



Halcyon Agri Corporation Limited

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

Financial Statements
For the Second Half 2024 (“H2 2024”) and
Financial Year ended 31 December 2024
 (“FY2024”)

Halcyon Agri Corporation Limited and its Subsidiaries

Table of Contents

	Page
Part A: Financial Statements	
A1: Consolidated Income Statement	3
A2: Consolidated Statement of Comprehensive Income	4
A3: Statements of Financial Position	5
A4: Statements of Changes in Equity	7
A5: Consolidated Cash Flow Statement	10
Part B: Review of the Performance of the Group and Market Outlook	
B1: Review of Performance of the Group	12
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	19
Part C: Notes to the Consolidated Financial Statements	
	20
Part D: Other Information Required by Listing Rule Appendix 7.2	
	41

Halcyon Agri Corporation Limited and its Subsidiaries

PART A: FINANCIAL STATEMENTS

A1: Consolidated Income Statement

For the Second Half 2024 and Financial Year ended 31 December 2024

	Note in	Group			Group		
		H2 2024	H2 2023	Change	FY 2024	FY 2023	Change
		Unaudited US\$'000	Unaudited US\$'000	%	Unaudited US\$'000	Audited US\$'000	%
Revenue		2,273,314	1,688,156	34.7	3,798,229	2,900,827	30.9
Cost of sales		(2,155,926)	(1,602,877)	34.5	(3,607,296)	(2,754,659)	31.0
Gross profit		117,388	85,279	37.7	190,933	146,168	30.6
Other income	4	4,185	9,543	(56.1)	4,489	26,671	(83.2)
Selling expenses		(29,709)	(34,609)	(14.2)	(56,256)	(66,118)	(14.9)
General and administrative expenses		(48,165)	(54,997)	(12.4)	(83,704)	(128,286)	(34.8)
General and administrative expenses – foreign exchange (loss)/gain		(6,063)	1,020	n/m	(5,812)	3,310	n/m
Operating profit/(loss)		37,636	6,236	503.5	49,650	(18,255)	n/m
Finance income		1,594	1,181	35.0	2,927	3,829	(23.6)
Finance costs	5	(32,854)	(32,480)	1.2	(66,800)	(63,860)	4.6
Share of loss of associates		(163)	(697)	(76.6)	(496)	(1,013)	(51.0)
Profit/(Loss) before tax	6	6,213	(25,760)	n/m	(14,719)	(79,299)	(81.4)
Income tax expense	7	(13,002)	(225)	n/m	(16,190)	(9,342)	73.3
Loss for the financial period/year		(6,789)	(25,985)	(73.9)	(30,909)	(88,641)	(65.1)
Loss attributable to:							
Owners of the Company		(7,392)	(24,899)	(70.3)	(29,143)	(87,017)	(66.5)
Non-controlling interests		603	(1,086)	n/m	(1,766)	(1,624)	8.7
		(6,789)	(25,985)	(73.9)	(30,909)	(88,641)	(65.1)
Loss per share (“LPS”):							
Basic and diluted (US cents per share)	8	(0.70)	(1.80)	(61.1)	(2.30)	(5.93)	(61.2)

n/m – not meaningful

Halcyon Agri Corporation Limited and its Subsidiaries

A2: Consolidated Statement of Comprehensive Income For the Second Half 2024 and Financial Year ended 31 December 2024

	Group			Group		
	H2 2024 Unaudited US\$'000	H2 2023 Unaudited US\$'000	Change %	FY 2024 Unaudited US\$'000	FY 2023 Audited US\$'000	Change %
Loss for the financial period/year	(6,789)	(25,985)	(73.9)	(30,909)	(88,641)	(65.1)
Other comprehensive income						
Exchange differences on translation of foreign operations	5,219	197	2,549.2	(14,833)	6,044	n/m
Actuarial gain on retirement benefit obligation (net of tax)	449	81	454.3	449	81	454.3
Other comprehensive income/(loss) for the financial period/year net of tax	<u>5,668</u>	<u>278</u>	<u>1,938.8</u>	<u>(14,384)</u>	<u>6,125</u>	<u>n/m</u>
Total comprehensive loss for the financial period/year net of tax	<u>(1,121)</u>	<u>(25,707)</u>	<u>(95.6)</u>	<u>(45,293)</u>	<u>(82,516)</u>	<u>(45.1)</u>
Attributable to:						
- Owners of the Company	(1,313)	(24,560)	(94.6)	(42,344)	(81,362)	(48.0)
- Non-controlling interests	192	(1,147)	n/m	(2,949)	(1,154)	155.5
Total comprehensive loss for the financial period/year net of tax	<u>(1,121)</u>	<u>(25,707)</u>	<u>(95.6)</u>	<u>(45,293)</u>	<u>(82,516)</u>	<u>(45.1)</u>

n/m – not meaningful

Halcyon Agri Corporation Limited and its Subsidiaries

A3: Statements of Financial Position As at 31 December 2024 and 31 December 2023

	Note in Part C	Group		Company	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		Unaudited US\$'000	Audited US\$'000	Unaudited US\$'000	Audited US\$'000
ASSETS					
Non-current assets					
Intangible assets	9	297,581	298,046	–	–
Property, plant and equipment	10	211,040	224,458	1,545	2,192
Plantation and biological assets	13	551,895	558,346	–	–
Investment properties	11	39,536	41,200	–	–
Deferred tax assets	12	19,528	21,110	–	–
Deferred charges		1,162	1,283	–	–
Other assets		160	160	–	–
Loans and other receivables	14	1,607	3,826	–	–
Investment in subsidiaries		–	–	935,801	919,598
Investment in associates	15	2,287	6,000	896	4,568
Total non-current assets		1,124,796	1,154,429	938,242	926,358
Current assets					
Cash and bank balances		83,654	48,286	27,599	829
Trade receivables		195,683	141,273	–	–
Loans and other receivables	14	145,046	152,170	484,127	513,254
Tax receivables		5,461	5,035	–	–
Derivative financial instruments		31,211	8,653	10,003	4,652
Inventories	16	506,143	456,921	–	–
Consumable biological assets		38	24	–	–
		967,236	812,362	521,729	518,735
Assets classified as held for sale	17	1,132	–	–	–
Total current assets		968,368	812,362	521,729	518,735
Total assets		2,093,164	1,966,791	1,459,971	1,445,093
LIABILITIES AND EQUITY					
Current liabilities					
Derivative financial instruments		23,800	13,021	15,360	4,063
Trade payables		98,200	67,495	–	–
Other payables		133,287	137,344	129,926	101,642
Loan payables	18	1,144,945	997,036	752,649	734,284
Provision for taxation		6,730	7,279	300	2,490
Lease liabilities		2,045	1,778	792	1,042
Total current liabilities		1,409,007	1,223,953	899,027	843,521
Net current liabilities		(440,639)	(411,591)	(377,298)	(324,786)

Halcyon Agri Corporation Limited and its Subsidiaries

A3: Statements of Financial Position As at 31 December 2024 and 31 December 2023

		Group		Company	
	Note in	31 December	31 December	31 December	31 December
	Part C	2024	2023	2024	2023
		Unaudited	Audited	Unaudited	Audited
		US\$'000	US\$'000	US\$'000	US\$'000
Non-current liabilities					
Loan payables	18	106,047	104,768	–	–
Retirement benefit obligations		13,746	15,233	–	–
Deferred tax liabilities	12	41,595	43,357	363	248
Lease liabilities		5,513	6,402	53	872
Other payables		7,115	7,387	44,859	24,143
Total non-current liabilities		174,016	177,147	45,275	25,263
Net assets		510,141	565,691	515,669	576,309
Capital and reserves					
Share capital	20	603,874	603,874	603,874	603,874
Perpetual securities	21	192,640	192,640	192,640	192,640
Capital reserve		4,937	3,530	–	–
Other reserves		(1,517)	(1,517)	(1,310)	(1,310)
Accumulated losses		(268,647)	(230,971)	(279,535)	(218,895)
Foreign currency translation reserve		(40,359)	(26,684)	–	–
Equity attributable to owners of the Company		490,928	540,872	515,669	576,309
Non-controlling interests		19,213	24,819	–	–
Total equity		510,141	565,691	515,669	576,309
Total liabilities and equity		2,093,164	1,966,791	1,459,971	1,445,093

Halcyon Agri Corporation Limited and its Subsidiaries

**A4: Statements of Changes in Equity
For the Financial Year ended 31 December 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	
Group (Unaudited)									
At 1 January 2024	603,874	192,640	3,530	(1,517)	(230,971)	(26,684)	540,872	24,819	565,691
Loss for the year	–	–	–	–	(29,143)	–	(29,143)	(1,766)	(30,909)
Other comprehensive income	–	–	–	–	474	(13,675)	(13,201)	(1,183)	(14,384)
Total comprehensive loss for the year	–	–	–	–	(28,669)	(13,675)	(42,944)	(2,949)	(45,293)
Contributions by and distributions to owners									
Distribution to perpetual securities holders	–	–	–	–	(7,600)	–	(7,600)	–	(7,600)
Statutory reserve fund	–	–	1,498	–	(1,498)	–	–	–	–
Dividend declared to non-controlling interests	–	–	–	–	–	–	–	(2,657)	(2,657)
Total contributions by and distributions to owner	–	–	1,498	–	(9,098)	–	(7,600)	(2,657)	(10,257)
Changes in ownership interests in subsidiaries									
Struck off of a subsidiary	–	–	(91)	–	91	–	–	–	–
Total changes in ownership interests in subsidiaries	–	–	(91)	–	91	–	–	–	–
At 31 December 2024	603,874	192,640	4,937	(1,517)	(268,647)	(40,359)	490,928	19,213	510,141

Halcyon Agri Corporation Limited and its Subsidiaries

**A4: Statements of Changes in Equity
For the Financial Year ended 31 December 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	US\$'000
Group (Unaudited)									
At 1 January 2023	603,874	192,640	2,898	(1,517)	(135,712)	(32,349)	629,834	30,198	660,032
Loss for the year	–	–	–	–	(87,017)	–	(87,017)	(1,624)	(88,641)
Other comprehensive income	–	–	–	–	(10)	5,665	5,655	470	6,125
Total comprehensive (loss)/income for the year	–	–	–	–	(87,027)	5,665	(81,362)	(1,154)	(82,516)
Contributions by and distributions to owners									
Distribution to perpetual securities holders	–	–	–	–	(7,600)	–	(7,600)	–	(7,600)
Statutory reserve fund	–	–	632	–	(632)	–	–	–	–
Dividend declared to non-controlling interests	–	–	–	–	–	–	–	(4,225)	(4,225)
Total contributions by and distributions to owner	–	–	632	–	(8,232)	–	(7,600)	(4,225)	(11,825)
At 31 December 2023	603,874	192,640	3,530	(1,517)	(230,971)	(26,684)	540,872	24,819	565,691

Halcyon Agri Corporation Limited and its Subsidiaries

A4: Statements of Changes in Equity

For the Financial Year ended 31 December 2024 and 31 December 2023

	Share capital US\$'000	Perpetual securities US\$'000	Other reserves US\$'000	(Accumulated losses)/ Retained Earnings US\$'000	Total equity US\$'000
Company (Unaudited)					
At 1 January 2024	603,874	192,640	(1,310)	(218,895)	576,309
Loss for the year representing total comprehensive income for the year	–	–	–	(53,040)	(53,040)
<u>Contributions by and distributions to owners</u>					
Distribution to perpetual securities holders	–	–	–	(7,600)	(7,600)
Total transactions with owners in their capacity as owners	–	–	–	(7,600)	(7,600)
At 31 December 2024	603,874	192,640	(1,310)	(279,535)	515,669
Company (Audited)					
At 1 January 2023	603,874	192,640	(1,310)	2,944	798,148
Loss for the year representing total comprehensive income for the year	–	–	–	(214,239)	(214,239)
<u>Contributions by and distributions to owners</u>					
Distribution to perpetual securities holders	–	–	–	(7,600)	(7,600)
Total transactions with owners in their capacity as owners	–	–	–	(7,600)	(7,600)
At 31 December 2023	603,874	192,640	(1,310)	(218,895)	576,309

Halcyon Agri Corporation Limited and its Subsidiaries

A5: Consolidated Cash Flow Statement For the Second Half 2024 and Financial Year ended 31 December 2024

	Note	Group		Group	
		H2 2024	H2 2023	FY 2024	FY 2023
	in Part C	Unaudited US\$'000	Unaudited US\$'000	Unaudited US\$'000	Audited US\$'000
Operating activities					
Profit/(Loss) before tax		6,213	(25,760)	(14,719)	(79,299)
Adjustments for:					
Depreciation expense	6	13,928	12,578	26,563	25,729
Amortisation of intangible assets	6	290	400	580	897
Amortisation of right-of-use assets	6	1,053	664	2,130	2,281
Retirement benefit expense		235	858	1,080	2,633
Interest income		(1,594)	(1,181)	(2,927)	(3,829)
Interest expense	5	32,639	32,259	66,380	63,408
Interest on operating lease liabilities	5	215	221	420	452
Fair value gain on open forward commodities contracts and inventories, unrealised		(6,706)	(1,883)	(15,581)	(472)
Fair value (gain)/loss on investment properties		(415)	1,458	(415)	1,458
Fair value (gain)/loss on biological assets		(2,071)	1,596	(2,071)	1,596
Unrealised foreign exchange loss/(gain)		5,968	3,662	9,483	(153)
Loss/(Gain) on disposal of property, plant and equipment, plantation and investment properties	4,6	13	(7,442)	25	(23,768)
Write off of property, plant and equipment	6	202	1,033	217	1,099
Impairment loss on property, plant and equipment	6	1,188	2,149	1,188	2,149
Impairment loss on financial assets	6	48	106	1,264	23,665
Loss on disposal of asset held for sale	6	–	381	–	381
Impairment loss on investment in an associate	6	3,207	–	3,207	–
Share of loss of associates		163	697	496	1,013
Operating cash flows before changes in working capital		54,576	21,796	77,320	19,240
Trade and other receivables		(25,355)	7,016	(99,747)	(23,757)
Inventories		45,833	(34)	(47,372)	1,283
Trade and other payables		(113,189)	(13,941)	(11,128)	46,734
Cash (used in)/generated from operations		(38,135)	14,837	(80,927)	43,500
Interest received		1,646	1,100	2,927	2,004
Tax paid		(2,351)	(4,295)	(8,813)	(17,348)
Net cash (used in)/generated from operating activities		(38,840)	11,642	(86,813)	28,156

Halcyon Agri Corporation Limited and its Subsidiaries

A5: Consolidated Cash Flow Statement For the Second Half 2024 and Financial Year ended 31 December 2024

	Group		Group	
	H2 2024	H2 2023	FY 2024	FY 2023
	Unaudited	Unaudited	Unaudited	Audited
	US\$'000	US\$'000	US\$'000	US\$'000
Investing activities				
Capital expenditure on property, plant and equipment, and intangible assets	(9,552)	(9,109)	(16,483)	(14,410)
Capital expenditure on plantation and biological assets	(4,397)	(5,264)	(6,927)	(8,387)
Proceeds from disposal of property, plant and equipment and investment properties	12	13,847	12	39,151
Repayment from loan to a third party	–	–	41,616	–
Net cash (used in)/generated from investing activities	(13,937)	(526)	18,218	16,354
Financing activities				
Net proceeds/(repayments) of borrowings	98,349	(37,733)	164,527	(37,655)
Repayment of obligation under lease arrangements	(1,209)	(855)	(2,477)	(2,612)
Interest paid	(20,147)	(26,319)	(49,572)	(61,696)
Dividend paid to non-controlling interests	(160)	(5,578)	(353)	(5,578)
Dividend paid to perpetual securities holders	(3,800)	(3,800)	(7,600)	(7,600)
Net cash generated from/(used in) financing activities	73,033	(74,285)	104,525	(115,141)
Net increase/(decrease) in cash and cash equivalents	20,256	(63,169)	35,930	(70,631)
Cash and cash equivalents at the beginning of period/year	62,469	111,312	48,286	118,682
Effect of exchange rate changes on the balance of cash held in foreign currencies	929	143	(562)	235
Cash and cash equivalents at the end of period/year	83,654	48,286	83,654	48,286
Cash and bank balances comprise the following:				
Cash and cash equivalents	83,654	48,286	83,654	48,286

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 H2 2024 VS H2 2023

Performance by segment

		CMCP Group		CMCI Group		HRC Group		Group	
		H2 2024	H2 2023	H2 2024	H2 2023	H2 2024	H2 2023	H2 2024	H2 2023
Sales volume	tonnes	17,099	13,073	94,791	145,528	1,089,062	1,001,007	1,174,514	1,130,098
	US\$								
Total revenue	Million	31.1	18.6	228.6	274.7	2,067.3	1,435.5	2,273.3	1,688.1
	US\$								
Gross profit	Million	7.3	(0.4)	32.7	37.9	77.5	48.1	117.4	85.3
Operating	US\$								
(loss)/profit*	Million	(2.3)	(8.4)	16.2	18.3	31.9	7.3	37.6	6.2

* Segmental operating profits figures mentioned herein excluded management fees.

Group

The Group's overall sales volume surpassed previous corresponding period, by 44,416 tonnes or 3.9%, which was consistent with management's strategy to expand market share and synergistic integration with China Hainan Rubber Industry Group Co., Ltd. ("HRG"). Driven by market price recovery, the Group's revenue increased from US\$1,688.1 million in H2 2023 to US\$2,273.3 million in H2 2024. Margins improved as a result of various cost-saving initiatives, premium from EU Deforestation Regulation (EUDR) product and rubber market price recovery. Benefit from higher volume and margins, gross profit increased from US\$85.3 million in H2 2023 to US\$117.4 million in H2 2024, operating profit boosted from US\$6.2 million in H2 2023 to US\$37.6 million in H2 2024.

CMC Plantations (CMCP)

CMCP's sales volume and revenue increased by 30.8% and 67.2% respectively, driven by market price recovery, coupled with cup lump sales to the Group's factories in Asia. As a result of the higher revenue, operating losses in H2 2024 improved to US\$2.3 million from US\$8.4 million in H2 2023.

CMC International (CMCI)

Due to instability in the macro environment in the US and EU, coupled with weak market demand, CMCI's sales volume decreased from 145,528 tonnes in H2 2023 to 94,791 tonnes in H2 2024. Despite better gross profit per tonne, the lower sales volume resulted in a lower gross profit by US\$5.2 million or 13.7% from H2 2023, and a lower operating profit by US\$2.1 million or 11.5% from H2 2023.

Halcyon Rubber Company (HRC)

HRC's sales volume increased by 8.8% and revenue increased from US\$1,435.5 million in H2 2023 to US\$2,067.3 million in H2 2024, as a result of synergistic integration with HRG in China market and market price recovery. Combined with the positive impact of various cost saving measures and EUDR premium, gross profit increased from US\$48.1 million in H2 2023 to US\$77.5 million in H2 2024 and operating profit increased in tandem from US\$7.3 million in H2 2023 to US\$31.9 million in H2 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

		H2 2024	H2 2023	Change	FY2024	FY2023	Change
Total sales volume	tonnes	1,174,514	1,130,098	3.9%	2,076,294	1,920,064	8.1%
Revenue	US\$ Million	2,273.3	1,688.1	34.7%	3,798.2	2,900.8	30.9%
Revenue per tonne	US\$	1,936	1,494	29.6%	1,829	1,511	21.0%
Gross profit	US\$ Million	117.4	85.3	37.6%	190.9	146.2	30.6%
Net loss	US\$ Million	(6.8)	(26.0)	(73.8%)	(30.9)	(88.6)	(65.1%)

Revenue

H2 2024 vs H2 2023

Revenue increased by US\$585.2 million or 34.7%, from US\$1,688.1 million in H2 2023 to US\$2,273.3 million in H2 2024 mainly due to an increase in revenue per tonne by 29.6% from US\$1,494 per tonne in H2 2023 to US\$1,936 per tonne in H2 2024, as well as an increase in sales volume by 44,416 tonnes or 3.9% from 1,130,098 tonnes in H2 2023 to 1,174,514 tonnes in H2 2024.

FY 2024 vs FY 2023

Revenue increased by US\$ 897.4 million or 30.9%, from US\$ 2,900.8 million in FY 2023 to US\$ 3,798.2 million in FY 2024, mainly due to the increase in revenue per ton by 21.0% from US\$1,511 in FY2023 to US\$1,829 in FY 2024, and the increase in sales volume by 156,230 tonnes or 8.1% from 1,920,064 tonnes in FY 2023 to 2,076,294 tonnes in FY 2024.

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.

H2 2024 vs H2 2023

Cost of sales increased by US\$ 553.0 million or 34.5%, from US\$ 1,602.9 million in H2 2023 to US\$ 2,155.9 million in H2 2024. This was mainly driven by the increase in cost per ton, which is in line with the increase in market price.

FY 2024 vs FY 2023

Cost of sales increased by US\$852.6 million or 31.0%, from US\$2,754.7 million in FY 2023 to US\$ 3,607.3 million in FY2024, as cost of sales per tonne increased by 21.0% from US\$ 1,435 per tonne in FY 2023 to US\$1,737 per tonne in FY 2024, consistent with the upward trend in market prices.

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

Gross profit

	H2 2024	H2 2023	Change	FY2024	FY2023	Change
Gross profit (US\$ Million)	117.4	85.3	37.6%	190.9	146.2	30.6%
Sales volume (tonnes)	1,174,514	1,130,098	3.9%	2,076,294	1,920,064	8.1%
Gross profit per tonne (US\$)	100	75	33.3%	92	76	21.1%

H2 2024 vs H2 2023

Gross profit increased by US\$32.1 million or 37.6% from US\$85.3 million in H2 2023 to US\$117.4 million in H2 2024 mainly due to unit margins increased by 33.3% from US\$75 in H2 2023 to US\$100 in H2 2024, as well as increase in sales volume of 44,416 tonnes or 3.9% from 1,130,098 tonnes in H2 2023 to 1,174,514 tonnes in H2 2024. This improvement was mainly driven by market price recovery and the premium from EUDR product.

FY 2024 vs FY 2023

Gross profit increased by US\$44.7 million or 30.6% from US\$146.2 million in FY 2023 to US\$190.9 million in FY 2024. The increase was mainly driven by the increase in gross profit per tonne by US\$16 or 21.1%, and the increase in sales volume of 156,230 tonnes or 8.1%.

Profit/(loss) before tax

H2 2024 vs H2 2023

Profit before tax in H2 2024 was US\$6.2 million compared with a loss before tax of US\$25.8 million in the previous corresponding period, mainly due to the following reasons:

- (i) increase in gross profit by US\$32.1 million as explained in the aforementioned reasons;
- (ii) decrease in general and administrative expenses US\$6.8 million mainly due to fair value loss on investment properties (US\$2.5 million) and impairment losses on various assets (US\$5.2 million) in H2 2023 not recurring in H2 2024 as disclosed in Note 6;
- (iii) decrease in selling expenses by US\$4.9 million, resulting from an improved global supply chain situation;

This was offset by:

- (i) decrease in other income by US\$5.4 million mainly due to H2 2023 gain on disposal of non-core assets did not recurred in H2 2024;
- (ii) higher hedging losses of US\$6 million against foreign currency loans.

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

FY 2024 vs FY 2023

The Group reported a loss before tax of US\$14.7 million, as compared to a loss before tax of US\$79.3 million in FY 2023. The decrease of US\$64.6 million is mainly due to the following reasons:

- (i) increase in gross profit by US\$44.7 million, which is explained by the reasons aforementioned;
- (ii) decrease in general and administrative expenses by US\$44.6 million, due to non-recurring expenses and impairment losses on financial assets in FY2023 (Note 6).
- (iii) offset by decrease in other income by US\$22.2 million, mainly due to non-recurrence of the gain on disposal of non-core assets in FY2023.

Loss after tax

H2 2024 vs H2 2023

Loss after tax in H2 2024 was US\$6.8 million, compared to a loss after tax of US\$26.0 million in H2 2023 which was driven by the increase in profit before tax of US\$32.0 million as mentioned above, off-set by an increase in tax expense of US\$12.8 million, as a result of higher taxes in the businesses that were profitable.

FY 2024 vs FY 2023

Loss after tax in FY 2024 was US\$30.9 million, compared to a loss after tax of US\$88.6 million in FY2023, mainly was driven by the decrease in loss before tax by US\$64.6 million, off-set by increase in tax expense of US\$6.8 million, due to the reasons aforementioned.

PART B: REVIEW OF PERFORMANCE OF THE GROUP AND MARKET OUTLOOK (CONT'D)
Review of the Financial Position of the Group As At 31 December 2024 VS 31 December 2023

Non-current assets

Non-current assets decreased by US\$29.6 million or 2.6% from US\$1,154.4 million on 31 December 2023 to US\$1,124.8 million on 31 December 2024, mainly due to the following factors:

- (i) depreciation and amortisation expense of US\$29.3 million; and
- (ii) foreign currency translation loss of US\$25.8 million due to weakening of US Dollars against local currencies in relation to property, plant and equipment ("PPE"), and plantation and biological assets.
- (iii) impairment in investment in an associate of US\$3.2 million.

This was partially offset by:

- (i) capital expenditure incurred during FY2024 of US\$23.4 million.

Current assets

Current assets increased by US\$156.0 million or 19.2% from US\$812.4 million on 31 December 2023 to US\$968.4 million on 31 December 2024 mainly due to increase in:

- (i) inventories of US\$49.2 million, driven by higher average unit costs as at 31 December 2024. The inventory turnover days as at 31 December 2024 were 50 days, improved from 54 days as at 31 December 2023 as part of the Group's working capital management strategy;
- (ii) trade receivables of US\$54.4 million, as a result of increase in revenue;
- (iii) cash and bank balances of US\$35.4 million, mainly driven by cash inflow from financing activities;
- (iv) derivative financial instruments of US\$22.6 million, mainly due to higher valuation gain on open contracts;

Current liabilities

Current liabilities increased by US\$185.0 million or 15.1% during the year from US\$1,224.0 million on 31 December 2023 to US\$1,409.0 million on 31 December 2024, mainly due to increase in:

- (i) loan payables of US\$147.9 million, mainly due to increase in shareholders' loans by US\$205.5 million;
- (ii) trade payables of US\$30.7 million, driven by the increase in purchases;
- (iii) derivative financial instruments of US\$10.8 million, as a result of higher valuation losses on open contracts;

PART B: REVIEW OF PERFORMANCE OF THE GROUP AND MARKET OUTLOOK (CONT'D)
Review of the Financial Position of the Group As At 31 December 2024 VS 31 December 2023
(cont'd)

Non-current liabilities

Non-current liabilities decreased by US\$3.1 million or 1.8% from US\$177.1 million on 31 December 2023 to US\$174.0 million on 31 December 2024, mainly due to decrease in:

- (i) deferred tax liabilities of US\$1.8 million due to derecognition of deferred tax liabilities on temporary differences during 2024;
- (ii) retirement benefit obligations of US\$1.5 million;
- (iii) lease liabilities of US\$0.9 million.

Equity

The Group's equity decreased by US\$55.6 million, from US\$565.7 million as at 31 December 2023 to US\$510.1 million as at 31 December 2024, due to losses after tax for the year, exchange losses on translation of foreign operations and distribution to perpetual securities holders.

Group funding structure

The table below summarises the funding structure of the Group:

	Balance at 31 December 2024 US\$ Million	Balance at 31 December 2023 US\$ Million
Net working capital assets ⁽¹⁾	621.3	495.2
Cash and cash equivalents	83.7	48.3
Loan receivables	1.6	47.1
Total net working capital employed	706.6	590.6
Working capital loans	535.8	615.0
% Efficiency of Working Capital Funding	75.8%	104.1%
Shareholders' loans	581.5	376.0
Operational long-term assets ⁽²⁾	1,022.6	1,043.8
Non-core assets ⁽³⁾	39.5	41.2
Other borrowings	141.3	118.9
% Fixed Asset Gearing	13.3%	11.0%
Total equity	510.1	565.7

⁽¹⁾ 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.

⁽²⁾ 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.

⁽³⁾ Non-core assets mainly made up of investment properties.

PART B: REVIEW OF PERFORMANCE OF THE GROUP AND MARKET OUTLOOK (CONT'D)
Review of the Financial Position of the Group As At 31 December 2024 VS 31 December 2023
(cont'd)

Group Cash Flow

H2 2024

The Group's cash and cash equivalents increased by US\$20.3 million during H2 2024.

The Group has recorded a cash inflow from operating activities before working capital changes of US\$54.6 million representing its cash generating capability, and paid US\$6.1 million for tax. Working capital changes realised outflows of US\$89.1 million, used to increase working capital assets. Therefore, the Group has used US\$38.8 million in operating activities during H2 2024.

Net cash used in investing activities of US\$13.9 million was mainly due to capital expenditure on property, plantation and equipment and plantation related assets of US\$13.9 million.

Net cash generated from financing activities was US\$73.0 million, mainly due to net proceeds from working capital loans and term loans of US\$98.3 million, offset by interest paid of US\$20.1 million, distributions paid to perpetual securities holders of US\$3.8 million, repayment of lease liabilities of US\$1.2 million.

FY 2024

The Group's cash and cash equivalents increased by US\$35.9 million during FY 2024.

The Group has recorded a cash inflow from operating activities before working capital changes of US\$77.3 million, and paid US\$12.5 million for tax. Working capital changes realised outflow of US\$154.6 million mainly used to increase working capital assets. Therefore, the Group has used US\$86.8 million in operating activities.

Net cash generated from investing activities of US\$18.2 million was mainly due repayment from loan to a third party of US\$41.6 million and offset by capital expenditure on property, plantation and equipment and plantation related assets of US\$23.4 million.

Net cash generated from financing activities was US\$104.5 million, mainly due to net proceeds from working capital loans and term loans of US\$164.5 million, offset by interest paid of US\$49.6 million, distributions paid to perpetual securities holders of US\$7.6 million, repayment of lease liabilities of US\$2.5 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

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 global growth are projected to be slower than historical averages (2010-19) due to inflation. The US growth rate offsets downward revisions for other major economies as in the latest 2025 projection. Global inflation is projected to decline to 4.2 percent in 2025 and 3.5 percent in 2026. The inflation in developed economies will return to target levels earlier than in emerging markets.

Economic growth	2023	2024	2025f	2026f
IMF	3.1%	3.2%	3.3%	3.3%
OECD	3.1%	3.2%	3.3%	3.3%

Since mid-2023, the SICOM price for natural rubber has experienced a strong upward trajectory, stabilizing between US\$1,853 and US\$2,136 per ton through Q4 2024. Demand has remained steady, while raw material supply continues to be tight in key natural rubber-producing countries, reinforcing the industry's resilience.

In H2 2024, the Group successfully delivered traceable rubber products that fully comply with the EU Deforestation Regulation (EUDR) requirements. By capitalizing on the premium opportunities associated with EUDR compliance, the Group has further strengthened its market position. Additionally, the EU's decision to postpone the EUDR effective date to 2026 provides the industry with a smoother transition period. This extension allows for a more structured supply chain adaptation, ultimately benefiting the Group as it continues to enhance its readiness for regulatory compliance.

Looking ahead to the next 12 months, several key global factors will shape the natural rubber market:

- The continuation of a mid-to-high interest rate environment, alongside potential rate adjustments and their impact on economic growth.
- Evolving geopolitical dynamics in Eastern Europe and the Middle East, coupled with policy shifts in the U.S.
- China's economic trends and policy measures, particularly in relation to automotive manufacturing and consumer demand.

Despite these global uncertainties, the Group remains encouraged while staying vigilant about the economic outlook and the natural rubber industry's trajectory. Positive industry developments, including growing downstream demand, present promising opportunities for sustained growth. As the industry navigates this evolving landscape, the Group is well-positioned to leverage its strengths to continue driving value for its stakeholders.

PART C: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Financial Year ended 31 December 2024

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 Main Board 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 31 December 2024, the Company is 68.1% owned by China Rubber Investment Group Company Limited. ("CRIGC"), 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 Second Half 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The 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 financial statements for the period ended 30 June 2024.

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 condensed interim 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 27 – Going Concern.

PART C: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Financial Year ended 31 December 2024

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.

3. Use of estimates and judgements

In preparing the 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.

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 27 – Going Concern.

4. Other income

	Group		Group	
	H2 2024	H2 2023	FY 2024	FY 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Gain on disposal of property, plant and equipment, plantation and investment properties	–	7,442	–	23,768
Fair value gain on investment properties	415	997	415	997
Fair value gain on biological assets	2,071	–	2,071	–
Government grants	199	231	366	564
Others	1,500	873	1,637	1,342
	<u>4,185</u>	<u>9,543</u>	<u>4,489</u>	<u>26,671</u>

5. Finance costs

	Group		Group	
	H2 2024	H2 2023	FY 2024	FY 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Interest expense on:				
- Term loans	6,587	9,387	13,192	25,000
- Working capital loans	26,052	22,872	53,188	38,408
- Lease liabilities	215	221	420	452
Total finance costs	<u>32,854</u>	<u>32,480</u>	<u>66,800</u>	<u>63,860</u>

PART C: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Financial Year ended 31 December 2024

6. Profit/(Loss) before tax

	Group		Group	
	H2 2024	H2 2023	FY 2024	FY 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Profit/(Loss) before tax has been arrived at after charging:				
Non-recurring expenses:				
Tax settlement arising from prior years	–	–	–	5,344
Business rationalisation expenses	–	2,885	–	2,885
Reversal of allowance for other receivables	–	(2,759)	–	–
	–	126	–	8,229
Depreciation of property, plant and equipment, plantation and biological assets included in:				
- Cost of sales	11,118	9,409	21,254	20,315
- Selling expenses	27	51	55	59
- Administrative expenses	2,783	3,118	5,254	5,355
	13,928	12,578	26,563	25,729
Foreign exchange gain included in:				
- Cost of sales	240	(309)	517	(60)
- Administrative expenses	6,063	(1,020)	5,812	(3,310)
	6,303	(1,329)	6,329	(3,370)
Amortisation:				
- Intangible assets	290	400	580	897
- Right-of-use assets	1,053	664	2,130	2,281
	1,343	1,064	2,710	3,178
Employee benefits expenses (including directors' remuneration)				
- Cost of sales	24,879	31,063	51,397	59,405
- Selling expenses	3,223	3,375	5,557	5,832
- Administrative expenses	25,074	17,701	39,267	37,858
	53,176	52,139	96,221	103,095

PART C: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Financial Year ended 31 December 2024

6. Profit/(Loss) before tax (cont'd)

	Group		Group	
	H2 2024 US\$'000	H2 2023 US\$'000	FY 2024 US\$'000	FY 2023 US\$'000
Professional fees	2,462	3,334	5,431	6,418
Lease expenses on short-term leases and low-value assets	230	435	521	641
Write off of property, plant and equipment	202	1,033	217	1,099
Loss on disposal of asset held for sale	–	381	–	381
Impairment loss on biological assets	–	1,596	–	1,596
Fair value loss on investment properties	–	2,455	–	2,455
Impairment loss on property, plant and equipment	1,188	2,149	1,188	2,149
Loss on disposal of property, plant and equipment	13	–	25	–
Impairment loss on financial assets	48	106	1,264	23,665
Impairment loss on investment in an associate	3,207	–	3,207	–
Inventories recognised as an expense in cost of sales	2,155,926	1,602,877	3,607,296	2,754,659

7. Income tax expense

	Group		Group	
	H2 2024 US\$'000	H2 2023 US\$'000	FY 2024 US\$'000	FY 2023 US\$'000
Consolidated income statement				
Current tax				
Current tax expense	(12,346)	(7,605)	(18,329)	(16,235)
(Under)/over provision in prior years	(52)	2,116	(324)	846
Deferred tax				
Tax (expense)/credit relating to the origination and reversal of temporary differences	(604)	3,150	2,463	3,933
Reversal of over provision in respect of prior years	–	2,114	–	2,114
Income tax expense recognised in consolidated income statement	(13,002)	(225)	(16,190)	(9,342)

PART C: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Financial Year ended 31 December 2024

8. Loss per share (“LPS”)

	Group Basic and diluted		Group Basic and diluted	
	H2 2024 US\$'000	H2 2023 US\$'000	FY 2024 US\$'000	FY 2023 US\$'000
Loss for the period/year attributable to owners of the Company	(7,392)	(24,899)	(29,143)	(87,017)
Dividend on perpetual securities	(3,800)	(3,800)	(7,600)	(7,600)
Adjusted loss attributable to owners of the Company	<u>(11,192)</u>	<u>(28,699)</u>	<u>(36,743)</u>	<u>(94,617)</u>
Weighted average number of ordinary shares used to compute earnings per share	1,595,012	1,595,012	1,595,012	1,595,012
Basic and diluted Loss per share (“LPS”)				
Loss per share (US Cents)	(0.70)	(1.80)	(2.30)	(5.93)
Loss per share (SGD Cents) ⁽¹⁾	<u>(0.94)</u>	<u>(2.42)</u>	<u>(3.08)</u>	<u>(7.96)</u>

⁽¹⁾ Translated at the average exchange rates for each respective period/year.

9. Intangible assets

Goodwill

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

	Group	
	31 December 2024 US\$'000	31 December 2023 US\$'000
CGU within HRC Group	256,601	256,601
CGU within Corrie MacColl Group	29,778	29,778
	<u>286,379</u>	<u>286,379</u>
Software	<u>544</u>	<u>739</u>

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 2024. No impairment loss was recognised as at 31 December 2024 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. The recoverable amount of the CGU 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.

PART C: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Financial Year ended 31 December 2024

9. Intangible assets (cont'd)

Key assumptions used in the value in use calculations

Cash generating units/intangible assets	Discount rate	Growth rate
HRC Group:		
- Goodwill	10.5%	3%
- Process know-how	10.5%	3%
Corrie MacColl Group:		
- Goodwill	10%	2%

10. Property, plant and equipment

As at 31 December 2024, the Group acquired assets amounting to US\$16,352,000 (31 December 2023: US\$18,415,000) and disposed of assets amounting to US\$7,000 (31 December 2023: US\$204,000).

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 2024 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 24.

12. Deferred taxes

The net decrease in deferred tax liabilities of US\$180,000 is mainly due to derecognition of deferred tax liabilities on temporary differences during 2024.

13. Plantation and biological assets

As at 31 December 2024, the decrease of US\$6,451,000 of the Group's plantation and biological assets is mainly due to depreciation charges of US\$6,203,000, and exchange losses of US\$18,990,000, offset by additional cost capitalised of US\$18,773,000, and fair value gain of US\$2,071,000.

Interest expense amounting to US\$12,118,000 was capitalised in 2024 (2023: US\$13,363,000). The rate used to determine the amount of borrowing costs eligible for capitalisation was 6.90% - 7.50% (2023: 7.07% - 7.50%) per annum, representing the effective interest rate of the relevant borrowings.

The fair value of the plantation in Cameroon and Malaysia were determined by independent valuers. A review of the recoverable amount for the plantation in Cameroon was determined based on the value in use calculation and the discount rate of 15.7% (2023: 13.3%) per annum.

PART C: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Financial Year ended 31 December 2024

13. Plantation and biological assets (cont'd)

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 year.

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 2024. This requires estimation of the expected future cash flows from the biological assets and discounted to using a discount rate.

14. Loans and other receivables

As at 31 December 2024, the decrease in loans and other receivables is mainly due to repayment of a loan to a third party (US\$43,758,000) and partially offset by increase in advances to suppliers by US\$38,400,000,

15. Investment in associates

During H2 2024, the Group has impaired its investment in one of the associates: Agridence of US\$3,207,000.

The Group's investment in associates is summarised as below:

	Group	
	2024	2023
	US\$'000	US\$'000
Feltex Co., Ltd.	1,391	1,432
Agridence Pte. Ltd.	896	4,568
	2,287	6,000
	2,287	6,000

PART C: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Financial Year ended 31 December 2024

16. Inventories

	Group	
	31 December 2024	31 December 2023
	US\$'000	US\$'000
Inventories carried at cost	20,987	23,731
Inventories carried at fair value	485,156	433,190
	506,143	456,921

The inventories as at 31 December 2024 included fair value gain of US\$35,709,000 (2023: fair value gain of US\$32,049,000).

17. Assets classified as held for sale

During H2 2024, the Group has decided to sell offices located in Indonesia. Accordingly, these properties amounting to US\$1,132,000 have been reclassified from investment properties to assets classified as held for sale.

18. Loan payables

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Current:				
- Working capital loans	529,875	609,241	219,649	358,284
- Shareholders' loans	581,502	376,000	533,000	376,000
- Term loans	33,568	11,795	-	-
	1,144,945	997,036	752,649	734,284
Non-current:				
- Working capital loans	5,912	5,770	-	-
- Term loans	100,135	98,998	-	-
	106,047	104,768	-	-
Total loan payables	1,250,992	1,101,804	752,649	734,284

PART C: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Financial Year ended 31 December 2024

18. Loan payables (cont'd)

	Group			
	31 December 2024		31 December 2023	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Amount repayable in one year or less, on demand	463,803	681,142	133,554	863,482
Amount repayable after one year	100,135	5,912	96,191	8,577

Details of collateral

Certain loans are secured by corporate guarantees from the Company and major shareholders or by a charge over certain of the Group's inventories, property, plant and equipment, trade receivables and certain cash and bank balances.

19. Net asset value

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Net asset value per ordinary share based on issued share capital (US cents)	31.98	35.47	32.33	36.13
Net asset value per ordinary share based on issued share capital (SGD cents) ⁽¹⁾	42.79	46.77	43.25	47.64
Number of ordinary shares outstanding (in thousands)	1,595,012	1,595,012	1,595,012	1,595,012

⁽¹⁾ Translated at the closing exchange rates of each respective year.

PART C: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Financial Year ended 31 December 2024

20. Share capital

(i) Issued and paid-up capital

	No. of shares '000	US\$'000
At 31 December 2024 and 31 December 2023	1,595,012	603,874

There were no outstanding options, convertibles, treasury shares or subsidiary holdings as at 31 December 2024 and 31 December 2023.

(ii) The Company did not hold any treasury shares as at 31 December 2024 and 31 December 2023. As such, the number of issued shares excluding treasury shares as at 31 December 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 year reported on.

21. Perpetual securities

The perpetual securities bear distributions 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.

22. 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:

	Group 12 months ended 31 December 2024	12 months ended 31 December 2023
	US\$'000	US\$'000
Banking facilities jointly covered by letter of comfort from Sinochem International Corporation ("SIC") and HRG	63,016	400,295
Banking facilities jointly covered by corporate guarantee from SIC and HRG	219,837	–
Fee charged by SIC for issuance of letter of comfort	1,362	688
Shareholder's loan from HRG	430,276	330,986
Shareholder's loan from CRIGC	42,400	–
Shareholder's loan from HSF	63,812	–
Shareholder's loan from SIC	45,014	45,014
Interest charged by HRG	22,683	11,493
Interest charged by CRIGC	4,499	–
Interest charged by HSF	2,731	–
Interest charged by SIC	3,022	4,164
Sales of rubber to subsidiaries of HRG	34,645	19,272
Purchases of rubber from subsidiaries of HRG	79,622	24,041

23. 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 its rubber raw materials 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 Plantation (“CMCP Group”) and CMC Distribution (“CMCI Group”). CMCP Group includes plantation and processing platform in Cameroon and Malaysia and CMCI Group is our distribution platform 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 CONSOLIDATED FINANCIAL STATEMENTS
For the Second Half ended 31 December 2024

23. Segment information (cont'd)

	CMCP Group		CMCI Group		HRC Group		Corporate		Elimination		Consolidated	
	H2 2024 US\$'000	H2 2023 US\$'000	H2 2024 US\$'000	H2 2023 US\$'000	H2 2024 US\$'000	H2 2023 US\$'000	H2 2024 US\$'000	H2 2023 US\$'000	H2 2024 US\$'000	H2 2023 US\$'000	H2 2024 US\$'000	H2 2023 US\$'000
Revenue to third party	745	1,137	227,379	274,466	2,045,190	1,412,553	–	–	–	–	2,273,314	1,688,156
Inter-segment revenue	30,372	17,525	1,173	195	22,070	23,009	5,812	6,998	(59,427)	(47,727)	–	–
Total revenue	31,117	18,662	228,552	274,661	2,067,260	1,435,562	5,812	6,998	(59,427)	(47,727)	2,273,314	1,688,156
Gross profit	7,296	(374)	32,661	37,845	77,475	48,075	5,812	6,998	(5,856)	(7,265)	117,388	85,279
Operating (loss)/profit	(2,263)	(8,361)	15,998	17,710	26,301	836	(2,865)	(2,403)	465	(1,546)	37,636	6,236
Operating (loss)/profit excluding management fee	(2,263)	(8,361)	16,241	18,288	31,870	7,256	(8,677)	(9,401)	465	(1,546)	37,636	6,236
Finance income											1,594	1,181
Finance costs											(32,854)	(32,480)
Share of result of associates											(163)	(697)
Profit/(Loss) before tax											6,213	(25,760)
Income tax expense											(13,002)	(225)
Loss for the financial period											(6,789)	(25,985)
Total sales volume (tonnes)	17,099	13,073	94,791	145,528	1,089,062	1,001,007	–	–	(26,438)	(29,510)	1,174,514	1,130,098
Gross profit per tonne (US\$)	427	(29)	345	260	71	48	–	–	–	–	100	75
Other information:												
Management fee (income)/expense	–	–	243	578	5,569	6,420	(5,812)	(6,998)	–	–	–	–
Depreciation expense (include right-of-use assets)	5,506	3,613	605	199	7,888	8,625	501	503	481	302	14,981	13,242
Capital expenditure	5,116	6,985	66	37	8,403	7,329	364	22	–	–	13,949	14,373

Halcyon Agri Corporation Limited and its Subsidiaries

PART C: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Second Half ended 31 December 2024

23. Segment information (cont'd)

	CMCP Group		CMCI Group		HRC Group		Corporate		Elimination		Consolidated	
	FY 2024 US\$'000	FY 2023 US\$'000	FY 2024 US\$'000	FY 2023 US\$'000	FY 2024 US\$'000	FY 2023 US\$'000	FY 2024 US\$'000	FY 2023 US\$'000	FY 2024 US\$'000	FY 2023 US\$'000	FY 2024 US\$'000	FY 2023 US\$'000
Revenue to third party	1,462	1,682	531,853	559,322	3,264,914	2,339,823	–	–	–	–	3,798,229	2,900,827
Inter-segment revenue	48,862	31,758	15,803	282	36,471	52,002	11,639	12,817	(112,775)	(96,859)	A	–
Total revenue	50,324	33,440	547,656	559,604	3,301,385	2,391,825	11,639	12,817	(112,775)	(96,859)	3,798,229	2,900,827
Gross profit	5,689	(8,684)	59,490	69,464	125,924	85,775	11,639	12,817	(11,809)	(13,204)	B	190,933
Operating (loss)/profit	(13,752)	(34,454)	26,461	31,039	39,925	11,804	(3,379)	(24,946)	395	(1,698)		49,650
Operating (loss)/profit excluding management fee	(13,752)	(34,454)	26,750	31,659	51,274	24,001	(15,017)	(37,763)	395	(1,698)		49,650
Finance income												2,927
Finance costs												(66,800)
Share of result of associates												(496)
Loss before tax												(14,719)
Income tax expense												(16,190)
Loss for the financial year												(30,909)
Total sales volume (tonnes)	29,086	22,657	255,099	285,817	1,839,364	1,671,691	–	–	(47,255)	(60,101)	2,076,294	1,920,064
Gross profit per tonne (US\$)	196	(383)	233	243	68	51	–	–	–	–	92	76
Other information:												
Management fee expense/(income)	–	–	289	620	11,349	12,197	(11,638)	(12,817)	–	–	–	–
Depreciation expense (include right-of-use assets)	9,660	7,737	1,251	1,379	16,290	17,464	1,011	1,128	481	302	28,693	28,010
Capital expenditure	8,484	12,008	82	52	14,478	10,655	366	82	–	–	23,410	22,797

Halcyon Agri Corporation Limited and its Subsidiaries

PART C: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Second Half ended 31 December 2024

23. Segment information (cont'd)

	CMCP Group		CMCI Group		HRC Group		Corporate		Elimination		Consolidated		
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 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	781,407	851,816	628,633	583,806	1,276,436	1,143,391	1,460,067	1,615,076	(2,053,379)	(2,227,298)	C	2,093,164	1,966,791
Segment liabilities	326,617	367,529	338,946	312,915	823,347	708,401	944,530	880,334	(850,422)	(868,079)	D	1,583,023	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 balance

PART C: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Second Half ended 31 December 2024

23. Segment information (cont'd)

Geographical information

	FY 2024	FY 2023
Sales of natural rubber	US\$'000	US\$'000
Singapore	78,571	55,287
Asia (excluding Singapore and China)	545,471	464,442
China	2,506,118	1,717,583
USA/Canada	302,526	293,178
Europe	303,489	286,212
Others	62,054	84,125
Total	3,798,229	2,900,827

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 associates) by geographical location are presented below:

	31 December 2024	31 December 2023
Non-current assets	US\$'000	US\$'000
Singapore	17,259	21,719
Asia	480,980	491,466
Africa	572,206	584,037
Europe	23,784	24,789
Others	11,039	11,308
Total	1,105,268	1,133,319

24. 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.

PART C: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Second Half ended 31 December 2024

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

(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	
Assets measured at fair value				
Financial assets:				
Derivative financial instruments	–	31,211	–	31,211
Financial assets as at 31 December 2024	–	31,211	–	31,211
Non-financial assets:				
Inventories	–	485,156	–	485,156
Biological assets	–	–	390,132	390,132
Investment properties	–	–	39,536	39,536
Non-financial assets as at 31 December 2024	–	485,156	429,668	914,824
Liabilities measured at fair value				
Financial liabilities:				
Derivative financial instruments	–	23,800	–	23,800
Financial liabilities as at 31 December 2024	–	23,800	–	23,800

PART C: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Second Half ended 31 December 2024

24. 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	
Assets measured at fair value				
Financial assets:				
Derivative financial instruments	–	8,653	–	8,653
Financial assets as at 31 December 2023	–	8,653	–	8,653
Non-financial assets:				
Inventories	–	433,190	–	433,190
Biological assets	–	–	396,385	396,385
Investment properties	–	–	41,200	41,200
Non-financial assets as at 31 December 2023		433,190	437,585	870,775
Liabilities measured at fair value				
Financial liabilities:				
Derivative financial instruments	–	13,021	–	13,021
Financial liabilities as at 31 December 2023	–	13,021	–	13,021

PART C: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Second Half ended 31 December 2024

24. 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	
Assets measured at fair value				
<i>Financial assets:</i>				
Derivative financial instruments	–	10,003	–	10,003
Financial assets as at 31 December 2024	–	10,003	–	10,003
Liabilities measured at fair value				
<i>Financial liabilities:</i>				
Derivative financial instruments	–	15,360	–	15,360
Financial liabilities as at 31 December 2024	–	15,360	–	15,360
Company 2023				
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
Assets measured at fair value				
<i>Financial assets:</i>				
Derivative financial instruments	–	4,652	–	4,652
Financial assets as at 31 December 2023	–	4,652	–	4,652
Liabilities measured at fair value				
<i>Financial liabilities:</i>				
Derivative financial instruments	–	4,063	–	4,063
Financial liabilities as at 31 December 2023	–	4,063	–	4,063

24. 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 model for 31 December 2024. The most significant inputs into the discounted cash flow valuation model are the average annual yield and discount rate.

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.

(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 31 December 2024 are US\$390,132,000 (31 December 2023: US\$396,385,000) and US\$39,536,000 (31 December 2023: US\$41,200,000) respectively.

PART C: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Second Half ended 31 December 2024

24. 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. 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.

25. 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\$2,163,000 (2023: US\$7,007,000).

26. Dividends on ordinary shares

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

27. Going Concern

As at 31 December 2024, the 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\$30,909,000 (2023: loss after tax of US\$88,641,000); and
- As of 31 December 2024, the balance sheet of the Group recorded a net current liability of US\$440,639,000 (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 CONSOLIDATED FINANCIAL STATEMENTS
For the Second Half ended 31 December 2024

27. 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) Shareholders' loans

- (i) In February 2025, HRG and SIC have restructured the current shareholders' loans amounting to US\$372,690,000 and granted an extension for one year.
- (ii) In February 2025, HSF extended a short-term loan (US\$64,000,000) to long-term with a maturity date on February 2027.

(b) New working capital loans

- (i) In 2024, the Group has secured short-term working capital loans with various banks for a total facility of US\$275,500,000.
- (ii) In Jan 2025, the Group has secured a short-term working capital loan with a facility of US\$277,000,000.

(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.

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 consolidated statement of financial position of Halcyon Agri Corporation Limited and its subsidiaries as at 31 December 2024 and the related consolidated income statement and statement of comprehensive income, statements of changes in equity and consolidated cash flows statement for the Second Half and Financial Year 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 dividend has 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 31 December 2024 as the Company deems it appropriate to conserve funds for the Group's business activities and working capital requirement.

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 FY2024 are as follows:

	12 months ended 31 December 2024
	US\$'000
Sales & purchases rubber to/from related parties	114,267
Interest charged by shareholders	32,935
Fee charged by shareholder for issuance of letter of comfort	1,362
	<u>148,564</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.

7. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

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.

8. 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 Financial Year ended 31 December 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,
28 February 2025