

# HALCYON AGRI CORPORATION LIMITED

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

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## RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S ON ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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The Board of Directors (the “**Board**”) of Halcyon Agri Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the queries received from the Singapore Exchange Regulation (the “**SGX RegCo**”) on 22 April 2022 with regard to the Company’s annual report for the financial year ended 31 December 2021 (“**FY2021**”), and wishes to respond to the queries as follows:

*Query 1 : With reference to the audited consolidated statement of comprehensive income on page 117 of the Company’s AR2021, please provide an explanation for the material difference in the amounts of the following items, as compared to the unaudited financial results announcement of the Company for the year ended 31 December 2021:-*

- (i) Other comprehensive (loss)/income for the financial year, net of tax of US\$(33,501,000) as compared to other comprehensive (loss)/income for the financial year, net of tax of US\$(30,120,000)*

**Company’s response :** The US\$3.3 million difference relates to an audit adjustment made to the FY2021 unaudited financial results announcement published on 28 February 2022 (the “**Unaudited FS Announcement**”), to correct an accounting entry relating to the exchange differences arising from the translation of the Group’s foreign operations in the Statements of Financial Position. This adjustment did not have any material impact on the Group’s net assets and has no impact on the Group’s profit for the year presented under the FY2021 Unaudited FS Announcement.

*Query 2 : With reference to the audited consolidated statements of financial position on page 118 of the Company’s AR2021, please provide an explanation for the material difference in the amounts of the following items, as compared to the unaudited financial results announcement of the Company for the year ended 31 December 2021:-*

- (i) Net current asset of US\$35,523,000 as compared to net current asset of US\$38,851,000.*

**Company’s response :** The US\$3.3 million difference relates to the audit adjustment which is explained above, and this is to correct the corresponding accounting entry relating to the provision for tax.

*Query 3 : With reference to the consolidated cash flow statement on page 123 of the Company’s AR2021, please provide an explanation for the material difference in the amounts of the following items, as compared to the Company’s annual report for the financial year ended 31 December 2020 (“AR2020”):-*

- (i) For FY2020, net cash used in operating activities of US\$(1,528,000) as compared to net cash used in operating activities of US\$(21,764,000);*
- (ii) For FY2020, net cash used in investing activities of US\$(38,632,000) as compared to net cash used in investing activities of US\$(14,672,000); and*
- (iii) For FY2020, net cash generated from financing activities of US\$26,446,000 as compared to net cash generated from financing activities of US\$56,722,000.*

Company's response : To clarify, the amount "*net cash used in investing activities of US\$(14,672,000)*" quoted by the SGX RegCo under item (ii) above is incorrect. The *net cash used in investing activities* reported under the AR2020 is US\$(48,672,000).

In FY2021, the management has reassessed the classification for the interest paid with reference to the guidance under *SFRS 7 Statement of Cash Flows*. As the Group has various borrowings to support both its long-term assets and working capital, segregating the interest expense between operating and financing activities may not be reflective of the actual allocation. Hence, the interest expense has been aggregated under net cash generated from financing activities together with all the funding activities under the Group.

The comparative figures have been adjusted accordingly to conform to FY2021's presentation. Please refer to the following table for comparison between AR2020 and the restated figures in AR2021:

**Consolidated Cash Flow Statement**

**For the Financial Year ended 31 December 2021**

**2020**

<b>Reclassification and Comparatives Figures</b>	<i>Restated</i>	<i>Audited</i>
	(USD'000)	(USD'000)
<b>Net cash used in operating activities</b>	(1,528)	(21,764)
<b>Net cash used in investing activities</b>	(38,632)	(48,672)
<b>Net cash generated from financing activities</b>	26,446	56,722
<b>Net decrease in cash and cash equivalents</b>	(13,714)	(13,714)
Cash and cash equivalents at the beginning of year	55,627	55,627
Effect of exchange rate changes on the balance of cash held in foreign currencies	1,979	1,979
<b>Cash and cash equivalents at the end of year</b>	<b>43,892</b>	<b>43,892</b>

By Order of the Board

Liew Guat Yi  
Company Secretary  
25 April 2022