



## **Halcyon Agri Corporation Limited**

**(Company Registration No. 200504595D)  
Incorporated in the Republic of Singapore**

**Condensed Interim Financial Statements  
For the First Half ended 30 June 2024  
("H1 2024")**

# Halcyon Agri Corporation Limited and its Subsidiaries

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Halcyon Agri Corporation Limited and its Subsidiaries

**PART A: CONDENSED INTERIM FINANCIAL STATEMENTS**

**A1: Condensed Interim Consolidated Income Statement  
For the First Half ended 30 June 2024**

		<b>Group</b>		
	<b>Note in Part C</b>	<b>H1 2024 Unaudited US\$'000</b>	<b>H1 2023 Unaudited US\$'000</b>	<b>Change %</b>
<b>Revenue</b>		1,524,915	1,212,671	25.7
Cost of sales		(1,451,370)	(1,151,782)	26.0
<b>Gross profit</b>		73,545	60,889	20.8
Other income	4	304	17,128	(98.2)
Selling expenses		(26,547)	(31,509)	(15.7)
General and administrative expenses		(35,539)	(73,289)	(51.5)
General and administrative expenses – foreign exchange gain		251	2,290	(89.0)
<b>Operating profit/(loss)</b>		12,014	(24,491)	n/m
Finance income		1,333	2,648	(49.7)
Finance costs	5	(33,946)	(31,380)	8.2
Share of loss of associates		(333)	(316)	5.4
Loss before tax	6	(20,932)	(53,539)	(60.9)
Income tax expense	7	(3,188)	(9,117)	(65.0)
<b>Loss for the financial period</b>		(24,120)	(62,656)	(61.5)
<b>Loss attributable to:</b>				
Owners of the Company		(21,751)	(62,118)	(65.0)
Non-controlling interests		(2,369)	(538)	>100
		(24,120)	(62,656)	(61.5)
<b>Loss per share (“LPS”):</b>				
Basic and diluted (US cents per share)	8	(1.60)	(4.13)	(61.3)

*n/m – not meaningful*

## Halcyon Agri Corporation Limited and its Subsidiaries

### A2: Condensed Interim Consolidated Statement of Comprehensive Income For the First Half ended 30 June 2024

	<b>Group</b>		
	<b>H1 2024</b>	<b>H1 2023</b>	<b>Change</b>
	Unaudited US\$'000	Unaudited US\$'000	%
<b>Loss for the financial period</b>	(24,120)	(62,656)	(61.5)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	(20,052)	5,847	n/m
<b>Other comprehensive (loss)/ income for the financial period net of tax</b>	(20,052)	5,847	n/m
<b>Total comprehensive loss for the financial period net of tax</b>	(44,172)	(56,809)	(22.2)
<b>Attributable to:</b>			
- Owners of the Company	(41,031)	(56,802)	(27.8)
- Non-controlling interests	(3,141)	(7)	>100
<b>Total comprehensive loss for the financial period net of tax</b>	(44,172)	(56,809)	(22.2)

*n/m – not meaningful*

## Halcyon Agri Corporation Limited and its Subsidiaries

### A3: Condensed Interim Statements of Financial Position As at 30 June 2024 and 31 December 2023

	Note in Part C	Group		Company	
		30 June 2024 Unaudited US\$'000	31 December 2023 Audited US\$'000	30 June 2024 Unaudited US\$'000	31 December 2023 Audited US\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	9	297,780	298,046	–	–
Property, plant and equipment	10	212,058	224,458	1,684	2,192
Plantation and biological assets	13	552,273	558,346	–	–
Investment properties	11	38,733	41,200	–	–
Deferred tax assets	12	20,730	21,110	–	–
Deferred charges		1,167	1,283	–	–
Other assets		150	160	–	–
Loans and other receivables	14	1,633	3,826	–	–
Investment in subsidiaries		–	–	928,129	919,598
Investment in associates		5,580	6,000	4,226	4,568
<b>Total non-current assets</b>		<b>1,130,104</b>	<b>1,154,429</b>	<b>934,039</b>	<b>926,358</b>
<b>Current assets</b>					
Cash and bank balances		62,469	48,286	1,830	829
Trade receivables		137,315	141,273	–	–
Loans and other receivables	14	183,134	152,170	488,494	513,254
Tax receivables		4,751	5,035	–	–
Derivative financial instruments		26,512	8,653	1,140	4,652
Debt instruments		–	–	–	–
Inventories	15	542,756	456,921	–	–
Consumable biological assets		24	24	–	–
<b>Total current assets</b>		<b>956,961</b>	<b>812,362</b>	<b>491,464</b>	<b>518,735</b>
<b>Total assets</b>		<b>2,087,065</b>	<b>1,966,791</b>	<b>1,425,503</b>	<b>1,445,093</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Derivative financial instruments		24,194	13,021	1,293	4,063
Trade payables		75,250	67,495	–	–
Other payables		241,955	137,344	70,408	101,642
Loan payables	16	1,043,342	997,036	758,714	734,284
Provision for taxation		6,577	7,279	3,160	2,490
Lease liabilities		2,517	1,778	1,037	1,042
<b>Total current liabilities</b>		<b>1,393,835</b>	<b>1,223,953</b>	<b>834,612</b>	<b>843,521</b>
<b>Net current liabilities</b>		<b>(436,874)</b>	<b>(411,591)</b>	<b>(343,148)</b>	<b>(324,786)</b>

## Halcyon Agri Corporation Limited and its Subsidiaries

### A3: Condensed Interim Statements of Financial Position As at 30 June 2024 and 31 December 2023

		Group		Company	
	Note in Part C	30 June 2024	31 December 2023	30 June 2024	31 December 2023
		Unaudited US\$'000	Audited US\$'000	Unaudited US\$'000	Audited US\$'000
<b>Non-current liabilities</b>					
Loan payables	16	110,417	104,768	–	–
Retirement benefit obligations		14,417	15,233	–	–
Deferred tax liabilities	12	38,554	43,357	266	248
Lease liabilities		5,789	6,402	327	872
Other payables		6,527	7,387	40,583	24,143
Total non-current liabilities		175,704	177,147	41,176	25,263
<b>Net assets</b>		517,526	565,691	549,715	576,309
<b>Capital and reserves</b>					
Share capital	18	603,874	603,874	603,874	603,874
Perpetual securities	19	192,640	192,640	192,640	192,640
Capital reserve		3,438	3,530	–	–
Other reserves		(1,517)	(1,517)	(1,310)	(1,310)
Accumulated losses		(256,430)	(230,971)	(245,489)	(218,895)
Foreign currency translation reserve		(45,964)	(26,684)	–	–
<b>Equity attributable to owners of the Company</b>		496,041	540,872	549,715	576,309
Non-controlling interests		21,485	24,819	–	–
Total equity		517,526	565,691	549,715	576,309
<b>Total liabilities and equity</b>		2,087,065	1,966,791	1,425,503	1,445,093

Halcyon Agri Corporation Limited and its Subsidiaries

A4: Condensed Interim Statements of Changes in Equity  
For the First Half ended 30 June 2024

	Attributable to owners of the Company						Non-controlling interests	Total equity	
	Share capital US\$'000	Perpetual securities US\$'000	Capital reserve US\$'000	Other reserves US\$'000	Accumulated losses US\$'000	Foreign currency translation reserve US\$'000	Total equity attributable to owners of the Company US\$'000	US\$'000	
<b>Group (Unaudited)</b>									
<b>At 1 January 2024</b>	603,874	192,640	3,530	(1,517)	(230,971)	(26,684)	540,872	24,819	565,691
Loss for the period	–	–	–	–	(21,751)	–	(21,751)	(2,369)	(24,120)
Other comprehensive income	–	–	–	–	–	(19,280)	(19,280)	(772)	(20,052)
Total comprehensive loss for the period	–	–	–	–	(21,751)	(19,280)	(41,031)	(3,141)	(44,172)
<u>Contributions by and distributions to owners</u>									
Distribution to perpetual securities holders	–	–	–	–	(3,800)	–	(3,800)	–	(3,800)
Statutory reserve fund	–	–	(92)	–	92	–	–	–	–
Dividend declared to non-controlling interests	–	–	–	–	–	–	–	(193)	(193)
<b>Total contributions by and distributions to owner</b>	–	–	(92)	–	(3,708)	–	(3,800)	(193)	(3,993)
<b>At 30 June 2024</b>	603,874	192,640	3,438	(1,517)	(256,430)	(45,964)	496,041	21,485	517,526

Halcyon Agri Corporation Limited and its Subsidiaries

A4: Condensed Interim Statements of Changes in Equity  
For the First Half ended 30 June 2023

	Attributable to owners of the Company						Non-controlling interests	Total equity	
	Share capital US\$'000	Perpetual securities US\$'000	Capital reserve US\$'000	Other reserves US\$'000	Accumulated losses US\$'000	Foreign currency translation reserve US\$'000	Total equity attributable to owners of the Company US\$'000	US\$'000	
<b>Group (Unaudited)</b>									
<b>At 1 January 2023</b>	603,874	192,640	2,898	(1,517)	(135,712)	(32,349)	629,834	30,198	660,032
Loss for the period	-	-	-	-	(62,118)	-	(62,118)	(538)	(62,656)
Other comprehensive income	-	-	-	-	-	5,316	5,316	531	5,847
Total comprehensive income/(loss) for the period	-	-	-	-	(62,118)	5,316	(56,802)	(7)	(56,809)
<u>Contributions by and distributions to owners</u>									
Distribution to perpetual securities holders	-	-	-	-	(3,800)	-	(3,800)	-	(3,800)
Dividend declared to non-controlling interests	-	-	-	-	-	-	-	43	43
<b>Total contributions by and distributions to owner</b>	-	-	-	-	(3,800)	-	(3,800)	43	(3,757)
<b>At 30 June 2023</b>	603,874	192,640	2,898	(1,517)	(201,630)	(27,033)	569,232	30,234	599,466



**Halcyon Agri Corporation Limited and its Subsidiaries**

**A4: Condensed Interim Statements of Changes in Equity  
For the First Half ended 30 June 2024 and 30 June 2023**

	Share capital US\$'000	Perpetual securities US\$'000	Other reserves US\$'000	(Accumulated losses)/ Retained earnings US\$'000	Total equity US\$'000
<b>Company (Unaudited)</b>					
<b>At 1 January 2024</b>	603,874	192,640	(1,310)	(218,895)	576,309
Loss for the period, representing total comprehensive loss for the period	–	–	–	(22,794)	(22,794)
<u>Contributions by and distributions to owners</u>					
Distribution to perpetual securities holders	–	–	–	(3,800)	(3,800)
<b>Total transactions with owners in their capacity as owners</b>	–	–	–	(3,800)	(3,800)
<b>At 30 June 2024</b>	603,874	192,640	(1,310)	(245,489)	549,715
<b>At 1 January 2023</b>	603,874	192,640	(1,310)	2,944	798,148
Profit for the period, representing total comprehensive loss for the period	–	–	–	(22,844)	(22,844)
<u>Contributions by and distributions to owners</u>					
Distribution to perpetual securities holders	–	–	–	(3,800)	(3,800)
<b>Total transactions with owners in their capacity as owners</b>	–	–	–	(3,800)	(3,800)
<b>At 30 June 2023</b>	603,874	192,640	(1,310)	(23,700)	771,504

## Halcyon Agri Corporation Limited and its Subsidiaries

### A5: Condensed Interim Consolidated Cash Flow Statement For the First Half ended 30 June 2024

	Note in Part C	Group	
		H1 2024 Unaudited	H1 2023 Unaudited
		US\$'000	US\$'000
<b>Operating activities</b>			
Loss before tax		(20,932)	(53,539)
Adjustments for:			
Depreciation expense	6	12,635	13,151
Amortisation of intangible assets	6	290	497
Amortisation of right-of-use assets	6	1,077	1,617
Retirement benefit expense		845	1,775
Interest income		(1,333)	(2,648)
Interest expense		33,741	31,149
Interest on operating lease liabilities		205	231
Fair value loss on open forward commodities contracts and inventories, unrealised		(8,875)	1,411
Unrealised foreign exchange loss/(gain)		3,515	(3,815)
Loss/(gain) on disposal of property, plant and equipment, plantation and investment properties	4	12	(16,326)
Write off of property, plant and equipment (Reversal of allowance)/allowance for other receivables	6	15	66
		(96)	2,759
Impairment losses on financial assets	6	1,312	20,800
Share of loss of associates		333	316
<b>Operating cash flows before changes in working capital</b>		22,744	(2,556)
Trade and other receivables		(75,059)	(30,773)
Inventories		(93,205)	1,317
Trade and other payables		102,060	60,675
<b>Cash (used in)/generated from operations</b>		(43,460)	28,663
Interest received		1,281	904
Tax paid		(6,461)	(13,053)
<b>Net cash (used in)/generated from operating activities</b>		(48,640)	16,514
<b>Investing activities</b>			
Capital expenditure on property, plant and equipment, and intangible assets		(6,931)	(5,301)
Capital expenditure on plantation and biological assets		(2,530)	(3,123)
Deposits and proceeds received from disposal of property, plant and equipment, plantation and investment properties		–	25,304
Repayment from loan to a third party		42,283	–
<b>Net cash generated from investing activities</b>		32,822	16,880

## Halcyon Agri Corporation Limited and its Subsidiaries

### A5: Condensed Interim Consolidated Cash Flow Statement For the First Half ended 30 June 2024

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	<b>Group</b>	
	<b>H1 2024</b>	<b>H1 2023</b>
	Unaudited	Unaudited
	US\$'000	US\$'000
<b>Financing activities</b>		
Net proceeds/(repayment) of term loans	9,808	(60,192)
Net proceeds from other working capital loans	56,370	60,270
Repayment of obligation under lease arrangements	(1,268)	(1,757)
Interest paid	(29,425)	(35,377)
Dividend distributed to perpetual securities holders	(3,800)	(3,800)
Dividend paid to non-controlling interest	(193)	–
<b>Net cash generated/(used in) from financing activities</b>	<b>31,492</b>	<b>(40,856)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>15,674</b>	<b>(7,462)</b>
Cash and cash equivalents at the beginning of period	48,286	118,682
Effect of exchange rate changes on the balance of cash held in foreign currencies	(1,491)	92
<b>Cash and cash equivalents at the end of period</b>	<b>62,469</b>	<b>111,312</b>

## PART B: REVIEW OF THE PERFORMANCE OF THE GROUP AND MARKET OUTLOOK

### B1: Review of Performance of the Group

#### REVIEW OF THE INCOME STATEMENT OF THE GROUP FOR H1 2024 VS H1 2023

##### Performance by segment

		CMCP Group		CMCI Group		HRC Group		Group	
		H1 2024	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023	H1 2024	H1 2023
Sales volume	tonnes	11,987	9,584	160,308	140,289	750,302	670,684	901,780	789,966
Total revenue	US\$ Million	19.2	14.8	319.1	284.9	1,234.1	956.3	1,524.9	1,212.7
Gross (loss)/profit	US\$ Million	(1.6)	(8.3)	26.8	31.6	48.4	37.7	73.5	60.9
Operating (loss)/profit*	US\$ Million	(11.5)	(26.1)	10.5	13.4	19.4	16.7	12.0	(24.5)

\* Segmental operating profits figures mentioned herein excluded management fees.

##### Group

The Group continues to realise synergies from integration with China Hainan Rubber Industry Group Co., Ltd. ("HRG"), which has seen an increase in Group's sales volume by 14.2% from 789,966 tonnes to 901,780 tonnes. Coupled with higher average selling prices, total revenue inched up by 25.7% from US\$1,212.7 million in H1 2023 to US\$1,524.9 million in H1 2024. With the gradual recovery in rubber market prices and a continuous cost control measures, the Group's gross profit improved from US\$60.9 million in H1 2023 to US\$73.5 million in H1 2024. And operating profit improved to 12.0 million in H1 2024 from loss of US\$24.5 million in H1 2023 compared to corresponding period.

##### CMC Plantations (CMCP)

Excluding non-recurring expenses (Note 6), CMCP recorded improved results as compared to previous corresponding period which was derived from higher sales volume, improvement of market price and overall collective cost control measures. Gross loss reduced from US\$8.3 million in H1 2023 to US\$1.6 million in H1 2024; operating loss excluding non-recurring expenses decreased from US\$18 million in H1 2023 to US\$11.5 million in H1 2024.

##### CMC International (CMCI)

Higher sales volume and revenue in H1 2024 compared to previous corresponding period was influenced by synergistic integration with HRG in China market. However driven by lower demand in US & EU market, gross profit and operating profit trended lower in H1 2024.

##### Halcyon Rubber Company (HRC)

HRC's sales volume and revenue rose to 750,302 tonnes and US\$1,234.1 million respectively, highlighting the positive effects of the successful implementation of the Group's commercial strategy, specifically the expansion of the market share and the synergistic integration with HRG in China. Buoyed by the price recovery and positive impact of cost-saving initiatives, gross profit increased from US\$37.7 million in H1 2023 to US\$48.4 million in H1 2024. As a result, operating profit increased in tandem from US\$16.7 million in H1 2023 to US\$19.4 million in H1 2024.

**PART B: REVIEW OF PERFORMANCE OF THE GROUP AND MARKET OUTLOOK (CONT'D)**  
**B1: Review of Performance of the Group (cont'd)**

**Operating and financial statistics**

		<b>H1 2024</b>	<b>H1 2023</b>	<b>Change</b>
Total sales volume	tonnes	901,780	789,966	14.2%
Revenue	US\$ Million	1,524.9	1,212.7	25.7%
Revenue per tonne	US\$	1,691	1,535	10.2%
Gross profit	US\$ Million	73.5	60.9	20.7%
Net Loss	US\$ Million	(24.1)	(62.7)	n/m

**Revenue**

The Group recorded revenue of US\$1,524.9 million in H1 2024, an increase of US\$312.2 million or 25.7% from US\$1,212.7 million in the previous corresponding H1 2023. This is mainly due to:

- (i) An increase in sales volume of 111,814 tonnes (14.2%) from 789,966 tonnes in H1 2023 to 901,780 tonnes in H1 2024, underlining the benefits of integration with HRG, specifically the expansion of sales in China.
- (ii) An increase in revenue per tonne from US\$1,535 in H1 2023 to US\$1,691 in H1 2024, in line with rubber market price in the respective period.

**Cost of sales**

Cost of sales comprises plantation costs, cost of procuring and processing raw materials into finished goods, and other incidental costs relating to transportation.

The Group's cost of sales for H1 2024 amounted to US\$1,451.4 million, which was an increase of US\$299.6 million (26.0%) from US\$1,151.8 million in H1 2023. Cost of sales per tonne increased by US\$151 (10.4%) from US\$1,458 in H1 2023 to US\$1,609 in H1 2024, in line with rubber price trends.

**Gross profit**

	<b>H1 2024</b>	<b>H1 2023</b>	<b>Change</b>
Gross profit (US\$ Million)	73.5	60.9	20.8%
Sales volume (tonnes)	901,780	789,966	14.2%
Gross profit per tonne (US\$)	82	77	6.5%

Gross profit increased by US\$12.6 million (20.8%) from US\$60.9 million in H1 2023 to US\$73.5 million in H1 2024 mainly due to the increased in sales volume and gross profit per tonne, which is consistent with management's strategy to achieve higher market share and measures to control costs.

**PART B: REVIEW OF PERFORMANCE OF THE GROUP AND MARKET OUTLOOK (CONT'D)**  
**B1: Review of Performance of the Group (cont'd)**

**Loss before tax**

Loss before tax in H1 2024 was US\$20.9 million compared with US\$53.5 million loss before tax recorded in H1 2023, mainly due to the following reasons:

- (i) increase in gross profit by US\$12.6 million due to the reasons aforementioned;
- (ii) decrease in impairment losses on financial assets by US\$19.5 million (Note 6);
- (iii) non-recurring expenses recorded in H1 2023 of US\$8.1 million (Note 6);
- (iv) decrease in other general and administrative expenses by US\$8 million due by various cost control measures;
- (v) decrease in selling expenses by US\$5.0 million;

which was partially offset by:

- (vi) decrease in other income by US\$16.8 million mainly due to non-recurring of disposal of non-core assets in prior year;
- (vii) increase in net financing costs by US\$3.9 million, which is in line with the increase in loan principal as well as interest rate hikes.

**Loss after tax**

Loss after tax in H1 2024 was US\$24.1 million, compared to US\$62.7 million loss after tax in H1 2023 mainly driven by the decrease in loss before tax of US\$32.6 million as mentioned above, and a decrease in tax expense of US\$5.9 million, mainly as a result of tax on disposal of non-core assets in H1 2023 not recurred in H1 2024.

**REVIEW OF THE FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2024 VS 31 DECEMBER 2023**

**Non-current assets**

Non-current assets decreased by US\$24.3 million (2.1%) from 31 December 2023 (US\$1,154.4 million) to 30 June 2024 (US\$1,130.1 million), mainly due to the following factors:

- (i) depreciation and amortisation expense during H1 2024 of US\$14 million;
- (ii) foreign translation loss of US\$22.4 million due to strengthening of US Dollars against local currencies;
- (iii) reclassification of non-current loans and other receivables of US\$2.2 million to current assets;
- (iv) offset by capital expenditure made during H1 2024 of US\$9.5 million and interest capitalisation in plantation and biological asset of US\$6.2 million.

## **PART B: REVIEW OF PERFORMANCE OF THE GROUP AND MARKET OUTLOOK (CONT'D)**

### ***B1: Review of Performance of the Group (cont'd)***

#### **Current assets**

Current assets increased by US\$144.6 million (17.8%) from 31 December 2023 (US\$812.4 million) to 30 June 2024 (US\$957.0 million) mainly due to:

- (i) increase in inventories of US\$85.8 million, mainly driven by higher average stock price. The group's inventory turnover days as at 30 June 2024 were 60 days (2023: 54 days) which is aligned with the group's operation and risk management strategy;
- (ii) increase in loans and other receivables of US\$31.0 million, mainly due to increase in advance payment to third parties for purchases;
- (iii) increase in cash and bank balances of US\$14.2 million;
- (iv) increase in derivative financial instruments of US\$17.9 million, mainly due to higher valuation gain on open contracts as at 30 June 2024;
- (v) offset by decrease in trade receivables of US\$4.0 million.

#### **Current liabilities**

Current liabilities increased by US\$169.9 million (13.9%) during the period from 31 December 2023 (US\$1,223.9 million) to 30 June 2024 (US\$1,393.8 million), mainly due to:

- (i) increase in other payables of US\$104.6 million, mainly due to US\$94.7 million increase in the advances related to contracted sales from third parties, and US\$9.9 million increase in interest accrual to HRG;
- (ii) net proceeds in short-term loans of US\$46.3 million to support working capital requirement;
- (iii) increase in derivative financial instruments of US\$11.2 million;
- (iv) increase in trade payables of US\$7.8 million;

#### **Non-current liabilities**

Non-current liabilities decreased by US\$1.4 million (0.8%) from 31 December 2023 (US\$177.1 million) to 30 June 2024 (US\$175.7 million), mainly due to:

- (i) decrease in deferred tax liabilities of US\$4.8 million, mainly due to derecognition of deferred tax liabilities on temporary differences during the current financial period;
- (ii) decrease in lease liabilities of US\$0.6 million mainly due to the reclassification of current portion of lease liabilities;
- (iii) decrease in other payables of US\$0.9 million;
- (iv) decrease in retirement benefit obligations of US\$0.8 million;
- (v) offset by increase in loan payables of US\$5.6 million.

#### **Equity**

The Group's equity decreased by US\$48.2 million, from US\$565.7 million as at 31 December 2023 to US\$517.5 million as at 30 June 2024, as a result of net loss of US\$24.1 million, US\$3.8 million perpetual securities interest distribution and US\$20.1 million translation loss from foreign operations for the period.

**PART B: REVIEW OF PERFORMANCE OF THE GROUP AND MARKET OUTLOOK (CONT'D)**  
**B1: Review of Performance of the Group (cont'd)**

**Group funding structure**

The table below summarises the funding structure of the Group:

	<b>Balance at 30 June 2024</b>	<b>Balance at 31 December 2023</b>
	US\$ Million	US\$ Million
Net working capital assets <sup>(1)</sup>	544.9	495.2
Cash and cash equivalents	62.5	48.3
Loan receivables	1.6	47.1
Total net working capital employed	609.0	590.6
Working capital loans	442.3	615.0
<b>% Efficiency of Working Capital Funding</b>	<b>72.6%</b>	<b>104.1%</b>
Shareholder's loans	594.0	376.0
<b>% Efficiency of Working Capital Funding Including shareholders' loans</b>	<b>170.2%</b>	<b>167.8%</b>
Operational long term assets <sup>(2)</sup>	1,031.9	1,043.8
Non-core assets <sup>(3)</sup>	38.7	41.2
Other borrowings	125.8	118.9
<b>% Fixed Asset Gearing</b>	<b>11.8%</b>	<b>11.0%</b>
<b>Total equity</b>	<b>517.5</b>	<b>565.7</b>

<sup>(1)</sup> Net working capital assets for the Group are defined as the sum of operational trade and other receivables, net derivative assets, inventories, assets held for sale, net off against trade and other payables.

<sup>(2)</sup> Operational long term assets of the Group are defined as intangible assets, PPE, plantation and biological assets, and other non-current assets and right-of-use assets, net off against non-current liabilities.

<sup>(3)</sup> Non-core assets mainly made up of investment properties.

**Group Cash Flow**

The Group's cash and cash equivalents increased by US\$14.2 million during H1 2024.

The Group has recorded a cash inflow from operating activities before working capital changes of US\$24.0 million and paid US\$6.5 million for tax. US\$66.2 million has been used to increase working capital assets (mainly due to inventory and advance from customers) during the period. Thus, the Group has recorded a net cash used in operating activities of US\$48.6 million during H1 2024.

Net cash generated from investing activities of US\$32.8 million was mainly due to repayment from loan to a third party of US\$42.3 million. This is partially offset by the capital expenditure on property, plant and equipment, plantation and biological assets of US\$9.5 million.

Net cash generated from financing activities was US\$31.5 million, mainly due to proceeds from working capital loans and term loans of US\$66.2 million, offset by interest paid of US\$29.4 million, dividend distribution to perpetual securities holders of US\$3.8 million, and repayment of lease liabilities of US\$1.3 million.



## PART B: REVIEW OF PERFORMANCE OF THE GROUP AND MARKET OUTLOOK (CONT'D)

### ***B2: The significant trends 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 operating period and the next 12 months***

International Monetary Fund (“IMF”) and the Organization for Economic Cooperation and Development (“OECD”), in their estimate, both forecasted Global growth is projected to be slower than historical averages (2010-19) due to inflation, debt burdens, and low productivity. Despite such, we’ve seen some positive signs that point towards gradual improvement, as real incomes have begun to improve as inflation moderates and trade growth has turned positive.

Economic growth	2022	2023	2024f	2025f
IMF	3.5%	3.1%	3.1%	3.2%
OECD	3.1%	3.1%	3.1%	3.2%

Zooming into the natural rubber industry, SICOM price has improved since mid of last year and stabilized within the range of US\$1,585 to US\$1,837 per ton through Q2 2024. Demand remained generally stable and raw material supply kept insufficient in traditional natural rubber producing countries. As EU Deforestation Regulation (EUDR) will be effective on January 2025, the Group observed an increased interest of traceable natural rubber products and actively capitalising this market opportunity in locations where we operate.

Looking ahead into the next 12 months, several key factors will likely influence the direction of the global economy, which ultimately will impact the global consumption of natural rubber:

- The continuation of a high interest rate environment, and the timing and magnitude of interest rate reduction;
- Rising geopolitical tensions in Eastern Europe and the Middle East, altogether with political instability due to US election;
- The economic trends and policy stimulus of China impact on automotive manufacturers and consumption.

**PART C: NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the First Half ended 30 June 2024**

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**1. Corporate information**

Halcyon Agri Corporation Limited (the "Company") is a public limited liability company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited.

The registered office of the Company is located at 180 Clemenceau Avenue, #05-02 Haw Par Centre, Singapore 239922.

As at 30 June 2024, the Company is 68.1% owned by China Rubber Investment Group Company Limited., a company incorporated and domiciled in Hong Kong, and 29.2% owned by Sinochem International (Overseas) Pte. Ltd. ("SIO"). The penultimate holding company is China Hainan Rubber Industry Group Co., Ltd. ("HRG"), which is a state-owned enterprise of the People's Republic of China, domiciled in the People's Republic of China and listed on the Shanghai Stock Exchange. HRG is directly owned by 海南省农垦投资控股集团有限公司 (also known as Hainan Province Agribusiness Investment Holding Group Co., Ltd., or "HSF", or the "ultimate holding company"), a state-owned enterprise of the People's Republic of China.

The principal activity of the Company is investment holding. The main principal activities of the Group are:

- 1) Natural rubber processing
- 2) Natural rubber plantation
- 3) Natural rubber trading and distribution

**2. Basis of preparation**

The condensed interim financial statements for the First Half ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies adopted in the last annual financial statements.

The financial statements are presented in United States Dollar ("USD" or "US\$") and all values in the tables are rounded to the nearest thousand ("US\$'000") unless otherwise indicated.

The consolidated financial statement of the Group was prepared based on going concern assumption, further details are disclosed in Note 25 – Going Concern.

**2.1 Adoption of new and amended standards and interpretations**

The Group has adopted all applicable SFRS(I) that are mandatory for financial years beginning on or after 1 January 2024. The adoption of these standards did not have any material effect on the financial performance or financial position of the Group.

**PART C: NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the First Half ended 30 June 2024**

**3. Use of estimates and judgements**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements as at and for the year ended 31 December 2023.

Information about critical judgements in applying accounting policies and the assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period that have most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 9 – Impairment of goodwill and process know-how
- Note 13 – Classification of rubber trees as bearer plants and non-bearer plants
- Note 13 – Measurement of biological assets
- Note 25 – Going Concern.

**4. Other income**

	<b>Group</b>	
	<b>H1 2024</b>	<b>H1 2023</b>
	US\$'000	US\$'000
Gain on disposal of property, plant and equipment, plantation properties	–	16,326
Government grant	167	333
Others	137	469
	304	17,128
	304	17,128

**5. Finance costs**

	<b>Group</b>	
	<b>H1 2024</b>	<b>H1 2023</b>
	US\$'000	US\$'000
Interest expense on:		
- Term loans	6,604	15,613
- Working capital loans	27,137	15,536
- Lease liabilities	205	231
Total finance costs	33,946	31,380
	33,946	31,380

**PART C: NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the First Half ended 30 June 2024**

**6. Loss before tax**

	<b>Group</b>	
	<b>H1 2024</b>	<b>H1 2023</b>
	US\$'000	US\$'000
Loss before tax has been arrived at after charging:		
Non-recurring expenses:		
- Tax settlement arising from prior year	–	5,344
- Allowance for other receivables	–	2,759
	–	8,103
Depreciation of property, plant and equipment and plantation related properties included in:		
- Cost of sales	10,136	10,906
- Selling expenses	28	8
- Administrative expenses	2,471	2,237
	12,635	13,151
Foreign exchange loss/(gain) included in:		
- Cost of sales	277	249
- Administrative expenses	(251)	(2,290)
	26	(2,041)
Amortisation:		
- Intangible assets	290	497
- Right-of-use assets	1,077	1,617
	1,367	2,114
Employee benefit expenses (including directors' remuneration)		
- Cost of sales	26,518	28,342
- Selling expenses	2,334	2,457
- Administrative expenses	14,193	20,157
	43,045	50,956
Professional fees	2,982	3,084
Lease expenses on short-term leases and low-value assets	291	206
Write off of property, plant and equipment	15	66
Impairment losses on financial assets	1,312	20,800
Inventories recognised as an expense in cost of sales	1,451,370	1,151,782

**PART C: NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the First Half ended 30 June 2024**

**7. Income tax expense**

	<b>Group</b>	
	<b>H1 2024</b>	<b>H1 2023</b>
	US\$'000	US\$'000
<b>Consolidated income statement</b>		
<b>Current tax</b>		
Current tax expense	(5,983)	(8,630)
Under provision in prior years	(272)	(1,270)
<b>Deferred tax</b>		
Tax credit relating to the origination and reversal of temporary differences	3,067	783
Income tax expense recognised in consolidated income statement	(3,188)	(9,117)

**8. Loss per share ("LPS")**

	<b>Group</b>	
	<b>Basic and diluted</b>	
	<b>H1 2024</b>	<b>H1 2023</b>
	US\$'000	US\$'000
Loss for the period attributable to owners of the Company	(21,751)	(62,118)
Dividend on perpetual securities*	(3,800)	(3,800)
Adjusted loss attributable to owners of the Company	(25,551)	(65,918)
	<b>Number of ordinary shares '000</b>	
	<b>Basic and diluted</b>	
Weighted average number of ordinary shares used to compute earnings per share	1,595,012	1,595,012
Basic and diluted loss per share ("LPS") in US cents	(1.60)	(4.13)
Loss per share (US Cents)	(1.60)	(4.13)
Loss per share (SGD Cents) <sup>(1)</sup>	(2.16)	(5.53)

\* This amount represents dividend reserved for distribution to perpetual securities holders for the period.

<sup>(1)</sup> Translated at the average exchange rates for each respective period.

**PART C: NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the First Half ended 30 June 2024**

**9. Intangible assets**

***Goodwill***

Goodwill acquired through business combinations have been allocated to following cash-generating units (“CGU”), for impairment testing:

	<b>Group</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>
	US\$'000	US\$'000
A CGU within HRC Group	256,601	256,601
A CGU within Corrie MacColl Group	29,778	29,778
	286,379	286,379
Process know-how	10,000	10,000

***Impairment testing of goodwill and process know-how with indefinite life***

The above goodwill and process know-how were tested for impairment as at 31 December 2023. The recoverable amount of the CGUs has been determined based on value in use calculations using 5 to 10 years cash flow projections from financial budgets approved by management and assumed a terminal growth rate thereafter.

As at 30 June 2024, the Group reviewed the key assumptions used in the value in use calculation as at 31 December 2023 impairment test and noted that the assumptions remained reasonable. No impairment loss was recognised as at 30 June 2024 and 31 December 2023 as the recoverable amounts of the respective CGU to which goodwill and process know-how have been allocated to were in excess of their respective carrying values.

**10. Property, plant and equipment**

During H1 2024, the Group’s property, plant and equipment decreased by US\$12,400,000, mainly due to depreciation charges of US\$9,730,000 (30 June 2023: US\$10,832,000), exchange loss of US\$8,158,000 (30 June 2023: gain of US\$2,380,000), offset by acquired assets amounting to US\$6,894,000 (30 June 2023: US\$5,301,000).

**11. Investment properties**

Valuation of investment properties

Investment properties are stated at fair value, which has been determined based on valuations performed as at 31 December 2023. The valuations were performed by independent valuers with recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued. Details of valuation techniques and inputs used are disclosed in Note 22.

During H1 2024, the Group did not engage independent valuers to determine the fair value of the properties. However, the Management had taken into considerations those underlying factors that would have impacts to the fair value of the investment properties since the last valuations completed in December 2023. There are no major aspects that could affect the fair value of the investment properties as at 30 June 2024.

**PART C: NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the First Half ended 30 June 2024**

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**12. Deferred taxes**

The decrease in deferred tax liabilities of US\$4,423,000 is mainly due to derecognition of deferred tax liabilities on temporary differences during the current financial period.

**13. Plantation and biological assets**

The decrease of the Group's plantation and biological assets by US\$6,073,000 during the First Half ended 30 June 2024 is mainly due to depreciation charges of US\$3,061,000 and exchange loss of US\$11,714,000 offset by additional cost capitalised of US\$8,745,000.

Interest expense amounting to US\$6,215,000 was capitalised in H1 2024 (US\$6,272,000 in H1 2023). The rate used to determine the amount of borrowing costs eligible for capitalisation was 7.33% - 7.50% (31 December 2023: 7.07% - 7.50%) per annum, which is the effective interest rate of borrowings.

Classification of rubber trees as bearer plants or non-bearer plants

The Group has assessed that there is an established commercial market for end-of-life rubber trees in Malaysia and Cameroon, and it is the Group's business plan to convert the rubber trees into products other than incidental scrap at the end of the rubber production life. As such, the classification of rubber plantations in Malaysia and Cameroon remains the same as preceding period as at 30 June 2024.

Measurement of biological assets

The fair value of biological assets is estimated using the discounted cash flow model ("DCF") by independent professional valuers as at 31 December 2023. This requires an estimate of the expected future cash flows from the biological assets to be made and a suitable discount rate to be chosen, in order to calculate the present value of future cash flows.

During H1 2024, the Group did not engage independent valuers to determine the fair value of biological assets. However, management has considered the assumptions and estimates on parameters used in the last valuation completed in December 2023. There are no major aspects that could materially affect the fair value of the biological assets as at 30 June 2024.

**PART C: NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the First Half ended 30 June 2024**

**14. Loans and other receivables**

In March 2024, the loan to a third party (US\$43,758,000 as at 31 December 2023) was fully settled.

**15. Inventories**

	<b>Group</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>
	US\$'000	US\$'000
Inventories carried at cost	22,995	23,731
Inventories carried at fair value	519,761	433,190
	<b>542,756</b>	<b>456,921</b>

Inventories as at the end of the reporting period on 30 June 2024 included fair value gain of US\$35,512,000 (31 December 2023: fair value gain of US\$32,049,000). The group's inventory turnover days as at 30 June 2024 were 60 days (31 December 2023: 54 days).

**16. Loan payables**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
	US\$'000	US\$'000	US\$'000	US\$'000
Current:				
- Working capital loans	436,081	609,241	173,714	358,284
- Shareholders' loans	594,035	376,000	585,000	376,000
- Term loans	13,226	11,795	-	-
	<b>1,043,342</b>	<b>997,036</b>	<b>758,714</b>	<b>734,284</b>
Non-current:				
- Working capital loans	6,197	5,777	-	-
- Term loans	104,220	98,991	-	-
	<b>110,417</b>	<b>104,768</b>	<b>-</b>	<b>-</b>
Total loan payables	<b>1,153,759</b>	<b>1,101,804</b>	<b>758,714</b>	<b>734,284</b>



**PART C: NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the First Half ended 30 June 2024**

**16. Loan payables (cont'd)**

	<b>Group</b>			
	<b>30 June 2024</b>		<b>31 December 2023</b>	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, on demand	131,009	912,333	133,553	863,483
Amount repayable after one year	102,791	7,626	96,191	8,577

**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, trade receivables and certain cash and bank balances.

**17. Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
Net asset value per ordinary share based on issued share capital (US cents)	32.45	35.47	34.46	36.13
Net asset value per ordinary share based on issued share capital (SGD cents) <sup>(1)</sup>	43.87	46.77	46.59	47.64
Number of ordinary shares outstanding (in thousands)	1,595,012	1,595,012	1,595,012	1,595,012

<sup>(1)</sup> Translated at the closing exchange rates for each respective period.

**PART C: NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the First Half ended 30 June 2024**

**18. Share capital**

- (i) Issued and paid up capital

	<b>No. of shares '000</b>	<b>US\$'000</b>
At 31 December 2023 and 30 June 2024	<u>1,595,012</u>	<u>603,874</u>

There were no outstanding options, convertibles, treasury shares or subsidiary holdings as at 30 June 2024 and 30 June 2023.

- (ii) The Company did not hold any treasury shares as at 30 June 2024 and 31 December 2023. As such, the number of issued shares excluding treasury shares as at 30 June 2024 and 31 December 2023 were 1,595,011,941 shares.
- (iii) There were no subsidiary holdings during and as at the end of the current financial period reported on.

**19. Perpetual securities**

The perpetual securities bear distributions at a rate of 3.8% per annum which are payable semi-annually. Subject to the relevant terms and conditions of the perpetual securities, the Company may elect to defer any scheduled distribution perpetually on the perpetual securities and is not subject to any limits as to the number of times a distribution can be deferred.

**20. Related party transactions**

Some of the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements.

The Group entities entered into the following transactions with related parties:

	<b>Group</b>	
	<b>6 months ended 30 June 2024</b>	<b>12 months ended 31 December 2023</b>
	US\$'000	US\$'000
Banking facilities jointly covered by letter of comfort from Sinochem International Corporation ("SIC") and HRG	172,661	400,295
Banking facilities jointly covered by corporate guarantee from SIC and HRG	40,000	–
Fee charged by SIC for issuance of letter of comfort	366	688
Shareholder's loan from HRG	485,021	330,986
Shareholder's loan from HSF	64,000	–
Shareholder's loan from SIC	45,014	45,014
Interest charged by HRG	12,046	11,493
Interest charged by HSF	268	–
Interest charged by SIC	1,522	4,164
Sales of rubber to subsidiaries of HRG	25,231	19,272
Purchases of rubber from subsidiaries of HRG	<u>29,896</u>	<u>24,041</u>

**21. Segment information**

The Group is a global leader in natural rubber industry, 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 37 natural rubber processing facilities in Indonesia, Malaysia, Thailand, China, Cameroon and Ivory Coast, 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.

The key segments of the Group comprise the following:

- (a) Corrie MacColl Group – This Group comprises of CMC Plantations (“CMCP Group”) and CMC International (“CMCI Group”). CMCP Group includes plantation and processing business in Cameroon and Malaysia and CMCI Group is our distribution business for industrial and non-tyre applications.
- (b) HRC Group – This business segment includes our processing factories in Indonesia, China, Malaysia, Thailand and Ivory Coast, and distribution business in Singapore and China, whose customers are predominantly top-tier global tyre makers.
- (c) 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.

Halcyon Agri Corporation Limited and its Subsidiaries

**PART C: NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the First Half ended 30 June 2024

**21. Segment information (cont'd)**

	CMCP Group		CMCI Group		HRC Group		Corporate		Elimination		Consolidated	
	H1 2024 US\$'000	H1 2023 US\$'000	H1 2024 US\$'000	H1 2023 US\$'000	H1 2024 US\$'000	H1 2023 US\$'000	H1 2024 US\$'000	H1 2023 US\$'000	H1 2024 US\$'000	H1 2023 US\$'000	H1 2024 US\$'000	H1 2023 US\$'000
Revenue to third party	717	545	304,474	284,856	1,219,724	927,270	–	–	–	–	1,524,915	1,212,671
Inter-segment revenue	18,490	14,233	14,630	87	14,402	28,993	5,826	5,819	(53,348)	(49,132) A	–	–
<b>Total revenue</b>	<b>19,207</b>	<b>14,778</b>	<b>319,104</b>	<b>284,943</b>	<b>1,234,126</b>	<b>956,263</b>	<b>5,826</b>	<b>5,819</b>	<b>(53,348)</b>	<b>(49,132)</b>	<b>1,524,915</b>	<b>1,212,671</b>
Gross (loss)/profit	(1,607)	(8,310)	26,829	31,619	48,449	37,700	5,826	5,819	(5,952)	(5,939) B	73,545	60,889
Operating (loss)/profit	(11,489)	(26,093)	10,463	13,329	13,624	10,968	(514)	(22,543)	(70)	(152)	12,014	(24,491)
Operating (loss)/profit excluding management fee	(11,489)	(26,093)	10,509	13,371	19,403	16,745	(6,339)	(28,362)	(70)	(152)	12,014	(24,491)
Finance income											1,333	2,648
Finance costs											(33,946)	(31,380)
Share of result of associates											(333)	(316)
Loss before tax											(20,932)	(53,539)
Income tax expense											(3,188)	(9,117)
Loss for the financial period											(24,120)	(62,656)
Total sales volume (tonnes)	11,987	9,584	160,308	140,289	750,302	670,684	–	–	(20,817)	(30,591)	901,780	789,966
Gross (loss)/profit per tonne (US\$)	(134)	(867)	167	225	65	56	–	–	–	–	82	77
Other information:												
Management fee expense/(income)	–	–	46	42	5,780	5,777	(5,826)	(5,819)	–	–	–	–
Depreciation expense (include right-of-use assets)	4,154	4,124	646	1,180	8,402	8,839	510	625	–	–	13,712	14,768
Capital expenditure	3,368	5,023	16	15	6,075	3,326	2	60	–	–	9,461	8,424

Halcyon Agri Corporation Limited and its Subsidiaries

**PART C: NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the First Half ended 30 June 2024**

**21. Segment information (cont'd)**

	CMCP Group		CMCI Group		HRC Group		Corporate		Elimination		Consolidated		
	30 June 2024	31 December 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Segment assets	839,454	851,816	645,739	583,806	1,197,967	1,143,391	1,418,031	1,615,076	(2,014,126)	(2,227,298)	C	2,087,065	1,966,791
Segment liabilities	383,303	367,529	367,725	312,915	763,630	708,401	875,814	880,334	(820,933)	(868,079)	D	1,569,539	1,401,100

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

- A. Inter-segment revenues are eliminated on consolidation.
- B. Management fee is eliminated on consolidation.
- C. Elimination on investment in subsidiaries and intercompany balances.
- D. Elimination on intercompany balances.

**PART C: NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the First Half ended 30 June 2024**

**22. Fair value of assets and liabilities**

(a) *Fair value hierarchies*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,  
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and  
Level 3 – Unobservable inputs for the asset or liability.

(b) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group 2024			Total US\$'000
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant un- observable inputs (Level 3) US\$'000	
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Derivative financial instruments	–	26,512	–	26,512
<b>Financial assets as at 30 June 2024</b>	–	26,512	–	26,512
<b>Non-financial assets:</b>				
Inventories	–	519,761	–	519,761
Biological assets	–	–	392,244	392,244
Investment properties	–	–	38,733	38,733
<b>Non-financial assets as at 30 June 2024</b>	–	519,761	430,977	950,738
<b>Liabilities measured at fair value</b>				
<b>Financial liabilities:</b>				
Derivative financial instruments	–	24,194	–	24,194
<b>Financial liabilities as at 30 June 2024</b>	–	24,194	–	24,194

**PART C: NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the First Half ended 30 June 2024**

**22. Fair value of assets and liabilities (cont'd)**

**(b) Assets and liabilities measured at fair value (cont'd)**

	Group 2023			Total US\$'000
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant un- observable inputs (Level 3) US\$'000	
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Derivative financial instruments	–	8,653	–	8,653
<b>Financial assets as at 31 December 2023</b>	<b>–</b>	<b>8,653</b>	<b>–</b>	<b>8,653</b>
<b>Non-financial assets:</b>				
Inventories	–	433,188	–	433,188
Biological assets	–	–	396,385	396,385
Investment properties	–	–	41,200	41,200
<b>Non-financial assets as at 31 December 2023</b>	<b>–</b>	<b>433,188</b>	<b>437,585</b>	<b>870,773</b>
<b>Liabilities measured at fair value</b>				
<b>Financial liabilities:</b>				
Derivative financial instruments	–	13,021	–	13,021
<b>Financial liabilities as at 31 December 2023</b>	<b>–</b>	<b>13,021</b>	<b>–</b>	<b>13,021</b>

**PART C: NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the First Half ended 30 June 2024**

**22. Fair value of assets and liabilities (cont'd)**

**(b) Assets and liabilities measured at fair value (cont'd)**

	Company 2024			Total US\$'000
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant un- observable inputs (Level 3) US\$'000	
<b>Assets measured at fair value</b>				
<i>Financial assets:</i>				
Derivative financial instruments	–	1,140	–	1,140
<b>Financial assets as at 30 June 2024</b>	<b>–</b>	<b>1,140</b>	<b>–</b>	<b>1,140</b>
<b>Liabilities measured at fair value</b>				
<i>Financial liabilities:</i>				
Derivative financial instruments	–	1,293	–	1,293
<b>Financial liabilities as at 30 June 2024</b>	<b>–</b>	<b>1,293</b>	<b>–</b>	<b>1,293</b>
<b>Company 2023</b>				
Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant un- observable inputs (Level 3) US\$'000	Total US\$'000
<b>Assets measured at fair value</b>				
<i>Financial assets:</i>				
Derivative financial instruments	–	4,652	–	4,652
<b>Financial assets as at 31 December 2023</b>	<b>–</b>	<b>4,652</b>	<b>–</b>	<b>4,652</b>
<b>Liabilities measured at fair value</b>				
<i>Financial liabilities:</i>				
Derivative financial instruments	–	4,063	–	4,063
<b>Financial liabilities as at 31 December 2023</b>	<b>–</b>	<b>4,063</b>	<b>–</b>	<b>4,063</b>



**22. Fair value of assets and liabilities (cont'd)**

**(c) Level 2 fair value measurements**

The fair value of inventories (except consumables) is calculated using quoted prices in relevant commodity exchanges at the end of the reporting period, making adjustments according to the stage of production of the inventories, port of loading, and grades of products. Where such prices are not available, the Group uses valuation models to determine the fair values based on relevant factors, including trade price quotations, time value and volatility factors underlying the commodities and commodity exchange price quotations and dealer quotations for similar commodities traded in different markets and geographical areas, existing at the end of the reporting period.

The fair value of forward currency contract is calculated using quoted prices (adjusted) offered by the financial institutions at the end of reporting period.

**(d) Level 3 fair value measurements**

**(i) Information about significant unobservable inputs used in Level 3 fair value measurements**

Biological assets

The fair value of the Group's major biological assets has been determined based on valuations by independent professional valuers using the discounted cash flow valuation approach for 31 December 2023. The key assumptions used by the independent professional valuers as disclosed in annual report 2023 remain reasonable for 30 June 2024.

Investment properties

The fair value of the Group's investment properties has been derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property location, accessibility, topography, facilities and utilities, size and date of transaction. The fair value used in annual report 2023 remains reasonable for 30 June 2024 based on property market outlook.

**(ii) Closing balance in Level 3 assets measured at fair value**

The fair value of the Group's biological assets and investment properties based on significant unobservable inputs (Level 3) as at 30 June 2024 are US\$ 392,244,000 (31 December 2023: US\$396,385,000) and US\$ 38,733,000 (31 December 2023: US\$41,200,000) respectively.

**PART C: NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the First Half ended 30 June 2024**

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**22. Fair value of assets and liabilities (cont'd)**

(d) **Level 3 fair value measurements (cont'd)**

(iii) *Valuation policies and procedures*

It is the Group's policy to engage external valuation experts to perform the valuation of biological assets and investment properties at financial year end. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 fair value measurement guidance.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted, and the reliability of the inputs used in the valuations at the end of last reporting period. Management assessed the reasonableness of the assumptions adopted in the valuation at the end of last reporting period and concluded that they are still appropriate for the current interim financial reporting period.

**23. Dividends on ordinary shares**

The Group has not paid dividend on ordinary shares as at 30 June 2024 and 31 December 2023.

**24. Commitments**

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements relating to purchase of the property, plant and equipment of US\$2,906,950 (2023: US\$7,007,000).

**25. Going Concern**

The condensed interim financial statements of the Group have been prepared on a going concern basis notwithstanding the fact that:

- The Group incurred loss after tax of US\$24,120,000 (H1 2023: loss after tax of US\$62,656,000) for the financial period ended 30 June 2024; and
- As of 30 June 2024, the balance sheet of the Group recorded a net current liability of US\$436,874,000 (31 December 2023: net current liability position of US\$411,591,000).

China Rubber Investment Group Co., Ltd, a wholly-owned subsidiary of China Hainan Rubber Industry Group Co., Ltd. ("HRG") and Sinochem International Corporation ("SIC"), being the two major shareholders with a combined shareholding of 97.3%, continue to provide their full support and commitment to the Group to ensure that the Group is able to refinance and meet all of its short-term obligations when they fall due.

**PART C: NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the First Half ended 30 June 2024**

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**25. Going Concern (cont'd)**

Below are the key management actions taken together with the support from both major shareholders to address the going concern assumption of HAC Group:

**(a) New short-term loan**

In June 2024, the Group has secured additional one-year shareholder's loan of US\$64,000,000.

**(b) New working capital loan**

- (i) In June 2024, the Group has secured a new bridging loan of US\$145,000,000 from shareholder to refinance an existing bank loan of US\$289,200,000 due in June 2024.
- (ii) In April 2024, the Group has secured a one-year shareholder's loan with total facility of CNY ¥ 400,000,000 (equivalent to US\$55,194,000).

**(c) Fulfill significant payment obligations in the next 12 months**

The Group's key plans to address its payment obligations in the next 12 months are as follows:

- (i) Continue to work closely with financiers and both HRG and SIC to restore the financing tenor and to further improve the Group's liquidity headroom.
- (ii) HRG and SIC have also provided their full support and commitment to the Group to complete its refinancing exercise by supporting the negotiation with the financiers, as have applied other appropriate measures, such as extension of shareholders' loan tenure and expansion of shareholder loan limits to ensure that the Group has sufficient financial resources to meet its operational needs.
- (iii) In July 2024, an existing working capital loan of CNY ¥ 100,000,000 (equivalent to US\$13,772,000) due in September 2024 has been restructured to CNY ¥ 700,000,000 (equivalent to US\$96,101,000) and granted an extension for one year.
- (iv) In August 2024, the Group has secured a one-year syndicated loan of JPY6,320,000,000 (equivalent to US\$40,827,000). Together with abovementioned restructured loan in July 2024, the proceeds will be used to refinance an existing working capital loan of US\$120,000,000 that is due in August 2024.

In addition, there are unused banking facilities available to drawdown.

Based on the above factors, the Directors are of the view that the Group is able to fulfil its short-term liabilities as and when they fall due and going concern assumptions in the preparation of the financial statement are appropriate.

## **PART D: OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**

### **1. Review**

The condensed interim consolidated statement of financial position of Halcyon Agri Corporation Limited and its subsidiaries as at 30 June 2024 and the related condensed interim consolidated income statement and statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the First Half ended and certain explanatory notes have not been audited or reviewed.

### **2. 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.

### **3. 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?

No.

#### *(c) Date payable*

Not applicable.

#### *(d) Books closure date*

Not applicable.

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

No dividend is recommended for period ended 30 June 2024. The Company will review this at the end of the year.

### **4. Interested person transactions**

The Group has obtained a general mandate from shareholders of the Group for Interested Person Transactions.

The aggregate value of interested person transactions entered into during H1 2024 are as follows:

	<b>6 months ended 30 June 2024</b>
	US\$'000
Sales & purchases rubber to/from related parties	55,127
Interest charged by related parties	<u>13,836</u>

**5. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**6. Negative confirmation by the Board pursuant to Rule 705(5)**

We, Eddie Chan Yean Hoe and Sun Weiliang, hereby confirm on behalf of the Board that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the First Half ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Eddie Chan Yean Hoe  
Independent Director and  
Audit Committee Chairman

Sun Weiliang  
Executive Director and CEO

**By Order of the Board**

Wong Teck Kow  
Company Secretary

Singapore,  
13 August 2024