\$ million)	Q4 2018	Q4 2017 (Restated)	FY 2018	FY 2017 (Restated)
Net cash (used in)/generated from operating activities, before working capital changes	(7.1)	(16.2)	14.3	41.9
Changes in working capital	26.6	43.0	(67.3)	(84.6)
Net cash generated from/(used in) operating activities	19.5	26.8	(53.0)	(42.7)
Net cash (used in)/generated from investing activities	(23.2)	150.1	(201.2)	113.4
Net cash generated from/(used in) financing activities	5.9	(132.7)	228.4	11.2
Net increase/(decrease) in cash and cash equivalents	2.2	44.2	(25.8)	81.9
Cash and cash equivalents at the beginning of the period	122.5	107.1	153.4	66.6
Effect of exchange rate changes on the balance of cash held in foreign currencies	(1.8)	2.1	(4.7)	4.9
Cash and cash equivalents at the end of the period/year	122.9	153.4	122.9	153.4

Q4 2018

The Group's cash and cash equivalents increased by US\$2.2 million during Q4 2018. It recorded a net cash generated from operating activities of US\$19.5 million during Q4 2018.

Net cash used in investing activities of US\$23.2 million was mainly due to capital expenditure on property, plant and equipment and plantation related assets.

Net cash generated from financing activities was US\$5.9 million, mainly due to proceeds from various loans offset by payment of loan interests.

FY 2018

The Group’s cash and cash equivalents decreased by US\$25.8 million during FY 2018. It recorded a net cash used in operating activities of US\$53.0 million during FY 2018.

Net cash used in investing activities of US\$201.2 million was mainly due to acquisition of Corrie MacColl Group, PT PBD, PTSD and PTSA, acquisition of non-controlling interests, and capital expenditure on property, plant and equipment and plantation related assets.

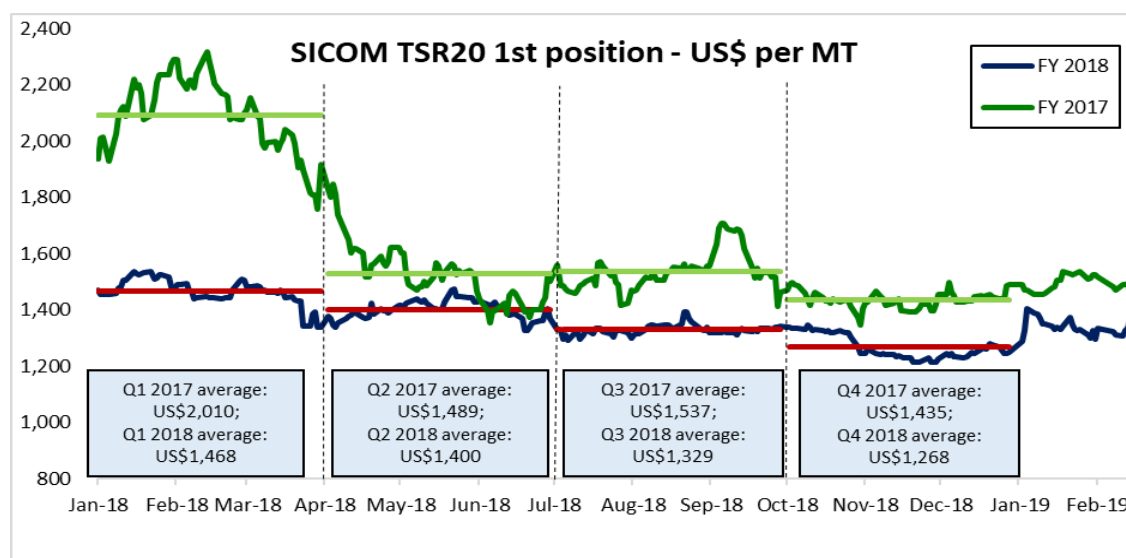
Net cash generated from financing activities was US\$228.4 million, mainly due to proceeds from various loans, offset by payment of dividends on ordinary shares, distribution to perpetual securities holders and payment of loan interest.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Company did not issue any forecast or prospect statement.

10. A commentary at the date of the announcement of the significant trend and competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

Market Overview



As the global macroeconomic outlook remains uncertain pending outcome of several major trade decisions, SICOM TSR20 first position continued in its downward trend in Q4 2018, averaging US\$1,268 per tonne as compared to US\$1,329 per tonne in the previous quarter. Despite the slight recovery of prices beginning Jan 2019, the challenges in the natural rubber industry remain, including the perceived overstock situation in China and low prices that negatively impact the availability of raw materials, as highlighted in previous quarters.

Following an internal strategic assets review, the Company continues to explore the option to spin-off its subsidiary, Corrie MacColl Limited (“Corrie MacColl”), which houses the plantation business in Cameroon and Malaysia, as well as the Group’s distribution business under the brand names of Centrotech, Wurfbain, Corrie MacColl, Alan L Grant, Momentum Technologies and Kelvin Terminals. In conjunction with the aforesaid spin-off, the Company is considering the listing and quotation of Corrie MacColl’s shares (“CMC Listing”) on the London Stock Exchange.

In this regard, Corrie MacColl has appointed Canaccord Genuity Limited to advise on the proposed CMC Listing. The Company would like to highlight that the proposed CMC Listing is in its preliminary stages and is dependent on, among other things, the results of preparatory work to be undertaken including due diligence, requisite approvals from all relevant regulatory authorities and Company shareholders, and market conditions prevailing at the relevant time. Accordingly, there can be no assurances that the proposed CMC Listing will materialise. Shareholders are advised to exercise caution when dealing in the shares of the Company.

Other key priorities in FY2019 in addressing the industry challenges are outlined as follows:

- The Group’s digitisation strategy, spearheaded by HeveaConnect, will seek to differentiate itself as a platform for bespoke trading of **HEVEAPRO** certified natural rubber. HeveaConnect aims to create industry-wide awareness towards the urgent need for industry-wide solution for natural rubber that is sustainably and responsibly sourced. Please refer www.heveaconnect.com for further details.
- Complete and execute the outcome of our internal strategic asset review
- Continue reviewing the efficiency and flexibility of the Group’s operating cost structure to stay responsive to volatile market prices.

11. Dividend

(a) *Current Financial Period Reported On*

Any dividend declared for the current financial period reported on?

No dividends have been declared or recommended for the current financial period.

(b) *Corresponding Period of the Immediately Preceding Financial Year*

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes, the following dividends were declared for FY 2017:

Type of Dividend	Final	Special
Settlement via	Cash	Cash
Dividend amount per share	S\$0.01	S\$0.01
Tax Rate	Tax-exempt (one-tier)	Tax-exempt (one-tier)

(c) *Date payable*

Not applicable.

(d) *Books closure date*

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

The Company recorded a net loss and consequently no dividend has been declared or recommended for the current financial period.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Company does not have an IPT Mandate.

14. Segmental information

Halcyon Agri is a global leader in natural rubber, supporting the world’s growing mobility needs through the origination, production and distribution of natural rubber. The Group sources a broad range of grades from all major origins globally, operates 38 natural rubber processing facilities in Indonesia, Malaysia, Thailand, China and Africa, and distributes to an international customer base through its network of warehouses and sales offices in South East Asia, China, the United States of America and Europe.

On 1 January 2018, the Group has streamlined its operating structure into the following key segments:

- **Corrie MacColl Group** (*was previously referred to as Global Non-Tyre & Specialty Tyre Segment*) – This business segment includes our plantation and processing business in Cameroon and Malaysia and our distribution business under the brand name of Centrotrade, Wurfbain, Corrie MacColl, Alan L. Grant, Momentum Technologies and Kelvin Terminals.
- **HRC Group** (*was previously referred to as Global Tyre Majors Segment*) – This business segment includes our processing factories in Indonesia and Ivory Coast and distribution business in Singapore, whose customers are predominantly top-tier global tyre makers.
- **SINRIO Group** (*was previously referred to as PRC Tyre Majors Segment*) – This business segment includes our processing factories in China, Malaysia and Thailand, and our distribution business in Singapore and China, whose customers are predominantly tyre makers based in PRC.
- **Corporate Segment** – covers group strategic management, corporate finance, group administration and legal matters, treasury, and taxation.

Segmental performance is continuously monitored to optimise the allocation of resources between segments.

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment Information - Fourth Quarter 2018 ("Q4 2018") and Fourth Quarter 2017 ("Q4 2017")

(US\$'000)	Corrie MacColl Group		HRC Group		SINRIO Group		Corporate		Elimination		Consolidated	
	Q4 2018	Q4 2017	Q4 2018	Q4 2017	Q4 2018	Q4 2017 (Restated)	Q4 2018	Q4 2017	Q4 2018	Q4 2017	Q4 2018	Q4 2017 (Restated)
Revenue to third party	157,294	76,302	154,146	185,950	226,864	250,134	-	-	-	-	538,304	512,386
Inter-segment revenue	(46)	17,456	13,639	65,534	3,908	3,675	7,200	2,535	(24,701)	(89,200)	-	-
Total revenue	157,248	93,758	167,785	251,484	230,772	253,809	7,200	2,535	(24,701)	(89,200)	538,304	512,386
Gross profit	9,724	5,801	(1,027)	12,965	8,186	10,357	7,200	2,535	(7,209)	(2,361)	16,874	29,297
Operating (loss)/profit	(361)	(808)	(10,048)	3,737	(3,228)	(3,151)	3,612	17,820	(58)	-	(10,083)	17,598
Finance income											1,509	1,306
Finance costs											(4,800)	(5,358)
Share of (loss)/profit of associates											(147)	105
(Loss)/Profit before taxation											(13,521)	13,651
Income tax credit/(expense)											4,844	(259)
(Loss)/Profit for the financial period											(8,677)	13,392
Total sales volume (tonnes)	100,303	61,356	124,851	167,148	165,134	158,748	-	-	(13,048)	(60,587)	377,239	326,665
Gross profit per tonne (US\$)	97	95	(8)	78	50	65	-	-	-	-	45	90
Other information:												
Management fee expense/(income)	-	450	4,929	1,002	2,269	900	(7,198)	(2,352)	-	-	-	-
Depreciation expenses	1,778	1,549	3,337	3,154	2,007	2,556	17	16	-	-	7,139	7,275
Capital expenditure	20,334	10,729	2,808	2,580	1,106	845	9	3	-	-	24,257	14,157

* Certain plantation assets in Malaysia have been reclassified from Corporate segment to Corrie MacColl Group in Sep-18 and have been reflected retrospectively for Dec-17

Segment Information -Financial Year Ended 31 December 2018 ("FY 2018") and 31 December 2017 ("FY 2017")

(US\$'000)	Corrie MacColl Group		HRC Group		SINRIO Group		Corporate		Elimination		Consolidated		
	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017 (Restated)	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017 (Restated)	
Revenue to third party	626,370	388,408	690,354	683,152	824,310	1,086,823	-	-	-	-	2,141,034	2,158,383	
Inter-segment revenue	5,102	32,872	52,583	377,865	13,087	40,040	20,073	10,140	(90,845)	(460,917)	-	-	
Total revenue	631,472	421,280	742,937	1,061,017	837,397	1,126,863	20,073	10,140	(90,845)	(460,917)	2,141,034	2,158,383	
Gross profit	46,348	25,868	18,871	88,737	53,280	35,953	20,073	10,140	(20,129)	(10,140)	118,443	150,558	
Operating profit/(loss)	14,186	9,169	(24,619)	45,423	6,897	(10,230)	8,069	14,887	(58)	-	4,475	59,249	
Finance income												4,900	2,950
Finance costs												(26,174)	(25,674)
Share of (loss)/profit of associates												(165)	10,043
(Loss)/Profit before taxation												(16,964)	46,568
Income tax credit/(expense)												3,551	(12,038)
(Loss)/Profit for the financial year												(13,413)	34,530
Total sales volume (tonnes)	388,911	247,702	523,781	625,991	570,715	626,333	-	-	(51,072)	(272,999)	1,432,335	1,227,027	
Gross profit per tonne (US\$)	119	104	36	142	93	57	-	-	-	-	83	123	
Other information:													
Management fee expense/(income)	-	1,800	13,409	4,740	6,655	3,600	(20,064)	(10,140)	-	-	-	-	
Depreciation expenses	6,886	5,829	13,221	12,446	8,307	8,449	65	68	-	-	28,479	26,792	
Capital expenditure	66,983	39,705	8,001	7,721	3,414	6,186	323	881	-	-	78,721	54,493	
	Corrie MacColl Group		HRC Group		SINRIO Group		Corporate		Elimination		Consolidated		
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17	
Segment Assets	1,008,340	915,516	614,540	661,887	367,984	464,188	1,494,485	1,326,362	(1,670,729)	(1,735,200)	1,814,620	1,632,753	
Segment Liabilities	579,356	477,152	551,178	543,782	227,277	402,350	716,086	510,606	(995,163)	(1,134,300)	1,078,734	799,590	

15. **Segmental information – Additional information for Full Year Announcement**

Geographical information

	FY 2018	FY 2017 (Restated)
Sales of natural rubber	(US\$ million)	(US\$ million)
Singapore	157.1	125.0
Asia (excluding Singapore and China)	533.2	621.7
China	579.6	679.7
USA/Canada	378.5	208.1
Europe	444.2	467.4
Others	48.4	56.5
Total	2,141.0	2,158.4

The table above shows the Group's revenue by geographical locations (based on the origin of the customers' ultimate parent company).

The Group's segment assets (non-current assets including intangible assets, property, plant and equipment, investment properties, plantation related properties, biological assets, other assets, deferred charges, loan receivable and investment in associate) by geographical location are presented below:

	31 Dec 2018	31 Dec 2017
Non-current assets	(US\$ million)	(US\$ million)
Asia	581.2	439.3
Africa	410.6	370.6
Europe	26.2	3.5
Others	11.9	0.2
Total	1,029.9	813.6

16. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Corrie MacColl Group

The contribution of Corrie MacColl Group to the whole Group has improved since FY2017, due to the results of the newly acquired businesses and subsidiaries. The increased market presence has further strengthened the market positioning in the regional latex and natural rubber market which improved its profitability.

HRC Group

Despite having additional revenue contribution from the newly acquired subsidiaries in PT PBD, PTSD and PTSA, the scarcity of raw materials, especially in Indonesia, have limited the output of the segment.

Segmental earnings are negatively impacted by margin compression caused by low absolute rubber prices, in which we had to compete for scarce raw materials in order to fulfil our commitments to long term floating price contracts. This led to us procuring under pressure by paying up to secure raw material supplies.

SINRIO Group

This segment has generated positive returns in FY2018 to the Group, mainly due to adoption of selective selling strategy, with a focus on profitability instead of volume. Such change in focus has resulted in reduction of the sales volume and revenue as compared to FY2017.

17. Breakdown of sales and profit/(loss) after tax in the first half and second half of the financial year

	Group		
	FY2018 (Unaudited)	FY2017 (Restated)	Increase/ (Decrease)
	US\$'000	US\$'000	%
(a) Sales reported for first half year	1,049,823	1,132,232	-7.3%
(b) (Loss)/Profit after tax before deducting non-controlling interests reported for first half year	(5,579)	12,743	n/m
(c) Sales reported for second half year	1,091,211	1,026,151	6.3%
(d) (Loss)/Profit after tax before deducting non-controlling interests reported for second half year	(7,834)	21,787	n/m

18. A breakdown of the total dividend (in dollar value) for the issuer's latest full year and its previous full year

	FY 2018 (Unaudited) S\$'000	FY 2017 (Audited) S\$'000
Declared and paid during the financial year:		
-Final exempt (one-tier) dividend for 2018 and 2017: NIL per share	-	-
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
-Final exempt (one-tier) dividend for 2018:NIL (2017: S\$0.01) per share	-	15,950
-Special exempt (one-tier) dividend for 2018:NIL (2017: S\$0.01) per share	-	15,950
Total	-	31,900

19. Undertakings from Directors and executive officers pursuant to Rule 720(1)

The Company confirms that each of its directors and executive officers has provided and has not withdrawn, a duly signed undertaking in the format set out in Appendix 7.7 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

- 20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the SGX-ST, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company.

By Order of the Board

Robert Meyer
Executive Director and CEO

Singapore,
28 February 2019