

HALCYON AGRI

HALCYON AGRI CORPORATION LIMITED

(Company Registration No.: 200504595D)

(Incorporated in the Republic of Singapore on 7 April 2005)

**Placement of 61,000,000 Placement Shares
comprising 44,000,000 New Shares
and 17,000,000 Vendor Shares
at S\$0.36 for each Placement Share,
payable in full on application**

Manager, Sponsor and Lead Placement Agent

PRIME
Partners

PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.

(Company Registration No.: 200207389D)

(Incorporated in the Republic of Singapore)

Co-Placement Agent

UOB KayHian

UOB KAY HIAN PRIVATE LIMITED

(Company Registration No.: 197000447W)

(Incorporated in the Republic of Singapore)

OFFER DOCUMENT DATED 24 JANUARY 2013

(Registered by the Singapore Exchange Securities Trading Limited acting as agent on behalf of the Monetary Authority of Singapore on 24 January 2013)

This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser(s).

PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") has made an application to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in, and for quotation of, all the ordinary shares (the "**Shares**") in the capital of Halcyon Agri Corporation Limited (the "**Company**") already issued (including the Vendor Shares (as defined herein)) and the New Shares (as defined herein) which form part of this Placement (as defined herein) (the "**Placement Shares**") on the Catalist. Acceptance of applications will be conditional upon the issue of the New Shares, and the listing and quotation of all our Shares and the New Shares on the Catalist. Monies paid in respect of any application accepted will be returned if the admission and listing do not proceed.

Companies listed on the Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on the Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on the Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

This offer is made in or accompanied by an Offer Document (the "Offer Document") that has been registered by the SGX-ST acting as agent of the Monetary Authority of Singapore (the "Authority").

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor confirming that our Company is suitable to be listed and complies with the Catalist Rules. Neither the Authority nor the SGX-ST has in any way considered the merits of the Shares or units of Shares being offered for investment. The registration of this Offer Document with the SGX-ST does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any legal or regulatory requirements, or requirements under the SGX-ST's listing rules, have been complied with.

We have not lodged this Offer Document in any other jurisdiction.

Investing in our Shares involves risks which are described in the section entitled "RISK FACTORS" of this Offer Document.

After the expiration of six months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Document, and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this Offer Document.

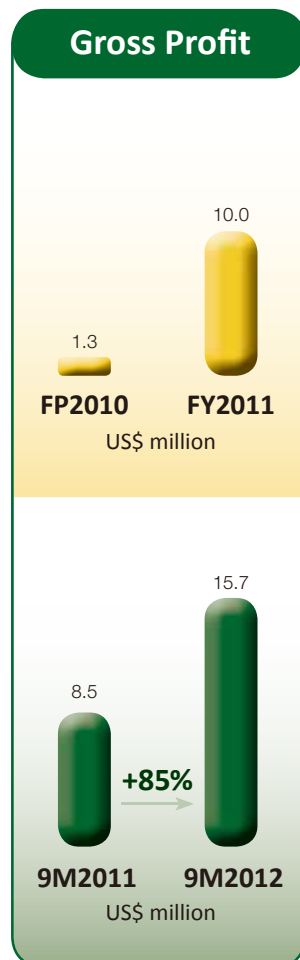
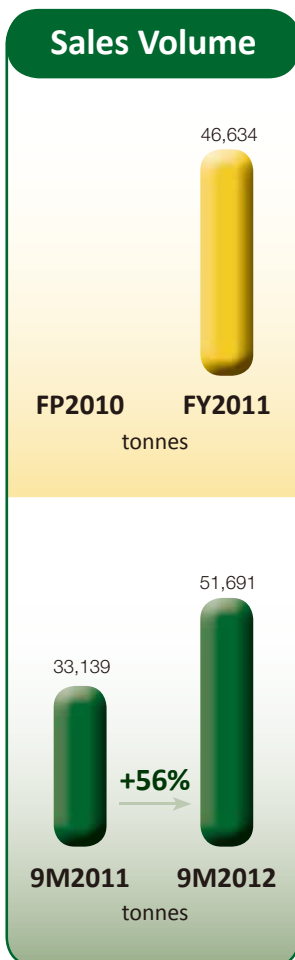




Corporate profile

- We operate in the midstream of the Natural Rubber supply chain, specialising in the processing and merchandising of Natural Rubber
- We produce Technically Specified Rubber of Indonesian origin to a range of specifications, which is used as an essential input to the manufacture of vehicle tyres
- Our headquarters, risk management, merchandising and marketing operations are located in Singapore
- We own and operate two long established Natural Rubber processing facilities located in Palembang, South Sumatra, Indonesia, which is the largest Natural Rubber exporting province in Indonesia
- We sell our products to a global customer base, including many of the top 20 global tyre manufacturers
- We produced and sold 51,691 tonnes of our products in the nine months to 30 September 2012 and delivered a further 15,356 tonnes of our products to 31 December 2012
- As at 31 December 2012, we had forward orders for 42,730 tonnes of our products for delivery in 2013. In addition, our customers have options for a further 12,701 tonnes

Financial Highlights



Our competitive strengths

Leading producer in Indonesia's largest rubber exporting area

- We are amongst the **largest exporters** of Natural Rubber in South Sumatra, Indonesia
- Indonesia is the 2nd largest producer of Natural Rubber globally, with **27%** of global Natural Rubber production
- South Sumatra is the largest rubber exporting province in Indonesia, with **33%** of Indonesia's Natural Rubber exports

Long established, high quality producer

- Our processing facilities have been operating for more than **50 years** in the case of HMK1 and more than **30 years** in the case of HMK2
- Our "HMK" production marks are **recognised globally** and have a well-established reputation for high **quality**

Premium specification products

- We are one of the **leading producers** of premium grade **SIR20-VK** in Indonesia
- SIR20-VK is highly sought after and attracts a **premium** over standard rubber products

Blue-chip customer base

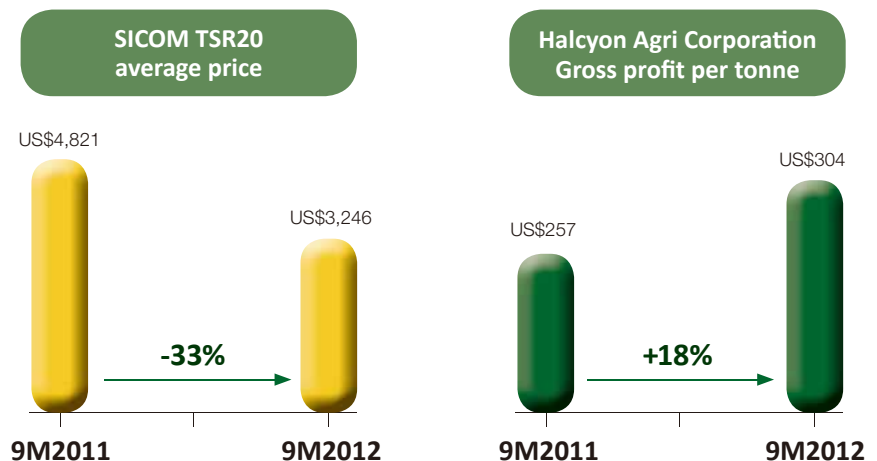
- Our processing facilities are approved by a substantial number of the **top 20 global tyre manufacturers**
- We service a **global customer base**, exporting to customers in the USA, EU, Japan and China

Highly experienced senior management

- Our Managing Directors, Head of Production and Head of Procurement each have more than **25 years' experience** in the Natural Rubber and/or tropical agri-commodities industries
- They collectively have an industry experience of around **130 years**

Our business model

- Our business model generally provides us with the ability to operate profitably regardless of the market price of Natural Rubber
- Our gross profit per tonne **increased 18%** while the average SICOM TSR20 price **decreased 33%** for 9M2012 as compared to 9M2011





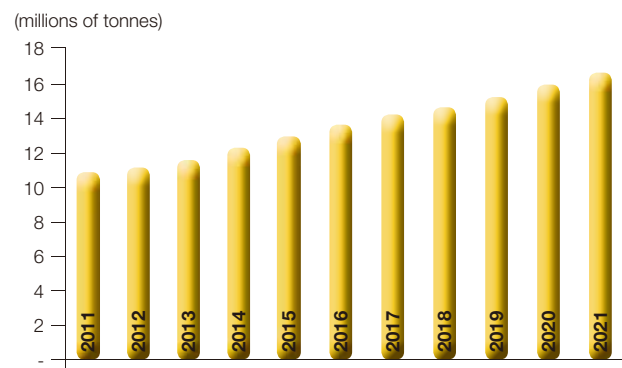
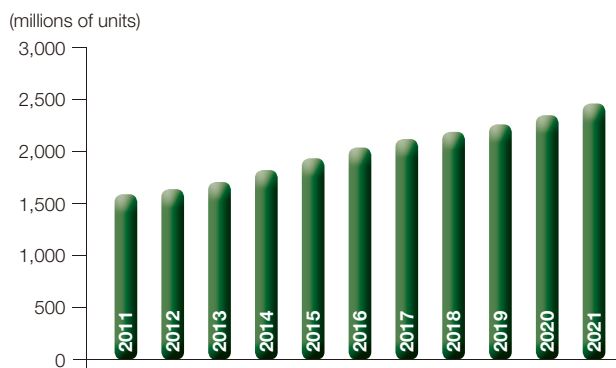
Business strategy and future plans

Industry Growth

The tyre industry is the largest consumer of Natural Rubber, accounting for approximately 70% of Natural Rubber demand

Tyre sales forecast to grow from 1.6 billion units in 2012 to 2.5 billion units in 2021

Natural Rubber consumption forecast to grow from 11.2 million tonnes in 2012 to 16.7 million tonnes in 2021



Source: IRSG, "The World Rubber Industry Outlook, Review and Prospects to 2021," June 2012

Dividend Policy

Our current intention is to pay a dividend for FY2012 and FY2013 of not less than 25% of our net profits attributable to Shareholders, based on the recommendations of our Board of Directors

Growth Strategy

Expand Capacity

Additional Wet-Line at HMK2
+10,500 tonnes per annum



Expansion of existing processing facilities
(new machinery and supporting facilities)
+50,000 tonnes per annum



M&A

Seek suitable acquisition opportunities and apply the Group's business model to acquired assets

Maximise sales & margins

Expand customer base
Increase the number of tyre manufacturers to which the Group is an approved supplier



Maximise SIR20-VK production

Maximise the proportion of the Group's production that is SIR20-VK rubber, which attracts premium pricing

Maximise efficiency

Strengthen supplier relationships
Procure raw materials at a competitive cost



Proactive maintenance

Minimise downtime and Maximise possible output

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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Robert Meyer (Executive Chairman and CEO) Pascal Demierre (Non-Executive Director) Alan Nisbet (Lead Independent Director) Randolph Khoo (Independent Director)
COMPANY SECRETARY	:	Maheshwari Arun (LLM)
REGISTERED OFFICE	:	250 North Bridge Road #12-01 Raffles City Tower Singapore 179101
PRINCIPAL PLACE OF BUSINESS	:	250 North Bridge Road #12-01 Raffles City Tower Singapore 179101
SHARE REGISTRAR	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
MANAGER, SPONSOR AND LEAD PLACEMENT AGENT	:	PrimePartners Corporate Finance Pte. Ltd. 20 Cecil Street #21-02 Equity Plaza Singapore 049705
CO-PLACEMENT AGENT	:	UOB Kay Hian Private Limited 8 Anthony Road #01-01 Singapore 229957
AUDITORS AND REPORTING ACCOUNTANTS	:	Deloitte & Touche LLP Certified Public Accountants 6 Shenton Way Tower Two #32-00 Singapore 068809 Partner-in-Charge: Mr Jeremy Toh Yew Kuan (Practising Member of the Institute of Certified Public Accountants of Singapore)
SOLICITORS TO THE PLACEMENT AND LEGAL ADVISERS TO THE COMPANY ON SINGAPORE LAW	:	TSMP Law Corporation 6 Battery Road Level 41 Singapore 049909

CORPORATE INFORMATION

LEGAL ADVISER TO THE COMPANY ON INDONESIAN LAW	:	Widyawan & Partners The Energy, 9th Floor Jl. Jenderal Sudirman Kav. 52-53 Jakarta 12190 Indonesia
RECEIVING BANKER	:	DBS Bank Limited 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
PRINCIPAL BANKERS	:	CIMB Bank 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623 Standard Chartered Bank 8 Marina Boulevard #01-01 Marina Bay Financial Centre Tower 1 Singapore 018981
VENDOR	:	Lynette Le Mercier 1 The Knolls Singapore 098297

DEFINITIONS

In this Offer Document and the accompanying Application Forms, the following definitions apply throughout where the context so admits:

Companies within our Group

<i>“Company” or “HAC”</i>	:	Halcyon Agri Corporation Limited
<i>“Group”</i>	:	Our Company and our Subsidiaries
<i>“Halcyon Plantations”</i>	:	Halcyon Plantations Pte. Ltd.
<i>“Hevea Global”</i>	:	Hevea Global Pte. Ltd.
<i>“Hevea Processing”</i>	:	Hevea Processing Pte. Ltd.
<i>“PT Hevea”</i>	:	PT Hevea MK
<i>“Subsidiaries”</i>	:	Hevea Global, Hevea Processing, PT Hevea and Halcyon Plantations

Other Corporations and Organisations

<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Co-Placement Agent” or “UOBKH”</i>	:	UOB Kay Hian Private Limited
<i>“GAPKINDO”</i>	:	Gabungan Perusahaan Karet Indonesia, the Rubber Association of Indonesia
<i>“Halcyon Agri Resources”</i>	:	Halcyon Agri Resources Pte. Ltd.
<i>“Halcyon Corporate Services”</i>	:	Halcyon Corporate Services Pte. Ltd.
<i>“Halcyon Group”</i>	:	Halcyon Investment Corporation and its subsidiaries
<i>“Halcyon Investment Corporation”</i>	:	Halcyon Investment Corporation Pte. Ltd.
<i>“IE Singapore”</i>	:	International Enterprise Singapore
<i>“IRSG”</i>	:	International Rubber Study Group, with its office at 111 North Bridge Road, #23-01/06 Peninsula Plaza, Singapore 179098
<i>“Manager, Sponsor and Lead Placement Agent” or “PPCF”</i>	:	PrimePartners Corporate Finance Pte. Ltd.

DEFINITIONS

<i>“MAS” or “Authority”</i>	:	The Monetary Authority of Singapore
<i>“SGX-ST” or “Exchange”</i>	:	Singapore Exchange Securities Trading Limited
<i>“SICOM”</i>	:	Singapore Commodity Exchange Limited
General		
<i>“9M2011”</i>	:	The 9-month financial period beginning on 1 January 2011 and ending on 30 September 2011
<i>“9M2012”</i>	:	The 9-month financial period beginning on 1 January 2012 and ending on 30 September 2012
<i>“Act” or “Companies Act”</i>	:	The Companies Act (Chapter 50) of Singapore as amended, supplemented or modified from time to time
<i>“Application Forms”</i>	:	The printed application forms to be used for the purpose of the Placement and which form part of this Offer Document
<i>“Application List”</i>	:	The list of applications for subscription and/or purchase of the Placement Shares
<i>“Articles” or “Articles of Association”</i>	:	The articles of association of our Company
<i>“Associate”</i>	:	(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more of the aggregate of the nominal amount of all the voting shares;
		(b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more

DEFINITIONS

<i>“Associated Company”</i>	:	In relation to a corporation, means: (a) any corporation in which the corporation or its subsidiary has, or the corporation and its subsidiary together have, a direct interest of not less than 20% but not more than 50% of the aggregate of the nominal amount of all the voting shares; or (b) any corporation, other than a subsidiary of the corporation or a corporation which is an associated company by virtue of paragraph (a), the policies of which the corporation or its subsidiary, or the corporation together with its subsidiary, is able to control or influence materially
<i>“Audit Committee”</i>	:	The audit committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Board” or “Board of Directors”</i>	:	The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Catalist”</i>	:	The sponsor-supervised listing platform of the SGX-ST
<i>“Catalist Rules”</i>	:	Any or all of the rules in Section B: Rules of Catalist of the Listing Manual, as the case may be, as amended, supplemented or modified from time to time
<i>“CEO”</i>	:	The chief executive officer of our Company as at the date of this Offer Document unless otherwise stated
<i>“CFO”</i>	:	The chief financial officer of our Company as at the date of this Offer Document unless otherwise stated
<i>“Controlling Shareholder”</i>	:	A person who holds directly or indirectly 15% or more of the total votes attached to all the shares or in fact exercises control over the corporation
<i>“CSR”</i>	:	Corporate social and environmental responsibility management
<i>“Directors”</i>	:	The directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“EBITDA”</i>	:	Earnings before interest, tax, depreciation and amortisation
<i>“entity”</i>	:	Includes a corporation, an unincorporated association, a partnership and the government of any state, but does not include a trust

DEFINITIONS

<i>“Entity at Risk”</i>	:	The issuer, a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange or an Associated Company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its Interested Person(s), has control over the Associated Company
<i>“EPS”</i>	:	Earnings per Share
<i>“EU”</i>	:	European Union
<i>“Executive Chairman”</i>	:	The executive chairman of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Executive Officers”</i>	:	The executive officers of our Group as at the date of this Offer Document, unless otherwise stated
<i>“FP2010”</i>	:	The 9-month financial period beginning on 1 April 2010 and ending on 31 December 2010
<i>“FY”</i>	:	Financial year ended or ending 31 December, as the case may be
<i>“GDP”</i>	:	Gross Domestic Product
<i>“GST”</i>	:	Goods and Services Tax of Singapore
<i>“HMK1”</i>	:	The rubber processing facility located at Jl. Dr. Sutami 2 Ilir Sungai Lais, Palembang, Sumatera Selatan, Indonesia
<i>“HMK2”</i>	:	The rubber processing facility located at Jl. Sosial Kel. Gandus RT.12/RW.04, Kec Gandus, Palembang, Sumatera Selatan, Indonesia
<i>“Independent Directors”</i>	:	The independent Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Indonesia”</i>	:	The Republic of Indonesia
<i>“Interested Person”</i>	:	A director, chief executive officer or controlling shareholder, or an Associate of any such director, chief executive officer or controlling shareholder
<i>“Latest Practicable Date”</i>	:	31 December 2012, being the latest practicable date prior to the lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority
<i>“Listing”</i>	:	The listing of our Company and the quotation of our Shares on the Catalist

DEFINITIONS

<i>“Listing Manual”</i>	:	The provisions of Section A and B of the listing manual of the SGX-ST as amended, supplemented or modified from time to time
<i>“Management Agreement”</i>	:	The full sponsorship and management agreement dated 24 January 2013 between our Company, the Vendor and PPCF pursuant to which PPCF shall sponsor and manage the Listing, as described in the sections entitled “Plan of Distribution” and “General and Statutory Information — Management and Placement Arrangements” of this Offer Document
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“NAV”</i>	:	Net asset value
<i>“New Shares”</i>	:	The 44,000,000 new Shares for which our Company invites applications to subscribe pursuant to the Placement, subject to and on the terms and conditions of this Offer Document
<i>“Nominating Committee”</i>	:	The nominating committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“NTA”</i>	:	Net tangible assets
<i>“Offer Document”</i>	:	This Offer Document dated 24 January 2013 issued by our Company in respect of the Placement
<i>“OHSMS”</i>	:	Occupational Health and Safety Management System
<i>“PBT”</i>	:	Profit before taxation
<i>“PER”</i>	:	Price earnings ratio
<i>“Period Under Review”</i>	:	The period which comprises FP2010, FY2011 and 9M2012
<i>“Placement”</i>	:	The placement of the Placement Shares on behalf of our Company and the Vendor at the Placement Price, subject to and on the terms and conditions of this Offer Document

DEFINITIONS

<i>“Placement Agreement”</i>	:	The placement agreement dated 24 January 2013 between our Company, the Vendor, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent, pursuant to which the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent agreed to purchase and/or subscribe for or procure purchasers for and/or subscribers for the Placement Shares, as described in the sections entitled “Plan of Distribution” and “General and Statutory Information — Management and Placement Arrangements” of this Offer Document
<i>“Placement Price”</i>	:	S\$0.36 for each Placement Share
<i>“Placement Shares”</i>	:	The 61,000,000 Shares which are the subject of the Placement, comprising 44,000,000 New Shares and 17,000,000 Vendor Shares
<i>“R&D”</i>	:	Research and development
<i>“Remuneration Committee”</i>	:	The remuneration committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Securities Account”</i>	:	The securities account maintained by a depositor with CDP, but does not include a securities sub-account
<i>“Service Agreement”</i>	:	The service agreement entered into between our Company and our Executive Chairman and CEO, Mr Robert Meyer, as described in the section entitled “Directors, Management and Staff — Service Agreement” of this Offer Document
<i>“SFA” or “Securities and Futures Act”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
<i>“SGXNET”</i>	:	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
<i>“Share Split”</i>	:	The sub-division of each Share into 2,000 Shares, resulting in our Company’s increased issued share capital comprising 246,000,000 Shares
<i>“Shareholders”</i>	:	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares mean the Depositors whose Securities Accounts are credited with Shares
<i>“Shares”</i>	:	Ordinary shares in the share capital of our Company

DEFINITIONS

<i>“Singapore”</i>	:	The Republic of Singapore
<i>“Substantial Shareholder”</i>	:	A person who has an interest or interests in one or more voting shares in our Company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares of our Company
<i>“USA”</i>	:	The United States of America
<i>“Vendor”</i>	:	Lynette Le Mercier
<i>“Vendor Shares”</i>	:	The 17,000,000 existing Shares owned by the Vendor for which the Vendor invites applications to subscribe pursuant to the Placement, subject to and on the terms and conditions of this Offer Document

Currencies, Units and Others

<i>“%”</i>	:	Per centum or percentage
<i>“IDR” or “Rupiah”</i>	:	Indonesian Rupiah
<i>“kg”</i>	:	Kilograms
<i>“S\$” and “cents”</i>	:	Singapore dollars and cents, respectively
<i>“sq m”</i>	:	Square metre
<i>“US\$” or “US Dollars”</i>	:	United States dollars

For the purpose of this Offer Document, the following persons' names in the second column below are also known by the names set out in the first column.

<i>“Robert Meyer”</i>	:	Meyer Günther Robert
<i>“Pascal Demierre”</i>	:	Demierre Pascal Guy Chung Wei
<i>“Alan Nisbet”</i>	:	Nisbet Alan Rupert
<i>“Randolph Khoo”</i>	:	Khoo Boo Teck Randolph
<i>“Leonard Beschizza”</i>	:	Beschizza Leonard Peter Silvio
<i>“Lynette Le Mercier”</i>	:	Le Mercier Lynette Nee Lord
<i>“Valentin Schillo”</i>	:	Schillo Valentin Wolf

DEFINITIONS

The expressions “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Act.

The terms “related corporation”, “related entity”, “subsidiary”, “subsidiary entity” and “substantial interest-holder” shall have the same meanings ascribed to them respectively in Section 1 of the Fourth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any discrepancies between the amounts listed and the totals thereof in tables included herein are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Any reference in this Offer Document and/or the Application Forms to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Act, the SFA or any statutory modification thereof and used in this Offer Document and/or the Application Forms shall, where applicable, have the meaning ascribed to it under the Act, the SFA or any statutory modification thereof, as the case may be.

Any reference in this Offer Document and/or the Application Forms to Shares being allotted to an applicant includes allotment to CDP for the account of that applicant.

Any reference to a time of day in this Offer Document and/or the Application Forms shall be a reference to Singapore time, unless otherwise stated.

Any reference to “we”, “us”, “our”, “ourselves” or other grammatical variations thereof in this Offer Document is a reference to our Company, our Group or any member of our Group, as the context requires.

Our customers and competitors named in this Offer Document are generally referred to in this Offer Document by their trade names. Each of our contracts with each customer is typically with an entity or entities in that customer’s group of companies.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the business of our Group, the following glossary provides a description of some of the technical terms and abbreviations used in this Offer Document. The terms and their meanings may not correspond to standard industry meanings or usage of these terms.

<i>“Dry-Line”</i>	:	Certain equipment involved in the “dry process” stage of Natural Rubber processing, principally drying machines (see the section entitled “General Information on Our Group — Manufacturing Process” of this Offer Document for more details)
<i>“Dry Rubber Content”</i>	:	The ratio of the weight of rubber particles to the total weight of the raw material. The other major component of raw material that is not rubber particles, and therefore excluded from the Dry Rubber Content, is water
<i>“Mooney Viscosity”</i>	:	A measurement of the plasticity or viscosity of an uncompounded, or compounded vulcanised, elastomer seal material by means of the Mooney Shearing Disk Viscometer
<i>“Natural Rubber”</i>	:	An elastic hydrocarbon polymer that is derived from latex, which is the sap produced from certain trees/plants. The sap is collected either in its liquid form to produce rubber latex or left to coagulate to produce a solid dry rubber
<i>“SIR20”</i>	:	Standard Indonesian Rubber-20, which is TSR of Indonesian origin that meets certain technical specifications in relation to dirt, ash and nitrogen content, volatile matter and plasticity
<i>“SIR20-VK”</i>	:	Standard Indonesian Rubber-20 Viskositas Konstanta, which is SIR20 treated in order to achieve constant viscosity, measured by having a controlled specified Mooney Viscosity
<i>“SIR20-Compound”</i>	:	Standard Indonesia Rubber-20 Compound which is a mix of Natural Rubber, synthetic rubber and stearic acid
<i>“TSR”</i>	:	Technically Specified Rubber which is Natural Rubber processed to an internationally recognised standard and is ready for use by end consumers
<i>“TSR20”</i>	:	TSR grade 20 of the relevant country in which the producer is located
<i>“Wet-Line”</i>	:	Certain equipment involved in the “wet process” stage of Natural Rubber processing, involving breaking of raw material rubber slabs into pieces and washing those pieces in order to be made into wet blankets (see the section entitled “General Information on Our Group — Manufacturing Process” of this Offer Document for more details)

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by us, our Directors, Executive Officers or employees acting on our behalf, or persons acting on our behalf, or the Vendor's behalf, that are not statements of historical fact, constitute "forward-looking statements". You can identify some of these statements by forward-looking terms such as "expects", "believes", "plans", "intends", "estimates", "anticipates", "may", "will", "would" and "could" or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategy, plans and prospects are forward-looking statements. These forward-looking statements, including statements as to:

- (a) our revenue and profitability;
- (b) expected growth in demand;
- (c) expected industry trends;
- (d) anticipated expansion plans; and
- (e) other matters discussed in this Offer Document regarding matters that are not historical facts,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, amongst others:

- (i) changes in political, social and economic conditions and the regulatory environment in Singapore and Indonesia;
- (ii) changes in currency exchange rates;
- (iii) our anticipated growth strategies and expected internal growth;
- (iv) changes in the availability and prices of Natural Rubber, which is required to operate our business;
- (v) changes in customer preferences;
- (vi) changes in competitive conditions and our ability to compete under such conditions;
- (vii) changes in our future capital needs and the availability of financing and capital, to fund these needs;
- (viii) other factors beyond our control; and
- (ix) the factors described in the section entitled "Risk Factors" of this Offer Document.

These factors are discussed in greater detail in this Offer Document, in particular, but not limited to, the discussions under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Results of Operations and Financial Position". All forward-looking statements by or attributable to us or our Directors, our Executive Officers or our employees acting on our behalf, or persons acting on our behalf, or on the Vendor's behalf, contained in this Offer Document are expressly qualified in their entirety by such factors. These forward-looking statements are applicable only as of the date of this Offer Document.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Document, we advise you not to place undue reliance on those statements. Neither our Company, our Directors, the Vendor, the Manager, Sponsor and Lead Placement Agent, the Co-Placement Agent nor any other person represents or warrants to you that our actual future results, performance or achievements will be as discussed in those statements.

Our actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. Our Company, the Vendor, our Directors, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. Our Company is, however, subject to the provisions of the SFA and the Catalist Rules regarding corporate disclosure. In particular, pursuant to Section 241 of the SFA, if after this Offer Document is registered but before the close of the Placement, we become aware of (a) a false or misleading statement or matter in this Offer Document; (b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA; or (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority and would have been required by Section 243 of the SFA to be included in this Offer Document, if it had arisen before this Offer Document was lodged and that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority.

SELLING RESTRICTIONS

Singapore

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for our Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory authorities of, any jurisdiction, except for the lodgement and/or registration of this Offer Document in Singapore in order to permit a public offering of our Shares and the public distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of our Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by us, the Vendor, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us, the Vendor, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent.

Persons to whom a copy of this Offer Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

DETAILS OF THE PLACEMENT

LISTING ON THE CATALIST

We have applied to the SGX-ST for permission to deal in, and for the listing and quotation of, all our Shares already issued (including the Vendor Shares), as well as the New Shares which are the subject of the Placement. Such permission will be granted when we have been admitted to the Catalist of the SGX-ST.

Acceptance of applications will be conditional upon, *inter alia*, the issue of the New Shares and upon permission granted by the SGX-ST to deal in, and for quotation of, all of our existing issued Shares (including the Vendor Shares) and the New Shares. If such permission is not granted for any reason, monies paid in respect of any application accepted will, subject to applicable laws, be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, and you will not have any claims whatsoever against us, our Directors, the Vendor, the Manager, Sponsor and Lead Placement Agent or the Co-Placement Agent. No Shares shall be allotted on the basis of this Offer Document later than six months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

Companies listed on the Catalist may carry higher investment risk when compared with larger or more established companies listed on the SGX-ST Main Board. In particular, companies may list on the Catalist without a track record or profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on the Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any statements made, reports contained or opinions expressed in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Manager, Sponsor and Lead Placement Agent confirming that our Company is suitable to be listed and complies with the Catalist Rules. Neither the Authority nor the SGX-ST has in any way considered the merits of our existing issued Shares (including the Vendor Shares) and the New Shares, being offered for investment.

Admission to the Catalist is not to be taken as an indication of the merits of the Placement, our Company, our Subsidiaries, our existing issued Shares (including the Vendor Shares) and the New Shares.

A copy of this Offer Document has been lodged with and registered by the SGX-ST acting as agent on behalf of the Authority. The registration of this Offer Document by the SGX-ST on behalf of the Authority does not imply that the SFA, or any other legal or regulatory requirements, have been complied with. We have not lodged or registered this Offer Document in any other jurisdiction.

We are subject to the provisions of the SFA and the Catalist Rules regarding corporate disclosure. In particular, if after this Offer Document is registered but before the close of the Placement we become aware of:

- (a) a false or misleading statement or matter in this Offer Document;
- (b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the SFA; or
- (c) a new circumstance that has arisen since this Offer Document was lodged and would have been required by Section 243 of the SFA to be included in this Offer Document, if it had arisen before this Offer Document was lodged,

DETAILS OF THE PLACEMENT

that is materially adverse from the point of view of an investor, our Company may lodge a supplementary or replacement offer document pursuant to Section 241 of the SFA.

Where applications have been made under this Offer Document to subscribe for the Placement Shares prior to the lodgement of the supplementary or replacement offer document, we (as well as on behalf of the Vendor) shall within seven days from the date of lodgement of the supplementary or replacement offer document, either:

- (i) provide the applicants with a copy of the supplementary or replacement offer document, as the case may be, and provide applicants with an option to withdraw their applications; or
- (ii) treat the applications as withdrawn and cancelled and return all monies paid, without interest or any share of revenue or other benefit arising therefrom, in respect of any application accepted within seven days from the date of lodgement of the supplementary or replacement offer document.

Any applicant who wishes to exercise his option to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify our Company of this, whereupon our Company (as well as on behalf of the Vendor) shall, within seven days from the receipt of such notification, return the application monies without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk.

Where the Authority or other competent authority issues a stop order and:

- (A) in the case where the Placement Shares have not been issued to the applicant, the application for the Placement Shares pursuant to the Placement shall be deemed to have been withdrawn and cancelled and our Company shall, within 14 days from the date of the stop order, pay to the applicant all monies which the applicant has paid on account of his application for the Placement Shares; or
- (B) in the case where the Placement Shares have been issued to the applicant, the issue of the Placement Shares pursuant to the Placement shall be deemed to be void and our Company shall (for itself and on behalf of the Vendor), within 14 days from the date of the stop order, pay to the applicant all monies paid by him for the Placement Shares.

This Offer Document has been seen and approved by our Directors and the Vendor, and they individually and collectively accept full responsibility for the accuracy of the information given in this Offer Document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in this Offer Document are fair and accurate in all material respects as at the date of this Offer Document and there are no material facts the omission of which would make any statement in this Offer Document misleading, and that this Offer Document constitutes a full and true disclosure of all material facts about the Placement and our Group.

Neither our Company, the Vendor, the Manager, Sponsor and Lead Placement Agent, the Co-Placement Agent nor any other parties involved in the Placement is making any representation to any person regarding the legality of an investment in our Shares by such person under any investment or any laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own legal, financial, tax or other professional adviser regarding an investment in our Shares.

DETAILS OF THE PLACEMENT

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Placement and, if given or made, such information or representation must not be relied upon as having been authorised by us, the Vendor, the Manager, Sponsor and Lead Placement Agent or the Co-Placement Agent. Neither the delivery of this Offer Document, the Application Forms, any documents relating to the Placement, nor the Placement shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in our affairs or in any statements of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur, we may make an announcement of the same to the SGX-ST and will comply with the requirements of the SFA and/or any other requirements of the SGX-ST. All applicants should take note of any such announcements and, upon the release of such an announcement, shall be deemed to have notice of such changes.

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to the future performance or policies of our Company or our Subsidiaries. This Offer Document has been prepared solely for the purpose of the Placement and may not be relied upon by any persons other than the applicants in connection with their application for the Placement Shares or for any other purpose.

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation.

Copies of this Offer Document and the Application Forms may be obtained on request, subject to availability, during office hours from:

PrimePartners Corporate Finance Pte. Ltd.
20 Cecil Street
#21-02 Equity Plaza
Singapore 049705

UOB Kay Hian Private Limited
8 Anthony Road
#01-01
Singapore 229957

and where available, from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore.

A copy of this Offer Document is also available on the SGX-ST's website at <http://www.sgx.com>.

The Application List will open immediately upon the registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority and will remain open until 12.00 noon on 30 January 2013 or for such further period or periods as our Directors and the Vendor may, in consultation with the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent, in their absolute discretion, decide, subject to any limitation under all applicable laws. In the event a supplementary offer document or replacement offer document is lodged with the SGX-ST acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary offer document or replacement offer document.

Details of the procedures for application of the Placement Shares are set out in Appendix E of this Offer Document entitled "Terms, Conditions and Procedures for Application and Acceptance".

INDICATIVE TIMETABLE FOR LISTING

An indicative timetable for the Placement and trading in our Shares is set out below for your reference:

Indicative date/time	Event
30 January 2013 at 12.00 noon	Close of Application List
1 February 2013 at 9.00 a.m.	Commence trading on a “ready” basis
6 February 2013	Settlement date for all trades done on a “ready” basis

The above timetable is only indicative as it assumes that the date of closing of the Application List will be 30 January 2013, the date of admission of our Company to the Catalist of the SGX-ST will be 1 February 2013, the shareholding spread requirement will be complied with and the Placement Shares will be issued and fully paid-up prior to 1 February 2013.

The above timetable and procedures may be subject to such modification as SGX-ST may, in its absolute discretion, decide, including the decision to permit trading on a “ready” basis and the commencement date of such trading.

In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same:

- (a) through a SGXNET announcement to be posted on the Internet at the SGX-ST’s website at <http://www.sgx.com>; and
- (b) in a local English language newspaper.

You should consult the SGX-ST’s announcement on the “ready” trading date on the Internet (at the SGX-ST’s website <http://www.sgx.com>) or the newspapers, or check with your brokers on the date on which trading on a “ready” basis will commence.

We will provide details of the results of the Placement as soon as it is practicable after the close of the Application List through the channels described in (a) and (b) above.

OFFER DOCUMENT SUMMARY

The information contained in this summary is derived from and should be read in conjunction with the full text of this Offer Document. Because it is a summary, it does not contain all the information that potential investors should consider before investing in the Shares of our Company. Potential investors should read this entire Offer Document carefully, especially the matters set out under “Risk Factors” of this Offer Document, before deciding to invest in our Shares.

Our Group and business

Our Group operates in the midstream of the Natural Rubber supply chain, specialising in the processing of Natural Rubber and merchandising/marketing of processed Natural Rubber. We source raw materials in the form of rubber slabs from a range of suppliers and process it into TSR of Indonesian origin with different specifications, namely SIR20, SIR20-VK and SIR20-Compound, all of which are used as essential inputs to the manufacture of vehicle tyres. Our products are exported to an international customer base, including leading international tyre manufacturers.

Our Group was formed through a combination of the acquisition of existing assets as well as the development of new business activities. Our rubber processing facilities are long established, having been in operation for approximately 50 years in the case of HMK1, and approximately 30 years in the case of HMK2. In conjunction with the acquisition of HMK1 and HMK2, we implemented our own risk management and merchandising operations based in Singapore to provide the business model, working capital structure and professional systems to enable the efficient and profitable operation of the rubber processing facilities by our Group.

We operate principally through two Singapore incorporated subsidiaries, Hevea Global and Hevea Processing. Hevea Global acquires raw materials financed through its internal resources and external working capital resources, manages risk and undertakes the sales and marketing of our products and contracts with customers. Hevea Processing, through its subsidiary, PT Hevea, provides procurement, processing and export services in Palembang, Indonesia, for and on behalf of Hevea Global.

Further details are set out under the section entitled “General Information on Our Group” of this Offer Document.

Our Competitive Strengths

Our Directors believe that our key competitive strengths are as follows:

- (a) we are one of the leading integrated rubber processors in South Sumatra, which is Indonesia’s largest rubber exporting province;
- (b) our processing facilities have been operating for many years and have a well-established reputation for consistent high quality production;
- (c) we are one of the leading producers of SIR20-VK in Indonesia;
- (d) we are approved by a substantial number of the top 20 global tyre manufacturers;
- (e) our Group is managed by an experienced team of Executive Officers who collectively have around 130 years of experience in the Natural Rubber industry and/or industries involving other agricultural commodities; and
- (f) our business model generally provides us with the ability to operate profitably regardless of the market price of Natural Rubber and reduces our exposure to market movements.

OFFER DOCUMENT SUMMARY

Further details are set out under the section entitled “General Information on Our Group” of this Offer Document.

Our Business Strategy and Future Plans

Our business strategy and future plans involve the following:

- (a) expanding capacity at existing processing facilities;
- (b) expanding through mergers and acquisitions;
- (c) maximising the proportion of production that is premium SIR20-VK rubber;
- (d) expanding our customer base;
- (e) maintaining strong supplier relationships; and
- (f) implementation of structured and proactive maintenance programme.

Further details are set out under the section entitled “General Information on Our Group” of this Offer Document.

Where you can find us

Our principal place of business and registered office are located at 250 North Bridge Road, #12-01 Raffles City Tower, Singapore 179101. Our telephone and facsimile numbers are +65 6734 7220 and +65 6264 3783, respectively. Our Company registration number is 200504595D. Our website is <http://www.halcyonagri.com>. **Information on our website does not constitute part of this Offer Document.**

THE PLACEMENT

- Placement Size** : 61,000,000 Placement Shares comprising 44,000,000 New Shares and 17,000,000 Vendor Shares.
- The New Shares will, upon issue and allotment, rank *pari passu* in all respects with the existing issued Shares (including the Vendor Shares).
- Placement Price** : S\$0.36 for each Placement Share.
- The Placement** : The Placement comprises a placement of 61,000,000 Placement Shares at the Placement Price, subject to and on the terms and conditions of this Offer Document.
- Purpose of the Placement** : The purpose of the Placement is to secure the admission of our Company to the Catalist. Our Directors consider that the listing of our Company and the quotation of our Shares on the Catalist will enhance our public image locally and internationally and enable us to tap the capital markets to fund our business growth.
- The Placement will also provide members of the public, our management, our employees, our business associates and others who have contributed to the success of our Group with an opportunity to participate in the equity of our Company. In addition, the proceeds from the Placement will provide us with, *inter alia*, additional capital to finance our business expansion.
- Listing Status** : Prior to the Listing, there had been no public market for our Shares. Our Shares will be quoted in Singapore dollars on the Catalist, subject to admission of our Company to the Catalist and permission for dealing in, and for quotation of, our Shares being granted by the SGX-ST.
- Risk Factors** : Investing in our Shares involves risks which are described in the section entitled “Risk Factors” of this Offer Document.
- Use of Proceeds** : Please refer to the section entitled “Use of Proceeds and Listing Expenses” of this Offer Document for more details.

SUMMARY OF FINANCIAL INFORMATION

Our Group's operations started in April 2010. As such, our Group's audited financial statements and all other relevant financial information pertaining to our Group are presented for the period starting from FP2010. Please refer to the section entitled "General Information on Our Group — Our History" of this Offer Document for more information.

The following summary financial information should be read in conjunction with the full text of this Offer Document, including the "Independent Auditors' Report on the Consolidated Financial Statements for FP2010, FY2011 and 9M2012" as set out in Appendix A of this Offer Document and the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document.

SELECTED ITEMS ON THE OPERATING RESULTS OF OUR GROUP

(US\$ million)	Audited FP2010	Audited FY2011	Unaudited 9M2011	Audited 9M2012
Revenue	11.0	231.4	173.7	177.6
Gross profit	1.3	10.0	8.5	15.7
Operating profit	0.2	7.0	7.0	11.8
PBT	0.1	4.8	5.2	10.3
Profit for the period/year	0.1	4.4	4.8	9.2
EBITDA	0.2	5.6	5.3	12.3
EPS (US cents) ⁽¹⁾	0.04	1.79	1.95	3.68

Note:

(1) Based on the pre-Placement number of Shares of 246,000,000 after adjusting for the Share Split.

SELECTED ITEMS ON THE FINANCIAL POSITION OF OUR GROUP

(US\$ million)	← Audited →		
	As at 31 December 2010	As at 31 December 2011	As at 30 September 2012
Total non-current assets	0.9	22.3	21.3
Total current assets	25.7	34.8	32.1
Total assets	26.6	57.1	53.5⁽¹⁾
Total current liabilities	19.3	31.2	25.0
Total non-current liabilities	—	8.9	2.9
Total liabilities	19.3	40.1	28.0⁽¹⁾
Net current assets	6.4	3.7⁽¹⁾	7.1
Net assets	7.2⁽¹⁾	17.0	25.5

Note:

(1) Figures do not add up due to rounding error.

SUMMARY OF FINANCIAL INFORMATION

VALUE ADDED STATEMENT

(US\$ million)	Audited FP2010	Audited FY2011	Unaudited 9M2011	Audited 9M2012
Revenue	11.0	231.4	173.7	177.6
Purchase of materials and services	(10.4)	(221.9)	(165.4)	(161.1)
Value added from operations	0.6	9.5	8.3	16.5
Non-production income:				
Other income	— ⁽²⁾	2.1	2.2	0.1
Finance income	— ⁽²⁾	— ⁽²⁾	— ⁽²⁾	— ⁽²⁾
Total value added	0.6	11.6	10.5	16.6
Distribution:				
Employees' wages, pensions and other benefits	0.4	3.9	2.9	4.3
Finance costs	0.1	2.3	1.8	1.5
Corporate tax	—	0.4	0.4	1.1
Total distributed	0.5	6.6	5.1	6.9
Retained in the business:				
Depreciation	— ⁽²⁾	0.7	0.5	0.6
Non-controlling interests	—	—	—	0.2
Retained earnings	0.1	4.4	4.8	9.0
	0.6	11.6⁽¹⁾	10.5⁽¹⁾	16.6⁽¹⁾

Notes:

(1) Figures do not add up due to rounding.

(2) Figures are less than US\$0.05 million.

PLACEMENT STATISTICS

PLACEMENT PRICE S\$0.36

NAV⁽¹⁾

NAV per Share based on the audited consolidated statements of financial position of our Group as at 30 September 2012:

- | | |
|---|-------------|
| (a) before adjusting for the estimated net proceeds from the Placement and based on the pre-Placement share capital of 246,000,000 Shares | 12.63 cents |
| (b) after adjusting for the estimated net proceeds from the Placement and based on the post-Placement share capital of 290,000,000 Shares | 15.49 cents |

Premium of Placement Price per Share over the NAV per Share based on the audited consolidated statements of financial position of our Group as at 30 September 2012:

- | | |
|--|---------|
| (i) before adjusting for the estimated net proceeds from the Placement and based on the pre-Placement share capital of 246,000,000 Shares | 185.04% |
| (ii) after adjusting for the estimated net proceeds from the Placement and based on the post-Placement share capital of 290,000,000 Shares | 132.41% |

NTA⁽¹⁾

NTA per Share based on the audited consolidated statements of financial position of our Group as at 30 September 2012:

- | | |
|---|-------------|
| (a) before adjusting for the estimated net proceeds from the Placement and based on the pre-Placement share capital of 246,000,000 Shares | 7.64 cents |
| (b) after adjusting for the estimated net proceeds from the Placement and based on the post-Placement share capital of 290,000,000 Shares | 11.26 cents |

Premium of Placement Price per Share over the NTA per Share based on the audited consolidated statements of financial position of our Group as at 30 September 2012:

- | | |
|--|---------|
| (i) before adjusting for the estimated net proceeds from the Placement and based on the pre-Placement share capital of 246,000,000 Shares | 371.20% |
| (ii) after adjusting for the estimated net proceeds from the Placement and based on the post-Placement share capital of 290,000,000 Shares | 219.72% |

PLACEMENT STATISTICS

EARNINGS⁽²⁾

Historical EPS based on the audited consolidated net profit of our Group for FY2011 and the pre-Placement share capital of 246,000,000 Shares 2.24 cents

Historical EPS based on the audited consolidated net profit of our Group for FY2011 and the pre-Placement share capital of 246,000,000 Shares, assuming the Service Agreement had been in effect since 1 January 2011⁽³⁾ 2.14 cents

PER

Historical PER based on the Placement Price and the historical EPS for FY2011 16.07 times

Historical PER based on the Placement Price and the historical EPS for FY2011, assuming the Service Agreement had been in effect since 1 January 2011⁽³⁾ 16.82 times

NET OPERATING CASH FLOW⁽²⁾⁽⁴⁾

Historical net operating cash flow per Share of our Group for FY2011 based on the pre-Placement share capital of 246,000,000 Shares 2.61 cents

Historical net operating cash flow per Share of our Group for FY2011 based on the pre-Placement share capital of 246,000,000 Shares, assuming the Service Agreement had been in effect since 1 January 2011⁽³⁾ 2.51 cents

PRICE TO NET OPERATING CASH FLOW

Ratio of Placement Price to historical net operating cash flow per Share for FY2011 13.79 times

Ratio of Placement Price to historical net operating cash flow per Share for FY2011, assuming the Service Agreement had been in effect since 1 January 2011⁽³⁾ 14.34 times

MARKET CAPITALISATION

Market capitalisation based on the Placement Price and post-Placement share capital of 290,000,000 Shares S\$104.40 million

Notes:

- (1) Based on the exchange rate of US\$1 to S\$1.2274, being the closing exchange rate as at 30 September 2012.
- (2) Based on the exchange rate of US\$1 to S\$1.2540, being the average exchange rate for FY2011.
- (3) The remuneration of our Executive Chairman and CEO in FY2011 forms part of the fees under the MA (as defined herein) with Halcyon Investment Corporation. Had the Service Agreement been in effect since 1 January 2011, the net profit after tax attributable to owners of the Company for FY2011 would have been US\$4.2 million. Please refer to the sections entitled "General Information on Our Group", "Interested Person Transactions — Past Interested Person Transactions" and "Directors, Management and Staff — Service Agreement" of this Offer Document for further details.
- (4) Net operating cash flow is defined as net profit after tax with depreciation expense for property, plant and equipment added back.

EXCHANGE RATES

The reporting currency of our Group is the US Dollar. The exchange rates for US\$ to S\$ as outlined in the tables below are from Bloomberg L.P.⁽¹⁾ and have been presented solely for informational purposes only. The tables and figures below should not be construed as representations that those S\$ could have been, could be or would be, converted or convertible into US\$, as the case may be, at any particular rate, the rate stated below, or at all.

The table below sets forth the highest and lowest exchange rates from US\$ to S\$ for each month for the past six months prior to the Latest Practicable Date. The table below indicates how much S\$ can be bought with one US\$:

Month	US\$ to S\$	
	High	Low
June 2012	1.2926	1.2651
July 2012	1.2722	1.2449
August 2012	1.2538	1.2410
September 2012	1.2478	1.2202
October 2012	1.2317	1.2163
November 2012	1.2272	1.2200
1 December 2012 to the Latest Practicable Date	1.2241	1.2171

As at the Latest Practicable Date, the exchange rate was US\$1.00 to S\$1.2218.

The following table sets forth, for the Period Under Review, the average and closing exchange rates from US\$ to S\$. The average exchange rates are calculated using the average of the closing exchange rates on the last day of each month during each financial year/period. Where applicable, the exchange rates in this table are used for the translation of our Company's financial statements disclosed elsewhere in this Offer Document.

	US\$ to S\$	
	Average	Closing
FP2010	1.3444	1.2834
FY2011	1.2540	1.2966
9M2012	1.2532	1.2274

Note:

- (1) The above information was calculated from extractions from Bloomberg L.P. on the Latest Practicable Date and is included in its proper form and context in this Offer Document. The accuracy of the information has not been verified by our Directors, the Vendor, the Manager, Sponsor and Lead Placement Agent or the Co-Placement Agent. Bloomberg L.P. has not consented to the inclusion of the information in this Offer Document for the purposes of Section 249 of the SFA, and is not liable under Sections 253 and 254 of the SFA.

RISK FACTORS

You should evaluate carefully each of the following considerations and all of the other information contained in this Offer Document before deciding to invest in our Shares. Some of the following considerations relate principally to the industry in which we operate and our business in general. Other considerations relate principally to general social, economic, political and regulatory conditions, the securities market and ownership of our Shares, including possible future dilution in the value of our Shares.

If any of the following considerations and uncertainties develops into actual events, our business, financial condition, results of operations or prospects could be materially and adversely affected. In such cases, the trading price of our Shares could decline due to any of these considerations and uncertainties, and you may lose all or part of your investment in our Shares.

Apart from the specific factors listed below and general business and economic conditions to which all commercial businesses are exposed to, our Directors are of the view that we are not vulnerable in any material way to any other factors which can be reasonably anticipated.

RISKS RELATING TO OUR INDUSTRY AND BUSINESS

We have a short history as a group which makes it difficult to evaluate our future prospects

Our Group commenced operations in April 2010 and completed the acquisition of our rubber processing facilities (HMK1 and HMK2) and related operating assets in February 2011. Despite the recent change in ownership of the two processing facilities to the Group, HMK1 and HMK2 both have a long operating history since the 1960s and 1980s, respectively. We have retained the senior executives in HMK1 and HMK2 and hence there has been continuity of operations since the completion of the acquisition of the two rubber processing facilities. Please refer to the section entitled “General Information on Our Group — Our History” of this Offer Document for further details. As we have a short history as a group, our historical financial information may not provide a sufficiently meaningful basis for investors to evaluate our business, financial performance and prospects.

Prices of commodities in general, including Natural Rubber, are susceptible to price fluctuations

Prices of commodities in general, including Natural Rubber, have been volatile. The price of Natural Rubber is affected by a number of factors including but not limited to the following:

- (a) supply and demand for Natural Rubber — An increase in the supply of Natural Rubber or a decrease in world consumption levels of Natural Rubber could result in an oversupply which could in turn result in a decrease in average selling prices of Natural Rubber;
- (b) prices of crude oil, energy and oil-based chemicals — Crude oil prices may affect the prices of Natural Rubber and other input materials such as oil-based chemicals used in rubber processing. In addition, the price of synthetic rubber usually moves along with crude oil prices, and the price fluctuations of synthetic rubber affects the pricing and demand for Natural Rubber;
- (c) currency movements — As Natural Rubber is traded mainly in US\$, any fluctuations in the Natural Rubber exporting currencies against US\$ may result in corresponding fluctuations in Natural Rubber prices in the relevant exporting countries;
- (d) speculation — As Natural Rubber is traded on organised exchanges and over-the-counter, it is susceptible to price speculation in addition to local and global economic factors; and

RISK FACTORS

- (e) government intervention — The governments of Natural Rubber producing countries may from time to time introduce policies to support the Natural Rubber industry in their respective countries. For example, the Indonesian government had imposed export quotas in relation to Natural Rubber in 2009 in response to the drop in the price of Natural Rubber, which affects our ability to operate our facilities in Indonesia at optimal capacity.

Other unpredictable factors which affect the price of Natural Rubber include economic growth rates, foreign and domestic interest rates and trade policies. Natural Rubber price volatility and/or extreme high or low prices could materially and adversely affect our business, financial condition, results of operations and prospects.

Our Group is dependent upon the services of key management staff

One of the key reasons for the growth of our Group has been our ability to attract and retain a team of experienced professional managers. See the section entitled “General Information on Our Group — Competitive Strengths” of this Offer Document for further details. Our continued success will depend on our ability to retain key management staff, such as our Executive Officers, and to attract and train new officers or managers. If members of our senior management team are unable or unwilling to continue in their present positions, we may not be able to hire satisfactory replacements and our business may be adversely affected. In addition, the process of hiring new managers with the required combination of skills and attributes may be time-consuming and competitive. We may not be able to attract additional qualified persons to complement our expansion plans. As a result, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our Group is dependent on the continued supply of raw materials from our suppliers

We source raw materials from a large number of small suppliers as well as a limited number of larger suppliers, including, in particular, our major suppliers, Koperasi Serba Usaha Mitrajaya and Cipta Karya Tani, who in aggregate account for approximately 54.9% of our total purchases for 9M2012. We are dependent upon the ongoing supply of a sufficient quantity of raw materials at fair prices in order to continue our operations and produce finished products for our customers. There are no contracts with raw material suppliers and there is no certainty that our suppliers will continue to supply our Group on appropriate terms. In the event that we are unable to obtain raw materials from our suppliers on appropriate terms and are unable to substitute our existing suppliers with other suppliers, our business, financial condition, results of operations and prospects may be materially and adversely affected.

The availability of raw materials from suppliers may be adversely affected by unfavourable weather conditions such as drought, floods, prolonged periods of rainfall, storms and/or diseases affecting the rubber trees from which our suppliers obtain the raw materials. Such events, especially if continued for a prolonged period, could affect the overall supply of raw materials and give rise to price fluctuations. Any substantial change in the supply of, and volatility in the cost of, raw materials could increase our Group’s operating costs, affect our production capacity and consequently have a material adverse effect on our business, financial condition, results of operations and prospects.

Our expansion plans also require us to access a greater quantity of raw materials for processing. There is no guarantee that our existing suppliers will be able to supply additional raw materials to meet our needs nor that we will be able to identify and source raw materials from new suppliers.

RISK FACTORS

Our major customers account for a substantial portion of our revenue

Sales to our major customers account for a substantial portion of our revenue. Our top five major customers which are established international tyre manufacturers and trading houses contributed approximately 87.8% of our total revenue for 9M2012 (see the section entitled “General Information on Our Group — Major Customers” of this Offer Document for more information). There is no assurance that we will be able to retain our major customers or that the volume of orders from them will remain at current levels. Any material cancellation, reduction in orders and/or claims for whatever reasons by any of our major customers could materially and adversely affect our business, financial condition, results of operations and prospects.

Our Group is a capital intensive business and our operations could be materially and adversely affected if we fail to maintain sufficient levels of working capital

Our Group expends a significant amount of cash in our operations, principally on the purchase of raw materials. In addition to our cash reserves, our Group also relies upon our working capital facilities to provide sufficient funding to purchase the volume of raw materials required for our Group’s operations. Furthermore, in times of higher market prices for Natural Rubber, working capital requirements will increase. If our Group is unable to continue to access sufficient working capital at reasonable rates, our business, financial condition, results of operations and prospects may be materially and adversely affected.

A significant portion of the sales of our products are for use in the tyre manufacturing industry which exposes us to downturns in this industry

Global demand for the Natural Rubber which our Group sells is dependent on the tyre manufacturing industry. Virtually all of our sales are made, either directly or indirectly, to tyre manufacturers. Our Group’s customers include tyre manufacturers in Japan, USA, EU and, indirectly, China and India. If the level of activity in the tyre manufacturing industry declines, the demand for the Natural Rubber that our Group sells may decrease and our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our processing facilities are subject to our customers’ stringent approval processes and our products are subject to strict quality requirements

Our customers include leading tyre manufacturers who require their Natural Rubber suppliers to undertake a rigorous qualification/certification programme to ensure that their output meets the standards required. These qualification processes involve a range of tests, including on-site inspections. There is no assurance that we will be able to maintain our approval status and our approval status may be suspended or revoked at any time. A suspension or revocation of our approval status by any customer could materially and adversely affect our business, financial condition, results of operations and prospects.

Our customers also enforce strict quality requirements in relation to our products. Any perceived or actual variations in quality can result in claims from our customers which can materially and adversely affect our business, financial condition, results of operations and prospects.

Our Group needs to effectively manage our expansion plans and may be materially and adversely affected by risks relating to the growth or expansion of processing operations and the acquisitions of other companies in the same industry

Our Group intends to, amongst others, increase our production capacity by building and potentially acquiring more processing facilities. Our expansion plans, whether through organic means or through acquisitions, involve various risks which include integration, operational, construction, regulatory and other risks which are not within our control. The success of our expansion plans depends on many factors, some of which may not be within our control.

RISK FACTORS

For example, our Group's expansion plans may be subject to the following factors:

- (a) we may not be able to complete our processing facilities expansion on time or within budget;
- (b) we may experience difficulties integrating our newly expanded processing facilities with our current processing facilities;
- (c) we may be unable to increase the limit under our export licence to include the additional volume from any capacity expansion;
- (d) we may be unable to obtain our clients' approval for products produced from the newly expanded processing facilities; and
- (e) any unforeseen circumstances and problems relating to our expansion projects.

In the event that our Group's expansion plans cannot be executed successfully, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Going forward, our Group may also make material acquisitions of other companies in the same industry to expand our existing business. The entire acquisition process involves, *inter alia*, identifying suitable targets, negotiations and due diligence investigations and could place a strain on our resources, divert our management's attention from other business concerns, and may not result in the completion of successful acquisitions. The acquired business may not be successfully integrated and our Group may not achieve the anticipated revenue and cost benefits.

Such acquisitions could also result in, *inter alia*, dilutive issuance of equity securities or the incurrence of debt or contingent liabilities, or other unanticipated events or circumstances, any of which could adversely affect our business, financial condition, results of operations and prospects.

We require various licences and permits to conduct our business

We are required to maintain various licences and permits to conduct our business. Details of the licences and permits which are material to our business operations are described in Appendix B entitled "Government Regulations" of this Offer Document. The interpretation, application or enforcement of certain laws and regulations relating to licensing requirements in Indonesia are unclear and there is uncertainty regarding the application and enforcement of various laws and regulations (see the risk factor entitled "We operate in a legal system in which the application of various laws and regulations may be uncertain" below). As a result, there is no certainty that we have obtained all the necessary licences and permits to conduct our business. If the laws and regulations are interpreted in such a manner which would deem us to be in breach of any of the licensing requirements and we are not able to carry out our operations as a result thereof, this may have a material adverse effect on our business, financial condition, results of operations and prospects.

Some of our buildings do not have a building construction permit (the "IMB") and a building utilisation licence (the "IPB") which are required in Indonesia under the current regulations (the "Building Regulations"). This is due to the fact that these buildings were constructed before the Building Regulations came into force and as such, they were never licensed previously. The Building Regulations currently do not set out the procedures for the registration of existing buildings, although our Company is prepared to make the relevant applications to obtain the IMB and IPB for the relevant buildings. In the event that such relevant applications made by our Company to obtain the IMB and IPB for the relevant buildings are rejected by the Indonesian authorities, this may affect our business operations.

RISK FACTORS

We are in the process of obtaining the requisite licences for our buildings which do not have the IMB and IPB. However, the application process would take an uncertain amount of time. In any case, our Indonesian legal counsel has opined that on the basis that our buildings have complied with the spatial layout plan of the relevant regency/city and that we have not obtained any warning letters from the Indonesian authorities, there is no reason why the Indonesian authorities would not issue the IMB or IPB for our buildings. Our Indonesian legal counsel has also opined that if such IMB or IPB are not granted by the Indonesian authorities, it would not cause a material adverse effect on our business operations. Our Audit Committee shall monitor the progress of our application for the building licences until such time when the said licences have been obtained and we will make the relevant announcements in relation thereto.

In addition, our licences and permits are generally subject to conditions stipulated in the licences and permits and/or relevant laws or regulations under which such licences and permits are issued. Failure to comply with such conditions could result in the revocation or non-renewal of the relevant licence or permit. As such, we have to constantly monitor and ensure our compliance with such conditions. Should there be any failure to comply with such conditions resulting in the revocation or non-renewal of any of our licences and permits, we may not be able to carry out our operations. In such event, our business, financial condition, results of operations and prospects may also be materially and adversely affected.

Changes in government policies and regulations, including those relating to rubber exports and direct and indirect taxation, could materially and adversely affect our Group's operations and profitability

We are affected by government policies and regulations relating to the rubber industry in Indonesia and Singapore as well as in the various countries to which we export our products. Our Group's results of operations and financial condition have been, and will continue to be, affected in particular by Indonesian government policies, laws and regulations governing the export of our products and changes in those policies, laws and regulations could have an adverse impact on our profitability. For example, we hold export licences which allow us to export up to 110,000 tonnes per annum of Natural Rubber. Any government action to restrict or reduce our allowed export volume would adversely impact our ability to grow our business.

In addition, our Group is subject to income taxation in Indonesia and Singapore. Changes to or introduction of tax laws, changes in the interpretation or application of tax laws as they relate to our Group and revocation or amendment of tax treaties or tax incentives may adversely affect our Group's profitability. For example, as a recipient of the Global Trader Programme status awarded by IE Singapore, our Group is, among other things, entitled to a concessionary corporate tax rate of 10% which is subject to certain conditions. This concession was received on 1 July 2011 for a period of five years. Should this concessionary tax rate be revised, revoked or not be renewed upon expiry, our Group will be subject to the normal corporate tax rate, which as at the date of this Offer Document is 17%, and this may materially and adversely affect our business, financial condition, results of operations and prospects.

We are exposed to foreign exchange risks

As at the Latest Practicable Date, all of our Group's revenue is denominated in US\$, all of our Group's purchases are denominated in IDR and our Group's expenses are denominated in S\$, IDR and US\$. In 9M2012, approximately 47.7%, 31.8% and 20.5% of our Group's expenses were denominated in S\$, US\$ and IDR, respectively.

To the extent that our revenue and purchases are not entirely matched in the same currency and to the extent that there are timing differences between invoicing and collection or payment, as the case may be, our Group is exposed to any adverse fluctuations of S\$ and IDR against US\$ or vice versa. Any significant fluctuations could materially and adversely affect our Group's financial position.

RISK FACTORS

Currently, we do not have any formal policy for hedging against foreign currency exposure. We will continue to monitor our foreign currency exposure and may employ hedging instruments to manage the foreign exchange exposure should the need arise. We will, prior to entering any hedging transactions, seek the approval of the Board on the policy for entering into any foreign exchange hedging transactions and put in place adequate procedures which must be reviewed and approved by the Audit Committee.

Our Group's operations are subject to disruptions in transportation and logistics

Our Group depends on freight and transportation services provided in part by external service providers for delivery of our products to our customers. All of our products are exported to our customers via the Boom Baru port in Palembang, Indonesia. Disruption of the port services and/or transportation services to and from the port arising from factors such as unfavourable weather conditions, labour unrest, significant downtime arising from major and unexpected repairs or other events could impair our Group's ability to supply our products to our customers on time. Failure to or delay in supply of our products to our customers may result in contractual claims against our Group and any repeated delay or failure to supply our products to our customers may in the long term, materially and adversely affect the demand for our products and our business, financial condition, results of operations and prospects.

Our Group is exposed to risks associated with breakout of fire, energy crisis and other emergency risks

The breakout of fire, energy crisis and other emergency risks could adversely affect the business operations and financial performance of our Group. For instance, a fire breakout may damage or destroy our buildings, plant and machinery, whilst a prolonged breakdown in power supply may disrupt our business operations and progress.

In the event that our rubber processing operations are disrupted by fire or flood, our Group can still source processed rubber of similar quality from external parties for any shortfall required in our operations. However, this is subject to these external parties' rubber production not being disrupted by fire or flood. The disruption in our rubber processing operations and supply of processed rubber from external parties may result in lower profit margins as well as an under-utilisation of the production and volume capacity of our Group's rubber processing facilities. There is no assurance that such events will not cause a disruption or cessation in the operations, which in turn may result in a material adverse impact on our business, financial condition, results of operations and prospects.

We may have insufficient insurance coverage or no insurance coverage for certain contingencies

Our rubber processing operations could be adversely affected by unanticipated events such as power failures, breakdown of equipment, unscheduled production shut-downs, difficulties or delays in obtaining raw materials, shipping delays, labour disputes, fire, explosion, weather, natural disasters, industrial accidents, as well as stringent environmental and conservation regulations.

RISK FACTORS

Such unanticipated events may cause a disruption to or cessation of our operations. While our insurance policies cover some losses arising from the above-mentioned unanticipated events, our insurance coverage may not be sufficient to cover all of our potential losses. See the section entitled “General Information on Our Group — Insurance” of this Offer Document for further details. In the event our losses exceed our insurance coverage, or if we are not covered by the insurance policies that we have taken up, we may be liable to cover any shortfall or losses. Our insurance premiums may also increase substantially because of such claims. In such circumstances, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our Group’s business may be affected by substitutes for Natural Rubber

Synthetic rubber is a substitute for Natural Rubber in some areas. Moreover, as synthetic rubber is produced mainly from petroleum and petrochemical products, a sustained drop in world oil prices or the discovery of new production methods or compounds may result in the development of viable new synthetics as substitutes for Natural Rubber. Such development could have a material adverse effect on our business, financial condition, results of operations and prospects.

RISKS RELATING TO INDONESIA

We operate in a legal system in which the application of various laws and regulations may be uncertain

As Indonesia is a developing market, its legal and regulatory regime may be less certain than other markets and may be subject to unforeseen changes. At times, the interpretation or application of laws and regulations may be unclear and the content of applicable laws and regulations may not be immediately available to the public. Under such circumstances, consultation with the relevant authority in Indonesia may be necessary to obtain a better understanding or clarification of applicable laws and regulations.

Indonesia’s legal system is a civil law system based on written statutes and as such, decided legal cases do not constitute binding precedents. The administration of laws and regulations by courts and government agencies may be subject to considerable discretion. In addition, because relatively few disputes relating to commercial matters and modern financial transactions and instruments are brought before Indonesia’s courts, such courts do not necessarily have the experience of courts in other jurisdictions. There is no certainty as to how long it will take for proceedings in Indonesian courts to be concluded, and the outcome of proceedings in Indonesian courts may be more uncertain than that of similar proceedings in other jurisdictions. Accordingly, we may not be able to obtain timely and equitable enforcement of our legal rights.

Indonesian judges operate in an inquisitorial legal system and have very broad fact-finding powers and a high level of discretion in relation to the manner in which those powers are exercised. As a result, the administration and enforcement of laws and regulations by Indonesian courts and Indonesian governmental agencies may be subject to considerable discretion, uncertainty and inconsistency. Furthermore, public and judiciary supervision of administrative and law enforcement authorities may be inconsistent in their application. There are also instances of these authorities changing their interpretation of the law without public consultation or prior notice.

Consequently, the uncertainty regarding the application and enforcement of various laws and regulations to our business, could have a material adverse effect on our business, financial condition, results of operations and prospects.

RISK FACTORS

Growing regional autonomy creates an uncertain business environment for us and may increase our costs of doing business

In response to a rise in demand for and assertion of autonomy by local governments in Indonesia, the central government of Indonesia has devolved some autonomy to local governments, allowing the imposition by such local governments of taxes and other charges on businesses within their jurisdiction and often requiring local participation and investment in such businesses. Increased regional autonomy may increase regulation of our business and increase taxes and other costs of doing business, all of which could have a material adverse effect upon our business, prospects, financial condition, cash flows and results of operations.

Risks relating to the overseas business of our Group

Our Group has operations, and investments, in Indonesia. Accordingly, our Group's business, financial condition, results of operations and prospects may be materially and adversely affected by a variety of conditions and developments there including:

- (a) inflation, interest rates and general economic conditions;
- (b) civil unrest, military conflict, terrorism, change in political climate and general security concerns;
- (c) changes in legal and regulatory conditions;
- (d) changes in duties payable and taxation rates;
- (e) natural disasters;
- (f) imposition of restrictions on foreign currency conversion or the transfer of funds; or
- (g) expropriation or nationalisation of private enterprise or confiscation of private property or assets.

Should any of the aforesaid risks materialise and our Group is unable to adapt our business strategies or operations accordingly, our business, financial condition, results of operations and prospects may be materially and adversely affected.

RISKS RELATING TO AN INVESTMENT IN OUR SHARES

The shareholdings of our Controlling Shareholders may limit your ability to influence the outcome of decisions requiring the approval of Shareholders

Upon the completion of the Placement, our Controlling Shareholders, namely, Halcyon Agri Resources and Lynette Le Mercier, will beneficially hold in aggregate approximately 53.7% of our enlarged issued share capital. Therefore, they will be able to exercise significant influence over all matters requiring Shareholders' approval, including the election of directors and the approval of significant corporate transactions, if they act together. They will also have veto power with respect to any shareholder action or approval requiring a majority vote except where they are required by the Catalist Rules to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company which may benefit our Shareholders.

RISK FACTORS

There has been no prior market for the Shares and the Placement may not result in an active or liquid market for the Shares

The Shares have never been traded before the Listing. As such, we cannot guarantee that an active trading market for the Shares will develop or, if developed, will be sustained.

Our Group may require additional funding for our future growth

Although our Group has future growth plans in place, it may not have sufficient funds to fully cover the estimated costs of implementing all these plans. Our Group may also find opportunities to grow through acquisitions or otherwise which cannot be predicted at this juncture. Under such circumstances, secondary issue(s) of securities after the Placement may be necessary to raise the required capital to develop these growth opportunities. If new Shares placed to new and/or existing Shareholders are issued after the Placement, they may be priced at a discount to the then prevailing market price of our Shares trading on the SGX-ST, in which case, existing Shareholders' equity interest may be diluted. If it fails to utilise the new equity to generate a commensurate increase in earnings, our EPS will be diluted, and this could lead to a decline in our Share price. Any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fund raising exercises and other financial and operational matters. If it is unable to procure the additional funding that may be required, our business, financial condition, results of operations and prospects will be materially and adversely affected.

Investors may not be able to participate in future issues of our Group's Shares

In the event that our Group issues new Shares, it will be under no obligation to offer those Shares to our existing Shareholders at the time of issue, except where it elects to conduct a rights issue. However, in electing to conduct a rights issue or certain other equity issues, our Group will have discretion or may be subject to regulations as to the procedure to be followed in making such rights offering available to our existing Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. In addition, our Group may not offer such rights to our existing Shareholders having an address in jurisdictions outside Singapore. Accordingly, holders of our Shares may be unable to participate in future offerings of our Shares and may experience dilution of their holdings as a result.

Any future sale, availability or issuance of Shares could adversely affect our Share price

Any future sale or availability of a large number of our Shares can have an adverse effect on our Share price. The sale of a significant amount of Shares in the public market after the Listing, or the perception that such sales may occur, could adversely affect the market price of our Shares. These factors also affect our ability to sell additional equity securities. Except as otherwise described under the section entitled "Moratorium" of this Offer Document, there are no restrictions imposed on our existing Shareholders to dispose of their shareholdings.

Our Group may experience fluctuations in our operating results

Our Group may experience fluctuations in our operating results and business prospects. Hence, our Group's operating results in a particular quarter, half-year or year may fluctuate in comparison to an earlier comparable period, and may not be anticipated or be within the expectations of stock market analysts or investors. This in turn could have an impact on the trading price of our Shares. The year-on-year comparison of our past operating results may not be indicative of our future financial performances.

RISK FACTORS

External factors could affect the trading price of our Group's Shares

The Placement Price was arrived at after consultation between our Company, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent, and after taking into consideration, among other things, prevailing market conditions and the estimated market demand for the Placement Shares. Investors may not be able to resell the Shares at a price that is attractive to them. The trading prices of our Shares could be subject to fluctuations in response to various factors, some of which are not within our control and may be unrelated or disproportionate to our operating results. These factors include:

- (a) variations in the results of operations;
- (b) changes in conditions affecting the industry, general economic and stock market conditions;
- (c) changes in financial estimates by securities analysts of our Group's financial performance;
- (d) additions or departures of key personnel;
- (e) involvement in litigation;
- (f) the success or failure of our Group's management team in implementing business and growth strategies;
- (g) announcements by our Company of significant contracts, acquisitions, strategic alliances or capital commitments;
- (h) loss of our Group's major customers or failure to close transactions;
- (i) unforeseen contingent liabilities of our Group;
- (j) changes in share prices of companies with similar business to our Group that are listed in Singapore, or elsewhere; and
- (k) differences between our Group's actual financial operating results and those expected by investors and securities analysts.

Negative publicity may materially and adversely affect the price of our Shares

Negative publicity involving our Group, any of the Directors or Substantial Shareholders of our Company may materially and adversely affect the market perception or the share performance of our Company, whether or not it is justified. Some examples are unsuccessful attempts in joint ventures, takeovers or involvement in insolvency proceedings.

Investments in securities quoted on Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST

Our Company's Shares are to be listed on Catalist, a listing platform primarily designed for fast growing and emerging or smaller companies to which a higher investment risk tends to be attached as compared to larger or more established companies listed on the SGX-ST Main Board. An investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the SGX-ST Main Board. Catalist was formed in December 2007 and our future success and liquidity in the market for our Shares cannot be guaranteed.

USE OF PROCEEDS AND LISTING EXPENSES

USE OF PROCEEDS

The estimated net proceeds raised from the Placement (comprising the New Shares and the Vendor Shares), after deducting estimated expenses in connection with the Placement, including professional fees, placement commission and other miscellaneous expenses (including listing fees) of approximately S\$2.3 million, will be approximately S\$19.6 million. We will not receive any of the proceeds from the sale of the Vendor Shares in the Placement. The net proceeds attributable to the Vendor from the sale of the Vendor Shares (after deducting the Vendor's share of the expenses in relation to the Placement of approximately S\$0.3 million) will be approximately S\$5.8 million. The net proceeds to be raised by our Company from the issue of the New Shares (after deducting our share of the estimated expenses in relation to the Placement to be borne by our Company of approximately S\$2.0 million) will be approximately S\$13.8 million.

Each principal intended use of the proceeds to be raised by our Company and our listing expenses are set out below:

	Amount (S\$ million)	Estimated amount allocated for each dollar of the gross proceeds to be raised by us from the issue of the New Shares (cent)
Use of proceeds from Placement		
Expansion and upgrading of processing facilities	8.5	53.8
General working capital	5.3	33.5
Net proceeds from the Placement	13.8	87.3
Listing expenses⁽¹⁾		
Professional fees	1.3	8.2
Placement commission ⁽²⁾	0.5	3.2
Miscellaneous expenses (including listing fees)	0.2	1.3
Gross proceeds from the Placement	15.8	100.0

Notes:

- (1) Approximately S\$0.7 million of the total estimated listing expenses of approximately S\$2.0 million will be capitalised against the share capital and the remaining listing expenses will be charged to the profit and loss of our Company.
- (2) The amount of the placement commission per Placement Share, agreed upon between the Manager, Sponsor and Lead Placement Agent, the Co-Placement Agent, our Company and the Vendor is 3.0% of the Placement Price payable for each Placement Share. Please refer to the section entitled "General and Statutory Information — Management and Placement Arrangements" of this Offer Document for more details.

USE OF PROCEEDS AND LISTING EXPENSES

The foregoing discussion represents our Company's reasonable estimate of our allocation of the net proceeds to be raised by our Company from the issue of the New Shares based on our current plans and reasonable estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates and our Company may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. In the event that our Company decides to reallocate the net proceeds to be raised by our Company from the issue of the New Shares for other purposes, our Company will publicly announce our intention to do so through a SGXNET announcement to be posted on the Internet at the SGX-ST's website, <http://www.sgx.com>.

In addition, our Company will make periodic announcements on the use of the proceeds raised by our Company from the issue of the New Shares as and when such proceeds are materially disbursed, and provide a status report on the use of such proceeds in our annual reports. Pending the deployment of the net proceeds as aforesaid, the funds will be placed in short-term deposits with financial institutions, used to invest in short-term money market instruments and/or used for working capital requirements as our Directors may deem appropriate.

Please also refer to the section entitled "General Information on Our Group — Business Strategy and Future Plans" of this Offer Document for further details on our plans above. In particular, our future plans may be funded, apart from the proceeds to be raised by our Company from the issue of the New Shares, either through internally generated funds and/or external borrowings.

In the reasonable opinion of our Directors, there is no minimum amount which must be raised from the Placement.

None of the proceeds to be raised by our Company from the issue of the New Shares will be used to discharge, reduce or retire any indebtedness of our Group.

PLAN OF DISTRIBUTION

The Placement

The Placement is for 61,000,000 Placement Shares, comprising 44,000,000 New Shares and 17,000,000 Vendor Shares, offered in Singapore and the Listing is managed and sponsored by PPCF.

Prior to the Placement, there has been no public market for our Shares. The Placement Price is determined by us in consultation with the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent, taking into account, *inter alia*, prevailing market conditions and the estimated market demand for the Placement Shares. The Placement Price is the same for all Placement Shares and is payable in full on application.

Pursuant to the Management Agreement entered into between our Company, the Vendor and the Manager, Sponsor and Lead Placement Agent as set out in the section entitled “General and Statutory Information” of this Offer Document, our Company and the Vendor have appointed PPCF, and PPCF has agreed to manage and to act as full sponsor for the Listing. The Manager, Sponsor and Lead Placement Agent will receive a management fee for its service rendered in connection with the Listing.

The Placement Shares are made available to retail and institutional investors who apply through their brokers or financial institutions by way of the Application Forms. Application for the Placement Shares may only be made by way of the Application Forms. The terms, conditions and procedures for application and acceptance are set out in Appendix E of this Offer Document entitled “Terms, Conditions and Procedures for Application and Acceptance”.

Pursuant to the Placement Agreement entered into between our Company, the Vendor, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent, and as set out in the section entitled “General and Statutory Information” of this Offer Document, our Company and the Vendor have appointed PPCF as the Manager, Sponsor and Lead Placement Agent and UOBKH as the Co-Placement Agent, and PPCF and UOBKH have agreed to purchase and/or subscribe for or procure purchasers for and/or subscribers for the Placement Shares for a placement commission of 3.0% of the aggregate Placement Price payable by our Company and the Vendor for the total number of Placement Shares successfully purchased and/or subscribed for. Subject to any applicable laws and regulations, our Company and the Vendor agree that the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent shall be at their own liberty at their own expense to appoint one or more sub-placement agents for the Placement Shares under the Placement Agreement upon such terms and conditions as they deem fit.

Purchase of and/or Subscription for Placement Shares

None of our Directors or Substantial Shareholders intends to purchase and/or subscribe for the Placement Shares pursuant to the Placement, save for Mr Robert Meyer, our Executive Chairman and CEO (through Nut Hill Investments Ltd.), and Mr Pascal Demierre, our Non-Executive Director, who intend to purchase and/or subscribe for 1,000,000 Placement Shares each.

To the best of our knowledge, as at the date of this Offer Document, we are not aware of any person who intends to purchase and/or subscribe for more than 5% of the Placement Shares in the Placement. However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate an interest to purchase and/or subscribe for more than 5% of the Placement Shares. If such person(s) were to make an application for more than 5% of the Placement Shares and are subsequently allotted such number of Shares, we will make the necessary announcements at the appropriate time. The final allocation of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406 of the Catalist Rules.

PLAN OF DISTRIBUTION

No Shares shall be allotted or allocated on the basis of this Offer Document later than six months after the date of registration of this Offer Document by SGX-ST acting as agent on behalf of the Authority.

Interests of the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent

In the reasonable opinion of our Directors, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent do not have a material relationship with our Company save as disclosed below and in the section entitled “General and Statutory Information — Management and Placement Arrangements” of this Offer Document:

- (a) PPCF is the Manager, Sponsor and Lead Placement Agent of the Listing and Placement;
- (b) PPCF will be the continuing Sponsor of our Company for a period of three years from the date our Company is admitted and listed on the Catalist; and
- (c) UOBKH is the Co-Placement Agent for the Placement.

DIVIDEND POLICY

Our Company has not distributed any dividends since its incorporation. None of our Subsidiaries has declared or paid dividends in FP2010, FY2011, 9M2012 and for the period from 1 October 2012 to the Latest Practicable Date.

We may declare an annual dividend with the approval of our Shareholders in a general meeting, but the amount of such dividend shall not exceed the amount recommended by our Directors. Our Directors may also declare an interim dividend without the approval of our Shareholders. We currently do not have a fixed dividend policy but our current intention is to pay a dividend for FY2012 and FY2013 of not less than 25% of our net profits attributable to Shareholders for each of these financial years, based on the recommendations of our Board of Directors.

The actual dividend that our Board of Directors may recommend or declare in respect of any particular financial year or period will be subject to restrictions under applicable law or regulation as well as the factors outlined below as well as any other factors deemed relevant by our Board of Directors.

In considering the level of dividend payments, if any, we intend to take into account various factors, including:

- (a) our Company's financial position, results of operations, cash flow, expected future earnings and investment plans;
- (b) the ability of our Subsidiaries to make dividend payment to our Company;
- (c) our Group's expected working capital requirements to support our Group's future growth; and
- (d) general economic conditions and such other external factors that our Company believes to have an impact on the business operations of our Group.

Our Company must pay all dividends out of distributable profits. There can be no assurance that dividends will be paid in the future or as to the timing of any dividends that are to be paid in the future.

For information relating to taxes payable on dividends, please refer to the section entitled "Taxation" of this Offer Document.

You should note that all the foregoing statements (being non-legally binding statements) are merely statements of our present intention and shall not constitute legally binding statements in respect of our Company's future dividends, which may be subject to modification (including reduction or non-declaration thereof) in the sole and absolute discretion of our Board of Directors.

No inference should or can be made from any of the foregoing statements as to our Company's actual future profitability or our Company's ability to pay dividends in any of the periods discussed.

SHARE CAPITAL

Our Company (Company registration number: 200504595D) was incorporated in Singapore on 7 April 2005 under the Companies Act as a private limited company. We acquired our Company on 8 July 2010 and changed its then existing name from LM Resources Pte. Ltd. to Halcyon Agri Corporation Pte. Ltd.

On 11 January 2013, we changed our name to Halcyon Agri Corporation Limited and converted into a public company limited by shares.

The details of changes in our issued share capital in the three years preceding the Latest Practicable Date are set out in the section entitled “General and Statutory Information” of this Offer Document.

As at the date of incorporation, our issued and paid-up capital was S\$100 comprising 100 Shares. As at the date of this Offer Document, our issued and paid-up capital is S\$17,500,104 comprising 246,000,000 Shares.

Pursuant to the resolutions of our Shareholders passed on 7 January 2013, our Shareholders approved, *inter alia*, the following:

- (a) the Share Split;
- (b) the conversion of our Company into a public company limited by shares and the consequential change of our name to Halcyon Agri Corporation Limited;
- (c) the adoption of a new set of Articles of Association;
- (d) the issue of the New Shares pursuant to the Placement, which when allotted or allocated, issued and fully paid, will rank *pari passu* in all respects with the existing issued Shares; and
- (e) the authorisation of our Directors, pursuant to Section 161 of the Companies Act, to
 - (i) allot and issue Shares whether by way of rights, bonus or otherwise (including Shares as may be issued pursuant to any Convertible Securities (as defined below) made or granted by the Directors while this resolution is in force notwithstanding that the authority conferred by this resolution may have ceased to be in force at the time of issue of such Shares); and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Convertible Securities**”) that might or would require Shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares,

SHARE CAPITAL

at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit, provided that the aggregate number of Shares issued pursuant to such authority (including Shares to be issued pursuant to any Convertible Securities but excluding Shares which may be issued pursuant to any adjustments (“Adjustments”) effected under any relevant Convertible Securities, which Adjustment shall be made in compliance with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of our Company), shall not exceed 100% of the issued share capital of our Company (excluding treasury shares) immediately after the Placement, and provided that the aggregate number of such Shares to be issued other than on a pro rata basis in pursuance of such authority (including Shares to be issued pursuant to any Convertible Securities but excluding shares which may be issued pursuant to any Adjustment effected under any relevant Convertible Securities) to the existing Shareholders shall not exceed 50% of the issued share capital of our Company (excluding treasury shares) immediately after the Placement, and, unless revoked or varied by our Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting of our Company is required by law to be held, whichever is the earlier.

As at the date of this Offer Document, there is only one class of shares in the capital of our Company, being ordinary shares. A summary of the Articles of Association of our Company relating to, amongst others, the voting rights of our Shareholders is set out under Appendix C of this Offer Document entitled “Summary of Our Articles of Association”. There are no founder, management, deferred or unissued Shares reserved for issuance for any purpose. No person has been, or is permitted to be, given an option to purchase and/or subscribe for any securities of our Company or any of our Subsidiaries.

As at the date of this Offer Document, the issued and paid-up share capital of our Company is S\$17,500,104 divided into 246,000,000 Shares. Upon the allotment or allocation and issue of the New Shares together with the Vendor Shares which are the subject of the Placement, the resultant issued and paid-up share capital of our Company will be S\$32,623,752 divided into 290,000,000 Shares.

Details of the changes in the issued and paid-up share capital of our Company since our incorporation and immediately after the Placement are as follows:

	Number of Shares	Issued and Paid-up Capital (S\$)
Issued and paid-up Shares as at incorporation	100	100
Issue of Shares subsequent to incorporation	122,900	17,500,004
Issued and paid-up Shares prior to Share Split	123,000	17,500,104
Share Split	246,000,000	17,500,104
New Shares issued pursuant to the Placement	44,000,000	15,123,648 ⁽¹⁾
Post-Placement issued and paid-up share capital	290,000,000	32,623,752

Note:

(1) This takes into account the capitalisation of estimated listing expenses of approximately S\$0.7 million.

SHARE CAPITAL

Our Company was incorporated on 7 April 2005. The total equity of our Group as at 30 September 2012, after adjustments to reflect the Share Split and assuming the allotment or allocation and issue of the New Shares pursuant to the Placement is set out below. This should be read in conjunction with the financial statements:

	As at the date of incorporation	After Adjustments to reflect the Share Split	Assuming the allotment or allocation and issue of the New Shares
Issued and paid-up Shares (number of Shares)	100	246,000,000	290,000,000
Issued and paid-up share capital (S\$)	100	17,500,104	32,623,752 ⁽¹⁾
Reserves (S\$)	—	13,793,448	12,538,362 ⁽³⁾
Total Equity (S\$) ⁽²⁾	100	31,293,552	45,162,114

Notes:

- (1) This takes into account the capitalisation of estimated listing expenses of approximately S\$0.7 million.
- (2) Translated based on the exchange rate of US\$1 to S\$1.2274 as at 30 September 2012.
- (3) Includes estimated listing expenses of approximately S\$1.3 million arising from the Placement which will be expensed off.

SHAREHOLDERS

OWNERSHIP STRUCTURE

Our Directors and Shareholders and their respective shareholdings in our Company immediately before and after the Placement are set out below:

	Before the Placement				After the Placement			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors								
Robert Meyer ⁽¹⁾	4,000,000	1.62	3,000,000	1.22	4,000,000	1.38	4,000,000 ⁽²⁾	1.38
Pascal Demierre	3,400,000	1.38	—	—	4,400,000 ⁽²⁾	1.52	—	—
Alan Nisbet	—	—	—	—	—	—	—	—
Randolph Khoo	—	—	—	—	—	—	—	—
Substantial Shareholders (other than Directors)								
Halcyon Agri Resources ⁽³⁾	100,800,000	40.97	—	—	100,800,000	34.76	—	—
Halcyon Investment Corporation ⁽⁴⁾⁽⁵⁾	—	—	100,800,000	40.97	—	—	100,800,000	34.76
Michael Tay Wee Jin ⁽⁴⁾	—	—	100,800,000	40.97	—	—	100,800,000	34.76
Lynette Le Mercier	72,000,000	29.27	—	—	55,000,000	18.97	—	—
Leonard Beschizza	24,000,000	9.76	—	—	24,000,000	8.28	—	—
Andrew Trevatt	24,000,000	9.76	—	—	24,000,000	8.28	—	—
Other Shareholders								
Lakeway Pte. Ltd. ⁽⁵⁾	2,200,000	0.89	—	—	2,200,000	0.76	—	—
Nut Hill Investments Ltd. ⁽¹⁾	3,000,000	1.22	—	—	4,000,000 ⁽²⁾	1.38	—	—
Valentin Schillo	2,600,000	1.06	—	—	2,600,000	0.90	—	—
Shaw Vee King	10,000,000	4.07	—	—	10,000,000	3.45	—	—
Public	—	—	—	—	59,000,000	20.34	—	—
Total	246,000,000	100.00			290,000,000	100.00⁽⁶⁾		

Notes:

- (1) Nut Hill Investments Ltd. is an investment holding company incorporated in the British Virgin Islands and is wholly owned by Tan Su-Lyn. Accordingly, Tan Su-Lyn is deemed interested in the Shares held by virtue of her shareholding in Nut Hill Investments Ltd. Robert Meyer and Tan Su-Lyn are husband and wife and as such, Robert Meyer is also deemed to be interested in the Shares held by Nut Hill Investments Ltd.
- (2) This takes into account the 1,000,000 Placement Shares which our Directors, Robert Meyer (through Nut Hill Investments Ltd.) and Pascal Demierre, each intends to subscribe for. Please refer to the section entitled “Plan of Distribution” of this Offer Document and note 1 above, for more details.
- (3) Halcyon Agri Resources is an investment holding company incorporated in Singapore and is wholly owned by Halcyon Investment Corporation.
- (4) Halcyon Investment Corporation is deemed interested in the Shares held by virtue of its shareholding in Halcyon Agri Resources. Halcyon Investment Corporation is an investment holding company incorporated in Singapore. The Controlling Shareholders of Halcyon Investment Corporation are Michael Tay Wee Jin (22.6%), Nut Hill Capital Pte. Ltd. (16.0%), Lakeway Pte. Ltd. (16.0%), Pascal Demierre (16.0%) and Valentin Schillo (16.0%). Nut Hill Capital Pte. Ltd. is an investment holding company and is wholly owned by Robert Meyer. Michael Tay Wee Jin is deemed interested in the Shares held by virtue of his shareholding in Halcyon Investment Corporation.
- (5) Lakeway Pte. Ltd. is an investment holding company incorporated in Singapore. The shareholders of Lakeway Pte. Ltd. are Su Chia Chien (75.0%) and Ong San Khon (25.0%). Su Chia Chien and Ong San Khon are husband and wife. Su Chia Chien and Ong San Khon are deemed interested in the Shares held by virtue of their shareholdings in Lakeway Pte. Ltd.
- (6) Figures do not add up due to rounding.

SHAREHOLDERS

Save as disclosed above, there are no other relationships among our Directors and Substantial Shareholders.

The Shares held by our Directors and Substantial Shareholders do not have different voting rights from other Shares of our Company.

Save as disclosed above, our Company is not, whether directly or indirectly, owned or controlled by another corporation, any government or other natural or legal person whether severally or jointly. There is no known arrangement, the operation of which may, at a subsequent date, result in a change in the control of our Company.

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

Save as disclosed above and under the section entitled “General and Statutory Information” of this Offer Document, there were no significant changes in the percentages of ownership of Shares held by our Directors and Controlling Shareholders within the three years preceding the Latest Practicable Date.

VENDOR

The Vendor’s shareholding immediately before and after the Placement and the Vendor Shares which she will offer pursuant to the Placement are set out below:

Vendor	Before the Placement		Vendor Shares offered pursuant to the Placement			After the Placement	
	Number of Shares	% of pre-Placement share capital	Number of Vendor Shares	% of pre-Placement share capital	% of post-Placement share capital	Number of Shares	% of post-Placement share capital
Lynette Le Mercier	72,000,000	29.27	17,000,000	6.91	5.86	55,000,000	18.97

The Vendor, who is a Controlling Shareholder, is not related to our Directors or the other Controlling Shareholder.

Neither our Directors nor the other Controlling Shareholder has any direct or indirect interest in the Vendor Shares.

SHAREHOLDERS

MORATORIUM

To demonstrate their commitment to our Group, our Company's Shareholders, namely Halcyon Agri Resources, Lynette Le Mercier, Nut Hill Investments Ltd., and our Executive Chairman and CEO, Robert Meyer, have undertaken not to sell, transfer, assign, or otherwise dispose any part of their respective shareholding interests in our Company for a period of six months from the date of our Company's admission to the Catalist, and for a period of six months thereafter, not to reduce their interests in our Company to below 50% of each of their shareholdings (including the Shares allotted pursuant to the Placement).

In addition:

- (a) Halcyon Investment Corporation, which is the sole shareholder of Halcyon Agri Resources, has undertaken not to sell, transfer, assign, or otherwise dispose of any part of its shares in Halcyon Agri Resources for a period of 12 months from the date of our Company's admission to the Catalist;
- (b) LM Offshore Pte. Ltd., which owns approximately 9.3% of the shares in Halcyon Investment Corporation and is wholly owned by Lynette Le Mercier, has undertaken not to sell, transfer, assign, or otherwise dispose of any part of its shares in Halcyon Investment Corporation for a period of 12 months from the date of our Company's admission to the Catalist;
- (c) Michael Tay Wee Jin, who owns approximately 22.6% of the shares in Halcyon Investment Corporation, has undertaken not to sell, transfer, assign, or otherwise dispose of any part of his shares in Halcyon Investment Corporation for a period of 12 months from the date of our Company's admission to the Catalist; and
- (d) Nut Hill Capital Pte. Ltd., which owns approximately 16.0% of the shares in Halcyon Investment Corporation and is wholly owned by our Executive Chairman and CEO, Robert Meyer, has undertaken not to sell, transfer, assign, or otherwise dispose of any part of its shares in Halcyon Investment Corporation for a period of 12 months from the date of our Company's admission to the Catalist.

DILUTION

Dilution is the amount by which the Placement Price paid for the Placement Shares exceeds our NAV per Share after the Placement. Our audited NAV per Share as at 30 September 2012 after adjusting for the Share Split but before adjusting for the estimated net proceeds from the issue of New Shares and based on the pre-Placement share capital of 246,000,000 Shares was 12.63 cents.

Based on the issue of 44,000,000 New Shares at the Placement Price pursuant to the Placement and after deducting the estimated listing expenses, our NAV per Share as at 30 September 2012 based on the post-Placement number of Shares of 290,000,000 Shares would have been 15.49 cents. This represents an immediate increase of 2.86 cents to the NAV per Share to our existing Shareholders and an immediate dilution in the NAV per Share of 20.51 cents to our new investors.

The following table illustrates the dilution per Share as at 30 September 2012:

	Cents
Placement Price	36.00
NAV per Share as at 30 September 2012 based on the pre-Placement number of Shares of 246,000,000 Shares and after adjusting for the Share Split but before adjusting for the net proceeds from the issue of New Shares	12.63
Increase in NAV per Share attributable to our existing Shareholders based on the post-Placement number of Shares of 290,000,000 Shares	2.86
NAV per Share after the Placement	15.49
Dilution in NAV per Share to new Shareholders post-Placement	20.51

The following table summarises the total number of Shares directly acquired by our Substantial Shareholders and Directors and their Associates, the effective cash cost per Share to our Substantial Shareholders and Directors and their Associates (for Shares acquired during the period of three years before the date of lodgement of this Offer Document), and the price per Share to be paid by new public investors who purchase and/or subscribe for the Placement Shares at the Placement Price pursuant to the Placement:

	Total consideration (S\$)	Total number of Shares	Average effective cost per Share (cents)
Substantial Shareholders			
Halcyon Agri Resources	7,900,001	100,800,000	7.84
Lynette Le Mercier	7,560,101	72,000,000	10.50
Leonard Beschizza	1	24,000,000	neg. ⁽¹⁾
Andrew Trevatt	1	24,000,000	neg. ⁽¹⁾
Directors			
Robert Meyer	210,002	7,000,000 ⁽²⁾⁽³⁾	3.00
Pascal Demierre	210,001	3,400,000 ⁽³⁾	6.18
New Public Investors	21,240,000	59,000,000 ⁽³⁾	36.00

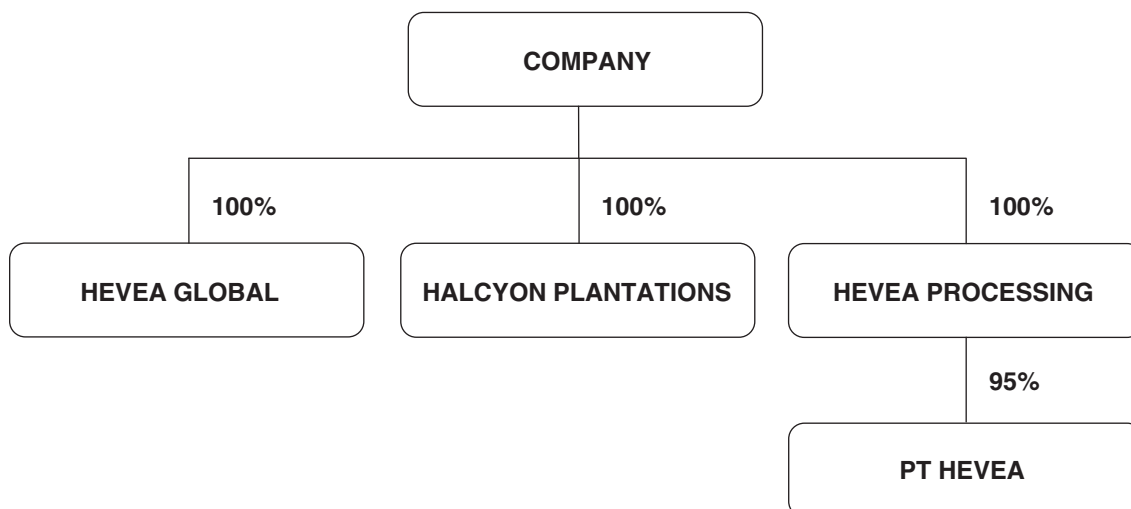
DILUTION

Notes:

- (1) Leonard Beschizza and Andrew Trevatt acquired their Shares pursuant to a share swap for a nominal consideration of S\$1.00 each. As such, the average effective cost per Share is negligible.
- (2) This includes the Shares issued and allotted to Robert Meyer and Nut Hill Investments Ltd., which is an investment holding company wholly owned by Robert Meyer and his wife, Tan Su-Lyn.
- (3) This excludes the 1,000,000 Placement Shares which our Directors, Robert Meyer (through Nut Hill Investments Ltd.) and Pascal Demierre, each intends to subscribe for at the Placement Price. Please refer to the section entitled "Plan of Distribution" of this Offer Document for more details.

GROUP STRUCTURE

Our Group structure as at the Latest Practicable Date is as follows:



The details of our Subsidiaries as at the Latest Practicable Date are as follows:

Name of company	Date and place of incorporation	Principal business	Issued and paid-up capital	Effective equity held by our Company in percentage
Hevea Global	3 November 2009 Singapore	Commodities trading	S\$22,615,754 consisting of 80,002 ordinary shares	100%
Hevea Processing	6 July 2010 Singapore	Investment holding	S\$1.00 consisting of 1 ordinary share	100%
PT Hevea ⁽¹⁾	29 October 2010 Indonesia	Processor of Natural Rubber	US\$2,000,000 consisting of 20,000 ordinary shares	95%
Halcyon Plantations ⁽²⁾	18 March 2011 Singapore	Investment holding	S\$1.00 consisting of 1 ordinary share	100%

Notes:

- (1) The remaining 5% of PT Hevea is legally and beneficially held by Alex Kurniawan Edy, our Executive Officer, in accordance with the relevant Indonesian laws.
- (2) This company is dormant.

None of our Subsidiaries are listed on any stock exchange. We do not have any Associated Companies.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

OUR CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(US\$ million)	Audited FP2010	Audited FY2011	Unaudited 9M2011	Audited 9M2012
Revenue	11.0	231.4	173.7	177.6
Cost of sales	(9.7)	(221.3)	(165.1)	(161.9)
Gross profit	1.3	10.0 ⁽¹⁾	8.5 ⁽¹⁾	15.7
Other income	— ⁽²⁾	2.1	2.2	0.1
Selling expenses	(0.3)	(1.0)	(0.7)	(1.1)
Administrative expenses	(0.8)	(4.2)	(3.0)	(3.0)
	(1.1)	(3.0) ⁽¹⁾	(1.5)	(3.9) ⁽¹⁾
Operating profit	0.2	7.0	7.0	11.8
Finance income	— ⁽²⁾	— ⁽²⁾	— ⁽²⁾	— ⁽²⁾
Finance costs	(0.1)	(2.3)	(1.8)	(1.5)
Profit before taxation	0.1	4.8 ⁽¹⁾	5.2	10.3
Income tax expense	—	(0.4)	(0.4)	(1.1)
Profit for the period/year	0.1	4.4	4.8	9.2
Profit attributable to:				
Owners of the company	0.1	4.4	4.8	9.0
Non-controlling interests	—	—	—	0.2
	0.1	4.4	4.8	9.2
Other comprehensive income				
Exchange differences on translation of foreign operations	— ⁽²⁾	(0.1)	0.2	(0.8)
Total comprehensive income for the period/year	0.1	4.3	5.1⁽¹⁾	8.5⁽¹⁾
Total comprehensive income attributable to:				
Owners of the company	0.1	4.3	5.1	8.3
Non-controlling interests	—	—	—	0.2
	0.1	4.3	5.1	8.5

Notes:

(1) Figures do not add up due to rounding.

(2) Figures are less than US\$0.05 million.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(US\$ million)	← As at 31 December 2010	Audited As at 31 December 2011	As at 30 September 2012 →
ASSETS			
Non-current assets			
Other assets	0.8	—	—
Intangible assets	—	10.0	10.0
Property, plant and equipment	0.1	12.0	11.0
Deferred charges	—	0.3	0.2
Deferred tax assets	—	— ⁽²⁾	0.1
Total non-current assets	0.9	22.3	21.3
Current assets			
Cash and bank balances	4.0	8.4	8.3
Trade receivables	7.1	10.6	4.4
Other receivables	2.8	1.5	2.1
Derivative financial instruments	4.4	3.1	0.5
Inventories	7.5	11.2	16.8
Total current assets	25.7⁽¹⁾	34.8	32.1
Total assets	26.6	57.1	53.5⁽¹⁾
LIABILITIES AND EQUITY			
Current liabilities			
Derivative financial instruments	3.3	1.3	1.3
Trade payables	6.9	— ⁽²⁾	0.5
Other payables	1.5	7.3	2.3
Loan payables	7.6	22.3	20.2
Provision for taxation	—	0.2	0.8
Total current liabilities	19.3	31.2⁽¹⁾	25.0⁽¹⁾
Net current assets	6.4	3.7⁽¹⁾	7.1
Non-current liabilities			
Loan payables	—	8.5	2.1
Retirement benefit obligations	—	0.2	0.4
Deferred tax liabilities	—	0.2	0.4
Total non-current liabilities	—	8.9	2.9
Total liabilities	19.3	40.1	28.0⁽¹⁾
Net assets	7.2⁽¹⁾	17.0	25.5
Capital and reserves			
Share capital	7.0	12.5	12.5
Accumulated profits	0.1	4.5	13.6
Reserves	0.1	— ⁽²⁾	(0.7)
Non-controlling interests	—	—	0.2
Total equity	7.2	17.0	25.5⁽¹⁾
Total liabilities and equity	26.6⁽¹⁾	57.1	53.5

Notes:

(1) Figures do not add up due to rounding.

(2) Figures are less than US\$0.05 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The following discussion of our operating results and financial position should be read in conjunction with the "Independent Auditors' Report on the Consolidated Financial Statements for FP2010, FY2011 and 9M2012" as set out in Appendix A of this Offer Document. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Offer Document, particularly in the section entitled "Risk Factors". Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by our Company, the Vendor, the Manager, Sponsor and Lead Placement Agent, the Co-Placement Agent or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document.

OVERVIEW

Our Group operates in the midstream of the Natural Rubber supply chain, specialising in the processing of Natural Rubber and merchandising/marketing of processed Natural Rubber. Our Group sources raw materials in the form of rubber slabs from a range of suppliers and processes it into TSR of Indonesian origin, with different specifications, namely SIR20, SIR20-VK and SIR20-Compound, all of which are primarily used as essential inputs to the manufacture of vehicle tyres. Our products are exported to an international client base, including leading international tyre manufacturers.

We operate principally through two Singapore incorporated subsidiaries, Hevea Global and Hevea Processing. Hevea Global acquires raw materials financed through its internal resources and external working capital resources, manages risk and undertakes the sales and marketing of our products and contracts with customers. Hevea Processing, through its subsidiary PT Hevea, provides procurement, processing and export services in Palembang, Indonesia, for and on behalf of Hevea Global.

Please refer to the section entitled "General Information on Our Group" of this Offer Document for more details on our Group.

Revenue

We derive our revenue primarily from the sale of our products to customers and, to a limited extent, from the trading of Natural Rubber products. In 9M2012, 99.0% of our total revenue was derived from the sale of our products.

Our Group commenced operations in April 2010 and our acquisition of HMK1 and HMK2 was completed in February 2011. Prior to the completion of the acquisition of HMK1 and HMK2, our revenue was mainly derived from the trading of processed rubber.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Our revenue breakdown is set out below:

	FP2010		FY2011		9M2011		9M2012	
	(US\$ million)	(%)	(US\$ million)	(%)	(US\$ million)	(%)	(US\$ million)	(%)
Sales of our products	—	—	217.4	93.9	159.7	91.9	175.9	99.0
Processed rubber trading income	9.9	90.0	9.8	4.3	9.7	5.6	1.2	0.7
Total revenue, excluding others	9.9	90.0	227.2	98.2	169.4	97.5	177.1	99.7
Others ⁽¹⁾	1.1	10.0	4.2	1.8	4.3	2.5	0.5	0.3
Total revenue	11.0	100.0	231.4	100.0	173.7	100.0	177.6	100.0

Note:

- (1) Comprises revenue from the unrealised fair value gain/(loss) on open forward commodity contracts and, with respect to 9M2011 and FY2011, includes non-recurring income for the processing of rubber by our Subsidiary, PT Hevea, on behalf of a client.

Sales to our customers are conducted either on the basis of spot sales contracts or long term sales contracts. Spot sales contracts are those in which the price, volume and delivery date are fixed upfront with the customer, typically for delivery within three months. Long term sales contracts are those in which the volume, delivery schedule and pricing basis are set for a longer time period, typically 3 months to 12 months, under which an agreed quantity of our products is delivered to the customer each month. We seek to have the majority of our sales on the basis of long term sales contracts. In 9M2012, 74.0% of our sales volume and 77.0% of our revenue were derived from long term sales contracts. Long term sales contracts provide us with visibility on the long term demand from our customers, which allows us to plan procurement and production more efficiently. We seek to structure our long term sales contracts such that the sale price each month is determined based upon the prior month's average daily closing price of TSR20 quoted on SICOM. We believe this allows us to closely match the price at which our raw material purchases are made with the sale price, and therefore reduces the impact of rubber price fluctuations on our results of operations.

Our revenue from the sale of our products is calculated based on the volume of our products shipped to our customers and the price at which such products are sold. The value, volume and average selling price of our products sold to our customers are shown below:

	FP2010	FY2011	9M2011	9M2012
Sales of our products				
Sales value (US\$ million)	—	217.4	159.7	175.9
Sales volume (tonne)	—	46,634	33,139	51,691
Average selling price (US\$ per tonne)	—	4,662	4,819	3,403

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

In addition to the volume of our products produced and sold to our customers, another major factor affecting our revenue is the market price of TSR20 quoted on SICOM ("SICOM TSR20").

Our sales contracts are typically priced by reference to the prevailing price of SICOM TSR20 on the basis described above. The price of Natural Rubber, like many other commodities, is volatile and results in fluctuations in the selling prices for our products.

SICOM TSR20 prices⁽¹⁾

(US\$ per tonne)	FP2010	FY2011	9M2011	9M2012
Highest closing price	5,000	5,750	5,750	3,848
Lowest closing price	2,750	3,149	3,800	2,408
Average closing price	3,482	4,515	4,821	3,246

Note:

- (1) The above information was calculated from extractions from Bloomberg L.P. on 14 November 2012 and is included in its proper form and context in this Offer Document. The accuracy of the information has not been verified by our Directors, the Vendor, the Manager, Sponsor and Lead Placement Agent or the Co-Placement Agent. Bloomberg L.P. has not consented to the inclusion of the information in this Offer Document for the purposes of Section 249 of the SFA, and is not liable under Sections 253 and 254 of the SFA.

Our revenue breakdown by geographical markets

The breakdown of our revenue derived from the sale and trading of processed rubber according to the various geographical regions (based on the origin of its customers' ultimate parent company) for FP2010, FY2011, 9M2011 and 9M2012 is presented below. As we are primarily based in Singapore and Indonesia while serving global customers, it would not be possible to allocate costs to geographical regions in a similar manner to revenue and any attempt to match these expenses to revenues in the various geographical regions would therefore not be meaningful.

	FP2010		FY2011		9M2011		9M2012	
	(US\$ million)	(%)	(US\$ million)	(%)	(US\$ million)	(%)	(US\$ million)	(%)
USA	7.2	72.7	110.7	48.7	90.4	53.4	68.7	38.8
Asia (excluding Singapore)	0.8	8.1	87.3	38.4	62.4	36.8	66.7	37.7
Singapore	0.2	2.0	28.4	12.5	15.8	9.3	35.0	19.8
EU	1.7	17.2	0.8	0.4	0.8	0.5	6.7	3.7
Total	9.9	100.0	227.2	100.0	169.4	100.0	177.1	100.0

Other factors affecting our sales volume and selling prices include:

- (a) our ability to secure new contracts and the terms of those contracts;
- (b) our ability to secure sufficient working capital financing;
- (c) the size and value of contracts secured;

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (d) our ability to secure sufficient raw materials;
- (e) our ability to execute contracts on time; and
- (f) fluctuations in foreign exchange rates.

Please refer to the section entitled "Risk Factors" of this Offer Document for other factors which may affect our revenue.

Cost of sales

Our cost of sales comprises the cost of the raw materials and the costs to process the raw materials to Natural Rubber for export. Our cost of sales accounted for 88.2%, 95.6%, 95.1% and 91.2% of our revenue in FP2010, FY2011, 9M2011 and 9M2012, respectively.

	FP2010		FY2011		9M2011		9M2012	
	(US\$ million)	(%)	(US\$ million)	(%)	(US\$ million)	(%)	(US\$ million)	(%)
Raw materials	9.7	100.0	209.9	94.9	156.8	95.0	155.7	96.1
Employee benefit expense	—	—	1.6	0.7	1.2	0.7	2.2	1.4
Service fee	—	—	6.0	2.7	4.4	2.7	—	—
Depreciation	—	—	0.7	0.3	0.5	0.3	0.5	0.3
Other processing costs	—	—	3.1	1.4	2.2	1.3	3.5	2.2
Total cost of sales	9.7	100.0	221.3	100.0	165.1	100.0	161.9	100.0

The largest component of our cost of sales is the cost of raw materials. This represented 100.0%, 94.9%, 95.0% and 96.1% of our cost of sales in FP2010, FY2011, 9M2011 and 9M2012, respectively. Our raw material costs are directly related to the market price for Natural Rubber, particularly the SICOM TSR20, and are also affected by our effectiveness in procurement and the availability of supply of raw materials in our geographic location.

In FP2010, revenue was generated from the trading of rubber products purchased from the previous owner of HMK1 and HMK2. In FY2011, we also incurred a non-recurring charge by a service provider, for the processing and exporting of our products.

Gross profit and margin

Our gross profit in FP2010, FY2011, 9M2011 and 9M2012 was US\$1.3 million, US\$10.0 million, US\$8.5 million and US\$15.7 million, representing gross margins of 11.8%, 4.3%, 4.9% and 8.8%, respectively.

Our gross profit and margins are driven primarily by the difference between the selling price we achieve for our products, which is typically a premium over the prevailing SICOM TSR20, and our raw materials' purchase price, which is typically at a discount to the prevailing SICOM TSR20, as well as any related hedging activity.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Our gross material profit is driven more by this difference than by the absolute level of the Natural Rubber price. As such, a high market price for Natural Rubber does not necessarily translate to a high margin and similarly, a low market price for Natural Rubber does not necessarily translate to a low margin. We assess our gross material profit performance on the basis of a US Dollar amount per tonne as opposed to a percentage of revenue.

(US\$ million)	FP2010	FY2011	9M2011	9M2012
Total revenue, excluding others	9.9	227.2	169.4	177.1
Cost of raw materials	(9.7)	(209.9)	(156.8)	(155.7)
Gross material profit	0.2	17.3	12.6	21.4
Sales volume of our products (tonnes)	—	46,634	33,139	51,691
Gross material profit (US\$ per tonne)	Not meaningful	371.0	380.0	414.0
Average SICOM TSR20 closing price (US\$ per tonne)	3,482	4,515	4,821	3,246

Other income

We recorded other income of US\$2.1 million in FY2011 relating to negative goodwill arising from our acquisition of HMK1 and HMK2 which completed in February 2011. Aside from this amount, other income comprised mainly the net foreign exchange gains relating to revaluation of certain foreign currency based other payables. Other income accounted for 0.4%, 0.9%, 1.3% and 0.1% of our revenue for FP2010, FY2011, 9M2011 and 9M2012, respectively.

Selling expenses

Our selling expenses comprise mainly salary and other benefits paid to employees involved in the sale and distribution of our products, and export related expenses. Our export related expenses are directly related to the volume of our products we export. Our selling expenses accounted for 2.6%, 0.4%, 0.4% and 0.6% of our revenue in FP2010, FY2011, 9M2011 and 9M2012, respectively.

Administrative expenses

Our administrative expenses comprise mainly salary and other benefits paid to employees, including key management personnel, professional fees, business service fees and other office related expenses. Administrative expenses accounted for 7.5%, 1.8%, 1.7% and 1.7% of our revenue in FP2010, FY2011, 9M2011 and 9M2012, respectively.

Finance costs

Our finance costs are mainly interest expenses on borrowings. Our borrowings consist of working capital loans of US\$12.6 million and term loans of US\$9.7 million as at 30 September 2012. We utilise working capital loans to finance our purchases of raw materials. Finance costs accounted for 1.0%, 1.0%, 1.0% and 0.8% of our revenue in FP2010, FY2011, 9M2011 and 9M2012, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Taxation

We are subject to income tax in Indonesia and Singapore. The Singapore statutory corporate tax rate for the Period Under Review was 17.0% and the Indonesian statutory corporate tax rate for the Period Under Review was 25.0%. Our Group's overall effective tax rate was nil for FP2010 and 7.9%, 8.2% and 10.2% for FY2011, 9M2011 and 9M2012 respectively. In Singapore, we benefit from a concessionary tax rate as our Subsidiary, Hevea Global, was awarded the Global Trader Programme status by IE Singapore, in which the major proportion of our profits are taxed at a rate of 10.0%. This tax concession was received in 1 July 2011 for a period of five years and an application may be made for an extension at the end of the five years.

In addition, negative goodwill arising from acquisition of HMK1 and HMK2 (shown as other income) which was not subject to tax in Indonesia also contributed to lower effective tax rates in FY2011 and 9M2011.

REVIEW OF PAST PERFORMANCE

FP2010 vs FY2011

Revenue

Our revenue increased by US\$220.4 million or 1,995.4% from US\$11.0 million in FP2010 to US\$231.4 million in FY2011. The increase was mainly attributable to the first full financial year of operations recorded in FY2011.

In FY2011, we also recorded a non-recurring income of US\$4.9 million for the processing of rubber by our Subsidiary, PT Hevea, on behalf of a client.

Cost of sales

Our cost of sales increased by US\$211.6 million or 2,172.7% from US\$9.7 million in FP2010 to US\$221.3 million in FY2011. The increase was attributable to the first full financial year of operations recorded in FY2011 and the increase in production volume. The cost of sales in FY2011 also included a non-recurring charge by a service provider, for the processing and exporting of our products, amounting to US\$6.0 million.

Our gross margins decreased by 7.5 percentage points from 11.8% in FP2010 to 4.3% in FY2011 as a result of higher fair value gains from open forward commodity contracts in FP2010. The significant decrease in our gross margins was due to the fact that we had not commenced our processing operations and our business during FP2010 consisted solely of the trading of processed Natural Rubber products. During FP2010, we had not completed our acquisition of the HMK1 and HMK2 processing facilities. Following the completion of the acquisition in February 2011, the vast majority of our revenue in subsequent financial periods was derived from sales of our own products. As such, our margins in FP2010 are not comparable to the margins in the subsequent financial periods.

Other income

Our other income increased by US\$2.1 million or 5,306.9%, from US\$40,000 in FP2010 to US\$2.1 million in FY2011. The increase was mainly due to a US\$2.1 million negative goodwill arising on acquisition of HMK1 and HMK2 in FY2011. Without taking into account this negative goodwill, other income would have decreased by US\$40,000 or 100.0% to zero in FY2011, as a result of a decrease in net foreign exchange gains due to the revaluation of certain foreign currency based other payables.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Selling expenses

Our selling expenses increased by US\$0.7 million or 247.7%, from US\$0.3 million in FP2010 to US\$1.0 million in FY2011. The increase was mainly due to the first full financial year of operations recorded in FY2011.

Administrative expenses

Our administrative expenses increased by US\$3.4 million or 400.8%, from US\$0.8 million in FP2010 to US\$4.2 million in FY2011. The increase in US\$3.4 million in administrative expenses was mainly due to our first full financial year of operations recorded in FY2011, which resulted in an increase in employee benefit expenses of US\$1.4 million and management fees of US\$0.7 million. We also incurred a one-off expense of US\$0.7 million in FY2011 relating to the establishment of our business and acquisition of HMK1 and HMK2.

Finance costs

Our finance costs increased by US\$2.2 million from US\$0.1 million in FP2010 to US\$2.3 million in FY2011 which was due to an increase in interest expenses of US\$0.8 million relating to an increase in term loans of US\$13.5 million taken up during FY2011 that was partly utilised to finance our acquisition of HMK1 and HMK2, and an increase in interest expenses of US\$1.4 million due to working capital loans utilised during the year, as a result of an increase in the volume of our production activities.

Profit before taxation

Our profit before taxation increased by US\$4.7 million or 4,250.8% from US\$0.1 million in FP2010 to US\$4.8 million in FY2011 mainly due to the above-mentioned reasons. Without taking into account the one-off negative goodwill of US\$2.1 million and the one-off administrative expense of US\$0.7 million, our Group would have reported a profit before taxation of US\$3.3 million representing an increase of US\$3.2 million or 2,901.0% when compared to FP2010.

9M2011 vs 9M2012

Revenue

Our revenue increased by US\$3.9 million or 2.3% from US\$173.7 million in 9M2011 to US\$177.6 million in 9M2012 mainly due to a 56.0% increase in sales volume from 33,139 tonnes in 9M2011 to 51,691 tonnes in 9M2012 which was substantially offset by the lower average selling prices for our products in 9M2012 (US\$3,403 per tonne) as compared to 9M2011 (US\$4,819 per tonne).

In 9M2011, we also recorded a non-recurring income of US\$3.6 million for the processing of rubber by our Subsidiary, PT Hevea, on behalf of a client.

Cost of sales

Our cost of sales decreased by US\$3.2 million or 1.9% from US\$165.1 million in 9M2011 to US\$161.9 million in 9M2012. The decrease in 9M2012 was due to a non-recurring charge of US\$4.4 million by our service provider that was incurred in FY2011 for the processing and exporting of our products.

Our gross material profit per tonne on our own production increased from US\$380.0 to US\$414.0 from 9M2011 to 9M2012 as a result of more effective raw material procurement. As a result of this as well as lower average selling prices, our gross margin increased by 3.9 percentage points from 4.9% in 9M2011 to 8.8% in 9M2012.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Other income

Our other income decreased by US\$2.1 million or 95.4% from US\$2.2 million in 9M2011 to US\$0.1 million in 9M2012 mainly due to a US\$2.1 million negative goodwill arising on acquisition of HMK1 and HMK2 in 9M2011. Without taking into account this negative goodwill, other income would have increased by US\$52,000 or 107.3%, as a result of an increase in net foreign exchange gains due to the revaluation of certain foreign currency based other payables.

Selling expenses

Selling expenses increased by US\$0.4 million or 45.7% from US\$0.7 million in 9M2011 to US\$1.1 million in 9M2012. The increase was mainly due to higher volume of our products exported in 9M2012, as compared to 9M2011.

Administrative expenses

Our administrative expenses decreased marginally by US\$20,000 or 0.7%. The decrease was mainly due to the absence of the one-off expenses incurred in 9M2011 relating to the establishment of our business and the acquisition of HMK1 and HMK2 of US\$0.5 million which was partially offset by higher employee benefit costs of US\$0.3 million relating to performance related bonuses paid to key management personnel and other administrative expenses of US\$0.1 million.

Finance costs

Our finance costs decreased by US\$0.3 million from US\$1.8 million in 9M2011 to US\$1.5 million in 9M2012. This was mainly due to a decrease in interest expense of US\$0.2 million on our working capital loans as a result of a lower average outstanding amount which was mainly attributable to the lower purchase price for raw materials which corresponds to the lower market price for Natural Rubber during 9M2012 as compared to 9M2011.

Profit before taxation

Our profit before taxation increased by approximately US\$5.1 million or 92.5% from US\$5.2 million in 9M2011 to US\$10.3 million in 9M2012 as described above. Excluding the benefit of a one-off negative goodwill of US\$2.1 million and adding back one-off administrative expenses of US\$0.5 million in 9M2011, our profit before taxation would have shown an increase of US\$6.7 million or 175.7% from 9M2011 to 9M2012.

As a result of the prolonged wintering period in the South Sumatra province in the fourth quarter of FY2011 which restricted the availability of raw materials, our profit before taxation for FY2011 decreased by US\$0.5 million to US\$4.4 million as compared to that for 9M2011. The decrease was mainly due to a lower gross margin which was not adequate to cover operating costs incurred in the fourth quarter of FY2011.

REVIEW OF FINANCIAL POSITION

As at 30 September 2012

Assets

Non-current assets

As at 30 September 2012, our non-current assets of US\$21.3 million accounted for 39.9% of our total assets. Our non-current assets comprised (a) property, plant and equipment of US\$11.0 million; (b) an intangible asset of US\$10.0 million; (c) deferred charges relating to asset acquisition in Indonesia of US\$0.2 million; and (d) deferred tax assets of US\$0.1 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Property, plant and equipment of US\$11.0 million representing 51.6% of our total non-current assets comprised mainly freehold land of US\$3.8 million, leasehold buildings of US\$3.0 million, plant and machinery of US\$2.1 million and other property, plant and equipment of US\$2.1 million.

Intangible assets of US\$10.0 million relate to the process know-how of the production of SIR20-VK which were acquired, along with HMK1 and HMK2, in FY2011.

Current assets

As at 30 September 2012, our current assets of US\$32.1 million accounted for 60.1% of our total assets. Our current assets comprised (a) inventories of US\$16.8 million; (b) cash and bank balances of US\$8.3 million; (c) trade receivables of US\$4.4 million; (d) other receivables of US\$2.1 million; and (e) derivative financial assets of US\$0.5 million. Inventories which formed the largest component of our current assets accounted for 52.2% of our total current assets.

We have pledged US\$24.9 million or 77.9% of our total current assets to banks as security for banking facilities which comprised inventories with carrying amounts of US\$15.9 million, cash and bank balances of US\$3.5 million, trade receivables of US\$4.3 million and deposits of US\$1.2 million which formed part of our other receivables.

Liabilities

Non-current liabilities

As at 30 September 2012, our non-current liabilities of US\$2.9 million accounted for 10.5% of our total liabilities. Our non-current liabilities comprised (a) loan payables of US\$2.1 million; (b) retirement benefit obligations of US\$0.4 million; and (c) deferred tax liabilities of US\$0.4 million.

Our non-current portion of loan payables comprised the non-current portion of the term loan of US\$2.1 million and it represented 72.5% of our total non-current liabilities. Retirement benefit obligations, which is related to our employees in Indonesia, accounted for 14.3% of our total non-current liabilities. Deferred income tax liabilities accounted for 13.2% of our total non-current liabilities.

Current liabilities

As at 30 September 2012, our current liabilities of US\$25.0 million accounted for 89.5% of our total liabilities. Our current liabilities comprised (a) loan payables of US\$20.2 million; (b) other payables of US\$2.3 million; (c) derivative financial liabilities of US\$1.3 million; (d) provision for taxation of US\$0.8 million; and (e) trade payables of US\$0.5 million.

Equity

Equity attributable to owners of our Company

The equity attributable to owners of our Company of US\$25.3 million accounted for 99.2% of our total equity. The equity attributable to our Company consists of share capital, capital reserves, foreign currency translation reserves and accumulated profits.

Non-controlling interests

The non-controlling interests of US\$0.2 million accounted for 0.8% of our total equity. The non-controlling interests are mainly due to the 5.0% equity interest in PT Hevea owned by Alex Kurniawan Edy, an Executive Officer of our Group.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Working capital

As at 30 September 2012, our net working capital amounted to US\$16.4 million, as set out below:

(US\$ million)	As at 30 September 2012
Cash and bank balances	8.3
Trade receivables	4.4
Inventories	16.8
Less: Trade payables	(0.5)
Less: Working capital loans	(12.6)
Net working capital	16.4

LIQUIDITY AND CAPITAL RESOURCES

As at the Latest Practicable Date, our Company has two sources of cash, which are categorised as either (a) internal sources or (b) external sources. Internal sources comprise mainly cash generated from our operating activities. External sources of funds comprise mainly borrowings from financial institutions. The principal uses of these cash sources are to finance our raw material purchases, capital expenditure and business operating expenses. Surplus cash generated is to be considered for operational or acquisitive growth, and/or for distribution to shareholders.

The following table sets out a summary of our cash flow for the Period Under Review and 9M2011:

(US\$ million)	FP2010	FY2011	9M2011	9M2012
Net cash from operating activities, before working capital changes	(1.0)	5.2	3.8	10.8
Changes in working capital	(8.9)	(8.9)	(25.6)	(1.5)
Net cash (used in) from operating activities	(9.9)	(3.8) ⁽¹⁾	(21.8)	9.3
Net cash (used in) from investing activities	(0.9)	(20.0)	(19.8)	(0.2)
Net cash from (used in) financing activities	14.3	24.0	44.4	(8.0)
Net increase in cash and cash equivalents	3.5	0.2	2.8	1.1
Cash and cash equivalents at the beginning of the period/year	— ⁽²⁾	3.5	3.5	3.9
Effect of exchange rate changes on the balance of cash held in foreign currencies	— ⁽²⁾	0.3	0.2	(0.2)
Cash and cash equivalents at the end of the period/year	3.5	3.9⁽¹⁾	6.5	4.8

Notes:

(1) Figures do not add up due to rounding.

(2) Figures are less than US\$0.05 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

FP2010

In FP2010, we recorded a net cash outflow from operating activities of US\$9.9 million, which was a result of operating loss before working capital changes of US\$0.9 million, an increase in working capital of US\$8.9 million and net interest paid of US\$0.1 million. The increase in working capital was mainly due to the following:

- (a) increase in inventories of US\$7.5 million;
- (b) increase in trade receivables of US\$7.0 million; and
- (c) increase in other receivables and deferred charges of US\$2.8 million;

which were partially offset by:

- (d) increase in trade payables of US\$6.9 million; and
- (e) increase in other payables of US\$1.5 million.

Net cash outflow from investing activities was US\$0.9 million, which was mainly due to the option fees paid in relation to the acquisition of an intangible asset of US\$0.8 million and the purchase of office equipment of US\$0.1 million.

Net cash generated from financing activities was US\$14.3 million which was mainly due to net proceeds from a working capital loan of US\$7.6 million, proceeds from the issuance of shares of US\$7.0 million and capital contribution by a Shareholder of US\$0.1 million which were partially offset by an increase in pledged deposits of US\$0.5 million.

As at 31 December 2010, our cash and cash equivalents amounted to US\$3.5 million.

FY2011

In FY2011, we recorded a net cash outflow from operating activities of US\$3.8 million, which was a result of operating profit before working capital changes of US\$6.6 million, an increase in working capital of US\$8.9 million, net interest paid of US\$1.5 million and tax paid of US\$41,000. The increase in working capital was mainly due to the following:

- (a) decrease in trade payables of US\$6.9 million;
- (b) increase in inventories of US\$5.2 million; and
- (c) increase in trade receivables of US\$3.6 million;

which were partially offset by:

- (d) increase in other payables of US\$5.7 million; and
- (e) decrease in other receivables and deferred charges of US\$1.0 million.

Our net cash outflow from operating activities in FY2011 decreased by US\$18.0 million from US\$21.8 million in 9M2011 as there was a large decline in inventories of US\$16.6 million during the fourth quarter of 2011. This was mainly due to the prolonged wintering period in South Sumatra during the said quarter, which restricted the availability of raw materials.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Net cash outflow from investing activities was US\$20.0 million, which was mainly due to the purchase of property, plant and equipment of US\$10.8 million relating to the acquisition of HMK1 and HMK2, and the purchase of an intangible asset of US\$9.2 million.

Net cash generated from financing activities was US\$24.0 million, which was mainly due to net proceeds from term loans and working capital loans of US\$23.2 million and proceeds from issuance of shares of US\$5.5 million which were partially offset by additional pledged deposits of US\$4.0 million and interest paid on term loans of US\$0.7 million.

As at 31 December 2011, our cash and cash equivalents amounted to US\$3.9 million.

9M2012

In 9M2012, we recorded a net cash inflow from operating activities of US\$9.3 million, which was a result of operating profit before working capital changes of US\$12.1 million, an increase in working capital of US\$1.5 million, net interest paid of US\$1.0 million and tax paid of US\$0.3 million. The increase in working capital was mainly due to the following:

- (a) decrease in other payables of US\$5.1 million;
- (b) increase in inventories of US\$2.6 million; and
- (c) increase in other receivables and deferred charges of US\$0.5 million;

which were partially offset by:

- (d) decrease in trade receivables of US\$6.2 million; and
- (e) increase of trade payables of US\$0.4 million.

Net cash outflow from investing activities was US\$0.2 million, which was mainly due to the purchase of property, plant and equipment relating to capital investment to increase HMK1 and HMK2's production capacity.

Net cash used in financing activities was US\$8.0 million, which was mainly due to net repayment on loans and borrowings of US\$8.5 million and interest paid on term loans of US\$0.5 million which were partially offset by a reduction in pledged deposits of US\$1.0 million.

As at 30 September 2012, our cash and cash equivalents amounted to US\$4.8 million.

Source of Liquidity

We finance our operations through both internal and external sources and have generated a positive cash flow of US\$3.5 million, US\$0.2 million, US\$2.8 million and US\$1.1 million for FP2010, FY2011, 9M2011 and 9M2012, respectively. Our internal sources of funds comprise cash generated from our operating activities. Our external sources of funds comprise mainly banking facilities from financial institutions. Please refer to the section entitled "Capitalisation and Indebtedness" of this Offer Document for further details.

As at the Latest Practicable Date, we had total banking facilities of US\$73.5 million, US\$28.3 million of which was utilised, and US\$45.2 million remained unutilised, and we have cash and bank balances of US\$11.7 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Our Directors are of the reasonable opinion that, after having made due and careful enquiry and after taking into account the cash flows generated from our operations, our banking facilities and our existing cash and cash equivalents, the working capital available to us as at the date of lodgement of this Offer Document is sufficient for present requirements and for at least 12 months after the listing of our Company on the Catalist.

The Sponsor is of the reasonable opinion that, after having made due and careful enquiry and after taking into account the cash flows generated from our operations, our banking facilities and our existing cash and cash equivalents, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for present requirements and for at least 12 months after the listing of our Company on the Catalist.

SEASONALITY

Natural Rubber, being an agricultural and tropical crop, has seasonality in tree yield which affects the Natural Rubber industry. Natural Rubber yields for the South Sumatra province are lowest during the wintering period, which typically spans August to October.

We manage our exposures to seasonality by increasing stock holding of raw materials during the wintering period. Generally, we will buy more raw materials in the lead up to the wintering period.

INFLATION

Our financial performance for the Period Under Review was not materially affected by inflation.

CAPITAL EXPENDITURE AND DIVESTMENTS AND COMMITMENTS

Capital Expenditure

The capital expenditures made by our Group during the Period Under Review and for the period from 1 October 2012 up to the Latest Practicable Date were as follows:

(US\$ million)	FP2010	FY2011	9M2012	From 1 October 2012 to the Latest Practicable Date
Freehold land	—	4.2	—	—
Leasehold buildings	—	3.5	—	—
Leasehold improvements and renovations	0.1	1.1	—	—
Plant and machinery	—	2.7	—	0.1
Computers and software	—	0.2	0.1	—
Vehicles	—	1.2	—	0.1
Assets under construction	—	0.1	0.1	—
Total	0.1	13.0	0.2	0.2

The above capital expenditures were primarily financed by external sources.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Divestments

No divestments were made by our Group during the Period Under Review.

Capital Commitments

As at the Latest Practicable Date, our Group did not have any capital commitments.

Operating Lease Commitments

As at 30 September 2012 and the Latest Practicable Date, we have the following operating lease payment commitments relating to rental payable for our office premises as disclosed in the section entitled "General Information on Our Group – Properties" of this Offer Document. We intend to finance the below operating lease commitments with internally generated funds.

(US\$ million)	As at 30 September 2012	As at the Latest Practicable Date
Not later than 1 year	0.1	0.1
Later than 1 year but not later than 5 years	—	—
	0.1	0.1

Finance Lease Obligations

As at the Latest Practicable Date, our Group did not have any finance lease obligations.

Contingent Liabilities

As at the Latest Practicable Date, our Group did not have any contingent liabilities.

EXCHANGE CONTROLS

Please refer to the section entitled "Exchange Controls" of this Offer Document for more details.

FOREIGN EXCHANGE MANAGEMENT

Accounting Treatment of Foreign Currencies

Foreign currency transactions are translated into US\$ at rates of exchange approximating those prevailing at transaction dates. All profits and losses on exchange differences are recognised through our Consolidated Statements of Comprehensive Income.

Foreign currency monetary assets and liabilities are translated at rates as at the end of the financial year. The impact of the translation is recognised in our Consolidated Statements of Comprehensive Income.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Foreign Exchange Exposure

The proportions of our revenue, purchases and expenses denominated in US\$ and foreign currencies for the Period Under Review and 9M2011 are as follows:

Percentage of revenue denominated in

	FP2010 (%)	FY2011 (%)	9M2011 (%)	9M2012 (%)
US\$	100.0	97.9	97.9	100.0
IDR	—	2.1	2.1	—
	100.0	100.0	100.0	100.0

Percentage of purchases denominated in

	FP2010 (%)	FY2011 (%)	9M2011 (%)	9M2012 (%)
IDR	—	100.0	100.0	100.0
US\$	100.0	—	—	—
	100.0	100.0	100.0	100.0

Percentage of expenses denominated in

	FP2010 (%)	FY2011 (%)	9M2011 (%)	9M2012 (%)
S\$	69.9	42.3	44.6	47.7
US\$	30.1	42.9	40.8	31.8
IDR	—	14.8	14.6	20.5
	100.0	100.0	100.0	100.0

To the extent that our revenue, purchases and expenses are not naturally matched in the same currency and to the extent that there are timing differences between invoicing and collection/payment, we may be exposed to adverse fluctuations of the various currencies against the US\$, which will materially and adversely affect our earnings.

Our net foreign exchange exposure for the Period Under Review and 9M2011 were as follows:

(US\$ million)	FP2010	FY2011	9M2011	9M2012
Net foreign exchange gain/(loss)	—	(0.1)	0.1	0.1
As a percentage of revenue (%)	0.4	neg. ⁽¹⁾	neg. ⁽¹⁾	neg. ⁽¹⁾
As a percentage of PBT (%)	36.2	(1.8)	0.9	0.8

Note:

(1) "neg." denotes negligible.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Currently, we do not have any formal policy for hedging against foreign currency exposure. We will continue to monitor our foreign currency exposure and may employ hedging instruments to manage the foreign exchange exposure should the need arise. We will, prior to entering any hedging transactions, seek the approval of the Board on the policy for entering into any foreign exchange hedging transactions and put in place adequate procedures which must be reviewed and approved by the Audit Committee. The Audit Committee will monitor the implementation of the policy, including reviewing the instruments, processes and practices in accordance with the policy approved by the Board.

SIGNIFICANT ACCOUNTING POLICY CHANGES

There have been no changes in our accounting policies since the commencement of our operations in April 2010. Please refer to the "Independent Auditors' Report on the Consolidated Financial Statements for FP2010, FY2011 and 9M2012" as set out in Appendix A of this Offer Document for more details on our accounting policies.

CAPITALISATION AND INDEBTEDNESS

CAPITALISATION AND INDEBTEDNESS

The following table shows our Group's cash and bank balances, indebtedness and capitalisation:

- (a) as at 30 November 2012; and
 (b) as adjusted for the net proceeds from the Placement to the Company.

(US\$ million)	As at 30 November 2012	As adjusted for the net proceeds from the Placement to the Company
Cash and bank balances	11.0	22.3
Indebtedness		
<u>Current (secured and guaranteed)</u>		
— working capital loans	16.0	16.0
— term loan	3.0	3.0
<u>Non-current (secured and guaranteed)</u>		
— term loan	5.5	5.5
Total indebtedness	24.5	24.5
Capitalisation		
Total equity ⁽¹⁾	25.8	37.2 ⁽²⁾
Total capitalisation and indebtedness	50.3	61.7

Notes:

- (1) Includes share capital and reserves.
 (2) This takes into account the capitalisation of estimated listing expenses of approximately S\$0.7 million and includes the estimated listing expenses of approximately S\$1.3 million arising from the Placement which will be expensed off.

As at the Latest Practicable Date, there were no material changes to our capitalisation and indebtedness as disclosed above, save for changes in our working capital loan balances and reserves arising from our day-to-day operations in the ordinary course of business.

As at the Latest Practicable Date, our total banking and credit facilities are as follows:

Types of facilities	Facilities granted (US\$ million)	Utilised (US\$ million)	Unutilised (US\$ million)	Interest rates	Maturity profile
Working capital loan — Standard Chartered Bank	45.0	12.7	32.3	Standard Chartered Bank's cost of funds plus a fixed margin	Up to 60 days after drawdown
Working capital loan — CIMB Bank	20.0	7.1	12.9	CIMB Bank's cost of funds plus a fixed margin	Up to 90 days after drawdown
Term Loan — LH Asian TFF Pte. Ltd.	8.5	8.5	—	7.5%	15 December 2013, with an option by the Lender for a one-year extension

CAPITALISATION AND INDEBTEDNESS

Working capital loans

The working capital loans are secured by (a) floating charges over certain inventories and receivables that are financed by the respective financial institutions, (b) corporate guarantees from our Company and (c) charges over deposits and bank accounts held with the respective financial institutions.

Term loan

The term loan is secured by (a) charges over certain of our Group's property, plant and equipment and (b) corporate guarantees from Hevea Global, Hevea Processing and PT Hevea.

To the best of our Directors' knowledge, as at the Latest Practicable Date, we are not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our financial position and results or business operations, or the investments of our Shareholders.

INDUSTRY OVERVIEW

The information and data presented in this section have been extracted from various sources and have not been verified by our Directors, the Vendor, the Manager, Sponsor and Lead Placement Agent or the Co-Placement Agent. IRSG has provided and has not withdrawn its written consent to the issue of this Offer Document with the inclusion of the relevant extracts of its materials referred to in this section, but has not prepared the relevant extracts for the purpose of incorporation in this Offer Document. The other organisations referred to in this section, namely, GAPKINDO and Bloomberg L.P., have not consented to the inclusion of the information in this Offer Document for the purposes of Section 249 of the SFA, and are not liable under Sections 253 and 254 of the SFA.

While reasonable actions have been taken by our Directors to ensure that the information in this section is reproduced in its proper form and context, and that the information is extracted accurately and fairly from the various sources set out below, we cannot ensure the accuracy of the information or data, and neither our Directors, the Vendor, the Manager, Sponsor and Lead Placement Agent, the Co-Placement Agent nor any of our respective affiliates or advisors have independently verified this information or data. You should not assume that the information and data contained in this section of this Offer Document are accurate as of any date other than the date of this Offer Document except as otherwise indicated. You should also be aware that since the date of this Offer Document, there may have been changes in the Natural Rubber industry which could affect the accuracy or completeness of the information in this section of this Offer Document.

DEMAND FOR NATURAL RUBBER

Natural Rubber is primarily used in making tyres for vehicles, gloves and other latex products, and various other industrial and consumer applications. The tyre industry is the largest consumer of Natural Rubber, accounting for approximately 70% of Natural Rubber demand.¹ Virtually all of the Natural Rubber we process is used in the tyre industry.

Natural Rubber is an essential ingredient in tyre manufacturing due to its superior properties relative to synthetic rubber (anti-chunking, anti-tearing and low heat generation). These properties are particularly important in the truck and off-road (e.g. agriculture, industrial) tyre segments. Natural Rubber represents a significant proportion of the total raw material costs in tyre production, ranging from around 20% to 40% depending upon the manufacturer and the type of tyres produced.

Demand for tyres comes from two sources:

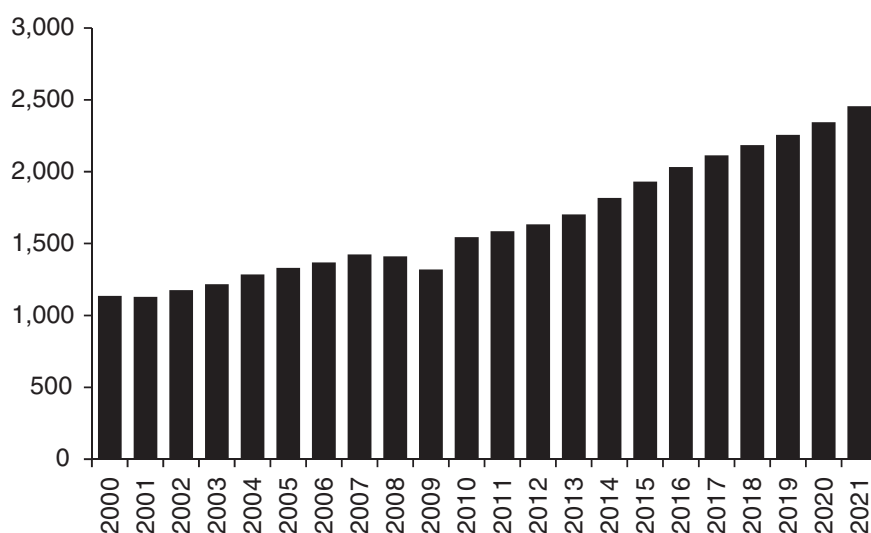
- (a) sales of new motor vehicles (OEM sales); and
- (b) replacement of tyres on existing motor vehicles.

¹ IRSG, "The World Rubber Industry Outlook. Review and Prospects to 2021", June 2012

INDUSTRY OVERVIEW

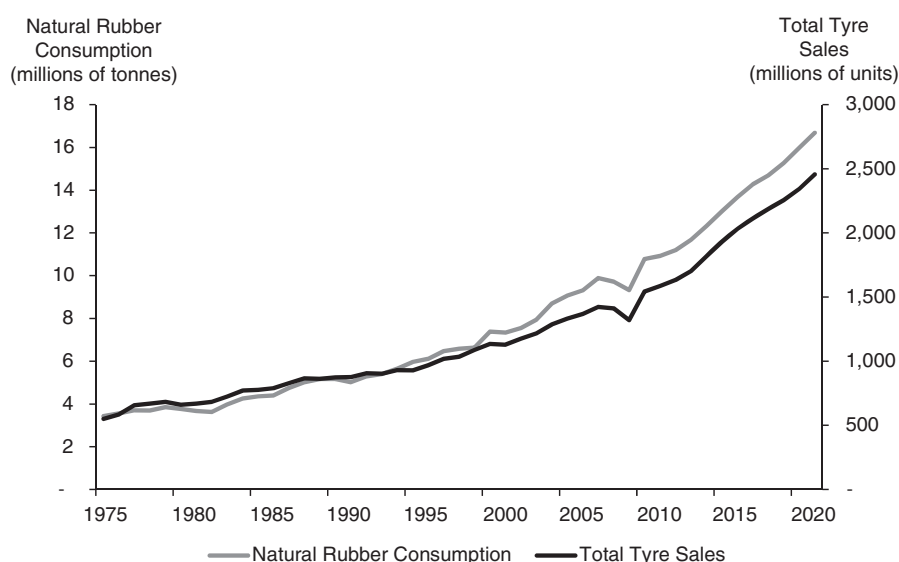
The replacement segment, which is larger, relates to the existing world population of motor vehicles, which exceeds one billion units.¹ Across this population, private cars on average require four new tyres every two years, while commercial and industrial vehicles require replacement more frequently. For 2012, world vehicle sales are expected to reach 84 million units, according to IRSG. This represents a combined annual tyre market in excess of 1.6 billion units.¹

Figure 1: Historical and forecast tyre sales (millions of units)¹



The long term relationship between tyre demand and Natural Rubber consumption is closely correlated, as shown below.

Figure 2: Long term relationship between Natural Rubber consumption and tyre sales²



¹ IRSG, "The World Rubber Industry Outlook. Review and Prospects to 2021", June 2012

² HAC, based upon data from IRSG

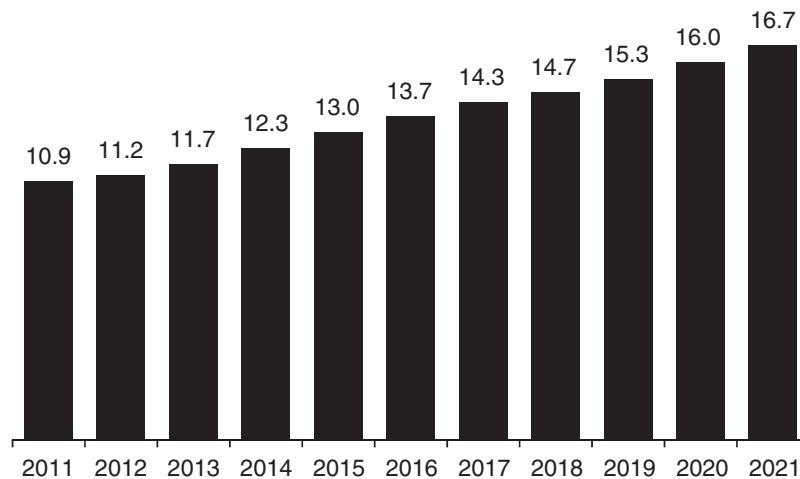
INDUSTRY OVERVIEW

Demand for tyres and therefore the demand for Natural Rubber is commonly linked to global GDP growth. Accordingly, emerging markets such as China, India, Southeast Asia and South America are the largest contributors to the growth in demand for Natural Rubber as demand for vehicles continues to rise in these markets. Emerging markets have grown from approximately 40% of the world's consumption of Natural Rubber in 2000 to reach 60% of the world's consumption in 2011. Nearly 90% of the growth in global consumption through to 2021 is expected to come from these emerging markets.¹

As is the case with many other commodities, China has emerged as a major consumer of Natural Rubber, with consumption in 2011 more than twice the level in 2000, with a further 96% increase expected through to 2021.¹

The forecast worldwide consumption of Natural Rubber is shown below:

Figure 3: Forecast consumption of Natural Rubber (millions of tonnes)¹



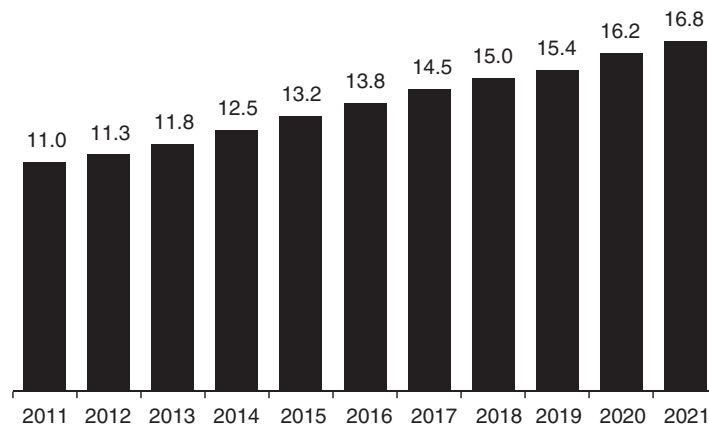
SUPPLY OF NATURAL RUBBER

The major factors driving the world production of Natural Rubber are the total planted area, planting density, yields, seasonality and weather. According to IRSG, the world production of Natural Rubber is projected to increase from 11.0 million tonnes in 2011 to 16.8 million tonnes by 2021.¹

¹ IRSG, "The World Rubber Industry Outlook. Review and Prospects to 2021", June 2012

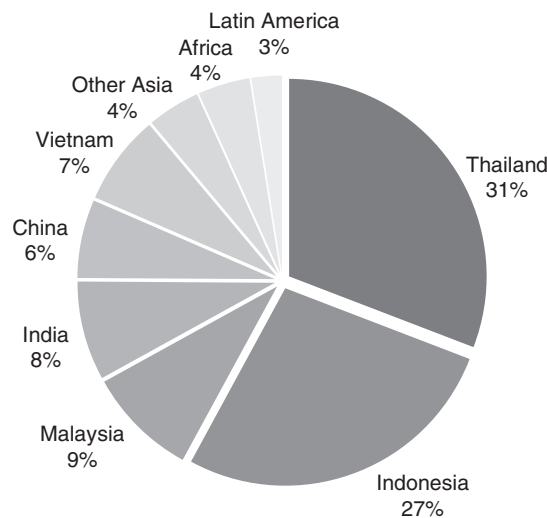
INDUSTRY OVERVIEW

Figure 4: Forecast world production of Natural Rubber (millions of tonnes)¹



Natural Rubber trees (*Hevea brasiliensis*) are a tropical crop, growing in equatorial climates with consistent high temperatures and high rainfall. More than 90% of the world's rubber is produced in the Asia-Pacific. Thailand, Indonesia and Malaysia together account for approximately two-thirds of the world's production of Natural Rubber.¹

Figure 5: 2011 world Natural Rubber production by country/region¹



Indonesia's total Natural Rubber production for 2012 is estimated to be around 3.3 million tonnes according to GAPKINDO, based on approximately 3.5 million planted hectares. More than 80% of the rubber produced in Indonesia is sourced from smallholders as opposed to being sourced from commercial plantations.²

¹ IRSG, "The World Rubber Industry Outlook. Review and Prospects to 2021", June 2012

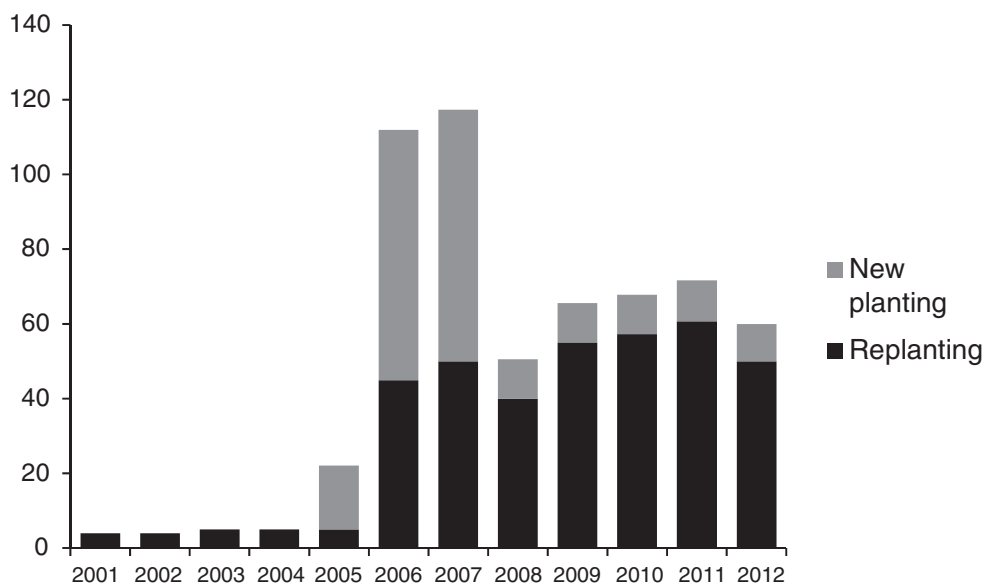
² HAC, based upon data from GAPKINDO, <http://www.gapkindo.org/index.php/en/component/content/article/1-artikel/152-perkebunan-karet-alam-eng.html>, 2012

INDUSTRY OVERVIEW

Reflecting this and the age profile of some areas, the average yields on Indonesian Natural Rubber smallholder land are estimated to be approximately 900 kg per hectare per annum¹ as opposed to approximately 1,200 kg per hectare per annum¹ for managed estates and 1,500 kg per hectare per annum seen in other geographies such as Thailand.²

The Indonesian Ministry of Agriculture has pursued a number of programmes over many years with the objective of improving the productivity of Indonesia's Natural Rubber land, in particular, the land cultivated by smallholders. Such programmes commonly involve replanting older rubber trees with newer, higher yielding varieties. Replanting and new planting in Indonesia tends to be seen in periods of relatively higher rubber prices. The recent history of replanting and new planting in Indonesia is shown below:

Figure 6: Replanting and new planting in Indonesia (thousands of hectares)³



NATURAL RUBBER PRICE

Based on our experience, our views on the price of Natural Rubber are as follows:

- (a) the long term Natural Rubber price is typically forecasted on the basis of estimated supply and demand. Demand is estimated by reference to general economic conditions, GDP growth and specific factors driving demand for tyres. Supply is considerably more difficult to estimate, given that smallholders dominate the upstream segment of the Natural Rubber industry, and it requires an estimate of when historic new plantings/replantings reach maturity, along with the general age profile and yield of existing rubber trees;

¹ HAC, based upon data from GAPKINDO, <http://www.gapkindo.org/index.php/en/component/content/article/1-artikel/152-perkebunan-karet-alam-eng.html>, 2012 and <http://www.gapkindo.org/index.php/en/component/content/article/1-artikel/148-luas-perkebunan-karet-eng.html>, 2012

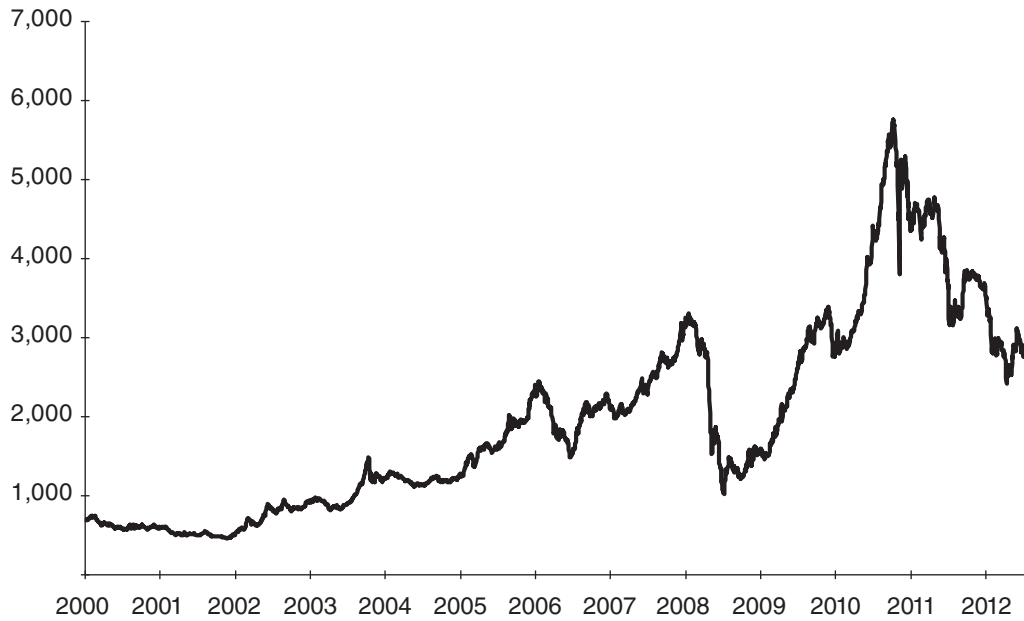
² IRSG, "The World Rubber Industry Outlook. Review and Prospects to 2021", June 2012

³ IRSG Statistical Bulletins

INDUSTRY OVERVIEW

- (b) in the shorter term, a number of factors influence the market price of rubber, which include seasonal factors, government intervention and general market/economic news. These factors do not necessarily align with long term supply-demand fundamentals and thus give rise to a degree of volatility around the long term market trend.

Figure 7: SICOM TSR20 (US\$ per tonne)¹



As at the Latest Practicable Date, the closing SICOM TSR20 was US\$2,988 per tonne.

NATURAL RUBBER PROCESSING

Natural Rubber processors play an essential role in the industry, aggregating Natural Rubber supply from both smallholders and commercial plantations, cleaning and processing them to the standards required according to the relevant grade of rubber, then selling them to a global customer base.

In Indonesia, the Natural Rubber processing industry is well-established, with a large number of facilities operating across the various islands and feeding into a range of ports for the export of the finished product. The Boom Baru port in Palembang, the capital of South Sumatra, is the largest export port for processed Natural Rubber in Indonesia, accounting for approximately one-third of the total Indonesian Natural Rubber exports.²

¹ Bloomberg L.P.

² GAPKINDO, <http://www.gapkindo.org/index.php/en/component/content/article/1-artikel/150-menurut-pelabuhan-muat-eng.html>, 2012

INDUSTRY OVERVIEW

Top 5 Indonesian Natural Rubber exporting ports¹

Exporting port	Region	2011 Volume (metric tonnes)
Musi River/Boom Baru	South Sumatra	832,595
Belawan	North Sumatra	681,213
Jambi	Jambi	242,360
Padang/T. Bayur	West Sumatra	227,736
Pontianak	West Kalimantan	216,233

Rubber processing and export is a regulated industry in Indonesia and processors are required to hold various licences, including an export licence which specifies the maximum amount of processed rubber per annum that can be exported.

¹ GAPKINDO, <http://www.gapkindo.org/index.php/en/component/content/article/1-artikel/150-menurut-pelabuhan-muat-eng.html>, 2012

GENERAL INFORMATION ON OUR GROUP

OVERVIEW

Our Group operates in the midstream of the Natural Rubber supply chain, specialising in the processing of Natural Rubber and merchandising/marketing of processed Natural Rubber. We source raw materials in the form of rubber slabs from a range of suppliers and we process them into TSR of Indonesian origin with different specifications, namely SIR20, SIR20-VK and SIR20-Compound, all of which are used as essential inputs to the manufacture of vehicle tyres. Our Company's products are exported to an international customer base, including leading international tyre manufacturers.

We operate principally through two Singapore incorporated subsidiaries, Hevea Global and Hevea Processing. Hevea Global acquires raw materials financed through its internal resources and external working capital resources, manages risk and undertakes the sales and marketing of our products and contracts with customers. Hevea Processing, through its Subsidiary, PT Hevea, provides procurement, processing and export services in Palembang, Indonesia, for and on behalf of Hevea Global.

OUR HISTORY

Our Group was formed through a combination of the acquisition of existing assets as well as the development of new business activities. Our rubber processing facilities are long established, having been in operation for approximately 50 years in the case of HMK1 and approximately 30 years in the case of HMK2. In conjunction with the acquisition of HMK1 and HMK2, we implemented our own risk management and merchandising operations based in Singapore to provide the business model, working capital structure and professional systems to enable the efficient and profitable operation of the rubber processing facilities by our Group.

Our Company was incorporated on 7 April 2005 in Singapore as a private company limited by shares. We were a dormant company for the period from 2005 to 2010. In April 2010, we embarked upon a strategy to establish an integrated rubber processing and merchandising business and first invested in Hevea Global in May 2010. Subsequently, in July 2010, we acquired all the outstanding shares in Hevea Global not already owned by us. As such, our Group's audited financial statements and all other relevant financial information pertaining to our Group are presented for the period starting from FP2010.

In August 2010, our Group was granted an option to acquire the HMK1 and HMK2 rubber processing facilities and the related operating assets, as well as the know-how of the technology and processes relating to SIR20-VK rubber, for a total consideration of US\$20 million. This option was exercised in September 2010 and the acquisition was completed on 2 February 2011.

Since the acquisition of HMK1 and HMK2 and the establishment of our Group, we have undertaken a number of actions to grow and develop our Group's business. We implemented our business model for our Group, which involves the close matching of purchases of raw materials with sales of our products. In order to facilitate the expansion of production volume and ongoing purchases of raw materials, we obtained new funding for our Group and established new working capital facilities, structured in order to provide our Group with a competitive cost of capital. We also built up our customer base by focusing on customers with attractive terms of trade, and we have structured our customer contracts to be aligned with our business model.

To support our increasing volumes, we have further expanded our sources of raw materials, increasing both the number of suppliers as well as the volume of raw materials sourced from existing suppliers.

GENERAL INFORMATION ON OUR GROUP

We also undertook a range of investments in our processing facilities. In HMK1, all the roofing and side panelling of the hanging sheds and part of the warehousing space were replaced. One of the old hanging sheds was dismantled and replaced with a new raw material storage warehouse, including new foundations and flooring. In HMK2, a new Wet-Line was completed, and replacement rollers for creepers, new chain drives for the dryer and a new weighbridge were installed. We have further invested in our processing facilities for delivery driver welfare, including showers, toilets and rest areas.

As a result of these activities, we succeeded in achieving sales of 46,634 tonnes of our products in FY2011 and 51,691 tonnes in 9M2012, which represents approximately 56.0% increase as compared to 33,139 tonnes in 9M2011.

OUR BUSINESS MODEL

Our Company's core business is acquiring raw materials, processing these raw materials into our products and selling these products to our customers. As such, our Group seeks to structure our business to minimise our exposure to variations in the market price of Natural Rubber. Our business model involves:

- (a) selling a high proportion of our sales volume each year under long term sales contracts (in 9M2012, 74.0% of our sales volume was sold under long term sales contracts);
- (b) structuring our long term sales contracts with variable pricing such that the sale price for our products is referenced to the prevailing market price over a time period corresponding to the period in which the related raw material purchases are made;
- (c) operating within a low risk position limit (please refer to the section entitled "General Information on Our Group — Risk Management" below for more information); and
- (d) dealing only with credit-worthy customers, which are also approved by our working capital facility providers.

We believe our business model to be distinct from the majority of other rubber processors in Indonesia.

COMPETITIVE STRENGTHS

Leading producer in Indonesia's largest rubber exporting area

Our Group is amongst the largest exporters of Natural Rubber in South Sumatra, Indonesia. Indonesia is the second largest producer of Natural Rubber globally, representing 27.2% of global Natural Rubber production.¹ Within Indonesia, South Sumatra is the largest rubber exporting province, accounting for 33.3% of Indonesia's Natural Rubber exports, and the Boom Baru port in Palembang is the single largest rubber export port in Indonesia.²

¹ IRSG, "The World Rubber Industry Outlook. Review and Prospects to 2021"

² GAPKINDO, List Of Members 2012. GAPKINDO has not consented to the inclusion of this information in this Offer Document for the purposes of Section 249 of the SFA, and is not liable under Sections 253 and 254 of the SFA. While reasonable actions have been taken by our Directors to ensure that the information in this section is reproduced in its proper form and context, and that the information is extracted accurately and fairly, we cannot ensure the accuracy of this information, and neither our Directors, the Vendor, the Manager, Sponsor and Lead Placement Agent, the Co-Placement Agent nor any of our respective affiliates or advisors have independently verified this information or data.

GENERAL INFORMATION ON OUR GROUP

The location of our Group's processing facilities provides ready access to a vast hinterland of rubber trees from which raw materials are sourced. The maturation of rubber trees planted from 2005 is also significantly increasing the availability of raw materials.

Our Group's processing facilities are located on the banks of the Musi River in Palembang, Indonesia, providing direct and efficient access to the Boom Baru port for the export of our products.

Long established, high quality producer

Our Group's processing facilities have been operating for more than 50 years in the case of HMK1 and more than 30 years in the case of HMK2, and have a well-established reputation for their high quality production. The HMK (previously "MK") production marks are recognised globally within the Natural Rubber industry. Our products regularly outperform the minimum technical specifications required for the standards of rubber produced. Our Group is also known for consistency in the technical specifications of rubber produced. As a result, our products are sought after by customers.

Premium specification products

Our Group is one of the leading producers of SIR20-VK in Indonesia. SIR20-VK is highly sought after by tyre manufacturers as its technical properties allow them to lower their energy costs and increase throughput, resulting in a significantly lower cost of production. As a result, SIR20-VK attracts a premium over standard rubber products.

Blue-chip customer base

Tyre manufacturers only source processed rubber from approved processing facilities, following a rigorous certification/approval process which typically takes around 12 months. Our Group's processing facilities are approved by a substantial number of top 20 global tyre manufacturers. Our Group services a global customer base of blue-chip companies, exporting our products to customers in the USA, EU, Japan and China.

Highly experienced senior management

Our Group is led by a highly experienced senior management team. Our Group's Managing Directors, Head of Production and Head of Procurement each have more than 25 years' experience in the Natural Rubber industry and/or industries involving other tropical agricultural commodities, and collectively have an industry experience of around 130 years. Furthermore, both the Head of Production and the Head of Procurement have collectively been employed at our processing facilities for 45 years. In addition, our Group's management has a proven track record of being able to successfully identify potential investment and expansion opportunities. Our Group's management team remains focused on identifying suitable investment and growth opportunities and achieving improved operating efficiency and returns.

Our business model

Our business model generally provides us with the ability to operate profitably regardless of the market price of Natural Rubber and reduces our exposure to market movements. It also benefits our customers as they have greater certainty of rubber supply and, throughout any particular time period, ensures that they purchase our products by reference to the average market price.

GENERAL INFORMATION ON OUR GROUP

BUSINESS STRATEGY AND FUTURE PLANS

Our strategy is to seek to expand our production capacity and output, both organically at our existing facilities and through potential mergers and acquisitions, as well as to seek gains in efficiency and productivity. Key elements of our strategy are summarised below:

Expanding capacity at existing processing facilities

We intend to expand our existing processing facilities by adding in new machinery and related supporting facilities. We completed the construction of an additional Wet-Line at HMK2 in September 2012 entirely in-house, and is expected to be fully operational in the first quarter of 2013. This new Wet-Line is expected to bring additional capacity of approximately 10,500 tonnes per annum. The expansion is estimated to cost approximately S\$8.5 million (see the section entitled "Use of Proceeds and Listing Expenses" of this Offer Document) and increase our capacity by approximately 50,000 tonnes per annum.

Expanding through mergers and acquisitions

We intend to, over time, seek suitable acquisition opportunities to expand the number of processing facilities that we own and operate. We believe our track record of acquiring the HMK1 and HMK2 facilities and significantly improving their performance demonstrates our ability to both execute an acquisition strategy and operate acquired assets successfully. Furthermore, we believe that the application of our business model to acquired assets and the integration of their production into our sales and marketing and risk management platform provides the opportunity to enhance the returns from such acquired assets.

Maximising the proportion of production that is premium SIR20-VK rubber

The economics of producing SIR20-VK rubber are attractive for our Group because there is strong demand and limited supply for SIR20-VK rubber and we are able to attract premium pricing for the sale of such products. As such, our Group seeks to maximise the proportion of our production that is SIR20-VK and to continue to seek long term sales contracts with customers that require SIR20-VK rubber.

Expanding our customer base

As our Group's output increases, we intend to continue to expand our customer base by increasing the number of tyre manufacturers to which we are an approved supplier.

Maintaining strong supplier relationships

Since acquiring our HMK1 and HMK2 facilities, our Group has strengthened relationships with existing raw material suppliers and increased our number of raw material suppliers. We have implemented buying practices that allow us to procure our raw material supply at competitive pricing throughout the year.

Implementation of structured and proactive maintenance programme

We review our operations on an ongoing basis to seek gains in efficiency wherever possible. A key element of this is the implementation of a proactive upgrading and maintenance programme to minimise the amount of downtime and therefore maximise possible output per day.

GENERAL INFORMATION ON OUR GROUP

PRODUCTS

We produce TSR of Indonesian origin which is made according to a specific process and graded based upon certain technical parameters. For all of our Group's product types/grades, the end product is a block of rubber, weighing 35 kg, which is then wrapped, packed into 1,260 kg units and shipped according to customer requirements. Our production consists of SIR20 rubber, which is divided into one of the three specifications below:

- (a) Standard Indonesian Rubber-20 (SIR20);
- (b) Standard Indonesian Rubber-20 Viskositas Konstanta (SIR20-VK); and
- (c) Standard Indonesian Rubber-20 Compound (SIR20-Compound).

SIR20 Rubber

SIR20 rubber is a medium grade rubber, produced mainly from field grade raw materials (cup lumps and slabs). It is used mainly in the manufacturing of car and truck tyres and, to a lesser extent, in certain engineering applications.

SIR20-VK Rubber

We have particular expertise in the production of SIR20-VK rubber. SIR20-VK rubber is best suited to engineering applications or particular tyre applications (e.g. applications involving more complex designs or processes). The vast majority of our SIR20-VK production is used by customers in manufacturing tyres. SIR20-VK rubber is sought after by customers because of:

- (a) the energy cost savings arising from the reduced amount of mastication required in order to process the SIR20-VK rubber into end products (such as tyres). Energy cost is a major element of this cost saving; and
- (b) the consistency of specification of the SIR20-VK rubber enables the tyre manufacturer to achieve higher throughput than with normal grade rubber. As a result, a significantly greater number of tyres can be produced in the same facility without additional capital expenditure by the tyre manufacturer.

Due to the characteristics and the lower supply of SIR20-VK rubber, it attracts premium pricing relative to SIR20 rubber.

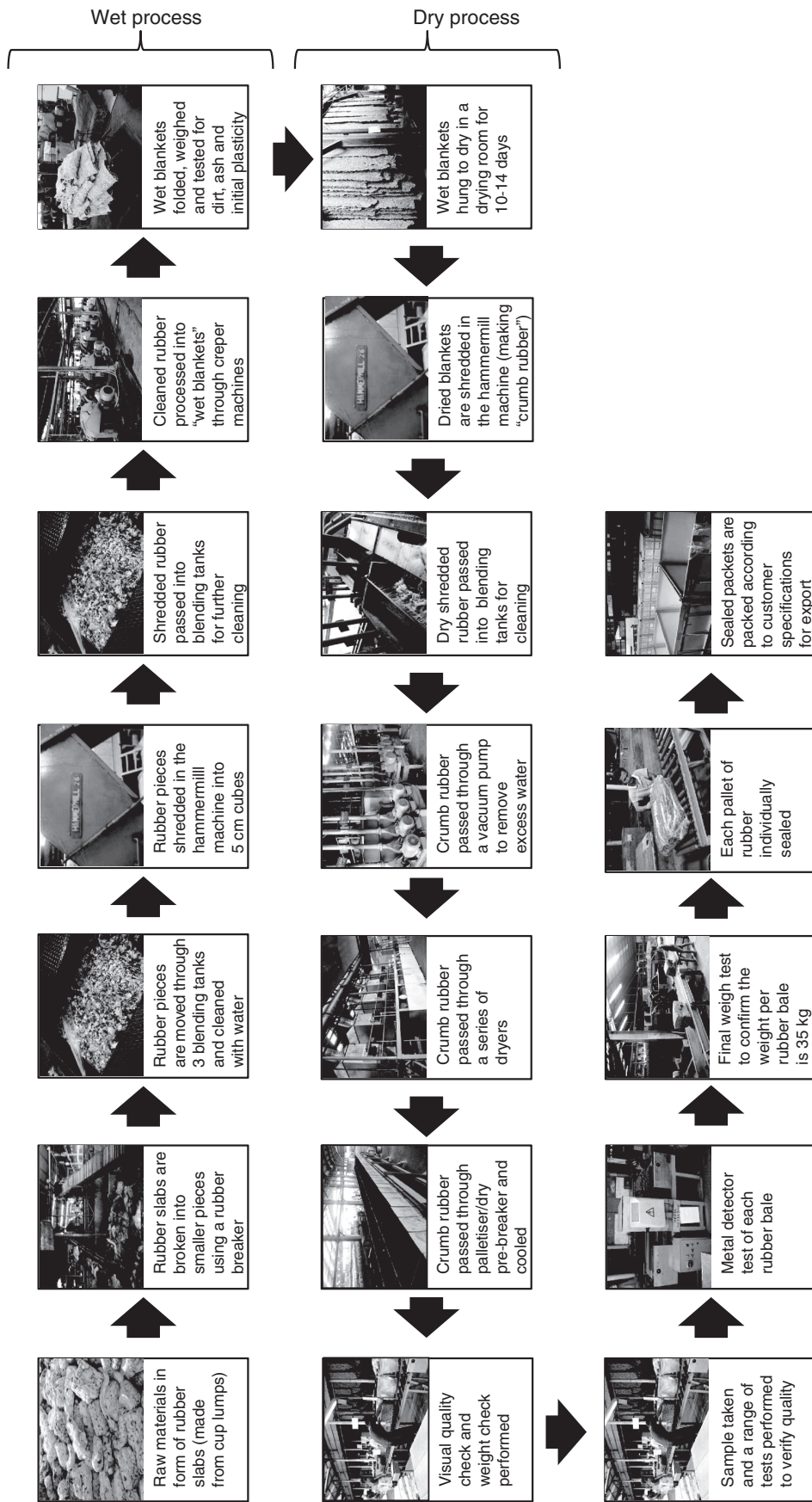
SIR20-Compound Rubber

We are also capable of producing SIR20-Compound rubber to a range of specifications, depending upon customer requirements, suited, in particular, to the China market.

MANUFACTURING PROCESS

The production process for our products is illustrated below. The entire production cycle takes approximately two weeks.

GENERAL INFORMATION ON OUR GROUP



GENERAL INFORMATION ON OUR GROUP

RAW MATERIALS

We obtain our raw materials, which are rubber slabs made from coagulated cup lumps, from more than 400 different sources, both through intermediaries/aggregators, including our major suppliers (please refer to section entitled “Major Suppliers” below), and direct from farmers and agents. Our raw materials are generally sourced from within a 500-kilometre radius, primarily from South Sumatra. Our Group purchases raw materials daily and suppliers are paid on a cash-on-delivery basis. The raw materials are weighed on arrival and visually inspected for Dry Rubber Content. Our raw materials are generally purchased at a discount to the prevailing SICOM TSR20.

MAJOR SUPPLIERS

The following table sets forth the suppliers accounting for 5% or more of our purchases for the Period Under Review and 9M2011:

	As a percentage of our total purchases			
	FP2010 (%)	FY2011 (%)	9M2011 (%)	9M2012 (%)
Koperasi Serba Usaha Mitrajaya	31.7	55.5	58.4	42.1
Cipta Karya Tani	—	5.3	3.3	12.8
PT Perusahaan Getah Para Muara Kelingi ⁽¹⁾	56.2	—	—	—

Note:

- (1) Our Group purchased processed rubber from PT Perusahaan Getah Para Muara Kelingi, from whom we acquired HMK1 and HMK2, for our trading purposes pending the completion of the acquisition.

We do not have long term supply contracts with any of our suppliers.

We transact largely on a cash-on-delivery basis with all our suppliers and rarely purchase our raw materials on credit.

Save as disclosed above, as at the Latest Practicable Date, our business and profitability are not materially dependent on any industrial, commercial or financial contract (including a contract with a supplier). To the best of our Directors’ knowledge, we are not aware of any information or arrangements which would lead to a cessation or termination of our current relationship with any of our major suppliers.

None of our Directors or Substantial Shareholders and their Associates has any interest, direct or indirect, in any of our major suppliers set out above.

PROCESSING FACILITIES AND UTILISATION RATES

We operate two Natural Rubber processing facilities, HMK1 and HMK2, both of which are situated on the banks of the Musi River in Palembang, Indonesia. In addition, our Group operates a depot for the collection of raw materials as well as an administration office located on the main street in the city of Palembang.

The management of our Group, our sales and marketing/merchandising operations, and our risk management are based in our office in Singapore.

GENERAL INFORMATION ON OUR GROUP

Our total gazetted production capacity is 110,000 tonnes per annum. The capacity of the processing facilities is a function of the number of Wet-Lines and Dry-Lines installed, the number of shifts worked each day, and necessary downtime for routine repairs and maintenance. Our facilities operate six days a week with up to three shifts per day, with a number of hours each week set aside for downtime for repairs and maintenance.

The table below summarises the estimated annual maximum production capacity and estimated average annual utilisation rates for our Group's processing facilities for the Period Under Review.

We have estimated our maximum annual production capacity based on (a) the average number of our employees and machines for each of FP2010, FY2011, 9M2011 and 9M2012, and (b) the operation of three 8-hour shifts per day, for the days of operation per year.

The average utilisation rates of our processing facilities during the Period Under Review and 9M2011 are set out below:

	Maximum Capacity (tonnes)	Actual Utilisation (tonnes)	Utilisation Rate (%)
FP2010	—	—	—
FY2011	82,460 ⁽¹⁾	45,286	55%
9M2011	59,520 ⁽²⁾	35,455	60%
9M2012	69,130 ⁽³⁾	52,345	76%

Notes:

- (1) Maximum capacity is measured in terms of tonnes of Natural Rubber processed, and is based on three 8-hour shifts per day, for 266 days of operation for the financial year, commencing from 2 February 2011 when HAC effectively took over HMK1 and HMK2.
- (2) Maximum capacity is measured in terms of tonnes of Natural Rubber processed, and is based on three 8-hour shifts per day, for 192 days of operation for the financial period, commencing from 2 February 2011 when HAC effectively took over HMK 1 and HMK 2.
- (3) Maximum capacity is measured in terms of tonnes of Natural Rubber processed, and is based on three 8-hour shifts per day, for 223 days of operation for the financial period.

INVENTORY MANAGEMENT

Our inventory is primarily composed of Natural Rubber, as we produce finished goods on a pre-sold basis for specific customers. In general, we seek to maintain an inventory of Natural Rubber that is sufficient to ensure timely delivery of our products to our customers. Natural Rubber is delivered on a daily basis to our processing facilities and our dedicated purchasing depot by our suppliers. The Natural Rubber that we purchase is non-perishable and can be stored for long periods of time.

Both HMK1 and HMK2 have secured raw material storage areas which are supervised by external collateral managers covering the entire inventory cycle from the daily incoming raw materials to the finished products prior to export.

GENERAL INFORMATION ON OUR GROUP

Our Group's inventory turnover days in the Period Under Review and 9M2011 were as follows:

	FP2010	FY2011	9M2011	9M2012
Average inventory turnover days ⁽¹⁾	11.9	15.4	30.4	23.6

Note:

(1) For FP2010, FY2011, 9M2011 and 9M2012, the average inventory turnover days are calculated on the basis of average inventory divided by cost of sales multiplied by 31, 365, 273 and 273 days respectively.

Our average inventory turnover days fluctuate due to the seasonality of our business. Please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position — Seasonality" of this Offer Document for more information.

SALES AND MARKETING

Our customer base consists of a range of blue-chip international tyre manufacturers as well as international trading houses. Our Group generally seeks to sell the majority of our output to end users (principally tyre manufacturers), particularly those with a specific requirement for SIR20-VK rubber. In order to sell rubber to leading tyre manufacturers, rubber producers need to undertake a rigorous qualification/certification programme to ensure that their output meets the standards required. These qualification processes take up to 12 months depending upon the tyre manufacturer and involve a range of tests, including on-site inspections. Currently, our Group is an approved supplier to the following tyre manufacturers:

- (a) Bridgestone;
- (b) Ceat India;
- (c) Continental;
- (d) Cooper Tire;
- (e) Goodyear;
- (f) JK Tyre India;
- (g) Kumho;
- (h) Sumitomo Tyre; and
- (i) Toyo Tires.

Our products are also approved for delivery to SICOM.

GENERAL INFORMATION ON OUR GROUP

MAJOR CUSTOMERS

The following table sets forth our customers accounting for 5% or more of our total revenue for the Period Under Review and 9M2011:

	As a percentage of total revenue			
	FP2010 (%)	FY2011 (%)	9M2011 (%)	9M2012 (%)
Cooper Tire	72.8	48.7	53.4	38.8
Bridgestone	—	7.5	5.5	13.7
Sri Trang International	—	16.0	15.6	13.1
New Continent Enterprise	—	9.5	7.7	12.9
Marubeni	7.6	14.9	15.7	9.3
Continental	17.2 ⁽¹⁾	—	—	—

Note:

- (1) This refers to the revenue from the trading of rubber products under a transitional arrangement with Continental and the previous owner of the HMK1 and HMK2 facilities, PT Perusahaan Getah Para Muara Kelingi. The transitional arrangement ended when our Group acquired the HMK1 and HMK2 facilities in February 2011. We remain an approved supplier to Continental.

Our payment period for our customers generally ranges from 2 to 15 days upon delivery of our products.

Save as disclosed above, as at the Latest Practicable Date, our business and profitability are not materially dependent on any industrial, commercial or financial contract (including a contract with a customer).

None of our Directors or Substantial Shareholders and their Associates has any interest, direct or indirect, in any of our major customers listed above.

To the best of our Directors' knowledge, we are not aware of any information or arrangements which would lead to a cessation or termination of our current relationship with any of our major customers.

CREDIT POLICY

As at 30 September 2012, our trade receivables amounted to approximately US\$4.4 million, all of which have been collected as at the Latest Practicable Date.

Our average trade receivables' turnover days for the Period Under Review and 9M2011 were as follows:

	FP2010	FY2011	9M2011	9M2012
Average trade receivables' turnover days ⁽¹⁾	9.9	13.9	13.3	11.5

Note:

- (1) For FP2010, FY2011, 9M2011 and 9M2012, the average trade receivables' turnover days are calculated on the basis of average trade receivables divided by revenue multiplied by 31, 365, 273 and 273 days respectively.

GENERAL INFORMATION ON OUR GROUP

QUALITY ASSURANCE

Both of PT Hevea's processing facilities, HMK1 and HMK2, have implemented and adhered to strict quality control measures. Both facilities are ISO 9001 certified and we test finished products in our own laboratories to ensure that our products conform to the international TSR specifications. Our laboratories, which are located within our facilities are certified by GAPKINDO. Our finished products meet or exceed the international specifications for each and every grade of rubber that is produced. Both facilities are regularly audited by our Group's major customers to ensure that the processing and quality controls conform to their internal requirements.

RISK MANAGEMENT

We seek to run our business in order to minimise our Group's exposure to market movements. Prices of Natural Rubber have been volatile and we, like other participants in the Natural Rubber industry, are exposed to the risk of fluctuations in the price of Natural Rubber. See the risk factor under the section entitled "Risk Factors — Risks relating to Our Industry and Business" under "Prices of commodities in general, including Natural Rubber, are susceptible to price fluctuations" of this Offer Document. We mitigate our risks through the pricing mechanism of our long term sales contracts which are referenced to the average SICOM TSR20 price for the month prior to the shipment date. Our aim is to largely match the daily volumes of our customers' orders with our daily supply of raw materials which would be subject to the maximum open position set out in our hedging policy. Accordingly, when these volumes do not match, we will from time to time hedge through the futures market using SICOM TSR20 and physical SIR20 in order to maintain as much market neutrality as possible.

Daily reports setting out the aggregate amount and cost of raw materials purchased and our sales and inventory, which are marked to prevailing market value, are generated for review by certain members of our senior management team, namely, our Executive Chairman and CEO, Robert Meyer, and both our Managing Directors, Leonard Beschizza and Andrew Trevatt, who utilise these reports to determine the net position of our sales and cost of goods sold and to monitor our hedging positions. Our hedging positions are reviewed by our CFO, Ng Eng Kiat on a weekly basis as well. The monitoring of our open position is performed on a daily basis by our Managing Directors, Leonard Beschizza and Andrew Trevatt. Depending on the expected volatility of rubber prices and other market conditions, we reassess the level of our open position on a daily basis to ensure that we maintain as much market neutrality as possible. As such, there is no pricing threshold set for our daily assessment.

In addition, only our Managing Directors, Leonard Beschizza and Andrew Trevatt, are authorised to execute hedging contracts. The maximum tenure for our sales contracts and our hedging contracts are generally maintained at 12 months.

HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT

Our Group adopts a proactive approach towards health, safety and environmental issues. For example, HMK2 has recently installed a new waste water treatment plant to purify and treat discharged waste from its processing operations. Our operations in Palembang, Indonesia, have adopted the ISO 9001 processes and standards, and the formal certification with respect to ISO 14001 and OHSAS 18001 is expected to be completed by the end of 2013. Our Directors are of the view that our Group should take an active role in moving towards the environmentally and socially sustainable production of TSR, and will seek to ensure the use of best practices resulting in reduced carbon emissions, waste reduction, and effluent control.

GENERAL INFORMATION ON OUR GROUP

CORPORATE AND SOCIAL RESPONSIBILITY

Our Group is committed to implementing CSR techniques and principles throughout our business operations. CSR is the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as the local community, and the environment.

Our Group generally sells our products to leading international tyre manufacturers for whom CSR and proper environmental practices are important considerations in selecting suppliers.

Our Managing Directors and CFO have each worked for various multi-national corporations. This has exposed them to best practices in terms of corporate and social responsibility and these best practices are being applied as part of our Group's business model. In addition, our Group intends to develop a sustainable social and environmentally friendly culture both in the rubber processing facilities and the surrounding environment by providing a better educational, health and infrastructural environment for the workers and their families.

INSURANCE

Our Group insures its business for, *inter alia*, the following:

- (a) workmen's compensation;
- (b) fire;
- (c) theft;
- (d) group hospital and accident insurance for all full-time employees;
- (e) group personal insurance for all full-time employees;
- (f) group term life insurance for all full-time employees;
- (g) all risks relating to our Group's real properties and personal properties;
- (h) trade credit insurance;
- (i) inland water-way transit and storage; and
- (j) commercial vehicles.

Our Directors are of the view that the above insurance policies are adequate for our existing operations. However, significant damage to our operations, whether as a result of fire or other causes, may still have a material adverse effect on our results of operations or financial condition. Our Group is not insured against loss of key personnel and business interruption. If such events were to occur, our business may be materially or adversely affected. Please refer to the section entitled "Risk Factors" of this Offer Document for more details. Our Directors will review our insurance coverage annually.

GENERAL INFORMATION ON OUR GROUP

PROPERTIES

Our Group currently owns the following properties:

HMK1

Location	Approximate gross production and service area (including built-up area)/ land area (sq m)	Validity	Approximate purchase price (IDR million)	Usage	Encumbrances (if any)
HGB No. 319, 2 Ilir Village, District of Ilir Timur II, Palembang	35,610	30 November 2013	12,315.2	HMK1	Deed of first rank of land security right (Hak Tanggungan) in favour of Credit Suisse AG Singapore Branch
HGB No. 333, 2 Ilir Sub-District, District of Ilir Timur II, Palembang	25,565	22 December 2024	2,633.2	Empty land	Deed of first rank of land security right (Hak Tanggungan) in favour of Credit Suisse AG Singapore Branch
HGB No. 312, 2 Ilir Village, District of Ilir Timur II, Palembang	48,240	4 November 2012 ⁽¹⁾	4,968.7	Empty land	Deed of first rank of land security right (Hak Tanggungan) in favour of Credit Suisse AG Singapore Branch
HGB No. 334, 2 Ilir Sub-District, District of Ilir Timur II, Palembang	25,185	22 December 2024	2,594.1	Empty land	Deed of first rank of land security right (Hak Tanggungan) in favour of Credit Suisse AG Singapore Branch

Note:

(1) The Group has submitted the application for extension.

GENERAL INFORMATION ON OUR GROUP

HMK2

Location	Approximate gross production and service area (including built-up area)/ land area (sq m)	Validity	Approximate purchase price (IDR million)	Usage	Encumbrances (if any)
HGB No. 45, Gandus Sub-District, District of Ilir Barat II, Palembang	11,247	2016	12,279.0	Land in front of HMK2	Deed of first rank of land security right (Hak Tanggungan) in favour of Credit Suisse AG Singapore Branch
HGB No. 03, Pulo Kerto Sub-District, District of Gandus, Palembang	9,426	7 November 2034	132.0	HMK2	Deed of first rank of land security right (Hak Tanggungan) in favour of Credit Suisse AG Singapore Branch
HGB No. 52, Gandus Sub-District, District of Ilir Barat II, Palembang	38,353	2030	13,845.4	HMK2	Deed of first rank of land security right (Hak Tanggungan) in favour of Credit Suisse AG Singapore Branch
HGB No. 583, Gandus Sub-District, District of Gandus, Palembang	40,180	18 July 2025	2,571.5	Land in front of HMK2	Deed of first rank of land security right (Hak Tanggungan) in favour of Credit Suisse AG Singapore Branch
HGB No. 60, Gandus Sub-District, District of Ilir Barat II, Palembang	3,929	25 February 2032	251.5	HMK2	Deed of first rank of land security right (Hak Tanggungan) in favour of Credit Suisse AG Singapore Branch
HGB No. 1800, Jl. Sosial Gandus, Gandus Village, District of Ilir Barat II, Palembang	8,045	10 January 2040	514.9	Land in front of HMK2	Deed of first rank of land security right (Hak Tanggungan) in favour of Credit Suisse AG Singapore Branch

GENERAL INFORMATION ON OUR GROUP

Offices and Depot

Location	Approximate gross production and service area (including built-up area)/ land area (sq m)	Validity	Approximate purchase price (IDR million)	Usage	Encumbrances (if any)
HGB No. 209, 18 Ilir Village, District of Ilir Timur I, Palembang	114	29 November 2033	789.9	Main Office	Deed of first rank of land security right (Hak Tanggungan) in favour of Credit Suisse AG Singapore Branch
HGB No. 360, 26 Ilir Village, District of Ilir Barat I, Palembang	598	4 November 2028	833.8	Office House	Deed of first rank of land security right (Hak Tanggungan) in favour of Credit Suisse AG Singapore Branch
HGB No. 245, 18 Ilir Sub-District, District of Ilir Timur I, Palembang	114	9 September 2024	808.3	Main Office	Deed of first rank of land security right (Hak Tanggungan) in favour of Credit Suisse AG Singapore Branch
HGB No. 8, Karya Jaya Village, District of Inderalaya I, Ogan Komering Ilir, South Sumatera	14,180	3 December 2022	691.8	Karya Jaya Depot	Deed of first rank of land security right (Hak Tanggungan) in favour of Credit Suisse AG Singapore Branch
HGB No. 04, Kemang Agung Village, District of Kertapati, Palembang	1,908	24 February 2032	38.2	Karya Jaya Depot	Deed of first rank of land security right (Hak Tanggungan) in favour of Credit Suisse AG Singapore Branch

Our Group currently leases the following properties:

Location	Tenure	Gross leased area (sq m)	Use of Property	Rental	Lessor
250 North Bridge Road, #13-02 Raffles City Tower, Singapore 179101	3 years from 1 November 2010	127	Office	S\$30,758.13 per quarter	HSBC Institutional Trust Services (Singapore) Limited as Trustee-Manager of RCS Trust

GENERAL INFORMATION ON OUR GROUP

Our Group's fixed assets consisting of leasehold improvements and renovations, office equipment, computers and software, leasehold buildings, plant and machinery, vehicles and freehold land had a net book value of approximately US\$11.0 million as at 30 September 2012.

To the best of our Directors' knowledge and belief, there are no regulatory requirements that may materially affect our Group's utilisation of our tangible fixed assets.

INTELLECTUAL PROPERTY

Our Group does not have any registrable intellectual property in relation to our operations.

The details of the trademark that our Group is entitled to use pursuant to a licence granted by Halcyon Corporate Services to us under the business services agreement dated 1 January 2013 is as follows:

Trademark	Place of application	Class	Trademark or application number	Date of registration	Expiry date
HALCYON	Singapore	6, 7, 9, 37	T1011721E	29 March 2011	13 September 2020

The licence is granted for the duration of the business services agreement (subject to the terms therein). Please refer to the section entitled "Interested Person Transactions — Present and On-going Interested Person Transactions" of this Offer Document for more information on the business services agreement.

Save as disclosed above, we do not have any patent or license or trademark on which our business or profitability is materially dependent.

GOVERNMENT REGULATIONS

Save as disclosed in Appendix B entitled "Government Regulations" of this Offer Document, as at the Latest Practicable Date, our business operations in Singapore and Indonesia are not subject to any special legislation or regulatory control other than those generally applicable to companies (including foreign investment companies) and businesses incorporated and/or operating in Singapore and Indonesia. We have thus far not experienced any adverse effect on our business in complying with these regulations.

As at the Latest Practicable Date and to the best of our Directors' belief and knowledge, our Group has obtained all material licences, permits, approvals and certificates for our business operations in Singapore and Indonesia and has complied with all relevant laws and regulations that would materially affect our business operations. We will renew our licences and permits as and when required. A description of the material licences required for the operations of our Group (apart from those pertaining to general business requirements) is set out in Appendix B entitled "Government Regulations" of this Offer Document.

RESEARCH AND DEVELOPMENT

Due to the nature of our Group's business, our Group has not been required to put together a department dedicated to R&D. Our Group does not undertake significant R&D activities and has not incurred any material R&D expenses.

STAFF TRAINING

Our business is labour intensive. Accordingly, our Group places emphasis on staff training to improve and upgrade our employees' technical knowledge and skills in their respective fields.

GENERAL INFORMATION ON OUR GROUP

COMPETITION

The industry landscape within which we operate consists of a very large number of relatively small Natural Rubber producers and exporters in all of the major Southeast Asian rubber producing countries of Thailand, Indonesia and Malaysia, as well as a small number of larger Natural Rubber producers and a number of trading companies. A number of these companies are situated in Palembang, Indonesia, where there are in excess of 20 Natural Rubber processing facilities.

The Directors consider the key competitors to our Group to be the Lee Rubber Group, the Kirana Group, Sri Trang Agro, RCMA Commodities Asia and Singapore Tong Teik.

None of our Group's Directors or Substantial Shareholders and their Associates has any interest, direct or indirect, in any of the competitors set out above.

PROSPECTS, TRENDS AND ORDER BOOK

The following discussions about our prospects and trends include forward-looking statements that involve risk and uncertainty. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document. Save as disclosed in this Offer Document, barring any unforeseen circumstances, our Directors are unable to identify any significant recent trends in the costs and prices of its products and services, or any other known uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our revenue, profitability, liquidity and capital resources. They are also unable to identify any such trends that would cause financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial condition.

We expect that our results of operations for FY2012 will be affected principally by fluctuations in the price of rubber, in particular the difference between the price at which we purchase raw materials and the price at which we sell our products, fluctuations in exchange rates, our production volume and our ability to source raw materials.

From 1 October 2012 to the Latest Practicable Date, we have delivered 15,356 tonnes of our products to our customers. As at the Latest Practicable Date, we have orders for 42,730 tonnes of our products scheduled for delivery in FY2013 of which 30,030 tonnes are to be delivered in the first half of FY2013 and 12,700 tonnes to be delivered in the second half of FY2013. In addition, our customers have options available at their discretion for delivery of another 12,701 tonnes in FY2013.

Demand for Natural Rubber is expected to continue to increase, with worldwide consumption estimated by IRSG to increase by 5.8 million tonnes from 10.9 million tonnes in 2011 to 16.7 million tonnes in 2021. This is driven, to a large extent, by ongoing growth in the demand for vehicle tyres, particularly in emerging markets such as China. With this expected growing demand in mind, we intend to increase the production capacity of our Group over time. Please refer to the section entitled "Industry Overview" of this Offer Document for more information.

INTERESTED PERSON TRANSACTIONS

PAST INTERESTED PERSON TRANSACTIONS

Management arrangement with Halcyon Investment Corporation

Halcyon Investment Corporation owns approximately 40.97% of our Company through Halcyon Agri Resources, which is a Controlling Shareholder. Pursuant to a management fee arrangement previously entered into between our Company and Halcyon Investment Corporation, our Company paid management fees to Halcyon Investment Corporation in FP2010 for services rendered during that period. This management fee arrangement was for a one-time payment of US\$0.2 million. Our Directors are of the opinion that this business management fee arrangement was not carried out on an arm's length basis.

Loans provided by the Controlling Shareholders

(a) Halcyon Investment Corporation

Our Group entered into a loan agreement with Halcyon Investment Corporation on 2 December 2010, whereunder a loan facility of up to S\$1.0 million was granted to our Group at an annual interest rate of 10.0%. The loan facility provided by Halcyon Investment Corporation was for working capital purposes. The amounts due to Halcyon Investment Corporation as at the end of each of FP2010, FY2011, 9M2012, and as at the Latest Practicable Date were as follows:

(US\$ million)	As at 31 December 2010	As at 31 December 2011	As at 30 September 2012	As at the Latest Practicable Date
Amounts owed to Halcyon Investment Corporation	0.5	—	—	—

During the Period Under Review, the largest outstanding amount due to Halcyon Investment Corporation was US\$0.5 million. The total interest incurred by our Group for this loan was US\$16,000.

The above loan has been discharged and satisfied by our Group on 26 April 2011. Our Directors are of the opinion that the loan provided by Halcyon Investment Corporation was not conducted on an arm's length basis and was not on normal commercial terms.

(b) Lynette Le Mercier

Our Group also entered into a loan agreement with Lynette Le Mercier dated 1 January 2011 in relation to a S\$1.0 million loan facility which was granted to our Group in December 2010, at an annual interest rate of 10.0%. The loan facility provided by Lynette Le Mercier was for working capital purposes. The amounts due to Lynette Le Mercier as at the end of each of FP2010, FY2011, 9M2012, and as at the Latest Practicable Date were as follows:

(US\$ million)	As at 31 December 2010	As at 31 December 2011	As at 30 September 2012	As at the Latest Practicable Date
Amounts owed to Lynette Le Mercier	0.5	—	—	—

INTERESTED PERSON TRANSACTIONS

During the Period Under Review, the largest outstanding amount due to Lynette Le Mercier was approximately US\$0.5 million. The total interest incurred by our Group for this loan was US\$17,942.

The above loan has been discharged and satisfied by our Group on 26 May 2011. Our Directors are of the opinion that the loan provided by Lynette Le Mercier was not conducted on an arm's length basis and was not on normal commercial terms.

Securities provided by and for the benefit of Interested Persons

The following security was provided by the Interested Person set out below:

Financial Institution	Type of Credit Facilities	Amount Guaranteed	Securities provided by Interested Persons
Standard Chartered Bank	Working capital loan granted to Hevea Global	All monies	Guarantee given by Robert Meyer

The above security has been discharged. The provision of the above security by the Interested Person was not on an arm's length basis as no fee or compensation has been paid or is payable by us to the Interested Person for providing such security.

The following securities were provided for the benefit of Halcyon Investment Corporation by the Entities at Risk set out below:

Lender	Type of Credit Facilities extended to Interested Person	Amount Guaranteed	Securities provided by Entities At Risk
Credit Suisse AG	US\$5.5 million Term Facility extended to Halcyon Investment Corporation	All monies	Guarantees given by HAC, Hevea Processing, Hevea Global and PT Hevea

The above securities have been discharged. The provision of the above securities by the Entities at Risk was not on an arm's length basis as no fee or compensation has been paid or is payable to us by the Interested Persons for providing such securities.

Services provided by Deloitte & Touche LLP

Alan Nisbet was previously a partner of Deloitte & Touche LLP, who are the Auditors and Reporting Accountants of our Group and have been our Auditors for the last two financial years. Alan Nisbet has not been involved in any audit of our Group and he retired from Deloitte & Touche LLP on 1 June 2011. The amount of fees paid by our Company to Deloitte & Touche LLP for its services was S\$35,000 and S\$119,000 in respect of FP2010 and FY2011, respectively.

Our Directors are of the view that the provision of the auditing services by Deloitte & Touche LLP was on an arm's length basis.

Licence agreement with Halcyon Investment Corporation

Halcyon Investment Corporation previously granted our Company the licence to use the "HALCYON" trademark for three years for a fee of S\$1.00 pursuant to the licence agreement dated 1 April 2011 (the "**Licence Agreement**").

INTERESTED PERSON TRANSACTIONS

The Licence Agreement has been superseded by the business services agreement to be entered into between our Company and Halcyon Corporate Services referred to below.

Management arrangement with Halcyon Investment Corporation

Pursuant to a management agreement previously entered into between our Company and Halcyon Investment Corporation on 1 April 2011 (the “MA”), we made monthly payments of S\$100,000 to Halcyon Investment Corporation for its business development and management services.

The services that Halcyon Investment Corporation provided to our Company under the MA include the following:

- (a) providing financial support services, including the preparation of financial projections, managing cash flow and treasury functions;
- (b) supporting and assisting executive management;
- (c) assisting with respect to human resource management;
- (d) identifying and exploiting business opportunities; and
- (e) providing market intelligence which support our Company’s business planning.

The amounts paid by our Company to Halcyon Investment Corporation for the provision of management services for the Period Under Review are as follows:

(US\$ million)	FY2011	9M2012	1 October 2012 to the Latest Practicable Date
Amounts paid for management services provided	0.9	0.8	0.3

Our Directors are of the view that the MA was beneficial to our Group and was not prejudicial to the interests of our Group or our Company’s minority Shareholders as it allowed our Group to leverage off the expertise of Halcyon Investment Corporation for such services under a cost-effective arrangement. If our Group had been required to carry out such services under our own payroll or a separate engagement with the appropriate professional service firms, it was anticipated that the fees would have exceeded the fees paid to Halcyon Investment Corporation under the MA. The Directors are of the opinion that the MA was carried out on an arm’s length basis.

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

Business Services Agreement with Halcyon Corporate Services

Our Company has entered into a business services agreement (the “BSA”) with Halcyon Corporate Services on 1 January 2013. Halcyon Corporate Services, which is a wholly-owned subsidiary of Halcyon Investment Corporation, is an Associate of Halcyon Agri Resources (a Controlling Shareholder). As such, Halcyon Corporate Services is an Interested Person.

The BSA has superseded the MA and the Licence Agreement. Halcyon Corporate Services has agreed to provide, *inter alia*, the following services to our Company under the BSA:

INTERESTED PERSON TRANSACTIONS

- (a) providing corporate secretarial services and support;
- (b) providing legal services and support;
- (c) assisting with respect to human resource management; and
- (d) providing office space and amenities, meeting room and conferencing facilities, and associated services.

Halcyon Corporate Services has also granted our Company the licence to use the trademark for “HALCYON” under the BSA for as long as the BSA remains in force.

Our Company and Halcyon Corporate Services have agreed to put in place a transitional arrangement after the termination of the BSA whereunder:

- (i) Halcyon Corporate Services will continue to provide the BSA services to the extent required by our Company for a period of up to six months after termination;
- (ii) the licence granted by Halcyon Corporate Services to our Company to use the “HALCYON” trademark under the BSA will continue to be in force for 18 months after termination; and
- (iii) Halcyon Corporate Services will assist our Company in handing over of all of its functions under the BSA and ancillary matters to our Company’s designated officers.

The above transitional arrangement would not take place where the BSA is terminated due to our default or by operation of law. This transitional arrangement allows us to continue to have use of the services for a period of six months so as to put in place alternative arrangements (if necessary).

The above services and trademark licence are provided by Halcyon Corporate Services for a monthly fee of S\$40,000, based partially on cost allocation on the overall costs of Halcyon Corporate Services and time to be incurred for work done in respect of our Company. Our Directors are of the view that the BSA is beneficial to our Group and is not prejudicial to the interests of our Group or our Company’s minority Shareholders as it allows our Group to leverage off the expertise of Halcyon Corporate Services for such services under a cost-effective arrangement. If our Group was required to carry out such services under our own payroll or a separate engagement with the appropriate professional service firms, it is anticipated that the fees would exceed the fees paid to Halcyon Corporate Services under the BSA. By engaging the above services, our Group will continue to be provided with auxiliary corporate services, which will allow our Group to focus on the further development and expansion of its Natural Rubber business. Our Directors are also of the view that the terms of the BSA are on an arm’s length basis.

The BSA will be deemed as an on-going interested person transaction, and as the aggregate fees for FY2013 is less than 3% of the latest audited NTA of the Group as at 30 September 2012, the BSA will be subject to the review on a half-yearly basis by our Audit Committee to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Catalist Rules) are complied with. Please refer to our guidelines and review procedures in the section entitled “Guidelines and Review Procedures for On-going and Future Interested Person Transactions” below.

Our Audit Committee has reviewed the terms of the BSA and is of the view that the provision of the services and licence under the BSA is on normal commercial terms. Our Audit Committee is also of the view that these terms will not be prejudicial to the interests of our Group and our minority Shareholders.

INTERESTED PERSON TRANSACTIONS

After the listing of our Company on the SGX-ST, the BSA will be subject to the guidelines as described in the section entitled “Review Procedures for On-going and Future Interested Person Transactions” of this Offer Document and Chapter 9 of the Catalist Rules.

GUIDELINES AND REVIEW PROCEDURES FOR ON-GOING AND FUTURE INTERESTED PERSON TRANSACTIONS

We have established the following procedures to ensure that the Interested Person Transactions as defined under the Catalist Rules are undertaken on an arm’s length basis and on normal commercial terms:

- (a) in relation to any purchase of products or procurement of services from interested persons, quotes from at least two unrelated third parties in respect of the same or substantially the same type of transactions will be used as comparison wherever possible. The purchase price or procurement price shall not be higher than the most competitive price of the two comparative prices from the two unrelated third parties;
- (b) in relation to any sale of products or provision of services to interested persons, the price and terms of two other completed transactions of the same or substantially the same type of transactions to unrelated third parties are to be used as comparison wherever possible. The interested persons shall not be charged at rates lower than that charged to the unrelated third parties;
- (c) when leasing property from or to interested persons, our Directors shall take appropriate steps to ensure that the amount of rent for such lease is commensurate with the prevailing market rates, including adopting measures such as making relevant enquiries with landlords of properties of similar location and size, or obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where appropriate). The rent payable shall be based on the most competitive market rental rate of similar properties in terms of size and location, based on the results of the relevant enquiries; and
- (d) where it is not possible to compare against the terms of other transactions with unrelated third parties and given that the products or services may be purchased only from an interested person, the interested person transaction will be approved by any of our Directors or our CFO, who has no interest in the transaction, in accordance with our usual business practices and policies. In determining the transaction price payable to the interested person for such products and/or services, factors such as, but not limited to, quantity, requirements and specifications will be taken into account.

All interested person transactions above S\$100,000 are to be approved by a Director who shall not be an interested person in respect of the particular transaction. Any contract to be made with an interested person shall not be approved unless the pricing is determined in accordance with our usual business practices and policies, consistent with the usual margin given or price received by us for the same or substantially similar type of transactions between us and unrelated parties and the terms are not more favourable to the interested person than those extended to or received from unrelated parties. For the purposes above, where applicable, contracts for the same or substantially similar type of transactions entered into between us and unrelated third parties will be used as a basis for comparison to determine whether the price and terms offered to or received from the interested person are not more favourable than those extended to unrelated parties.

INTERESTED PERSON TRANSACTIONS

In addition, we shall monitor all interested person transactions entered into by us, categorising the transactions as follows:

- (i) a category 1 interested person transaction is one where the value thereof is equal to or more than 3% of the NTA of our Group based on the latest audited accounts; and
- (ii) a category 2 interested person transaction is one where the value thereof is less than 3% of the NTA of our Group based on the latest audited accounts.

Category 1 interested person transactions must be approved by the Audit Committee prior to entry.

Category 2 interested person transactions need not be approved by the Audit Committee prior to entry but shall be reviewed on a half-yearly basis by the Audit Committee.

In respect of all interested person transactions, we shall adopt the following policies:

- (A) our Audit Committee will review all interested person transactions to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Catalist Rules) are complied with;
- (B) in the event that a member of our Audit Committee is interested in any interested person transaction, he will abstain from deliberating, reviewing and/or approving that particular transaction;
- (C) we shall maintain a register to record all interested person transactions which are entered into by our Group, including any quotations obtained from unrelated parties to support the terms of the interested person transactions;
- (D) we shall incorporate into our internal audit plan a review of all interested person transactions entered into by our Group; and
- (E) our Audit Committee shall review the internal audit reports at least half-yearly to ensure that all interested person transactions are carried out on an arm's length basis and in accordance with the procedures outlined above. Furthermore, if during these periodic reviews, our Audit Committee believes that the guidelines and procedures as stated above are not sufficient to ensure that the interests of minority Shareholders are not prejudiced, we will adopt new guidelines and procedures. The Audit Committee may request for an independent financial adviser's opinion as it deems fit.

In addition, we are subject to the rules prescribed in the Listing Manual. As such, we will also comply with the provisions of Chapter 9 of the Catalist Rules in respect of all future interested person transactions and if required under the Catalist Rules, we will seek our Shareholders' approval (where necessary) for such transactions.

POTENTIAL CONFLICTS OF INTERESTS

None of our Directors, Controlling Shareholders or their Associates has any interest, direct or indirect, in any company carrying on the same business or dealing in similar products as our Group.

Notwithstanding the above, our Controlling Shareholder, Halcyon Investment Corporation, has given a non-compete undertaking not to be involved in the business currently carried on by our Group and other businesses related to the Natural Rubber industry.

INTERESTED PERSON TRANSACTIONS

Save as disclosed in the section entitled “Interested Person Transactions” of this Offer Document:

- (a) none of our Directors, Controlling Shareholders or any of their Associates has any interest, direct or indirect, in any material transactions to which our Company or any of our Subsidiaries was or is a party;
- (b) none of our Directors, Controlling Shareholders or any of their Associates has any interest, direct or indirect, in any entity carrying on the same business or dealing in similar products which competes materially and directly with the existing business of our Group; and
- (c) none of our Directors, Controlling Shareholders or any of their Associates has any interest, direct or indirect, in any enterprise or company that is our customer or supplier of goods or services.

Interests of Experts

No expert is employed on a contingent basis by our Company or any of our Subsidiaries, or has a material interest, whether direct or indirect, in our Shares, equity interests or debentures or the shares, equity interests or debentures of our Subsidiaries, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Placement.

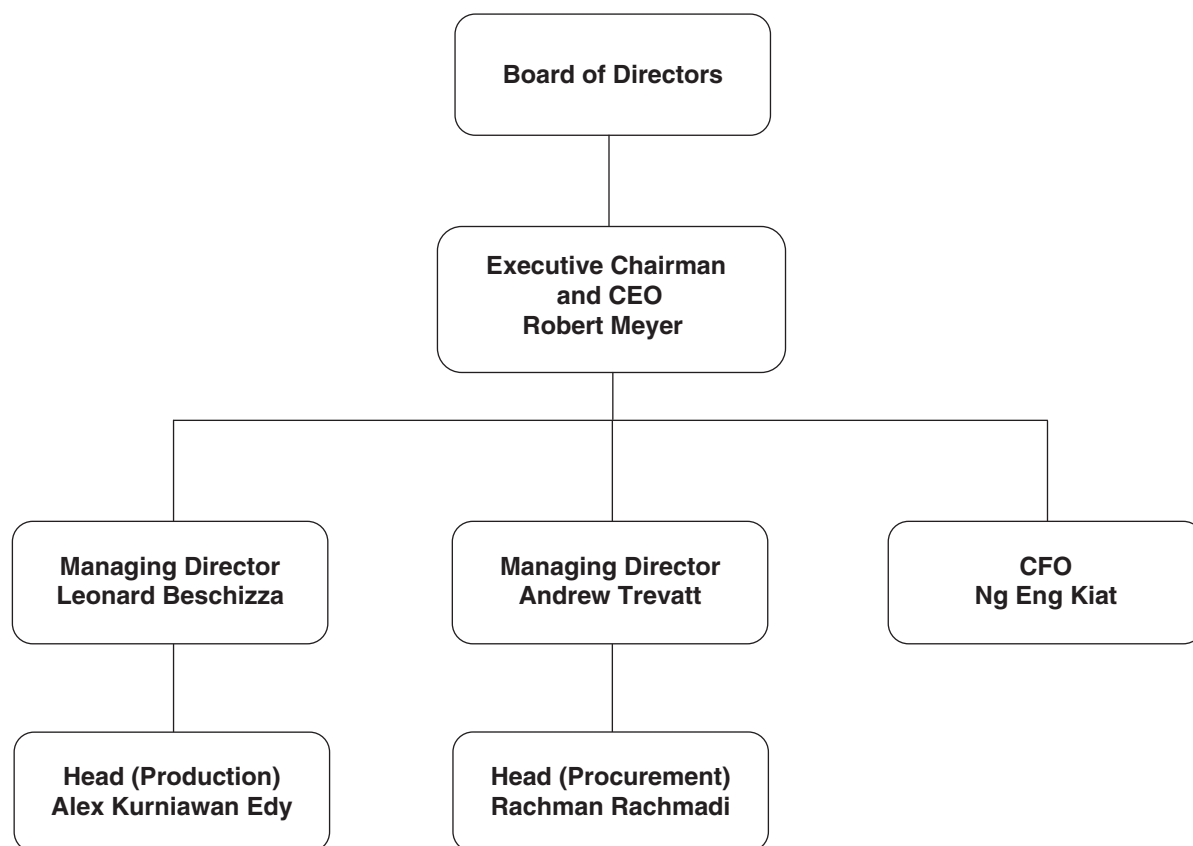
Interests of the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent

In the reasonable opinion of our Directors, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent do not have a material relationship with our Company save as disclosed below and in the section entitled “General and Statutory Information — Management and Placement Arrangements” of this Offer Document:

- (a) PPCF is the Manager, Sponsor and Lead Placement Agent of the Listing and Placement;
- (b) PPCF will be the continuing Sponsor of our Company for a period of three years from the date our Company is admitted and listed on the Catalist; and
- (c) UOBKH is the Co-Placement Agent for the Placement.

DIRECTORS, MANAGEMENT AND STAFF

MANAGEMENT REPORTING STRUCTURE



DIRECTORS

Our Directors are entrusted with the responsibility for the overall management of our Group. The particulars of our Directors as at the date of this Offer Document are set out below:

Name	Age	Address	Position
Robert Meyer	39	21 Balmoral Park #05-09 Pinewood Gardens Singapore 259850	Executive Chairman and CEO
Pascal Demierre	39	17 Holland Green Singapore 276140	Non-Executive Director
Alan Nisbet	62	20 Balmoral Park #01-07 The Balmoral Singapore 259849	Lead Independent Director
Randolph Khoo	48	18 Sundridge Park Road Singapore 358149	Independent Director

DIRECTORS, MANAGEMENT AND STAFF

Information on the business and working experience, education and professional qualifications, if any, and areas of responsibilities of our Directors are set out below:

Mr Robert Meyer is the Executive Chairman and CEO of our Group and is in charge of formulating and executing the strategic business development of our Group. He is supported by our Executive Officers in supervising the business operations of our Group.

Between 1999 and 2004, Mr Robert Meyer was a director in Kingfisher Automotive Pte. Ltd. and its affiliated companies and was in charge of business development. His responsibilities centred on finding new agencies for the company, as well as expanding its distribution network in Asia. During that period, he travelled extensively throughout Asia and negotiated sales and distribution contracts with automotive and industrial stockists in the region.

Mr Robert Meyer left Kingfisher Automotive Pte. Ltd. in December 2004 and founded the Halcyon Group. He has contributed significantly to the Halcyon Group's development and charted its corporate direction together with his co-founders and management team. In relation to our Group, he has been responsible for charting our strategic direction and growth since 2010. Mr Robert Meyer's responsibilities include overseeing the core aspects of our business such as our rubber processing operations and sales and marketing operations.

Mr Robert Meyer is currently the Executive Chairman of NH Ceramics Ltd (a company listed on the Catalist) and was appointed to the board of NH Ceramics Ltd on 9 April 2012. In addition, Mr Robert Meyer was a member of one of the sub-committees of the Economic Strategies Committee, which was formed by the Government of Singapore in May 2009.

Mr Robert Meyer graduated with a Bachelor of Arts (Diplom-Betriebswirt) from the European Business School (Schloss Reichartshausen) in Oestrich-Winkel, Germany in 1999.

Mr Pascal Demierre is a Non-Executive Director of our Group. Mr Pascal Demierre is also the Chief Corporate Officer of the Halcyon Group and, as the Chief Corporate Officer, Mr Pascal Demierre oversees all corporate infrastructure matters including legal, corporate governance, corporate structuring, information technology, human resources and general administration of the entities within the Halcyon Group, including the members of our Group.

Mr Pascal Demierre first commenced his career with the Kuok group of companies in 1999 and started off as a legal executive with Shangri-La Hotel Ltd before being transferred to head the legal department of the group's shipping arm, Pacific Carriers Limited. While he was at Shangri-La Hotel Ltd, he handled a wide range of corporate secretarial matters and certain aspects of the group's legal matters, including the delisting of Shangri-La Limited (Singapore) from the SGX-ST, and the restructuring of the Shangri-La group of companies. At Pacific Carriers Limited, he worked closely with its board of directors and oversaw all legal matters for the group's global interests relating to corporate structuring, the construction, sale and purchase of vessels, corporate financing and documentation, and worked with external bodies such as IE Singapore for the group's approved incentive scheme for shipping companies. In 2003, he was a key team member involved in the listing of the company's subsidiary, Malaysian Bulk Carriers Berhad, on the main board of the Bursa Malaysia Securities Berhad.

Mr Pascal Demierre left Pacific Carriers Limited in 2005 and started working full time in the Halcyon Group and commenced the development of the Halcyon Group. He has contributed significantly to the Halcyon Group's development and charted its corporate direction together with his co-founders and management team.

DIRECTORS, MANAGEMENT AND STAFF

Mr Pascal Demierre is also an independent director of The Hour Glass Limited (a company listed on the Main Board of the SGX-ST) since 1 April 2011.

Mr Pascal Demierre graduated with a Bachelor of Law (Second Upper) from King's College London, United Kingdom, in 1998 and with a Graduate Diploma in Law from the National University of Singapore in 2002.

Mr Alan Nisbet is the Lead Independent Director of our Group and was appointed on 7 January 2013. He is currently the principal of Kanni Advisory, which is a consultancy firm that specialises in financial and business advisory services.

Mr Alan Nisbet is a board and audit committee member of the Accounting and Corporate Regulatory Authority (ACRA) and a member of the Public Accountants Oversight Committee, which is responsible for the oversight of public accountants providing audit services in Singapore. He is also a director and the Chairman of the audit committee of Ascendas Pte. Ltd.

From 1973 to 2011, Mr Alan Nisbet worked for Deloitte & Touche LLP (where he was made partner in 1989) and its antecedent firms in Australia, USA and Singapore, and was involved in the co-ordination and oversight of various aspects of the professional services rendered, including share valuations and due diligence reviews on behalf of multi-national and Singapore companies. He was appointed the Leader of Audit and Assurance Services for Deloitte Southeast Asia and was responsible for the overall Audit and Assurance Operations, Business Development and Quality of the Deloitte Audit and Assurance practice in Southeast Asia. Also during his time with Deloitte, he was responsible for the establishment and operations of the Deloitte Enterprise Risk Service function in Singapore and led that practice division for four years. In that capacity he led and delivered Corporate Governance, Risk Management, Internal Audit and IT Security services to Deloitte's clients. He retired from Deloitte & Touche LLP in June 2011 and is currently a consultant to Deloitte Asia Pacific performing the oversight role of the quality reviews of its Australia and Korea practices.

Mr Alan Nisbet is a member of the Institute of Certified Public Accountants of Singapore and formerly a practising associate of the Institute of Chartered Accountants in Australia.

Mr Alan Nisbet graduated with a Diploma of Business Studies (Accounting) from the Caulfield Institute of Technology, Melbourne, Australia in 1971.

Mr Alan Nisbet does not have prior experience as a director of public listed companies in Singapore but has completed the Listed Company Director courses conducted by the Singapore Institute of Directors to prepare and familiarise himself with the roles and responsibilities of a director of a listed company.

Mr Randolph Khoo is an Independent Director of our Group and was appointed on 7 January 2013. He is currently a director of Drew & Napier LLC, a corporation of advocates and solicitors heading its Family and International Personal Relationships Practice and as well as the dispute resolution section of its China, India and International Trade Desks.

Mr Randolph Khoo commenced his legal career with Drew & Napier in 1990. He is an advocate and solicitor of the Supreme Court of Singapore, a Notary Public and a Commissioner for Oaths. He is a Fellow of the Singapore Institute of Arbitrators, the Chartered Institute of Arbitrators and the Malaysian Institute of Arbitrators, a Panel Arbitrator with the Singapore Institute of Arbitrators, the Malaysian Institute of Arbitrators, the Shanghai Arbitration Commission and under the Law Society of Singapore Arbitration Scheme, as well as a member of the International Bar Association, Society of International Law (Singapore), Law Society of Singapore and the Singapore Academy of Law. He served on the Advocacy Committee of the Law Society of Singapore. From 1995 to 2001, he was also an Ad-hoc Adjunct Tutor for the Faculty of Law, National University of Singapore.

DIRECTORS, MANAGEMENT AND STAFF

Mr Randolph Khoo was previously an independent director of Jubilee Industries Holdings Ltd. (a company listed on the Catalist) from 9 June 2009 to 26 April 2011.

Mr Randolph Khoo graduated with a degree in Law from the National University of Singapore in 1989.

Save as disclosed above and in the sections entitled “Shareholders — Ownership Structure” and “Directors, Management and Staff” in this Offer Document, none of our Directors is related to each other or to any of our Executive Officers or Substantial Shareholders.

There was no agreement or arrangement with our Substantial Shareholders, customers or suppliers pursuant to which we will appoint any of them or any person nominated by any of them as our Director.

Save as disclosed below and the directorship held in our Company, none of our Directors currently holds or has held any directorships in the past five years preceding the date of this Offer Document.

Name	Present Directorships	Past Directorships
Robert Meyer	<u>Group Companies</u> Halcyon Plantations Hevea Global Hevea Processing <u>Other Companies</u> 6t9 Collection Pte. Ltd. First Agriculture Holdings Pte. Ltd. Halcyon Agri Resources Halcyon Energy Corporation Pte. Ltd. Halcyon Investment Corporation Halcyon Strategic Pte. Ltd. NH Ceramics Ltd Nut Hill Capital Pte. Ltd. Nut Hill Investments Ltd.	<u>Group Companies</u> N.A. <u>Other Companies</u> Cables International Pte. Ltd. GRM Technologies Pte. Ltd. Jack Tat Corporation Pte. Ltd. Jebsen & Jessen Offshore Pte. Ltd. Jebsen & Jessen Offshore Accommodation Pte. Ltd. Kingfisher Automotive Pte. Ltd. Liqui Moly Asia Pacific Pte. Ltd. Lloyd Holdings Pte. Ltd.

DIRECTORS, MANAGEMENT AND STAFF

Name	Present Directorships	Past Directorships
Pascal Demierre	<u>Group Companies</u>	<u>Group Companies</u>
	Hevea Global Hevea Processing	N.A.
	<u>Other Companies</u>	<u>Other Companies</u>
	6t9 Collection Pte. Ltd. Demierre Holdings Pte. Ltd. Demierre (Private) Limited Halcyon Agri Resources Halcyon Energy Corporation Pte. Ltd. Halcyon Investment Corporation Halcyon Strategic Pte. Ltd. Halcyon Corporate Services The Hour Glass Limited	Cables International Pte. Ltd. Hanfield Pte. Ltd. ⁽¹⁾ Harrican Integrated Pte. Ltd. Jack Tat Corporation Pte. Ltd. Jebsen & Jessen Offshore Accommodation Pte. Ltd. Jebsen & Jessen Offshore Engineering Pte. Ltd. Jebsen & Jessen Offshore Equipment Pte. Ltd. Jebsen & Jessen Offshore Pte. Ltd. Jebsen & Jessen Response Pte. Ltd. Superior Marine & Offshore Engineering Pte. Ltd.
Alan Nisbet	<u>Group companies</u>	<u>Group companies</u>
	N.A.	N.A.
	<u>Other companies</u>	<u>Other companies</u>
	Accounting and Corporate Regulatory Authority of Singapore Ascendas Pte. Ltd.	Deloitte Consulting (SEA) Holdings Pte. Ltd. Deloitte & Touche Enterprise Risk Services Pte. Ltd. Deloitte & Touche Management Services Pte. Ltd.
Randolph Khoo	<u>Group companies</u>	<u>Group companies</u>
	N.A.	N.A.
	<u>Other companies</u>	<u>Other companies</u>
	Drew & Napier LLC JKSM Investments Pte. Ltd. Luminotion Holdings Ltd.	ABLD Pte. Ltd. ⁽¹⁾ Jubilee Industries Holdings Ltd.

Note:

(1) These companies have been struck off or dissolved.

DIRECTORS, MANAGEMENT AND STAFF

EXECUTIVE OFFICERS

Our day-to-day operations are entrusted to our a team of experienced Executive Officers. The particulars of our Executive Officers are set out below:

Name	Age	Address	Current Occupation
Leonard Beschizza	62	38B Jalan Mat Jambol #02-16 Island View Singapore 119520	Managing Director
Andrew Trevatt	47	8 Jalan Harum Singapore 268481	Managing Director
Ng Eng Kiat	32	Apt Blk 226C Compassvale Walk #03-363 Singapore 543226	CFO
Rachman Rachmadi	66	Jl. Hang Tuah No.16 RT.024/RW.009 Sub District of Talang Semut District of Bukit Kecil Palembang, Indonesia	Head (Procurement)
Alex Kurniawan Edy	50	Jalan Sungai Itam No.168B RT.021/RW.007 Sub-District of Bukit Lama District of Ilir Barat 1 Palembang, Indonesia	Head (Production)

Information on the business and working experience, education and professional qualifications, if any, and areas of responsibilities of our Executive Officers are set out below:

Mr Leonard Beschizza is one of the two Managing Directors of our Group. He is responsible for the overall business of our Group, including risk management, corporate governance and business development.

Mr Leonard Beschizza started working as a trader with Pacol Ltd, London, a member of the Gill & Duffus Group in 1971. He went on to become a director of Pacol Sdn Bhd and Pacol Singapore in 1976, and his duties included the procurement of Natural Rubber and cocoa on behalf of Pacol's UK and North American trading offices. In 1978, he returned to Pacol Ltd, London, to head the Natural Rubber trading desk and was appointed as a main board director in 1985. In 1987, he went on to become the director of Centrottrade Singapore and headed the Natural Rubber trading team at Centrottrade Singapore. In 1995, he headed the sales and marketing department in PT PP London Sumatra Indonesia and dealt with the price risk management of agricultural products. In addition, he was a moderator at the Indonesian Palm Oil Association or GAPKI (Gabungan Pengusaha Kelapa Sawit Indonesia) conferences in 2008, 2009 and 2010.

Mr Leonard Beschizza joined our Group in 2010. After working for about 40 years in the Natural Rubber and agricultural industry, he is experienced in most aspects of the Natural Rubber business, including the processing and trading of physical rubber and futures. He also has an in-depth knowledge of the palm oil and cocoa industry.

Mr Leonard Beschizza studied in Forest School, Snaresbrook, Essex, England and graduated in 1968.

DIRECTORS, MANAGEMENT AND STAFF

Mr Andrew Trevatt is one of the two Managing Directors of our Group. He oversees our daily operations and is involved in making the key decisions in relation to the sales and purchasing of our Group.

Mr Andrew Trevatt started work in 1982 as a junior auditor/assistant to the senior accountant at Aarons Grew & Woodcroft, Certified Accountants, London. In 1986, he commenced working as a trader for Lewis & Peat (Rubber) Ltd, London, and stayed with the company for 14 years till 2000. His last position held at Lewis & Peat (Rubber) Ltd, London, was trading director. In 2002, he went on to work in Sri Trang International Pte. Ltd. as its chief executive officer. In 2007, he joined Louis Dreyfus Commodities Asian Pte. Ltd. as a trading manager.

Mr Andrew Trevatt joined our Group in 2010. After 26 years of experience in the Natural Rubber industry, he has a thorough understanding of its operations, including customer and supplier relationships, Natural Rubber processing knowledge and customer requirement knowledge. He is also responsible for growing the client and supplier base of the business.

Mr Andrew Trevatt studied in Meopham Secondary School and graduated in 1982.

Mr Ng Eng Kiat, was appointed as our Company's CFO on 1 January 2013. He joined the Halcyon Group as its Financial Controller in December 2011 and has been responsible for overseeing the accounting and financial matters of our Group since he joined the Halcyon Group.

Prior to joining our Group, Mr Ng Eng Kiat worked in two of the top international accounting firms. From 2002 to 2005, he worked as an Assurance Supervisor in KPMG LLP in Kuala Lumpur, Malaysia. Mr Ng Eng Kiat went on to join Ernst & Young LLP in Leeds, the United Kingdom, as an Assurance Manager in 2005 and thereafter worked at the same firm in Singapore as an Assurance Senior Manager from 2010 to 2011.

Mr Ng Eng Kiat has been a fellow member of the Association of Chartered Certified Accountants since 2005 and is also a member of the Institute of Certified Public Accountants of Singapore.

Mr Ng Eng Kiat graduated from the Multimedia University in Malaysia in 2002 with a Bachelor's Degree (First Class) in Accounting.

Mr Rachman Rachmadi, our Head of Procurement, joined our Group in 2011 as part of our acquisition of the HMK1 and HMK2 facilities. Since he joined our Group, he has been responsible for overseeing the financial matters of PT Hevea and manages PT Hevea's raw material procurement and payment process. He has been involved in the Natural Rubber industry for over 40 years and, in particular, has been closely involved with the operations of HMK1 and HMK2 for 25 years.

Mr Rachman Rachmadi started work in 1968 as a director of PT Garuntang, a company engaged in the rubber business in the Lampung Province in Indonesia. In 1987, he joined PT Perusahaan Getah Para Muara Kelingi, from whom we acquired the HMK1 and HMK2 facilities, as its finance manager. In 1990, he was made a director of PT Perusahaan Getah Para Muara Kelingi and he remained with this company until our acquisition of HMK1 and HMK2 in 2011.

Mr Rachman Rachmadi graduated from a high school in the Sulawesi Province of Indonesia in 1964.

DIRECTORS, MANAGEMENT AND STAFF

Mr Alex Kurniawan Edy, our Head of Production, also joined our Group in 2011 as part of our acquisition of the HMK1 and HMK2 facilities. Since he joined our Group, he has been responsible for overseeing the rubber processing operations, administrative and human resource matters of PT Hevea. He has been involved in the Natural Rubber industry for 20 years and, during this period, has been exclusively employed in relation to HMK1 and HMK2.

Mr Alex Kurniawan Edy started work at PT Perusahaan Getah Para Muara Kelingi in 1992 as its factory manager and remained in the employment of PT Perusahaan Getah Para Muara Kelingi until our acquisition of HMK1 and HMK2 in 2011.

Mr Alex Kurniawan Edy has been the Chairman of the South Sumatra office of GAPKINDO since 1996 and is also the Vice Chairman of GAPKINDO's central office in Jakarta.

Mr Alex Kurniawan Edy graduated from a high school in Palembang, Indonesia in 1981.

There was no agreement or arrangement with our Substantial Shareholders, customers or suppliers pursuant to which we will appoint any of them or any person nominated by any of them as our Executive Officer.

Save as disclosed below, none of our Executive Officers currently holds or has held any directorships in the past five years preceding the date of this Offer Document:

Name	Present Directorships	Past Directorships
Leonard Beschizza	<u>Group Companies</u>	<u>Group Companies</u>
	Hevea Global Hevea Processing Halcyon Plantations	HAC
	<u>Other Companies</u>	<u>Other Companies</u>
	N.A.	Lonsum Singapore Pte. Ltd. Sumatra Bioscience Pte. Ltd.
Andrew Trevatt	<u>Group Companies</u>	<u>Group Companies</u>
	Hevea Global Hevea Processing PT Hevea	HAC
	<u>Other Companies</u>	<u>Other Companies</u>
	N.A.	N.A.
Ng Eng Kiat	<u>Group Companies</u>	<u>Group Companies</u>
	N.A.	N.A.
	<u>Other companies</u>	<u>Other companies</u>
	N.A.	N.A.

DIRECTORS, MANAGEMENT AND STAFF

Name	Present Directorships	Past Directorships
Rachman Rachmadi	<u>Group Companies</u>	<u>Group Companies</u>
	PT Hevea	N.A.
	<u>Other companies</u>	<u>Other companies</u>
	N.A.	PT Perusahaan Getah Para Muara Kelingi
Alex Kurniawan Edy	<u>Group companies</u>	<u>Group companies</u>
	N.A.	N.A.
	<u>Other companies</u>	<u>Other companies</u>
	N.A.	N.A.

Save as disclosed above and in the sections entitled “Shareholders — Ownership Structure” and “Directors, Management and Staff” of this Offer Document, none of our Directors and Executive Officers are related to one another or to our Substantial Shareholders. To the best of our knowledge and belief, there are no arrangements or undertakings with any customers, principals or others, pursuant to which any of our Directors and Executive Officers was appointed.

REMUNERATION OF DIRECTORS AND EXECUTIVE OFFICERS

The remuneration (including salary, bonus, contributions to mandatory provident fund scheme/employees provident fund, directors’ fees and benefits-in-kind) paid or payable to our Directors and our Executive Officers (in terms of amount of compensation) on a pro forma basis and in remuneration bands for FP2010 and FY2011, and the estimated remuneration payable to them on a pro forma basis and in remuneration bands for FY2012 are as follows:

	FP2010	FY2011	Estimated for FY2012
Directors			
Robert Meyer ⁽¹⁾	N.A.	N.A.	N.A.
Pascal Demierre	N.A.	N.A.	N.A.
Alan Nisbet	N.A.	N.A.	N.A.
Randolph Khoo	N.A.	N.A.	N.A.
Executive Officers			
Leonard Beschizza ⁽²⁾	B	C	D
Andrew Trevatt ⁽³⁾	B	C	D
Ng Eng Kiat ⁽⁴⁾	N.A.	N.A.	N.A.
Rachman Rachmadi	N.A.	A	A
Alex Kurniawan Edy	N.A.	A	A

DIRECTORS, MANAGEMENT AND STAFF

Notes:

Remuneration bands:

“A” refers to remuneration of up to S\$250,000 per annum.

“B” refers to remuneration from S\$250,001 to S\$500,000 per annum.

“C” refers to remuneration from S\$500,001 to S\$750,000 per annum.

“D” refers to remuneration from S\$750,001 to S\$1,000,000 per annum.

- (1) Robert Meyer was not remunerated directly by our Company during the Period Under Review as his services were provided under the MA with Halcyon Investment Corporation, referred to in the section entitled “Interested Persons Transactions” of this Offer Document. If the Service Agreement had been in place as at 1 April 2010, Robert Meyer’s salary would fall within remuneration band “B” for FP2010 and remuneration band “C” for FY2011 and FY2012 respectively.
- (2) Leonard Beschizza’s FP2010 remuneration band represents employment in our Group from 1 October 2010 to 31 December 2010 only.
- (3) Andrew Trevatt’s FP2010 remuneration band represents employment in our Group from 1 May 2010 to 31 December 2010 only.
- (4) Ng Eng Kiat joined the Halcyon Group in December 2011 and has been directly employed by our Company since 1 January 2013. He has been providing his services to our Group through the MA entered into with Halcyon Investment Corporation. If he had been employed directly by our Company from 1 January 2012, his salary would fall within remuneration band “A”.

In the event of any new employment of employees who are related to our Directors or Substantial Shareholders, the remuneration of such employees will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the employee under review, he will abstain from participating in the review.

EMPLOYEES

All the full-time employees of our Group for the Period Under Review are based in Singapore and Indonesia. The functional distribution of full-time employees of our Group is as follows:

Function	Number of full-time employees		
	As at 31 December 2010	As at 31 December 2011	As at 30 September 2012
Sales and marketing	2	2	2
Procurement	—	76	77
Management, administrative and finance	2	26	24
Production and quality assurance	—	498	501
Total number of full-time employees	4	602	604

DIRECTORS, MANAGEMENT AND STAFF

Our Group's Singapore-based employees are not covered by any collective bargaining agreements and are not members of any labour union.

However, in accordance with Indonesian labour laws, PT Hevea's employees belong to the trade unions, SPSI (Serikat Pekerja Seluruh Indonesia) and SBB (Serikat Buruh Bersatu). The relationship between management and employees has been good and is expected to continue to remain in the future. There has been no industrial dispute with our employees since our Group commenced operations.

As at the Latest Practicable Date, our Group has 597 full-time employees. All our production workers are employed under formal contracts in accordance with the terms agreed with the abovementioned trade unions.

SERVICE AGREEMENT

Mr Robert Meyer is the Executive Chairman and CEO of our Group. Our Company has entered into a Service Agreement with Mr Robert Meyer (the "**Appointee**") dated 1 January 2013. The Service Agreement is valid for an initial period of three years with effect from 1 January 2013. Upon the expiry of the initial period of three years, the employment of the Appointee shall be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree. Either party may terminate the Service Agreement by giving to the other party not less than six months' notice in writing, or in lieu of notice, payment of an amount equivalent to six months' salary. Our Group may also terminate the employment of the Appointee without notice or payment in lieu of notice under, *inter alia*, the following circumstances:

- (a) if the Appointee is guilty of serious misconduct or serious neglect in the discharge of the Appointee's duties under the Service Agreement;
- (b) in the event that the Appointee commits any serious breach and/or repeated and/or continual breach of any of the Appointee's obligations contained in the Service Agreement;
- (c) if the Appointee's actions or omissions bring the name or reputation of the Company or any member of the Group into disrepute or prejudices the business interests of the Company or other members of the Group; or
- (d) if the Appointee shall become of unsound mind.

Pursuant to the terms of the Service Agreement, the Appointee is entitled to receive a monthly salary of S\$50,000.

All travelling and travel-related expenses, entertainment expenses and other out-of-pocket expenses reasonably incurred by the Appointee in the process of discharging his duties on behalf of our Group will be borne by our Company.

The Appointee may be paid a discretionary bonus at such times and in such amounts as may be recommended by our Remuneration Committee and approved by our Board of Directors.

Under the Service Agreement, the remuneration of the Appointee is subject to review by the Remuneration Committee on the day falling one week from the Board's approval of the audited accounts for the immediate preceding financial year. The Appointee and/or his associates shall abstain from voting in respect of any resolution or decision to be made by our Board in relation to the terms and renewal of his Service Agreement.

DIRECTORS, MANAGEMENT AND STAFF

Under the Service Agreement, the Appointee has covenanted not to do business with any person who has done business with us or entice away any of our employees in connection with the carrying on of any business similar to or in competition with our business for 12 months after ceasing to be employed under his Service Agreement. The Appointee has also covenanted not to carry on any activity or business in competition with us within Singapore or any country in which we have operations or carried on business, for 12 months after ceasing to be employed under his Service Agreement.

The remuneration of our Executive Chairman and CEO in FY2011 forms part of the fees under the MA with Halcyon Investment Corporation. Had the Service Agreement been in effect since 1 January 2011, the net profit after tax attributable to owners of the Company for FY2011 would have been US\$4.2 million. Please refer to the sections entitled “General Information on Our Group”, and “Interested Person Transactions — Past Interested Person Transactions” of this Offer Document for further details.

Save as disclosed above, there are no other existing or proposed service agreements between our Company or our Subsidiaries and any of our Directors.

There is no existing or proposed service contract entered or to be entered into by our Directors with our Company or any of our Subsidiaries which provide for benefits upon termination of employment.

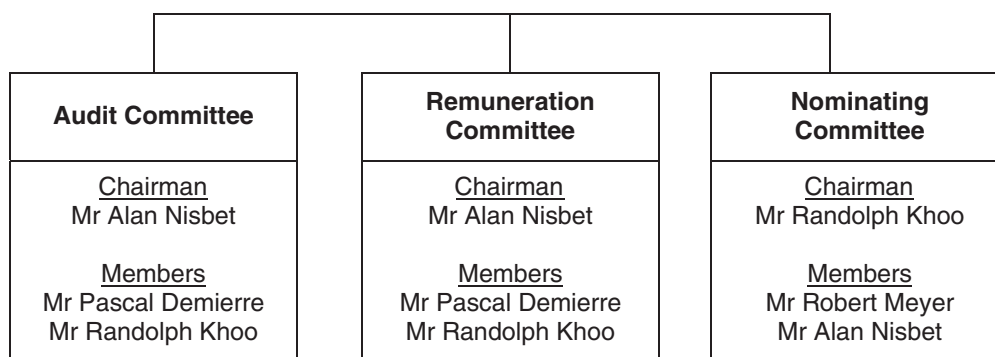
CORPORATE GOVERNANCE

Our Directors recognise the importance of good corporate governance and in offering high standards of accountability to our shareholders.

We believe our Directors possess the relevant experience and expertise to act as directors of our Company, as evidenced by their business and working experience and directorships in other listed companies as set out in the section entitled “Directors, Management and Staff” of this Offer Document. In addition, our Directors have, where required, attended the Listed Company Director Course jointly organised by the SGX-ST and the Singapore Institute of Directors to familiarise themselves with the roles and responsibilities of a director of a publicly listed company in Singapore.

Our Company has implemented the corporate governance model as set out below:

Board of Directors



Audit Committee

Our Audit Committee comprises Mr Alan Nisbet, Mr Pascal Demierre and Mr Randolph Khoo. The Chairman of the Audit Committee is Mr Alan Nisbet.

Our Audit Committee will assist our Board in discharging its responsibility to safeguard our assets, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group. Our Audit Committee will provide a channel of communication between our Board, our management and our external auditors on matters relating to audit.

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to the Shareholders. Our Audit Committee shall meet periodically to perform the following functions, *inter alia*:

- (a) assist our Board in the discharge of its responsibilities on financial reporting matters;
- (b) review, with the internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and our management’s response, and results of our audits compiled by our internal and external auditors;
- (c) review the periodic consolidated financial statements and results announcements before submission to our Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Listing Manual and any other statutory/regulatory requirements;

CORPORATE GOVERNANCE

- (d) review the effectiveness and adequacy of our internal control and procedures, including accounting and financial controls and procedures and ensure co-ordination between our internal and external auditors, and our management, reviewing the assistance given by our management to the auditors, and discuss problems and concern, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary);
- (e) review the scope and results of the external audit, and the independence and objectivity of the external auditors;
- (f) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our management's response;
- (g) make recommendations to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- (h) review significant financial reporting issues and judgments with the CFO and the external auditors so as to ensure the integrity of the financial statements of our Group and any formal announcements relating to our Group's financial performance before their submission to our Board of Directors;
- (i) review and report to the Board at least annually the adequacy and effectiveness of our Group's material internal controls with the financial controller and the internal and external auditors, including financial, operation, compliance and information technology controls via reviews carried out by the internal auditors;
- (j) review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);
- (k) review any potential conflicts of interest;
- (l) review and approve all hedging policies and instruments (if any) to be implemented by our Group;
- (m) undertake such other reviews and projects as may be requested by our Board and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee;
- (n) review our financial risk areas, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET;
- (o) review and establish procedures for receipt, retention and treatment of complaints received by our Group, *inter alia*, criminal offences involving our Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on our Group;
- (p) review our Group's compliance with such functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time; and
- (q) review arrangements by which our staff may, in confidence, raise concerns about improprieties in matters of financial reporting or other matters, and to ensure that those arrangements are in place for independent investigations of such matters and for appropriate follow-up.

CORPORATE GOVERNANCE

Our Audit Committee will meet, at a minimum, on a quarterly basis. Apart from the duties listed above, our Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation of the jurisdictions in which our Group operates, which has or is likely to have a material impact on our operating results and/or financial position. In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he will abstain from reviewing that particular transaction or voting on that particular resolution.

Our Independent Directors do not have any existing business or professional relationship of a material nature with our Group, our Directors or Substantial Shareholders.

Our Audit Committee, after having conducted an interview with Ng Eng Kiat, our CFO, and considered:

- (i) the qualifications and past working experiences of Ng Eng Kiat (as described in the section entitled “Directors, Management and Staff — Executive Officers” of this Offer Document) which are compatible with his position as CFO;
- (ii) Ng Eng Kiat’s past audit, taxation and accounting related experiences;
- (iii) Ng Eng Kiat’s demonstration of the requisite competency in finance-related matters in connection with the preparation for the listing of our Company;
- (iv) the absence of negative feedback on Ng Eng Kiat from the representatives of our Group’s Auditors and Reporting Accountants; and
- (v) the absence of internal control weaknesses attributable to Ng Eng Kiat identified during the internal control review conducted by the internal auditors,

our Audit Committee is of the view that Ng Eng Kiat is suitable for the position of CFO. In addition, he shall be subject to performance appraisal by our Audit Committee on an annual basis to ensure satisfactory performance.

The Audit Committee shall also commission an annual internal control audit until such time as the Audit Committee is satisfied that our Group’s internal controls are robust and effective enough to mitigate our Group’s internal control weaknesses (if any). Prior to the decommissioning of such an annual audit, our Board is required to report to the SGX-ST and the Manager, Sponsor and Lead Placement Agent on how the key internal control weaknesses have been rectified, and the basis for the decision to decommission the annual internal control audit. Thereafter, such audits may be initiated by the Audit Committee as and when it deems fit to satisfy itself that our Group’s internal controls remain robust and effective. Upon completion of the internal control audit, appropriate disclosure must be made via SGXNET on any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by our Board.

Based on the foregoing, our Board of Directors, to the best of its knowledge and belief, with the concurrence of our Audit Committee, is of the opinion that the internal controls of our Group are adequate to address the operational, financial and compliance risks.

Remuneration Committee

Our Remuneration Committee comprises Mr Alan Nisbet, Mr Pascal Demierre and Mr Randolph Khoo. The Chairman of the Remuneration Committee is Mr Alan Nisbet.

CORPORATE GOVERNANCE

Our Remuneration Committee will recommend to our Board a framework of remuneration for our Directors and Executive Officers, and determine specific remuneration packages for each Executive Director.

The recommendations of our Remuneration Committee shall be submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by our Remuneration Committee. In addition, our Remuneration Committee will perform an annual review of the remuneration of employees related to our Directors and Substantial Shareholders to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. They will also review and approve any bonuses, pay increases and/or promotions for these employees. Each member of the Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package or that of employees related to him.

Nominating Committee

Our Nominating Committee comprises Mr Robert Meyer, Mr Alan Nisbet and Mr Randolph Khoo. The Chairman of the Nominating Committee is Mr Randolph Khoo.

Our Nominating Committee will be responsible for:

- (a) reviewing and recommending the nomination or re-nomination of our Directors having regard to their contribution and performance;
- (b) determining on an annual basis whether or not a Director is independent;
- (c) assessing the performance of the Board and contribution of each Director to the effectiveness of the Board; and
- (d) review and approve any new employment of related persons and the proposed terms of their employment.

Our Nominating Committee will recommend a framework for the evaluation of the Board's and individual Director's performance for the approval of the Board. Each member of our Nominating Committee shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

Board Practices

Each of our Directors has served in office in our Company since the following dates:

Name	Date of Commencement
Robert Meyer	8 July 2010
Pascal Demierre	8 July 2010
Alan Nisbet	7 January 2013
Randolph Khoo	7 January 2013

Our Directors are appointed by our Shareholders at a general meeting and an election of Directors is held annually. One-third (or the number nearest to one-third) of our Directors, are required to retire from office at each annual general meeting. Further, all Directors are required to retire from office at least once in every three years. However, a retiring Director is eligible for re-election at the meeting at which he retires.

EXCHANGE CONTROLS

The following is a description of the exchange controls that exist in the jurisdiction which our Group operates in.

Singapore

There are no Singapore governmental laws, decrees, regulations or other legislation in force that may affect:

- (a) the import or export of capital, including the availability of cash and cash equivalents for use by our Group; and
- (b) the remittance of dividends, interest or other payments to non-resident holders of our Company's securities.

Indonesia

Indonesia adopts free foreign exchange system based on Law Number 24 of 1999 on Foreign Exchange Flow and Exchange Rate System ("**Law 24**"). Any Indonesia resident, namely a person, legal entity or other entity domiciled or planning to domicile in Indonesia for at least one year, including representatives and diplomatic staff of Indonesia, shall be free to own and use foreign currencies. It means that if they obtain and are in possession of any foreign currencies, they are not obliged to sell it to the State, and they also are free to conduct foreign exchange activities, such as for international trade and capital market transactions.

The implementation of the foreign exchange system and exchange rate system is conducted by Bank Indonesia as monetary authority having responsibility to maintain the stability of the value of the Rupiah. Bank Indonesia as central bank is authorised to control the flow of foreign exchange conducted by Indonesian residents. The implementation of free flow of foreign exchange without any control to the flow of foreign exchange itself may harm the national economic condition. In this respect, Bank Indonesia is authorised to request any information and data with respect to the activities of foreign exchange flow conducted by Indonesian residents. Through its implementing regulations (namely Regulation of Bank Indonesia No. 13/15/PBI/2011 as last amended by Regulation of Bank Indonesia No. 14/4/PBI/2012), Bank Indonesia obliges banks, non bank Financial Institutions and non financial institution companies to submit a report to Bank Indonesia with respect to their foreign exchange flow activities. A non financial institution company is obliged to submit this kind of report if:

- (a) the total assets it owns is at least IDR100,000,000,000 (one hundred billion Rupiah), or
- (b) revenue during a one-year period is at least IDR100,000,000,000 (one hundred billion Rupiah).

With respect to the exchange rate system, the Government of Indonesia determines the exchange rate system to be applied in Indonesia based on the exchange rate system proposed by Bank Indonesia. Bank Indonesia will later implement the determined exchange rate system. Pursuant to Law 24 and Law No. 23 on 1999 as lastly amended by Law No. 6 of 2009 on Bank Indonesia ("**Law 23**"), the exchange rate system to be applied in Indonesia may be in the form of a fixed exchange rate, floating exchange rate or controlled floating exchange rate. Law 23 assigns Bank Indonesia with a main duty to reach and maintain the stability of the value of the Rupiah. In this respect, Bank Indonesia as central bank is authorised to conduct intervention in the foreign exchange market in order to keep the value of the Rupiah stable. Further, on 14 August 2007, Bank Indonesia adopted a floating exchange rate without determining on what level Bank Indonesia will conduct intervention.

Indonesia does not restrict the repatriation of capital. Dividends, interest and royalties are freely remittable out of Indonesia, subject to the payment of withholding tax.

TAXATION

The following is a discussion of certain tax matters arising under the current tax laws in Singapore and Indonesia and is not intended to be and does not constitute legal or tax advice. While this discussion is considered to be a correct interpretation of existing laws in force, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur. The discussion is limited to a general description of certain tax consequences in Singapore and Indonesia with respect to ownership of the Shares by Singapore investors, and does not purport to be a comprehensive nor exhaustive description of all the tax considerations that may be relevant to a decision to purchase the Shares. Prospective investors should consult their tax advisors regarding Singapore and Indonesian tax and other tax consequences of owning and disposing of the Shares. It is emphasised that neither our Company, the Directors, the Vendor nor any other persons involved in the Listing accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Shares.

Singapore Taxation

Corporate income tax

A Singapore tax resident corporate taxpayer is subject to Singapore income tax on:

- (a) income accrued in or derived from Singapore; and
- (b) foreign sourced income received or deemed received in Singapore, unless otherwise exempted.

Foreign income in the form of branch profits, dividends and service fee income (the “specified foreign income”) received or deemed received in Singapore by a Singapore tax resident corporate taxpayer are exempted from Singapore tax subject to meeting the qualifying conditions.

A non-Singapore tax resident corporate taxpayer, subject to certain exceptions, is subject to Singapore income tax on income accrued in or derived from Singapore, and on foreign income received or deemed received in Singapore.

A company is regarded as tax resident in Singapore if the control and management of the company’s business is exercised in Singapore. Normally, control and management of the company is vested in its board of directors and the place of residence of the company is where its directors meet.

The first S\$300,000 of chargeable income is exempt from tax as follows:

- (a) 75% of up to the first S\$10,000 of chargeable income; and
- (b) 50% of up to the next S\$290,000 of chargeable income.

The remaining chargeable income (after deducting the applicable tax exemption of the first S\$300,000 of chargeable income) will be taxed at the prevailing corporate tax rate, currently 17%.

Individual income tax

An individual taxpayer (both resident and non-resident) is subject to Singapore income tax on income accrued in or derived from Singapore, subject to certain exceptions. Foreign-sourced income received or deemed received by a Singapore tax resident individual is generally exempt from income tax in Singapore except for such income received through a partnership in Singapore. Certain Singapore-sourced investment income received or deemed received by individuals is also exempt from tax.

TAXATION

Currently, a Singapore tax resident individual is subject to tax at the progressive rates, ranging from 0% to 20.0%.

A non-Singapore tax resident individual is normally taxed at the tax rate of 20.0% except that Singapore employment income is taxed at a flat rate of 15.0% or at resident rates, whichever yields a higher tax.

An individual is regarded as a tax resident in Singapore if in the calendar year preceding the year of assessment, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

Dividend distributions

Under the one-tier corporate tax system, the tax paid by a resident company is a final tax and the distributable profits of the company can be paid to shareholders as tax exempt (one-tier) dividends. Dividends paid by us will be exempt from tax in the hands of Shareholders, regardless of the tax residence status or the legal form of the Shareholders. However, foreign Shareholders are advised to consult their own tax advisors to take into account the tax laws of their respective countries of residence and the existence of any double taxation agreement which their country of residence may have with Singapore.

Gains on disposal of Shares

Singapore currently does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains. In general, gains or profits derived from the disposal of our Shares acquired for long-term investment purposes are considered as capital gains and not subject to Singapore tax.

On the other hand, where such gains or profits arise from activities which the Comptroller of Income Tax regards as the carrying on of a trade or business of dealing in shares in Singapore, gains or profits will ordinarily be taxed as income.

Based on the IRAS e-Tax Guide on “Income Tax: Certainty of Non-taxation of Companies’ Gains on Disposal of Equity Investments” dated 30 May 2012, the gains derived from the disposal of ordinary shares in an investee company during the period 1 June 2012 to 31 May 2017 (both dates inclusive) is not taxable if immediately prior to the date of the share disposal, the divesting company had held at least 20% of the ordinary shares in the investee company for a continuous period of at least 24 months. This rule does not apply to a divesting company whose gains or profits from the disposal of shares are included as part of its income based on the provisions of Section 26 of the Income Tax Act (Chapter 134); or disposal of shares in an unlisted investee company that is in the business of trading or holding Singapore immovable properties (other than the business of property development). A new section will be added to the Income Tax Act (Chapter 134) via the Income Tax (Amendment) Act 2012 to provide for this rule.

In addition, Shareholders who adopt the tax treatment to be aligned with the Singapore Financial Reporting Standard 39 Financial Instruments — Recognition and Measurement (“FRS 39”) may be taxed on gains or losses (not being gains or losses in the nature of capital) even though no sale or disposal of our Shares is made. Shareholders who may be subject to such tax treatment should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of our Shares.

TAXATION

Stamp duty

There is no stamp duty payable on the subscription, allotment or holding of our shares.

Stamp duty is payable on the instrument of transfer of our shares at the rate of S\$2.00 for every S\$1,000 or any part thereof, computed on the consideration paid or market value of our shares registered in Singapore, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed (such as in the case of scripless shares, the transfer of which does not require instruments of transfer to be executed) or if the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

GST

GST is a tax on domestic consumption of goods and services and on the importation of goods into Singapore. The standard rate of GST is currently 7.0%.

The sale of our shares by an investor belonging in Singapore to another person belonging in Singapore is an exempt supply not subject to GST.

Where our shares are sold by a GST-registered investor in the course of a business to a person belonging outside Singapore, and that person is outside Singapore when the sale is executed, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at zero-rate. Any input GST incurred by a GST-registered investor in the making of this supply in the course of or furtherance of a business carried on by him is recoverable from the Comptroller of GST.

Services such as brokerage, handling and clearing services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale or holding of our shares will be subject to GST at the current rate of 7.0%. Similar services rendered to an investor belonging outside Singapore is generally subject to GST at zero-rate, provided that the investor is outside Singapore when the services are performed and the services provided do not benefit any Singapore persons.

Indonesia Taxation

Taxation of dividends

Dividends that are declared out of retained earnings and distributed to a Non-Indonesian shareholder in respect of shares are subject to Indonesian withholding tax, currently at the rate of 20.0%, on the amount of dividend being distributed. A lower rate provided under double taxation treaties may be applicable subject to certain requirements.

Taxation on the transfer of shares

Under Indonesian Income Tax Law (namely Law No.7 of 1983 as lastly amended by Law No.36 of 2008), income from the sale of shares in a non listed company received by a Non-Indonesian holder is subject to Indonesian withholding tax, currently at the rate of 5.0% of the sale price.

CLEARANCE AND SETTLEMENT

Upon listing and quotation on the Catalist, our Shares will be traded under the book-entry settlement system of the CDP, and all dealings in and transactions of the Shares through the Catalist will be effected in accordance with the terms and conditions for the operation of securities accounts with the CDP, as amended from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with CDP. Persons named as direct securities account holders and depository agents in the depository register maintained by the CDP, rather than CDP itself, will be treated, under our Articles and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective securities accounts.

Persons holding the Shares in securities accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificate(s). Such share certificates will, however, not be valid for delivery pursuant to trades transacted on the Catalist, although they will be *prima facie* evidence of title and may be transferred in accordance with our Articles. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing the Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2.00 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of S\$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or S\$0.20 per S\$100.00 or part thereof of the last transacted price where it is withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on the Catalist must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective securities accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$20.00 is payable upon the deposit of each instrument of transfer with CDP.

Transactions in the Shares under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of Shares sold and the buyer's securities account being credited with the number of Shares acquired. No transfer of stamp duty is currently payable for the Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on the Catalist is payable at the rate of 0.04% of the transaction value subject to a maximum of S\$600.00 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST at the prevailing rate 7.0%. Dealings of our Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the Catalist generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in securities accounts. An investor may open a direct account with CDP or a sub-account with a CDP depository agent. The CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

GENERAL AND STATUTORY INFORMATION

INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

1. Save as disclosed below, none of our Directors, Executive Officers or Controlling Shareholders:
 - (a) had at any time during the last ten years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;
 - (b) had at any time during the last ten years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
 - (c) has any unsatisfied judgment against him;
 - (d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty, which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
 - (e) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;
 - (f) had at any time during the last ten years, had judgment entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
 - (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
 - (h) has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
 - (i) has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;

GENERAL AND STATUTORY INFORMATION

- (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,
- in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or
- (k) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or governmental agency, whether in Singapore or elsewhere.

Mr Alan Nisbet was interviewed by the Commercial Affairs Department (the “CAD”) in his capacity as auditor of a company where management fraud had been committed. He was also interviewed by the MAS with respect to the audit of a bank in Singapore. Both of these investigations took place more than ten years ago and had long been completed.

Mr Leonard Beschizza was interviewed by the CAD as part of its investigation into a complaint of breach of trust allegedly committed by the then managing director of a Singapore company in 1992. Mr Leonard Beschizza was not contacted by the CAD further after that interview and was not informed, and is not aware, of the outcome of the investigation.

2. No person has been, or has the right to be, given an option to subscribe for or purchase any securities of our Company or any of our Subsidiaries.

SHARE CAPITAL

3. As at the Latest Practicable Date, there is only one class of shares in the capital of our Company. The rights and privileges attached to our Shares are stated in the Articles of Association of our Company. There are no founder, management or deferred shares. The Substantial Shareholders of our Company are not entitled to any different voting rights from the other Shareholders.

GENERAL AND STATUTORY INFORMATION

4. Save as disclosed below, there were no significant changes in the issued and paid-up share capital of our Company or our Subsidiaries within the three years preceding the Latest Practicable Date:

(a) Our Company

Date of capital increase	Class of shares	No. of shares issued/issued shares after Share Split (where applicable)	Purpose of issue/reduction	Resultant issued share capital (\$)
8 July 2010	Ordinary	79,900	Allotments to Lynette Le Mercier, Halcyon Agri Resources, Leonard Beschizza and Andrew Trevatt	104
26 July 2010	Ordinary	1	Allotment to Lynette Le Mercier	4,200,104
10 August 2010	Ordinary	19,999	Allotments to Lynette Le Mercier, Pascal Demierre, Valentin Schillo, Nut Hill Capital Pte. Ltd. and Lakeway Pte. Ltd.	8,400,104
13 October 2010	Ordinary	5,000	Allotment to Shaw Vee King	9,800,104
31 January 2011	Ordinary	18,000	Allotment to Halcyon Agri Resources	17,500,104
7 January 2013	Ordinary	246,000,000	Share Split	17,500,104

GENERAL AND STATUTORY INFORMATION

(b) Hevea Global

Date of change in capital	No. of ordinary shares issued/reduced	Purpose of issue/reduction	Resultant issued share capital (S\$)
3 November 2009	2	Allotment of subscribers' shares to Andrew Trevatt and Chieko Sato	2
24 May 2010	67,998	Allotments to Andrew Trevatt, Halcyon Agri Resources and our Company	4,415,753
17 June 2010	12,000	Allotment to Leonard Beschizza	4,415,754
30 August 2010	1	Allotment to our Company	8,615,754
2 February 2011	1	Allotment to our Company	22,615,754

(c) Hevea Processing

Date of capital increase	No. of ordinary shares issued	Purpose of issue/reduction	Resultant issued share capital (S\$)
6 July 2010	1	Allotment of subscriber's share to our Company	1

(d) Halcyon Plantations

Date of capital increase	No. of ordinary shares issued	Purpose of issue/reduction	Resultant issued share capital (S\$)
18 March 2011	1	Allotment of subscriber's share to our Company	1

(e) PT Hevea

Date of capital increase	No. of ordinary shares issued	Purpose of issue/reduction	Resultant issued share capital (US\$)
29 October 2010	1,500	Subscriber's shares	150,000
8 August 2011	20,000	Capital increase	2,000,000

GENERAL AND STATUTORY INFORMATION

Save as disclosed above, no shares in our Company or any of our Subsidiaries have been issued or are agreed to be issued, by us or any of our Subsidiaries, as fully or partly paid-up and whether for cash or for a consideration other than cash, within the three years preceding the date of this Offer Document.

5. In addition, no debentures of our Company or any of our Subsidiaries had been issued, or were proposed to be issued within the three years preceding the date of this Offer Document.

MEMORANDUM AND ARTICLES OF ASSOCIATION

6. Our Company is registered in Singapore with registration number 200504595D. The main object of our Company is to carry on business as, *inter alia*, an investment holding company.
7. A summary of our Articles of Association providing for, *inter alia*, transferability of Shares, Directors' voting rights, borrowing powers of Directors and dividend rights are set out in Appendix C entitled "Summary of Our Articles of Association" of this Offer Document. The Articles of Association of our Company is available for inspection at our registered office in accordance with paragraph 27 under "General and Statutory Information — Documents Available for Inspection" of this Offer Document.

MATERIAL CONTRACTS

8. The following contract, not being a contract entered into in the ordinary course of business of our Group, has been entered into by our Company within the two years preceding the date of lodgement of this Offer Document and are or may be material:

Date	Parties	Nature of Contract
1 January 2013	Halcyon Corporate Services	BSA

MANAGEMENT AND PLACEMENT ARRANGEMENTS

9. Pursuant to the Management Agreement dated 24 January 2013 entered into between our Company, the Vendor and PPCF, our Company and the Vendor appointed PPCF to manage and sponsor the Placement. PPCF will receive a management fee from our Company for such services rendered.

Pursuant to the Placement Agreement entered into between our Company, the Vendor, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent as set out in the section entitled "General and Statutory Information" of this Offer Document, our Company and the Vendor have appointed PPCF as the Manager, Sponsor and Lead Placement Agent, and UOBKH as the Co-Placement Agent, and PPCF and UOBKH have agreed to purchase and/or subscribe for or procure purchasers for and/or subscribers for the Placement Shares for a placement commission of 3.0% of the aggregate Placement Price payable by our Company and the Vendor for the total number of Placement Shares successfully purchased and/or subscribed for. Subject to any applicable laws and regulations, our Company and the Vendor agree that the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent shall be at their own liberty at their own expense to appoint one or more sub-placement agents for the Placement Shares upon such terms and conditions as they deem fit.

Subscribers of the Placement Shares may be required to pay a brokerage of up to 1.0% of the Placement Price to the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent (and the prevailing GST, if applicable).

GENERAL AND STATUTORY INFORMATION

Save as aforesaid, no commission, discount or brokerage, has been paid or other special terms granted within the two years preceding the date of this Offer Document or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company or any of our Subsidiaries.

The Management Agreement or the Placement Agreement may be terminated by PPCF or UOBKH, at any time on or before the close of the Application List, on the occurrence of certain events including the following:

- (a) PPCF and/or UOBKH becomes aware of any material breach by our Company and/or its agent(s) and/or the Vendor of any warranties, representations, covenants or undertakings given by our Company and/or the Vendor to PPCF and/or UOBKH in the Management Agreement or the Placement Agreement; or
- (b) there shall have been, since the date of the Management Agreement or the Placement Agreement, any change or prospective change in or any introduction or prospective introduction of any legislation, regulation, policy, directive, guideline, rule or byelaw by any relevant government or regulatory body, whether or not having the force of law, or any other occurrence of similar nature that would materially change the scope of work, responsibility or liability required of PPCF and/or UOBKH.

The Placement Agreement and the Management Agreement are each conditional upon the other not being terminated or rescinded pursuant to the provisions of the Management Agreement, and may be terminated on the occurrence of certain events, including those specified above. In the event that the Management Agreement or the Placement Agreement is terminated, our Company reserves the right, at the absolute discretion of our Directors, to cancel the Placement.

Save as disclosed above, our Company does not have any material relationship with any of the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent.

LITIGATION

- 10. There are no legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or have had during the last 12 months prior to the date of lodgement of this Offer Document, a material effect on our Group's financial position or profitability.

MISCELLANEOUS

- 11. The nature of the business of our Group has been stated earlier in this Offer Document. The corporations which by virtue of Section 6 of the Companies Act are deemed to be related to our Company are set out in the section entitled "Group Structure" of this Offer Document.
- 12. There has been no previous issue of Shares by our Company or offer for sale of our Shares to the public within the two years preceding the date of this Offer Document.
- 13. There has not been any public take-over by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or units of a business trust, which has occurred between the beginning of FY2012 and the Latest Practicable Date.

GENERAL AND STATUTORY INFORMATION

14. Save as disclosed in the section entitled “General and Statutory Information — Management and Placement Arrangements” of this Offer Document, no commission, discount or brokerage has been paid or other special terms granted within the two years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing/purchasing or agreeing to subscribe/purchase or procuring or agreeing to procure purchasers for and/or subscriptions for any shares in, or debentures of, our Company or our Subsidiaries.
15. Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Banker. In the ordinary course of business, the Receiving Banker may deploy these monies in the inter-bank money market. All profits derived from the deployment of such monies will accrue to the Receiving Banker. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.
16. Save as disclosed in this Offer Document, our Directors are not aware of any relevant material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group.
17. Save as disclosed in this Offer Document, our Directors are not aware of any event which has occurred after 30 September 2012 (being the end of the period covered by the most recent financial statements of our Group included in the Offer Document) to the Latest Practicable Date which may have a material effect on the financial position and results of our Group or the financial information provided in this Offer Document.
18. Save as disclosed in this Offer Document, the financial condition and operations of our Group are not likely to be affected by any of the following:
 - (a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group’s liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditure;
 - (c) unusual or infrequent events or transactions or any significant economic changes that may materially affect the amount of reported income from operations; and
 - (d) the business and financial prospects and any significant recent trends in production, sales and inventory, and in the costs and selling prices of products and services and known trends or uncertainties that have had or that we reasonably expect will have a material favourable or unfavourable impact on revenues, profitability, liquidity, capital resources or operating income or that would cause financial information disclosed to be not necessarily indicative of the future operating results or financial condition of our Company.
19. No expert is employed on a contingent basis by our Company or any of our Subsidiaries, or has a material interest, whether direct or indirect, in the shares of our Company or our Subsidiaries, or has a material economic interest, whether direct or indirect, in our Company including an interest in the success of the Placement.

GENERAL AND STATUTORY INFORMATION

20. In the reasonable opinion of our Directors, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent do not have a material relationship with our Company save as disclosed below:
- (a) PPCF is the Manager, Sponsor and Lead Placement Agent for the Placement;
 - (b) PPCF will be the continuing Sponsor of our Company for a period of three years from the date our Company is admitted and listed on the Catalist; and
 - (c) UOBKH is the Co-Placement Agent for the Placement.
21. Details, including the name, address and professional qualifications (including membership in a professional body) of the auditor of our Company for the Period Under Review and up to the date of lodgement of this Offer Document are as follows:

Deloitte & Touche LLP
Certified Public Accountants
6 Shenton Way Tower Two
#32-00

Singapore 068809

Partner-in-charge: Mr Jeremy Toh Yew Kuan (Practising member of the Institute of Certified Public Accountants of Singapore)

We currently have no intention of changing our independent auditor after the admission of our Company to the Catalist.

CONSENTS

22. The Manager, Sponsor and Lead Placement Agent, the Co-Placement Agent, the Solicitors to the Placement and the Legal Adviser to our Company on Indonesian law have each given and have not withdrawn their respective written consent to the issue of this Offer Document with the inclusion herein of and reference to its name in the form and context in which it appears in this Offer Document and to act in such capacities in relation to this Offer Document.
23. The Auditors and Reporting Accountants of our Group has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of the "Independent Auditors' Report on the Consolidated Financial Statements for FP2010, FY2011 and 9M2012" as set out in Appendix A of this Offer Document, respectively, in the form and context in which they are included and references to its name in the form and context in which it appears in this Offer Document and to act in such capacity in relation to this Offer Document.
24. IRSG has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and reference to its name and of the relevant extracts of its materials set out under the section entitled "Industry Overview" of this Offer Document in the form and context in which it appears in this Offer Document.

GENERAL AND STATUTORY INFORMATION

25. Each of the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent, the Auditors and Reporting Accountants of our Group, the Receiving Bank, the Solicitors to the Placement, the Legal Adviser to our Company on Indonesian law, the Share Registrar and the Principal Bankers do not make or purport to make any statement in this Offer Document and are not aware of any statement in this Offer Document which purports to be based on a statement made by it and each of them makes no representation regarding any statement in this Offer Document and, to the extent permitted by law, takes no responsibility for any statement in or omission from this Offer Document.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS AND THE VENDOR

26. Our Directors and the Vendor collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after having made all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Listing, our Company and our Subsidiaries, and our Directors and the Vendor are not aware of any other facts the omission of which would make any statements herein misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available resources or obtained from a named source, the sole responsibility of our Directors and the Vendor has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

DOCUMENTS AVAILABLE FOR INSPECTION

27. Copies of the following documents may be inspected at the registered office of our Company at 250 North Bridge Road, #12-01 Raffles City Tower, Singapore 179101, during normal business hours for a period of six months from the date of this Offer Document:
- (a) the Memorandum and Articles of Association of our Company;
 - (b) Independent Auditors' Report on the Consolidated Financial Statements for FP2010, FY2011 and 9M2012;
 - (c) the material contracts referred to in paragraph 8 above;
 - (d) the letters of consent referred to in paragraphs 22, 23 and 24 above;
 - (e) the Service Agreement referred to in the section entitled "Director, Management and Staff — Service Agreement" of this Offer Document; and
 - (f) the "World Rubber Industry Outlook. Review and Prospects to 2021", June 2012 by IRSG as referred to in the section entitled "Industry Overview" of this Offer Document.

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APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012

INDEPENDENT AUDITORS' REPORT

January 24, 2013

The Board of Directors
Halcyon Agri Corporation Limited
250 North Bridge Road
#12-01 Raffles City Tower
Singapore 179101

Dear Sirs

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Halcyon Agri Corporation Limited (the "Company") and its subsidiaries (collectively the "Group"). The consolidated financial statements comprise the consolidated statements of financial position as at September 30, 2012, December 31, 2011 and 2010 and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the nine month period ended September 30, 2012, year ended December 31, 2011 and period from April 1, 2010 to December 31, 2010 (the "Relevant Periods"), and a summary of significant accounting policies and other explanatory notes, as set out on pages A-7 to A-45.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with the Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED
FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012**

Opinion

In our opinion, the consolidated financial statements of the Group are properly drawn up in accordance with the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group as at September 30, 2012, December 31, 2011 and 2010 and of the results, changes in equity and cash flows of the Group for the Relevant Periods.

Other matters

This report has been prepared solely to you for inclusion in the offer document in connection with the proposed listing of Halcyon Agri Corporation Limited on Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited and for no other purposes.

Yours faithfully

Public Accountants and
Certified Public Accountants
Singapore

Jeremy Toh
Partner

**APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED
FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012**

HALCYON AGRI CORPORATION LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	January 1, 2012 to September 30, 2012	January 1, 2011 to September 30, 2011 (Unaudited)	January 1, 2011 to December 31, 2011	April 1, 2010 to December 31, 2010
		US\$	US\$	US\$	US\$
Revenue	6	177,582,241	173,660,799	231,354,956	11,040,949
Cost of sales		(161,880,218)	(165,141,514)	(221,321,978)	(9,738,321)
Gross profit		15,702,023	8,519,285	10,032,978	1,302,628
Other income	7	99,871	2,193,119	2,144,955	39,671
Selling expenses		(1,072,049)	(735,922)	(998,324)	(287,160)
Administrative expenses		(2,967,506)	(2,989,005)	(4,172,855)	(833,165)
Operating profit		11,762,339	6,987,477	7,006,754	221,974
Finance income		23,436	29,506	36,600	1,196
Finance costs	8	(1,493,893)	(1,778,217)	(2,273,161)	(113,531)
Profit before taxation		10,291,882	5,238,766	4,770,193	109,639
Income tax expense	9	(1,051,930)	(432,097)	(375,404)	—
Profit for the period/year	10	9,239,952	4,806,669	4,394,789	109,639
Profit attributable to:					
Owners of the company		9,048,038	4,806,669	4,394,789	109,639
Non-controlling interests		191,914	—	—	—
		9,239,952	4,806,669	4,394,789	109,639
Other comprehensive income					
Exchange differences on translation of foreign operations		(765,723)	249,345	(121,052)	(2,728)
Total comprehensive income for the period/year		8,474,229	5,056,014	4,273,737	106,911
Total comprehensive income attributable to:					
Owners of the company		8,282,315	5,056,014	4,273,737	106,911
Non-controlling interests		191,914	—	—	—
		8,474,229	5,056,014	4,273,737	106,911
Earnings before interest, tax, depreciation and amortisation	30	12,328,905	5,332,959	5,578,060	227,709
Earnings per share:					
Basic and diluted (dollars) ⁽¹⁾	31	73.56	39.08	35.73	0.89
Adjusted (cents) ⁽²⁾	31	3.68	1.95	1.79	0.04

Notes

- (1) For comparative purposes, the basic and diluted EPS for the period under review have been computed based on profit attributable to owners of our company and the share capital of 123,000 shares.
- (2) For comparative purposes, the adjusted EPS for the period under review have been computed based on profit attributable to owners of our company and the pre-placement share capital of 246,000,000 shares.

See accompanying notes to financial statements.

**APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED
FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012**

HALCYON AGRI CORPORATION LIMITED

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	September 30, 2012	December 31, 2011	December 31, 2010
		US\$	US\$	US\$
ASSETS				
Non-current assets				
Other assets	11	—	—	780,000
Intangible assets	12	10,000,000	10,000,000	—
Property, plant and equipment	13	11,004,872	11,963,425	107,375
Deferred charges		202,147	251,352	—
Deferred tax assets	15	119,595	46,119	—
Total non-current assets		21,326,614	22,260,896	887,375
Current assets				
Cash and bank balances	16	8,333,204	8,405,583	3,979,244
Trade receivables	17	4,365,665	10,610,522	7,060,164
Other receivables	18	2,075,774	1,512,409	2,789,339
Derivative financial instruments	19	549,103	3,067,162	4,353,273
Inventories	20	16,809,983	11,228,838	7,507,111
Total current assets		32,133,729	34,824,514	25,689,131
Total assets		53,460,343	57,085,410	26,576,506
LIABILITIES AND EQUITY				
Current liabilities				
Derivative financial instruments	19	1,290,403	1,280,893	3,261,806
Trade payables	21	467,625	33,046	6,910,241
Other payables	22	2,259,604	7,317,717	1,544,196
Loan payables	23	20,210,696	22,329,273	7,612,423
Provision for taxation		807,417	205,474	—
Total current liabilities		25,035,745	31,166,403	19,328,666
Net current assets		7,097,984	3,658,111	6,360,465
Non-current liabilities				
Loan payables	23	2,125,000	8,500,000	—
Retirement benefit obligations	24	417,792	222,430	—
Deferred tax liabilities	15	386,000	175,000	—
Total non-current liabilities		2,928,792	8,897,430	—
Net assets		25,495,806	17,021,577	7,247,840
Capital and reserves				
Share capital	25	12,500,074	12,500,074	7,000,074
Capital reserves	26	142,855	142,855	142,855
Accumulated profits		13,550,466	4,502,428	107,639
Foreign currency translation reserves		(889,503)	(123,780)	(2,728)
Equity attributable to owners of the company		25,303,892	17,021,577	7,247,840
Non-controlling interests		191,914	—	—
Total Equity		25,495,806	17,021,577	7,247,840
Total liabilities and equity		53,460,343	57,085,410	26,576,506

See accompanying notes to financial statements.

**APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED
FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012**

HALCYON AGRI CORPORATION LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Share capital	Capital reserves	Accumulated profits (losses)	Foreign currency translation reserves	Non- controlling interests	Total
		US\$	US\$	US\$	US\$	US\$	US\$
Balance at April 1, 2010		71	—	(2,000)	—	—	(1,929)
Effects of acquiring additional interests in a subsidiary	26	—	142,855	—	—	—	142,855
Issue of share capital	25	7,000,003	—	—	—	—	7,000,003
Total comprehensive income (loss) for the period		—	—	109,639	(2,728)	—	106,911
Balance at December 31, 2010		7,000,074	142,855	107,639	(2,728)	—	7,247,840
Issue of share capital	25	5,500,000	—	—	—	—	5,500,000
Total comprehensive income (loss) for the year		—	—	4,394,789	(121,052)	—	4,273,737
Balance at December 31, 2011		12,500,074	142,855	4,502,428	(123,780)	—	17,021,577
Total comprehensive income (loss) for the period		—	—	9,048,038	(765,723)	191,914	8,474,229
Balance at September 30, 2012		12,500,074	142,855	13,550,466	(889,503)	191,914	25,495,806

See accompanying notes to financial statements.

**APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED
FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012**

HALCYON AGRI CORPORATION LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS

	January 1, 2012 to September 30, 2012	January 1, 2011 to September 30, 2011 (Unaudited)	January 1, 2011 to December 31, 2011	April 1, 2010 to December 31, 2010
	US\$	US\$	US\$	US\$
Operating activities				
Profit before income tax	10,291,882	5,238,766	4,770,193	109,639
Adjustments for:				
Negative goodwill arising on acquisition	—	(2,144,955)	(2,144,955)	—
Depreciation expense	566,566	490,437	716,261	5,735
Retirement benefit expense	212,749	173,994	229,601	—
Interest expense	1,509,087	1,778,217	2,273,161	113,531
Fair value (gain) loss on open forward commodities contracts and inventories, unrealised	(497,957)	(652,454)	804,864	(1,091,467)
Interest income	(23,436)	(29,506)	(36,600)	(1,196)
Operating profit (loss) before working capital changes	12,058,891	4,854,499	6,612,525	(863,758)
Trade receivables	6,244,857	(2,780,002)	(3,550,358)	(7,060,164)
Other receivables and deferred charges	(514,160)	1,923,434	1,025,578	(2,789,339)
Inventories	(2,555,619)	(21,759,924)	(5,221,394)	(7,507,111)
Trade payables	434,579	(6,910,241)	(6,877,195)	6,910,241
Other payables	(5,094,103)	3,904,773	5,685,724	1,544,196
Retirement benefit obligation	—	—	(7,171)	—
Cash generated from (used in) operations	10,574,445	(20,767,461)	(2,332,291)	(9,765,935)
Interest received	23,436	29,506	36,600	1,196
Interest paid	(969,082)	(1,076,139)	(1,454,464)	(113,531)
Tax paid	(297,915)	(23,926)	(41,049)	—
Net cash from (used in) operating activities	9,330,884	(21,838,020)	(3,791,204)	(9,878,270)
Investing activities				
Other assets	—	—	—	(780,000)
Purchase of property, plant and equipment	(236,529)	(10,564,932)	(10,805,831)	(113,110)
Acquisition of intangible asset	—	(9,220,000)	(9,220,000)	—
Net cash used in investing activities	(236,529)	(19,784,932)	(20,025,831)	(893,110)
Financing activities				
Proceeds from issuance of shares	—	5,500,000	5,500,000	7,000,003
Capital contribution by a shareholder	—	—	—	142,855
Pledged deposits	1,005,221	(4,005,971)	(4,008,503)	(500,000)
Proceeds from term loans	—	16,500,000	16,500,000	—
Interest paid on term loans	(504,016)	(569,913)	(730,900)	—
Repayment of term loans	(3,750,000)	(2,000,000)	(3,000,000)	—
(Repayment) Net Proceeds of working capital loans	(4,743,577)	28,959,729	9,716,850	7,612,423
Net cash (used in) from financing activities	(7,992,372)	44,383,845	23,977,447	14,255,281
Net increase in cash and cash equivalents	1,101,983	2,760,893	160,412	3,483,901
Cash and cash equivalents at the beginning of period/year	3,897,080	3,479,244	3,479,244	71
Effect of exchange rate changes on the balance of cash held in foreign currencies	(169,141)	220,719	257,424	(4,728)
Cash and cash equivalents at the end of period/year	4,829,922	6,460,856	3,897,080	3,479,244

See accompanying notes to financial statements.

APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012

HALCYON AGRI CORPORATION LIMITED

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2012

1 GENERAL

The company (Registration No. 200504595D) is incorporated in Singapore, with its principal place of business and registered office at 250 North Bridge Road, Raffles City Tower, #12-01, Singapore 179101.

The consolidated financial statements have been prepared solely in connection with the proposed listing of Halcyon Agri Corporation Limited.

The principal activity of the company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

The consolidated financial statements of the Group for the period from April 1, 2010 to December 31, 2010, year ended December 31, 2011 and period ended September 30, 2012 were authorised for issue by the Board of Directors of the Company on January 24, 2013.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING — The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

ADOPTION OF NEW AND REVISED STANDARDS — In the current financial year, the group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning of the relevant periods. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the group's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following FRSs and amendments to FRS that are relevant to the group were issued but not effective:

Amendments to FRS 1	—	Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income)
Amendments to FRS 19	—	Employee Benefits
Amendments to FRS 107	—	Financial Instruments: Disclosures — Transfers of Financial Assets
FRS 110	—	Consolidated Financial Statements
FRS 113	—	Fair Value Measurement

The management anticipates that the adoption of the above FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the group in the period of their initial application.

APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF CONSOLIDATION — The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company and its subsidiaries. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the group's equity therein. The interest of non-controlling shareholders that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of.

BUSINESS COMBINATIONS — Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the group to the former owners of the acquiree, and equity interests issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the group obtains complete information about facts and circumstances that existed as of the acquisition date — and is subject to a maximum of one year from acquisition date.

The accounting policy for initial measurement of non-controlling interests is described above.

APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

INVESTMENT IN SUBSIDIARIES — In the company's financial statements, investment in subsidiaries is carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

FINANCIAL INSTRUMENTS — Financial assets and financial liabilities are recognised on the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". These are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividends or interest earned on the financial asset. Fair value is determined in the manner described in Note 4 to the financial statements.

APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade or other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" or other financial liabilities.

APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Interest-bearing bank and other borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire.

APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments

The group enters into a variety of derivative financial instruments to manage its exposure to commodity price risk, including forward commodity (natural rubber) contracts. Details of derivative financial instruments are disclosed in Note 19 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

LEASES — Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

INVENTORIES — Inventories except consumables are carried at the fair market value at the end of each reporting period. The resulting unrealised gain or loss is recognised in profit or loss. Consumables are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT — Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

**APPENDIX A — INDEPENDENT AUDITORS’ REPORT ON THE CONSOLIDATED
FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation is charged so as to write off the cost of equipment over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold improvements and renovation	—	10 years
Office equipment	—	2 years
Computers and software	—	1 to 5 years
Leasehold buildings	—	20 years
Plant and machinery	—	10 years
Vehicles	—	4 to 10 years

No depreciation is charged on freehold land and assets classified under assets under construction.

Fully depreciated assets still in use are retained in the financial statements.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

INTANGIBLE ASSETS — Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

IMPAIRMENT OF NON-FINANCIAL ASSETS — At the end of each reporting period, the group reviews the carrying amounts of assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BORROWING COSTS — Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

PROVISIONS — Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of these cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset as if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION — Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from rendering of services is recognised upon completion of the service.

Physical sale of commodities is recognised as revenue when significant risks and rewards of ownership are transferred to the buyer and the amount of revenue and the costs of the transaction (including future cost) can be measured reliably.

Commodity contracts to buy and sell commodities can be subject to net settlement if market conditions are favourable. Such commodity contracts and derivative financial instruments are marked to market at market rates prevailing at the end of the reporting period. Unrealised gains or losses are taken to profit or loss. Market value is generally based on listed market prices. If listed market prices are not available, or if liquidating the company's positions would reasonably be expected to impact market prices, market value is determined based on relevant factors, including trade price quotations, time value and volatility factors underlying the commodities and price quotations for similar commodities traded in different markets, including markets located in different geographical areas.

RETIREMENT BENEFIT COSTS — Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses that exceed 10% of the greater of the present value of the group's defined benefit obligation and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

EMPLOYEE LEAVE ENTITLEMENT — Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX — Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period/year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION — The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are presented in United States dollars, which is the functional currency of the company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies are recorded at the rates prevailing on the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

CASH AND CASH EQUIVALENTS — Cash and cash equivalents in the statement of cash flows comprise cash and bank balances that are subject to an insignificant risk of changes in value less pledged deposits.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgements in applying the group's accounting policies

In the process of applying the group's accounting policies which are described in Note 2 above, the management is of the opinion that any instances of application of judgement are not expected to have significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimation impairment of intangible asset

Determining whether intangible asset is impaired requires an estimation of the value in use of the intangible asset. The value in use calculation requires the group to estimate the future cash flows expected to arise and a suitable discount rate in order to calculate present value. The group's carrying amount of intangible asset at September 30, 2012 is US\$10,000,000 (December 31, 2011: US\$10,000,000; December 31, 2010: \$Nil) (Note 12).

Useful life of intangible asset

Management reviews the estimated useful life of intangible asset at the end of each annual reporting period to determine whether events and circumstances continue to support an indefinite useful life. The group's carrying amount of intangible asset at September 30, 2012 is US\$10,000,000 (December 31, 2011: US\$10,000,000; December 31, 2010: \$Nil) (Note 12).

Useful lives of property, plant and equipment

As described in Note 2, the group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. The group's carrying amount of property, plant and equipment at September 30, 2012 is US\$11,004,872 (December 31, 2011: US\$11,963,425; December 31, 2010: \$107,375) (Note 13).

**APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED
FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012**

4 FINANCIAL RISKS AND MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$
Financial assets			
Loans and receivables (including cash and cash equivalents)	14,507,459	20,150,336	13,828,747
Derivative financial instruments	<u>549,103</u>	<u>3,067,162</u>	<u>4,353,273</u>
Financial liabilities			
Amortised cost	25,062,925	38,180,036	16,066,860
Derivative financial instruments	<u>1,290,403</u>	<u>1,280,893</u>	<u>3,261,806</u>

(b) Financial risk management policies and objectives

The group has documented financial risk management policies. These policies set out the group's overall business strategies and its risk management philosophy. The group's overall financial risk management programme seeks to minimise potential adverse effects of the financial performance of the group.

The group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the group's exposure to these financial risks or the manner in which it manages and measures the risk.

(i) Foreign exchange risk management

As disclosed in Note 2 of the financial statements, the functional currency of the group is the United States dollars.

**APPENDIX A — INDEPENDENT AUDITORS’ REPORT ON THE CONSOLIDATED
FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012**

4 FINANCIAL RISKS AND MANAGEMENT (continued)

As at the end of the financial year, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the group’s functional currency are as follows:

	Liabilities			Assets		
	September 30, 2012	December 31, 2011	December 31, 2010	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$	US\$	US\$	US\$
Singapore dollars	—	—	—	391,774	232,916	668,496
Indonesian rupiah	850,970	6,049,017	—	1,568,448	6,393,322	7,552

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the group where they gave rise to an impact on the group’s profit or loss and/or equity.

If the relevant foreign currency strengthens by 10% against the functional currency of each group entity, profit or loss will increase (decrease) by:

	Singapore dollar impact			Indonesian Rupiah		
	September 30, 2012	December 31, 2011	December 31, 2010	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$	US\$	US\$	US\$
Profit or loss	39,177	23,292	66,850	71,748	34,431	755

(ii) Interest rate risk management

The group’s primary interest rate risk arises from its loan payables.

The group’s exposures to interest rates are set out below.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of

APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012

4 FINANCIAL RISKS AND MANAGEMENT (continued)

instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the group's profit would decrease/increase by US\$111,678 (December 31, 2011: US\$154,146; December 31, 2010: \$11,480). This is mainly attributable to the group's exposure to interest rates on its balance due to the bank and financial institutions.

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are creditworthy entities.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

Further details of credit risks on trade receivables are disclosed in Note 17 to the financial statements.

(iv) Liquidity risk

The group maintains sufficient liquidity at all times by efficient cash management. The company's ability to meet its obligations is managed by maintaining appropriate level of cash balance.

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The table includes both interest and principal cash flows.

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4 FINANCIAL RISKS AND MANAGEMENT (continued)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	Total
	%	US\$	US\$	US\$
September 30, 2012				
Non-interest bearing	—	2,727,229	—	2,727,229
Variable interest rate instruments	5.27	20,210,696	2,125,000	22,335,696
		<u>22,937,925</u>	<u>2,125,000</u>	<u>25,062,925</u>
December 31, 2011				
Non-interest bearing	—	7,350,763	—	7,350,763
Variable interest rate instruments	5.45	22,329,273	8,500,000	30,829,273
		<u>29,680,036</u>	<u>8,500,000</u>	<u>38,180,036</u>
December 31, 2010				
Non-interest bearing	—	8,454,437	—	8,454,437
Variable interest rate instruments	5.5	7,612,423	—	7,612,423
		<u>16,066,860</u>	<u>—</u>	<u>16,066,860</u>

Non-derivative financial assets

The group's and company's financial assets are substantially non-interest bearing and due within 1 year.

Derivative financial instruments

The following table details the liquidity analysis for derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows (outflows) on the derivative instrument that settle on a net basis and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period.

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4 FINANCIAL RISKS AND MANAGEMENT (continued)

	On demand or within 1 year	Within 2 to 5 years	Total
	US\$	US\$	US\$
September 30, 2012			
Gross settlement:			
Forward commodity (natural rubber) contracts	(741,300)	—	(741,300)
	(741,300)	—	(741,300)
December 31, 2011			
Gross settlement:			
Forward commodity (natural rubber) contracts	1,786,269	—	1,786,269
	1,786,269	—	1,786,269
December 31, 2010			
Gross settlement:			
Forward commodity (natural rubber) contracts	1,091,467	—	1,091,467
	1,091,467	—	1,091,467

(v) Commodity price risk

Due to the nature of the group's operations, the group is exposed to changes in agricultural commodity prices. At the end of the reporting period, a 5% increase/decrease of the commodities price index, with all other variables held constant, would have increased/decreased profit or loss before income tax by US\$61,753 (December 31, 2011: US\$63,404; December 31, 2010: \$81,373).

(vi) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments or the fact that they bear variable interest rates.

The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, the company 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 group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1);

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4 FINANCIAL RISKS AND MANAGEMENT (continued)

- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Financial instruments measured at fair value

	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Financial assets				
September 30, 2012				
Derivative financial instruments	549,103	—	—	549,103
December 31, 2011				
Derivative financial instruments	3,067,162	—	—	3,067,162
December 31, 2010				
Derivative financial instruments	4,353,273	—	—	4,353,273
Financial liabilities				
September 30, 2012				
Derivative financial instruments	1,290,403	—	—	1,290,403
December 31, 2011				
Derivative financial instruments	1,280,893	—	—	1,280,893
December 31, 2010				
Derivative financial instruments	3,261,806	—	—	3,261,806

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during these periods.

(c) Capital risk management policies and objectives

The group reviews its capital structure at least annually to ensure that the group will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance, and to ensure that all externally imposed capital requirements are complied with. The capital structure of the group comprises only of issued capital and retained earnings.

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5 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.

During the year, group entities entered into the following trading transactions with related parties:

	January 1, 2012 to September 30, 2012	January 1, 2011 to September 30, 2011 (Unaudited)	January 1, 2011 to December 31, 2011	April 1, 2010 to December 31, 2010
	US\$	US\$	US\$	US\$
Management fees paid/ payable to a related party	763,344	632,945	883,407	202,744
Interest expense paid/ payable to a related party	—	—	—	9,113

Compensation of directors and key management personnel

The remuneration of the members of key management personnel during the year/period was as follows:

	January 1, 2012 to September 30, 2012	January 1, 2011 to September 30, 2011 (Unaudited)	January 1, 2011 to December 31, 2011	April 1, 2010 to December 31, 2010
	US\$	US\$	US\$	US\$
Short term benefits:				
— Directors	1,249,423	963,659	1,192,809	373,837
— Other key management personnel	323,924	204,969	280,504	—
	<u>1,573,347</u>	<u>1,168,628</u>	<u>1,473,313</u>	<u>373,837</u>

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6 REVENUE

	January 1, 2012 to September 30, 2012	January 1, 2011 to September 30, 2011 (Unaudited)	January 1, 2011 to December 31, 2011	April 1, 2010 to December 31, 2010
	US\$	US\$	US\$	US\$
Sales of natural rubber (Note 32)	177,084,285	169,444,444	227,196,486	9,929,922
Fair value gain (loss) on open forward commodity contracts and inventories, unrealised	497,956	652,454	(804,864)	1,091,467
Service fee income	—	3,563,901	4,963,334	—
Others	—	—	—	19,560
	<u>177,582,241</u>	<u>173,660,799</u>	<u>231,354,956</u>	<u>11,040,949</u>

7 OTHER INCOME

	January 1, 2012 to September 30, 2012	January 1, 2011 to September 30, 2011 (Unaudited)	January 1, 2011 to December 31, 2011	April 1, 2010 to December 31, 2010
	US\$	US\$	US\$	US\$
Foreign exchange — Net	82,470	48,164	—	39,671
Others	17,401	—	—	—
Negative goodwill arising on acquisition (Note 27)	—	2,144,955	2,144,955	—
	<u>99,871</u>	<u>2,193,119</u>	<u>2,144,955</u>	<u>39,671</u>

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8 FINANCE COSTS

	January 1, 2012 to September 30, 2012	January 1, 2011 to September 30, 2011 (Unaudited)	January 1, 2011 to December 31, 2011	April 1, 2010 to December 31, 2010
	US\$	US\$	US\$	US\$
Interest expenses on:				
— Working capital loans	861,306	1,094,018	1,351,031	—
— Term loans	632,587	684,199	922,130	113,531
	<u>1,493,893</u>	<u>1,778,217</u>	<u>2,273,161</u>	<u>113,531</u>

9 INCOME TAX EXPENSE

Income tax recognised in profit or loss:

	January 1, 2012 to September 30, 2012	January 1, 2011 to September 30, 2011 (Unaudited)	January 1, 2011 to December 31, 2011	April 1, 2010 to December 31, 2010
	US\$	US\$	US\$	US\$
Current tax expense	899,860	312,946	245,193	—
Deferred tax expense relating to the origination and reversal of temporary differences (Note 15)	152,070	119,151	130,211	—
	<u>1,051,930</u>	<u>432,097</u>	<u>375,404</u>	<u>—</u>

Domestic income tax is calculated at 17% of the estimated assessable profit for the respective year/period. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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9 INCOME TAX EXPENSE (continued)

The total charge for the year/period can be reconciled to the accounting profit as follows:

	January 1, 2012 to September 30, 2012	January 1, 2011 to September 30, 2011 (Unaudited)	January 1, 2011 to December 31, 2011	April 1, 2010 to December 31, 2010
	US\$	US\$	US\$	US\$
Profit before tax	10,291,882	5,238,766	4,770,193	109,639
Tax at the domestic income tax rate of 17% (2010: 17%)	1,749,620	890,590	810,933	18,639
Non deductible expenses	104,322	126,256	131,070	—
Non taxable income	—	(541,752)	(542,877)	—
Tax exempt income	(20,647)	(20,056)	(20,647)	—
Effect of different tax rates of subsidiary operating in other jurisdiction	19,711	185,765	162,567	—
Utilisation of previously unrecognised tax losses	—	(107,237)	(74,930)	—
Additional tax allowance from Productivity and Innovation Credit	(31,596)	(46,721)	(48,100)	—
Effect of tax incentive at lower rate	(601,526)	(57,573)	(59,300)	—
Effect of previously unrecognised and unused tax losses now recognised as deferred tax asset	(166,600)	—	—	—
Others	(1,354)	2,825	16,688	(18,639)
Income tax expense recognised in profit or loss	1,051,930	432,097	375,404	—

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10 PROFIT FOR THE YEAR/PERIOD

	January 1, 2012 to September 30, 2012	January 1, 2011 to September 30, 2011 (Unaudited)	January 1, 2011 to December 31, 2011	April 1, 2010 to December 31, 2010
	US\$	US\$	US\$	US\$
(a) Profit for the year/period has been arrived at after charging:				
Depreciation				
— Cost of sales	523,872	471,424	653,182	—
— Administrative expenses	42,694	19,013	63,079	5,735
	<u>566,566</u>	<u>490,437</u>	<u>716,261</u>	<u>5,735</u>
Professional fees				
— Start up cost	—	532,029	665,483	331,920
— Others	100,256	50,452	91,282	7,105
Directors' remuneration (Note 5)	1,249,423	963,659	1,192,809	373,837
Foreign exchange (gain) loss	(82,470)	(48,164)	83,092	(39,671)
Management fees (Note 5)	763,334	632,945	883,407	202,744
Rental expenses	91,502	93,349	123,576	32,186
Export related expenses	395,699	153,073	208,165	—
Warehouse management expenses	184,163	117,105	152,297	—
Insurance	146,990	83,338	120,136	—
Cost of inventories recognised as expense	<u>(161,880,218)</u>	<u>(165,141,514)</u>	<u>(221,321,978)</u>	<u>(9,738,321)</u>

Included in cost of inventories recognised as expense are:

- Cost of raw materials amounting to US\$155,704,675 as at September 30, 2012 (September 30, 2011: US\$156,750,286; December 31, 2011: US\$209,876,152; December 31, 2010: US\$9,738,321), and
- Service charge by a service provider, for the processing and exporting of the Group's products, amounting to US\$4,419,677 as at September 30, 2011 and US\$6,049,017 as at December 31, 2011.

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10 PROFIT FOR THE YEAR/PERIOD (continued)

	January 1, 2012 to September 30, 2012	January 1, 2011 to September 30, 2011 (Unaudited)	January 1, 2011 to December 31, 2011	April 1, 2010 to December 31, 2010
	US\$	US\$	US\$	US\$
(b) Employee benefits expenses (including directors' remuneration)				
— Defined benefit plan	212,749	173,994	229,601	—
— Defined contribution plans	43,599	20,070	40,611	7,706
— Staff welfare	6,574	23,224	33,333	—
— Staff salaries	4,015,859	2,726,585	3,611,478	392,536
	<u>4,278,781</u>	<u>2,943,873</u>	<u>3,915,023</u>	<u>400,242</u>
Included in:				
— Cost of sales	2,206,198	1,193,036	1,590,458	—
— Selling expenses	676,350	582,849	790,159	287,160
— Administrative expenses	1,396,233	1,167,988	1,534,406	113,082
	<u>4,278,781</u>	<u>2,943,873</u>	<u>3,915,023</u>	<u>400,242</u>

11 OTHER ASSETS

In 2010, other assets comprised option fees paid to two vendors in connection with a planned purchase of property, plant and equipment and intangible assets, amounting to US\$10,000,000 and US\$10,000,000 respectively. The purchase was completed in February 2011.

12 INTANGIBLE ASSET

Intangible asset relates to process know-how on the production of a certain grade of rubber. The intangible asset has infinite life and is tested annually for impairment or more frequently if there are indications that the intangible asset may be impaired.

The recoverable amount of the intangible asset is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the intangible asset. The growth rates are based on industry research and do not exceed the long term average growth rate of the industry. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

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12 INTANGIBLE ASSET (continued)

The group prepares cash flows forecasts derived from the most recent financial budgets approved by directors for the next 3 years and extrapolates cash flows for the following 20 years based on an estimated growth rate of Nil% (December 31, 2011 and December 31, 2010: Nil%). This rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows is 10.7% (December 31, 2011: 10.7%; December 31, 2010: Nil%).

At September 30, 2012, the recoverable amount of the intangible asset is in excess of their respective carrying amounts. Therefore, no impairment loss is required for the year.

Directors believe that any reasonably possible change in any of these key assumptions would not significantly cause the carrying amount to exceed the recoverable amount of the intangible asset.

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13 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements and renovation	Office equipment	Computers and software	Leasehold buildings	Plant and machinery	Vehicles	Freehold land	Asset under construction	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Cost:									
At April 1, 2010	—	11,546	—	—	—	—	—	—	—
Additions	98,188		3,376						113,110
At December 31, 2010	98,188	11,546	3,376	—	—	—	—	—	113,110
Additions	1,074,420	35,829	172,767	3,449,978	2,737,769	1,194,640	4,192,159	93,224	12,950,786
Exchange differences	(33,350)	(1,120)	—	(107,748)	(85,505)	(37,310)	(130,929)	(2,912)	(398,874)
At December 31, 2011	1,139,258	46,255	176,143	3,342,230	2,652,264	1,157,330	4,061,230	90,312	12,665,022
Additions	11,148	53,677	95,996	10,162	—	—	—	65,546	236,529
Reclassification	(60,184)	—	—	60,184	—	—	—	—	—
Exchange differences	(56,285)	(3,225)	—	(183,024)	(143,844)	(62,767)	(220,259)	(6,539)	(675,943)
At September 30, 2012	1,033,937	96,707	272,139	3,229,552	2,508,420	1,094,563	3,840,971	149,319	12,225,608
Accumulated depreciation:									
At April 1, 2010	—	—	—	—	—	—	—	—	—
Additions	3,605	1,016	1,114	—	—	—	—	—	5,735
At December 31, 2010	3,605	1,016	1,114	—	—	—	—	—	5,735
Depreciation charged	108,605	14,215	44,795	160,259	247,096	141,291	—	—	716,261
Exchange differences	(2,957)	(308)	—	(5,004)	(7,717)	(4,413)	—	—	(20,399)
At December 31, 2011	109,253	14,923	45,909	155,255	239,379	136,878	—	—	701,597
Depreciation charged	83,842	24,506	29,470	123,835	192,959	111,954	—	—	566,566
Exchange differences	(6,812)	(1,061)	—	(11,519)	(17,810)	(10,225)	—	—	(47,427)
At September 30, 2012	186,283	38,368	75,379	267,571	414,528	238,607	—	—	1,220,736
Carrying amount:									
As at December 31, 2010	94,583	10,530	2,262	—	—	—	—	—	107,375
As at December 31, 2011	1,030,005	31,332	130,234	3,186,975	2,412,885	1,020,452	4,061,230	90,312	11,963,425
As at September 30, 2012	847,654	58,339	196,760	2,961,981	2,093,892	855,956	3,840,971	149,319	11,004,872

The group's property, plant and equipment have been pledged to a bank for general banking facilities (Note 23).

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14 SUBSIDIARIES

Details of the company's subsidiaries are as follows:

Name of subsidiary	Country of Incorporation (or registration)	Proportion of ownership interest			Principal activity
		%	%	%	
		2012	2011	2010	
Hevea Global Pte Ltd ⁽¹⁾	Singapore	100	100	100	Commodities trading
Hevea Processing Pte Ltd ⁽¹⁾	Singapore	100	100	100	Investment holding
Halcyon Plantation Pte Ltd ⁽²⁾	Singapore	100	100	—	Natural rubber
Subsidiary of Hevea Processing Pte Ltd					
PT Hevea MK ⁽³⁾	Indonesia	95	95	95	Natural rubber processing

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Dormant during the year.

(3) Audited by overseas practices of Deloitte & Touche.

15 DEFERRED TAX

	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$
Deferred tax assets	119,595	46,119	—
Deferred tax liabilities	(386,000)	(175,000)	—
	(266,405)	(128,881)	—

The following are the major deferred tax liabilities and assets recognised by the group, and the movements thereon, during the current and prior reporting periods:

	Accelerated tax depreciation	Others	Total
	US\$	US\$	US\$
At April 1, 2010 and January 1, 2011	—	—	—
Charge to profit or loss for the year (Note 9)	(156,963)	26,752	(130,211)
Exchange differences	(394)	1,724	1,330
As December 31, 2011	(157,357)	28,476	(128,881)
Charge to profit or loss for the year (Note 9)	(144,674)	(7,396)	(152,070)
Exchange differences	(17,822)	32,368	14,546
As September 30, 2012	(319,853)	53,448	(266,405)

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16 CASH AND BANK BALANCES

Cash and bank balances in the statement of cash flows consist of the following:

	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$
Cash at bank	4,829,922	3,897,080	3,479,244
Fixed deposits-pledged	3,503,282	4,508,503	500,000
	<u>8,333,204</u>	<u>8,405,583</u>	<u>3,979,244</u>

Cash and bank balances comprise cash held by the group and short term bank deposits. The carrying amounts of these assets approximate their fair value.

Fixed deposits bear average effective interest rate of 0.25% (2011: 0.66%; 2010: 0.73%) per annum and are for a tenure of approximately 365 days.

Cash and bank balances of US\$3,503,282 (2011: US\$4,508,503; 2010: US\$500,000) have been pledged for general banking facilities (Note 23).

The group's cash and bank balances that are not denominated in its functional currency are as follows:

	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$
Singapore dollars	73,965	167,481	629,156
Indonesia rupiah	1,273,772	1,170,616	7,552

17 TRADE RECEIVABLES

	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$
Outside parties	<u>4,365,665</u>	<u>10,610,522</u>	<u>7,060,164</u>

The average payment period on sale of goods ranges from 2 days to 15 days from the delivery of goods to customers. No interest is charged on the trade receivables.

In determining the recoverability of a trade receivable, the group considers any change in the credit quality of the trade receivable from the date credit was granted up to the end of the reporting period. Accordingly, management believes that there is no allowance for doubtful debts required.

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17 TRADE RECEIVABLES (continued)

The table below is an analysis of trade receivables as at:

	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$
Not past due and not impaired	4,365,665	5,388,832	7,060,164
Past due but not impaired	—	5,221,690	—
	<u>4,365,665</u>	<u>10,610,522</u>	<u>7,060,164</u>
	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$
Aging of receivables that are past due but not impaired:			
< 3 months	—	5,221,690	—

The group's trade receivables that are not denominated in its functional currency are as follows:

	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$
Indonesia rupiah	—	5,221,690	—

In 2010, trade receivables amounting to US\$2,295,095 had been pledged as security for trade financing facilities (Note 23).

18 OTHER RECEIVABLES

	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$
Deposits	1,395,789	1,129,700	2,789,339
Prepayments	267,184	378,178	—
Other receivables	252,215	4,531	—
Other tax receivables	158,367	—	—
Due from a related party	2,219	—	—
	<u>2,075,774</u>	<u>1,512,409</u>	<u>2,789,339</u>

Included in deposits is an amount of US\$1,248,330 (December 31, 2011: US\$1,000,000; December 31, 2010: US\$Nil) which has been deposited with a bank as collateral for a term loan.

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18 OTHER RECEIVABLES (continued)

The group's other receivables that are not denominated in its functional currency are as follows:

	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$
Singapore dollar	317,809	65,435	39,340
Indonesian rupiah	294,676	1,016	—

19 DERIVATIVE FINANCIAL INSTRUMENTS

	September 30, 2012		December 31, 2011		December 31, 2010	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	US\$	US\$	US\$	US\$	US\$	US\$
Forward commodity (natural rubber) contracts	549,103	(1,290,403)	3,067,162	(1,280,893)	4,353,273	(3,261,806)

The group utilises forward commodity (natural rubber) contracts to manage the fluctuations in world rubber prices.

At the end of the reporting period, the total notional amounts of derivative financial instruments to which the group is committed to are as follows:

	Notional amount			Positive fair value			Negative fair value		
	September 30, 2012	December 31, 2011	December 31, 2010	September 30, 2012	December 31, 2011	December 31, 2010	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Forward contracts on commodities:									
— Sales	21,406,698	35,645,486	25,559,030	107,070	3,067,162	4,348,604	(1,397,473)	—	—
— Purchases	19,387,084	28,409,069	26,094,995	549,103	—	4,669	—	(1,280,893)	(3,261,806)
				656,173	3,067,162	4,353,273	(1,397,473)	(1,280,893)	(3,261,806)

The average maturity period for forward commodity (natural rubber) contracts ranges from one to six months.

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20 INVENTORIES

	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$
At cost:			
— Consumables	926,608	455,754	—
At fair value:			
— Raw materials	6,207,943	2,723,487	—
— Work-in-progress	3,340,994	4,290,867	4,461,621
— Finished goods held for resale	6,334,438	3,758,730	3,045,490
	<u>16,809,983</u>	<u>11,228,838</u>	<u>7,507,111</u>

The inventories as at the end of each reporting period in 2012, 2011 and 2010 includes fair value adjustments of US\$1,525,859, (US\$1,499,667) and \$Nil respectively.

Inventories with carrying amounts of US\$15,883,375 (December 31, 2011: US\$10,773,084; December 31, 2010: US\$7,507,111) have been pledged as security for a trade financing facility recorded as loan payables in Note 23.

21 TRADE PAYABLES

	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$
Outside parties	<u>467,625</u>	<u>33,046</u>	<u>6,910,241</u>

The average credit period on purchases of goods other than raw material rubber is 30 days (2011: 30 days; 2010: 30 days). No interest is charged on the trade payables.

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs.

22 OTHER PAYABLES

	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$
Outside parties	2,214,529	7,080,612	425,689
Other taxes payable	45,075	122,105	—
Due to:			
A shareholder (Note 5)	—	—	661,285
A director (Note 5)	—	—	454,752
Related party	—	115,000	2,470
	<u>2,259,604</u>	<u>7,317,717</u>	<u>1,544,196</u>

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22 OTHER PAYABLES (continued)

In 2010,

- included in amount due to a shareholder was a management fee payable of US\$202,744 and a loan of US\$458,541. The loan bore interest at 10% per annum and was repayable on demand. The loan was fully repaid in April 2011.
- the amount due to a director was repayable on demand, unsecured and bore interest at 10% per annum. The amount due to director was fully repaid in May 2011.

The group's other payables that are not denominated in its functional currency are as follows:

	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$
Indonesian rupiah	850,970	6,049,017	—

23 LOAN PAYABLES

	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$
Trust receipts	—	—	2,295,095
Loan payables:			
Working capital loans	12,585,696	17,329,273	5,317,328
Term loan	9,750,000	13,500,000	—
	22,335,696	30,829,273	7,612,423
Less: Amount due for settlement within 12 months (shown under current liabilities)	(20,210,696)	(22,329,273)	(7,612,423)
Amount due for settlement after 12 months	2,125,000	8,500,000	—

In 2010, trust receipts payable bore interest at 2% per annum above the prevailing SIBOR and were secured by pledged fixed deposits (Note 16) and trade receivables (Note 17).

Working capital loans bear average interest rates ranging from 3.58% to 7.00% (December 31, 2011: 3.93% to 7.00%; December 31, 2010: 9.00%) per annum. These loans are secured by corporate guarantee from two directors/shareholders of the company and by a charge over certain of the group's inventories (Note 20) and pledged deposits (Note 16).

Term loan bears average interest at 5.45% (2011: 5.45%; 2010: Nil%) per annum and are secured by a charge over certain of the group's property, plant and equipment (Note 13). This loan has been refinanced by the Group subsequent to the end of the reporting period, in which details are explained in Note 34.

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23 LOAN PAYABLES (continued)

The directors are of the view that the carrying amounts of loan payables approximate their fair values.

24 RETIREMENT BENEFIT OBLIGATIONS

In 2011, the group started to provide defined post-employment benefits for its qualifying employees in accordance with Indonesia Labor Law No. 13/2003. The number of employees entitled to the benefits is 598 (December 31, 2011: 595; December 31, 2010: Nil).

Amount recognised in the statement of comprehensive income with respect to these post-employment benefits are as follows:

	September 30, 2012	December 31, 2011
	US\$	US\$
Current service cost	212,749	229,601

The amounts included in the statement of financial position arising from the group's obligation with respect to these post-employment benefits are as follows:

	September 30, 2012	December 31, 2011
	US\$	US\$
Net liability:		
At beginning of the period	222,430	—
Present value of defined benefits obligation	212,749	229,601
Unrecognised actuarial gain	(17,387)	(7,171)
At end of the period	417,792	222,430

The cost of providing post-employment benefits is calculated by an independent actuary. The actuarial valuation was carried out using the following key assumptions:

Discount rate	:	7.00% per annum
Future salary increment rate	:	10.00% per annum
Mortality rate	:	100.00% TM12
Disability rate	:	5.00% TM12
Resignation rate	:	2.5% per annum until age 35, then decrease linearly until 0% at age 55
Normal retirement rate	:	100.00% per annum

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25 SHARE CAPITAL

	September 30, 2012	December 31, 2011	December 31, 2010	September 30, 2012	December 31, 2011	December 31, 2010
	Number of ordinary shares			US\$		
Issued and paid up:						
At beginning of period	123,000	105,000	100	12,500,074	7,000,074	71
Issue of share capital	—	18,000	104,900	—	5,500,000	7,000,003
At end of period	<u>123,000</u>	<u>123,000</u>	<u>105,000</u>	<u>12,500,074</u>	<u>12,500,074</u>	<u>7,000,074</u>

The company has only one class of share of ordinary shares which have no par value, carry one vote per share and carry a right to dividends as and when declared by the company.

26 CAPITAL RESERVES

In 2010, there was a restructuring involving a swap of the company's shares with the shares of a subsidiary held by the shareholders. The excess of the capital paid by a shareholder for the shares in the subsidiary over the capital received from the same shareholder for the swap of the shares in the company is recorded in capital reserves.

27 ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

On February 2, 2011, the group acquired a business comprising mainly property, plant and equipment for a cash consideration of US\$10 million. This transaction has been accounted for in accordance with FRS 103 *Business Combinations*.

(A) Assets acquired and liabilities assumed at the date of acquisition

	<u>2011</u>
	US\$
Non-current assets	
Property, plant and equipment, representing total net assets acquired	<u>12,144,955</u>

(B) Negative goodwill arising on acquisition

	<u>2011</u>
	US\$
Consideration paid	10,000,000
Less: Fair value of identifiable net assets acquired	<u>(12,144,955)</u>
Negative goodwill arising on acquisition	<u>(2,144,955)</u>

Negative goodwill arose in the acquisition of the assets as the fair value of the property, plant and equipment acquired were in excess of the consideration.

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27 ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT (continued)

(C) Impact of acquisition on the results of the group

In 2011, included in the profit for the year and revenue was US\$2,002,831 and US\$4,963,334 attributable to the additional business generated by the acquisition of the abovementioned property, plant and equipment.

Had the business combination during the year been effected at January 1, 2011, the financial statements of the group would have been similar to what was presented in the consolidated financial statements.

28 OPERATING LEASE COMMITMENTS

	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$
Minimum lease payments under operating leases recognised as an expense during the year/period	91,502	123,576	32,186

At the end of the reporting period, the group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$
Within one year	100,010	96,112	96,811
In the second to fifth years inclusive	11,370	83,011	180,426
	111,380	179,123	277,237

Operating lease payments represent rentals payable by the group for its office premises. Leases are negotiated for an average term of two years and rentals are fixed for an average of two years.

29 CONTINGENT LIABILITY

	September 30, 2012	December 31, 2011	December 31, 2010
	US\$	US\$	US\$
Guarantees given to a bank with respect of bank facilities utilised by a shareholder	5,500,000	5,500,000	—

The guarantee given by the Group with respect of the above has been fully discharged on November 2012.

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30 EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (“EBITDA”)

	January 1, 2012 to September 30, 2012	January 1, 2011 to September 30, 2011 (Unaudited)	January 1, 2011 to December 31, 2011	April 1, 2010 to December 31, 2010
	US\$	US\$	US\$	US\$
Profit before taxation	10,291,882	5,238,766	4,770,193	109,639
Adjustments for:				
Depreciation	566,566	490,437	716,261	5,735
Finance costs	1,493,893	1,778,217	2,273,161	113,531
Negative goodwill arising on acquisition	—	(2,144,955)	(2,144,955)	—
Interest income	(23,436)	(29,506)	(36,600)	(1,196)
EBITDA	12,328,905	5,332,959	5,578,060	227,709

31 EARNINGS PER SHARE

Basic and diluted earnings per share for the relevant periods have been calculated based on the profit attributable to the owners of the company of \$9,048,038 (September 30, 2011: \$4,806,669; December 31, 2011: \$4,394,789; December 31, 2010: \$109,639) and share capital of 123,000 shares.

Adjusted earnings per share for the relevant periods have been calculated based on the profit attributable to the owners of the company of \$9,048,038 (September 30, 2011: \$4,806,669; December 31, 2011: \$4,394,789; December 31, 2010: \$109,639) and pre-placement share capital of 246,000,000 shares.

32 SEGMENT INFORMATION

The Group operates predominantly in the midstream of the natural rubber supply chain, specialising in the processing and merchandising/marketing of processed rubber. Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance constitutes the consolidated results of the Group. Accordingly, the Group has one reporting segment under FRS 108 *Operating Segments*.

Geographical information

The group operates in the following geographical locations.

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32 SEGMENT INFORMATION (continued)

The group's revenue from external customers and information about its segment assets (non-current assets including intangible assets, property, plant and equipment, deferred charges and other assets) by geographical location are detailed below:

Revenue from external customer	September 30, 2012	September 30, 2011	December 31, 2011	December 31, 2010
	US\$	US\$	US\$	US\$
USA	68,656,540	90,442,249	110,682,009	7,231,521
Asia (excluding Singapore and China)	65,661,488	62,384,897	87,260,761	755,773
Singapore (country of domicile)	35,002,865	15,835,737	28,472,155	231,629
Europe	6,659,350	781,561	781,561	1,710,999
China	1,104,041	—	—	—
	<u>177,084,284</u>	<u>169,444,444</u>	<u>227,196,486</u>	<u>9,929,922</u>
		September 30, 2011	December 31, 2011	December 31, 2010
Non-current assets		US\$	US\$	US\$
Asia (excluding Singapore and China)		10,956,024	12,017,083	—
Singapore (country of domicile)		10,250,995	10,197,694	887,375
		<u>21,207,019</u>	<u>22,214,777</u>	<u>887,375</u>

33 COMPARATIVE FIGURES

The financial statements for 2012 covered the financial period from January 1, 2012 to September 30, 2012.

The financial statements for 2011 covered the financial year ended December 31, 2011.

The financial statements for 2010 covered the financial period from April 1, 2010 to December 31, 2010 because the company changed its year-end from March 31 to December 31 in 2010.

34 SUBSEQUENT EVENTS

(A) In November 2012, the Group entered into a loan agreement with a financial institution ("Lender") to refinance its existing term loan, which has an outstanding balance of US\$8,500,000 as at the date of the refinancing. Under the refinancing agreement, the Group is required to pay US\$250,000 per month for 12 months with the remaining amount fully paid by 31 December 2013 ("Maturity Date"). The Lender has the option to extend the Maturity Date for another 1 year period or such other conditions mutually agreed between the Lender and the Group. The term loan bears interest at 7.5% per annum and is secured by a charge over certain of the group's property, plant and equipment.

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34 SUBSEQUENT EVENTS (continued)

- (B) Pursuant to the resolutions of our Shareholders passed on January 7, 2013, our Shareholders approved, *inter alia*, the following:
- (a) the Share Split;
 - (b) the conversion of our Company into a public company limited by shares and the consequential change of name to Halcyon Agri Corporation Limited;
 - (c) the adoption of a new set of Articles of Association;
 - (d) the issue of the New Shares pursuant to the Placement, which when allotted or allocated, issued and fully paid, will rank *pari passu* in all respects with the existing issued Shares; and
 - (e) the authorisation of our Directors, pursuant to Section 161 of the Companies Act, to
 - (i) allot and issue Shares whether by way of rights, bonus or otherwise (including Shares as may be issued pursuant to any Convertible Securities (as defined below) made or granted by the Directors while this resolution is in force notwithstanding that the authority conferred by this resolution may have ceased to be in force at the time of issue of such Shares); and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Convertible Securities**”) that might or would require Shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares.

**APPENDIX A — INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED
FINANCIAL STATEMENTS FOR FP2010, FY2011 AND 9M2012**

HALCYON AGRI CORPORATION LIMITED

STATEMENT OF DIRECTORS

In the opinion of the directors, the consolidated financial statements of the group as set out on pages A-3 to A-45 are drawn up so as to give a true and fair view of the state of affairs of the group as at September 30, 2012, December 31, 2011 and 2010, and of the results, changes in equity and cash flows of the group for the nine month period ended September 30, 2012, year ended December 31, 2011 and period from April 1, 2010 to December 31, 2010 and at the date of this statement, there are reasonable grounds to believe that the group will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

Robert Meyer

Pascal Demierre

January 24, 2013

APPENDIX B — GOVERNMENT REGULATIONS

SINGAPORE

The following is a summary of the main laws and regulations of Singapore that are relevant to our business as at the Latest Practicable Date:

Under the Rubber Industry Act (Cap. 280) (the “**Rubber Industry Act**”), a person who deals in, treats or stores rubber, ships rubber for export, packs rubber for export or manufactures technically specified rubber must be a holder of a valid licence granted under the Rubber Industry Act authorising him to do so or be a person employed by the holder of such a licence. A person desiring to obtain such a licence shall make an application in such form and with such particulars as the IE Singapore Board (the “**IE Singapore Board**”) may require. The IE Singapore Board may grant a licence for a period of one year at a time (with or without conditions), and all applications for the renewal of a licence shall be made to the IE Singapore Board one month before the expiry of that licence. Under the Rubber Industry Act, if the IE Singapore Board is satisfied that a person who is granted a licence is contravening, or has contravened and is likely again to contravene, any of the conditions of the licence or the provisions of the Rubber Industry Act or any regulations or by-laws made thereunder, the IE Singapore Board may, by notice in writing and without any compensation, *inter alia*, revoke the licence, suspend the licence for such period as the IE Singapore Board may determine, impose a fine not exceeding S\$25,000 and warn such person of the consequences of a further contravention.

INDONESIA

The following is a summary of the main laws and regulations of Indonesia that are relevant to our business as at the Latest Practicable Date:

Foreign Investment Regulations

Capital investment in all sectors in Indonesia are regulated under Law No. 25 of 2007 regarding Capital Investment (the “**Investment Law**”) which was enacted on 26 April 2007 and replaced the old capital investment regime under Law No. 1 of 1967 as amended by Law No. 11 of 1970 on Foreign Capital Investment and Law No. 6 of 1968 as amended by Law No. 12 of 1970 on Domestic Capital Investment.

Foreign capital is defined as capital owned by a foreign country, foreign national, foreign business entity, foreign legal entity and/or an Indonesian legal entity which is wholly or partly owned by foreign parties. In order to carry out business activities by way of investing foreign capital in Indonesia, the Investment Law provides that such foreign investment may only be carried out in the form of a limited liability company being domiciled in Indonesia (“**PMA Company**”). The Investment Law provides that a capital investment company, which includes a PMA Company, must obtain an investment licence for conducting activities in Indonesia and such an investment licence is issued by the Investment Coordinating Board (Badan Koordinasi Penanaman Modal) (“**BKPM**”).

In order to give security to foreign investors investing their capital in Indonesia, the Investment Law provides protection and guarantee to foreign investment. The Investment Law provides equal treatment to investors of any country that carry out investment activities in Indonesia in accordance with the prevailing laws and regulations. The Government of Indonesia (“**GOI**”) shall not conduct nationalisation or expropriation, unless by virtue of a law. In the event that GOI conducts nationalisation or expropriation, GOI shall provide a compensation which amount shall be determined based on market value. Any dispute on the compensation matters shall be referred to an arbitration settlement. In addition, the Investment Law also entitles foreign investors to transfer and repatriate, amongst others, capital, profits, dividend and other required funds, by using foreign currency to their home country.

APPENDIX B — GOVERNMENT REGULATIONS

Recognised business sectors are classified under Indonesia's Standard Classification of Business Sector (Klasifikasi Baku Lapangan Usaha Indonesia) (the "**KBLI**") which is governed by the Regulation of the Head of Central Statistic Body No. 57 of 2009.

In accordance with the KBLI, the crumb rubber industry is included in the category of processing industry, with KBLI code number 22123. KBLI 22123 covers the activities of rubber processing where crumb rubber is produced.

In addition to the KBLI, pursuant to the Investment Law, all business sectors or type of activities are in principle open to capital investment except for business sectors or activities that are declared closed or open subject to certain requirements. The lists of business sectors that are closed and opened with certain requirements to capital investment are further stipulated under the Presidential Regulation No. 36 of 2010 (the "**Negative Investment List**"). Based on the Negative Investment List, foreign investment in the line of business of crumb rubber industry is open for capital investment subject to a maximum of 95% foreign share ownership of the subscribed and paid-up capital of the relevant company.

Crumb Rubber Industry Business

Based on Regulation of the Head of BKPM No. 12 of 2009 regarding the Guidance and Procedures of Investment Application, a capital investment company, which includes a PMA company, is required to obtain a Business Licence prior to commencement of its commercial production/operation of goods and/or services. The Business Licence is valid for as long as the business is being conducted.

The licensing regime of the Plantation Business is stipulated in the Regulation of Minister of Agriculture No. 26 of 2007 regarding Guidance on Licensing of Plantation Businesses (the "**IUP Regulation**").

Under the IUP Regulation, there are three types of Plantation Business Licences ("**IUP**"):

- (a) IUP for cultivation of plantation plants (IUP-B), which is an IUP that must be obtained by a company that engages in the business of cultivating plants;
- (b) IUP for processing (IUP-P), which is an IUP that must be obtained by a company that engages in the business of processing of plantation products; and
- (c) IUP, which is an IUP that must be obtained by a company that engages in the business of plant cultivation that is integrated with the processing of plantation products.

Export activities are regulated under the Minister of Trade Regulation No. 13 of 2012 regarding General Provision in Export Area (the "**Export Regulation**"). Basically, under the Export Regulation, all goods may be freely exported unless they are stipulated as goods that are subject to certain limitations or goods restricted for export. With regard to the export of crumb rubber, there is currently no regulation which prescribes limitations or restrictions to export crumb rubber.

Further, in order to conduct export activities, the following licences are required: (i) Trade Business Licence (Surat Izin Usaha Perdagangan — SIUP) or business licence (ii) Company Registration Certificate (Tanda Daftar Perusahaan — TDP), (iii) Taxpayer Identification Number (Nomor Pokok Wajib Pajak — NPWP) and (iv) other licences required under the prevailing laws.

In order to export crumb rubber, the additional licences that would be required are, amongst others, the Producer Identification Mark (Tanda Pengenal Produsen — TPP) issued by the Ministry of Trade and the Custom Identity Number (Nomor Identitas Kepabeanan — NIK) issued by the Director General of Customs and Excise.

APPENDIX B — GOVERNMENT REGULATIONS

Environmental Laws

The regulations on environmental licences are: (a) Law No. 32 of 2009 regarding Environmental Protection and Management (the “**New Environmental Law**”), (b) Decree of State Minister of Environment No. 11 of 2006 dated 2 October 2006 regarding Type of Business and/or Activity Plan Which Must be Completed With Environmental Impact Assessment (Analisis Mengenai Dampak Lingkungan — “**AMDAL**”), (c) Decree of State Minister of Environment No. 86 of 2002 dated 28 October 2002 regarding Guidance on Implementation of Environmental Management Effort and Environmental Monitoring Effort (Upaya Pengelolaan Lingkungan Hidup dan Upaya Pemantauan Lingkungan Hidup — “**UKL and UPL**”), (d) Regulation of State Minister of Environment No. 13 of 2010 dated 7 May 2010 regarding UKL and UPL and Ability Statement Letter to Manage and Monitor Environment, (e) Regional Regulation of Palembang City No. 14 of 2004 dated 6 September 2004 regarding Management and Retribution of Type of Business and/or Activities Which Must be Supported with Environmental Assessment, (f) Regulation of State Minister of Environment No. 14 of 2010, dated 7 May 2010 regarding Environmental Documents for the Business and/or Activities which obtain a Business Licence but have not yet obtained The Environmental Documents and (g) Government Regulation No. 27 of 2012 regarding Environmental Licence (the “**Environmental Regulations**”).

Under the Environmental Regulations, a company which conducts business or activities that have a “significant environmental impact” is required to prepare AMDAL documents. The factors which are considered to have “significant environmental impact” include the following:

- (i) modifications of landforms and the natural landscape;
- (ii) exploitation of renewable and non-renewable natural resources;
- (iii) processes and activities which may potentially cause environmental pollution and/or damage to, as well as a degradation in the use of, natural resources;
- (iv) processes and activities which may affect the natural environment, artificial environment as well as social and cultural environment;
- (v) processes and activities which may affect the preservation of natural resource conservation areas and/or protection of cultural reserves;
- (vi) introduction of plants, animals and micro-organisms;
- (vii) production and utilisation of biological and non-biological substances;
- (viii) activity containing high risk and/or influence state defence; and/or
- (ix) technological application which can be foreseen to influence the environment.

The governor, Regent/Mayor shall determine the type of business/activities which must be supported with UKL-UPL. Companies carrying out crumb rubber business activities are not required to provide AMDAL documents, but such companies must prepare the UKL and UPL in the form of Environmental Management Document (Dokumen Pengelolaan Lingkungan Hidup — “**DPLH**”).

APPENDIX B — GOVERNMENT REGULATIONS

In addition, in accordance to the Regulation of the State Minister of Environment No. 14 of 2010 dated 7 May 2010, the responsible person of a company (i.e. a director) which satisfies the following criteria is obliged to prepare DPLH for submission to the local environmental office:

- (A) has a business licence and/or conducted activity prior to enactment of Environmental Law No. 32 of 2009 concerning Environmental Protection and Management (the “**Environmental Law**”);
- (B) has commenced construction stage prior to enactment of the Environmental Law;
- (C) business location and/or activity in accordance with the regional spatial lay-out plan and/or area spatial lay-out plan; and
- (D) does not have environmental documents or environmental documents which comply with the relevant law and regulations.

The New Environmental Law has also introduced additional requirements, i.e. an environmental licence. However, the closing provision of Government Regulation No. 27 of 2012 regarding Environmental Licence (as the implementing regulation of the New Environmental Law) stipulates that environmental document (i.e. including DPLH) which have been approved prior to the enactment of this Government Regulation No. 27 of 2012 shall remain valid and treated as environmental licence under the New Environmental Law.

Labour Laws

Collective Labour Agreement is mainly regulated under Law No. 13 of 2003 dated 25 April 2003 regarding Manpower and the Regulation of the Minister of Manpower and Transmigration No. 16 of 2011 regarding Procedures on Preparation and Legalisation of Company Regulation and Preparation and Registration of Collective Labour Agreement (the “**Collective Labour Agreement Regulations**”). Based on the Collective Labour Agreement Regulations, a Collective Labour Agreement is an agreement resulting from negotiation between one or more labour unions registered at the authorised manpower institution and the employer, and contains the terms, rights and obligations of both parties. The maximum validity of a Collective Labour Agreement is two years and may be extended for a maximum period of one year based on written agreement between the relevant employer and labour union.

Under the Compulsory Manpower Report Law (Law No. 7 of 1981 dated 31 July 1981 regarding Compulsory Manpower Report), every company must annually file a manpower report with the Ministry of Manpower or other designated authority (i.e Regional Manpower Office) setting out the status of employment (such as details of number and highest and lowest salary of the employees of the Company). Failure to comply with this obligation could give rise to a fine of up to IDR1,000,000 or imprisonment for up to three months.

Based on the Manpower Law (Law No. 13 of 2003 dated 25 April 2003 regarding Manpower), a company is prohibited from paying wages to its employee which is lower than minimum wages determined by the government pursuant to specific provincial regulations.

Under Jamsostek (Jaminan Sosial Tenaga Kerja) law (Law No. 3 of 1992 dated 17 February 1992 regarding Jamsostek), a company which employs more than ten persons or which pay a total payroll in excess of IDR1,000,000 per month is required to join the Jamsostek programme. The Jamsostek programme provides workers’ social security, which includes Occupational Accident Security, Death Security, Old Age Security (which is categorised as security in the form of money) and Health Maintenance Security (which is categorised as security in the form of services).

APPENDIX B — GOVERNMENT REGULATIONS

LICENCES

The following is a description of the material licences required for the operations of our Group in Singapore and Indonesia (apart from those pertaining to general business requirements):

Singapore

Type of Licence/ Approvals	Licensing Body	Description	Grant Date	Date of Expiry
Licence to Ship Rubber for Export	IE Singapore Board	Licence to Ship Rubber for Export granted to Hevea Global under the Rubber Industry Act (Cap. 280) (Licence No: SS1008)	22 July 2012	21 July 2013
Licence to Deal in, Treat and Store Rubber	IE Singapore Board	Licence to Deal in, Treat and Store Rubber granted to Hevea Global under the Rubber Industry Act (Cap. 280) (Licence No: RD639)	22 July 2012	21 July 2013

Indonesia

Type of Licence/ Approvals	Licensing Body	Description	Grant Date	Date of Expiry
General Corporate Licence	Head of One Stop Licences Services Office (<i>Kantor Pelayanan Perijinan Terpadu</i>) of Palembang City on behalf of Mayor of Palembang.	TDP (<i>Tanda Daftar Perusahaan or Company Registration Number</i>) No. 060612505612 with registration agenda number 007/BH.06.06/I/2011	14 January 2011	15 December 2015
	Tax Services Office of Palembang	NPWP (<i>Nomor Pokok Wajib Pajak or Taxpayer Registration Code Number</i>) No. 03.103.504.1-301.000	9 December 2010	N.A.
	Mayor of Palembang	SITU (<i>Surat Ijin Tempat Usaha or Business Place Licence</i>) granted under Decree of Mayor of Palembang No. 503/SITU.R/2414/KPPT/2010	10 December 2010	10 December 2013
	Head of subdistrict of 18 Ilir Palembang	Letter of Domicile The registered address of is Jln. Jend Sudirman No. 135-J/107 RT.08 RW. 04, 18 Ilir Sub District, Ilir Timur I District, Palembang City.	15 November 2010	N.A.
Trading Licence	Head of One Stop Licences Services Office (<i>Kantor Pelayanan Perijinan Terpadu</i>) of Palembang City on behalf of Mayor of Palembang	Large — SIUP (<i>Surat Ijin Usaha Perdagangan or Trading Business Licence</i>) No. 503/SIUP.B/1276/KPPT/2010	15 December 2010	Valid so long as PT Hevea undertakes its business activities provided that PT Hevea shall make re-registration in 5 year period
	Capital Investment Coordinating Board (BKPM)	Importer (Producer) Identification Number No. 061206752-B	18 August 2011	Valid so long as PT Hevea undertakes its business activities

APPENDIX B — GOVERNMENT REGULATIONS

Type of Licence/ Approvals	Licensing Body	Description	Grant Date	Date of Expiry
Tax Licence	Tax Services Office of Palembang	NPWP (<i>Nomor Pokok Wajib Pajak or Taxpayer Registration Code Number</i>) No. 03.103.504.1-301.000	9 December 2010	N.A.
	Tax Services Office of Palembang	NPKKP (<i>Nomer Pengukuhan Pengusaha Kena Pajak or taxation number</i>) No. PEM-003/WPJ.03/KP.0203./2010	4 January 2011	N.A.
Investment Licence	Capital Investment Coordinating Board (BKPM)	In-Principle Licence granted based on BKPM Approval No. 507/1/IP/I/PMA/2011	4 August 2011	4 August 2016
	Capital Investment Coordinating Board (BKPM)	Business Licence as granted based on BKPM Approval No. 639/1/U/I/PMA/INDUSTRI/2011	23 September 2011	Valid so long as PT Hevea undertakes its business activities
Jetty & Port Licence	Directorate General of Sea Transportation of the Department of Transportation	Construction licence of the special port at Karya Jaya Village, Seberang Ulu I Sub District, City of Palembang, South Sumatera, as granted based on the Decree of the Director General of Sea Transportation No. B.XXV.299/PP-72	15 March 1999	N.A.
	Minister of Transportation	Operational licence of the Special Port located at Gandus Village, Sub-District of Ilir Barat II, Palembang, South Sumatera as granted based on the Decree of the Minister of Transportation No. SK.67/AL.003/PHB-97	7 November 1997 In the process of change of registered user's name	Valid so long as PT Hevea undertakes its business activities
	Minister of Transportation	Operational licence of Self Purpose Port located at 2 Ilir Village, Palembang, South Sumatera as granted based on the Decree of the Minister of Transportation No. SK.73/AL.106/PHB-97	24 November 1997 In the process of change of registered user's name	Valid so long as PT Hevea undertakes its business activities
	Head of Operational Unit Office of Sungai Lumpur	Approval on the Utilization/Operation of Special Terminal of Slab Rubber Industry at Karya Jaya Village, Seberang Ulu I Sub — District, City of Palembang, South Sumatera (Temporary Operational Permit), as granted based on the Approval Letter of the Head of Operational Unit Office of Sungai Lumpur No. PU.607/01/4/UJP.SLR-2012	20 November 2012	20 May 2013
	Directorate General of Sea Transportation	Report Letter from PT. Perusahaan Getah Para Muara Kelingi to the Directorate General of Sea Transportation on the transfer of ports and jetty from PT. Perusahaan Getah Para Muara Kelingi to PT. Hevea	17 June 2012 and received by Directorate General of Sea Transportation on 29 June 2012	N.A.
Environmental Licences	Mayor of Palembang	Liquid Waste Disposal Permit for PT Hevea (located at factory 1) No. 503/IPLC/0006/KPPT/2011.	8 June 2011	8 June 2014

APPENDIX B — GOVERNMENT REGULATIONS

Type of Licence/ Approvals	Licensing Body	Description	Grant Date	Date of Expiry
	Mayor of Palembang	Liquid Waste Disposal Permit for PT Hevea (located at factory 2) No. 503/IPLC/0007/KPPT/2011.	8 June 2011	8 June 2014
	Mayor of Palembang	B3 Waste Storage Permit for PT Hevea (located at factory 2) No. 577 of 2011.	14 June 2011	14 June 2016
	Mayor of Palembang	B3 Waste Storage Permit for PT Hevea (located at factory 2) No. 577 of 2011.	14 June 2011	14 June 2016
	Environmental Board of Palembang City	DPLH (<i>Dokumen Pengelolaan Lingkungan Hidup</i> or Environmental Management Document) for PT Hevea (located at factory 1)	March 2011 and has been approved by Environmental Board of Palembang City	N.A.
	Environmental Board of Palembang City	DPLH (<i>Dokumen Pengelolaan Lingkungan Hidup</i> or Environmental Management Document) PT Hevea (located at factory 1)	March 2011 and has been approved by Environmental Board of Palembang City	N.A.
Export Licence	Directorate General of Custom and Excise	the Custom Identity Number (Nomor Identitas Kepabeanan — NIK) — No. 05.027843	9 December 2011	N.A.
Producer Identification Mark (Tanda Pengenal Produsen — TPP)		TPP No. 140/PPMB/TPP/08/2011 (TPP for r SDR)	23 August 2011	N.A.
		TPP No. 139/PPMB/TPP/08/2011 (TPP for SEA)	23 August 2011	N.A.
Siuasda (River and Lake Transportation Business Licence)	Head of Transportation of Palembang on behalf of Mayor of Palembang.	River and Lake Transportation Business Licence No. 551.31/215/DISHUB/2011	2 March 2011	Valid so long as PT Hevea carries out its business activities
Processing Plantation Business Licence (Ijin Usaha Perkebunan — Pengolahan — IUP-(P))	Mayor of Palembang.	No. 525/001133/V (To operate in crumb rubber industry (without plantation))	19 May 2011	Valid so long as PT Hevea undertakes its business activities
Heavy Equipments Licence	Head of Manpower Office of Palembang City	No. 560/43/PA/Disnaker/201 on legalisation of use of forklift to PT Hevea (located at factory 1)	April 2011	Last examined on 6 November 2012. PT Hevea is required to have its forklift to be re-examined annually by the Manpower Office of Palembang City

APPENDIX B — GOVERNMENT REGULATIONS

Type of Licence/ Approvals	Licensing Body	Description	Grant Date	Date of Expiry
	Head of Manpower Office of Palembang City	No. 560/48/PA/Disnaker/2011 on legalisation of use of forklift to PT Hevea (located at factory 2)	April 2011	Last examined on 6 November 2012. PT Hevea is required to have its forklift to be re-examined annually by the Manpower Office of Palembang City
	Head of Manpower Office of Palembang City	No. 560/47/PA/Disnaker/2011 on legalisation of use of forklift to PT Hevea (located at factory 2)	April 2011	Last examined on 6 November 2012. PT Hevea is required to have its forklift to be re-examined annually by the Manpower Office of Palembang City
	Head of Manpower Office of Palembang City	No. 560/46/PA/Disnaker/2011 on legalisation of use of forklift to PT Hevea (located at factory 2)	April 2011	Last examined on 6 November 2012. PT Hevea is required to have its forklift to be re-examined annually by the Manpower Office of Palembang City
	Head of Manpower Office of Palembang City	No. 560/45/PA/Disnaker/2011 on legalisation of use of forklift to PT Hevea (located at factory 2)	April 2011	Last examined on 6 November 2012. PT Hevea is required to have its forklift to be re-examined annually by the Manpower Office of Palembang City
	Head of Manpower Office of Palembang City	No. 560/44/PA/Disnaker/2011 on legalisation of use of forklift to PT Hevea (located at factory 2)	April 2011	Last examined on 6 November 2012. PT Hevea is required to have its forklift to be re-examined annually by the Manpower Office of Palembang City
Standar Nasional Indonesia (Indonesian National Standard) Certification	Industrial Standardization and Searches Institution of Palembang Industry Office (<i>Badan Riset dan Standardisasi Industri</i>)	SNI Marking Certificate No. 32/BIPA/LSPPro/Sert/04/2011 granted to PT Hevea (located at factory 2)	5 April 2011	4 April 2014. Valid for three years as of the issuance date
	Industrial Standardization and Searches Institution of Palembang Industry Office (<i>Badan Riset dan Standardisasi Industri</i>)	SNI Marking Certificate No. 31/BIPA/LSPPro/Sert/03/2011 granted to PT Hevea (located at factory 1)	30 March 2011	29 March 2014 Valid for three years as of the issuance date

APPENDIX B — GOVERNMENT REGULATIONS

Type of Licence/ Approvals	Licensing Body	Description	Grant Date	Date of Expiry
Certificate Of Registration For All Tug Boats And Barges	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.27/Dishub/2011 for tug boat PT Hevea	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.25/Dishub/2011 for tug boat PT Hevea I	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.24/Dishub/2011 for tug boat PT Hevea II	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.23/Dishub/2011 for tug boat PT Hevea	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.22/Dishub/2011 for tug boat PT Hevea IV	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.21/Dishub/2011 for tug boat PT Hevea VII	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.20/Dishub/2011 for tug boat PT Hevea VIII	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.18/Dishub/2011 for tug boat PT Hevea IX	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.19/Dishub/2011 for tug boat PT Hevea X	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.17/Dishub/2011 for tug boat PT Hevea XI	1 March 2011	N.A.

APPENDIX B — GOVERNMENT REGULATIONS

Type of Licence/ Approvals	Licensing Body	Description	Grant Date	Date of Expiry
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.16/Dishub/2011 for tug boat PT Hevea XII	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.15/Dishub/2011 for tug boat PT Hevea XIII	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.14/Dishub/2011 for tug boat PT Hevea XIV	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.12/Dishub/2011 for tug boat PT Hevea XV	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.01/Dishub/2011 for tug boat PT Hevea XVI	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.11/Dishub/2011 for tug boat PT Hevea XVII	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.10/Dishub/2011 for tug boat PT Hevea XVIII	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.26/Dishub/2011 for tug boat PT Hevea XIX	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.09/Dishub/2011 for tug boat PT Hevea XX	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.07/Dishub/2011 for tug boat PT Hevea XXI	1 March 2011	N.A.

APPENDIX B — GOVERNMENT REGULATIONS

Type of Licence/ Approvals	Licensing Body	Description	Grant Date	Date of Expiry
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.08/Dishub/2011 for tug boat PT Hevea XXII	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.06/Dishub/2011 for tug boat PT Hevea XXIII	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.05/Dishub/2011 for tug boat PT Hevea XXIV	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.04/Dishub/2011 for tug boat PT Hevea XXV	1 March 2011	N.A.
	Head of Transportation of Palembang on behalf of Mayor of Palembang	Certificate of Registration No. 551.31/0.03/Dishub/2011 for tug boat PT Hevea XXVI	1 March 2011	N.A.
Worthiness Certificate (<i>Sertipikat Kesempurnaan</i>)	Head of Transportation, Communication and Information Services of South Sumatera	552.21/112/2/Dishubkominfo-12 for tug boat PT Hevea	27 February 2012	5 February 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/113/2/Dishubkominfo-12 for tug boat PT Hevea I	27 February 2012	5 February 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/114/2/Dishubkominfo-12 for tug boat PT Hevea II	27 February 2012	5 February 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/119/2/Dishubkominfo-12 for tug boat PT Hevea III	27 February 2012	12 February 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/120/2/Dishubkominfo-12 for tug boat PT Hevea IV	27 February 2012	12 February 2013

APPENDIX B — GOVERNMENT REGULATIONS

Type of Licence/ Approvals	Licensing Body	Description	Grant Date	Date of Expiry
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/121/2/Dishubkominfo-12 for tug boat PT Hevea VII	27 February 2012	12 February 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/157/2/Dishubkominfo-12 for tug boat PT Hevea VIII	27 February 2012	19 February 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/158/2/Dishubkominfo-12 for tug boat PT Hevea IX	27 February 2012	19 February 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/159/2/Dishubkominfo-12 for tug boat PT Hevea X	27 February 2012	19 February 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/173/2/Dishubkominfo-12 for tug boat PT Hevea XI	27 February 2012	26 February 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/174/2/Dishubkominfo-12 for tug boat PT Hevea XII	27 February 2012	26 February 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/175/2/Dishubkominfo-12 for tug boat PT Hevea XIII	27 February 2012	26 February 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/176/2/Dishubkominfo-12 for tug boat PT Hevea XIV	8 March 2012	4 March 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/177/2/Dishubkominfo-12 for tug boat PT Hevea XV	8 March 2012	4 March 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/178/2/Dishubkominfo-12 for tug boat PT Hevea XVI	8 March 2012	4 March 2013

APPENDIX B — GOVERNMENT REGULATIONS

Type of Licence/ Approvals	Licensing Body	Description	Grant Date	Date of Expiry
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/191/2/Dishubkominfo-12 for tug boat PT Hevea XVII	13 March 2012	11 March 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/192/2/Dishubkominfo-12 for tug boat PT Hevea XVIII	13 March 2012	11 March 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/193/2/Dishubkominfo-12 for tug boat PT Hevea XIX	13 March 2012	11 March 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/208/2/Dishubkominfo-12 for tug boat PT Hevea XX	20 March 2012	18 March 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/209/2/Dishubkominfo-12 for tug boat PT Hevea XXI	20 March 2012	18 March 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/210/2/Dishubkominfo-12 for tug boat PT Hevea XXII	20 March 2012	18 March 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/211/3/Dishubkominfo-12 for tug boat PT Hevea XXIII	20 March 2012	18 March 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/221/3/Dishubkominfo-12 for tug boat PT Hevea XXIV	27 March 2012	25 March 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/222/3/Dishubkominfo-12 for tug boat PT Hevea XXV	27 March 2012	25 March 2013
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/223/3/Dishubkominfo-12 for tug boat PT Hevea	27 March 2012	25 March 2013

APPENDIX B — GOVERNMENT REGULATIONS

Type of Licence/ Approvals	Licensing Body	Description	Grant Date	Date of Expiry
	Head of Transportation, Communication and Information Services of South Sumatera	552.21/224/3/Dishubkominfo-12 for tug boat PT Hevea XXVII	8 March 2012	N.A.
Measurement Letter	Head of Transportation, Communication and Information Services of South Sumatera	No. 214 for tug boat PT Hevea	3 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 14 for tug boat PT Hevea I	2 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 215 for tug boat PT Hevea II	3 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 216 for tug boat PT Hevea III	3 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 217 for tug boat PT Hevea IV	4 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 218 for tug boat PT Hevea VII	4 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 219 for tug boat PT Hevea VIII	7 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 220 for tug boat PT Hevea IX	7 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 221 for tug boat PT Hevea X	7 March 2011	N.A.

APPENDIX B — GOVERNMENT REGULATIONS

Type of Licence/ Approvals	Licensing Body	Description	Grant Date	Date of Expiry
	Head of Transportation, Communication and Information Services of South Sumatera	No. 222 for tug boat PT Hevea XI	8 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 223 for tug boat PT Hevea XII	9 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 224 for tug boat PT Hevea XIII	9 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 225 for tug boat PT Hevea XIV	10 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 226 for tug boat PT Hevea XV	10 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 227 for tug boat PT Hevea XVI	14 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 228 for tug boat PT Hevea XVII	14 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 229 for tug boat PT Hevea XVIII	14 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 230 for tug boat PT Hevea XIX	14 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 231 for tug boat PT Hevea XX	21 March 2011	N.A.

APPENDIX B — GOVERNMENT REGULATIONS

Type of Licence/ Approvals	Licensing Body	Description	Grant Date	Date of Expiry
	Head of Transportation, Communication and Information Services of South Sumatera	No. 157 for tug boat PT Hevea XXI	21 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 137 for tug boat PT Hevea XXII	21 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 15 for tug boat PT Hevea XXIII	21 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 16 for tug boat PT Hevea XXIV	24 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 17 for tug boat PT Hevea XXV	24 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 17 for tug boat PT Hevea XXVI	28 March 2011	N.A.
	Head of Transportation, Communication and Information Services of South Sumatera	No. 17 for tug boat PT Hevea XXVII	30 March 2011	N.A.

APPENDIX C — SUMMARY OF OUR ARTICLES OF ASSOCIATION

1. Directors

(a) Ability of interested directors to vote

A Director shall not vote in respect of any contract or proposed contract or arrangement with our Company in which he has any personal material interest directly or indirectly, and he shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(b) Remuneration

The remuneration of a non-executive Director shall be a fixed sum (not being a commission on or percentage of profits or turnover of our Company). Fees payable to the Directors shall not be increased except pursuant to an ordinary resolution passed at a general meeting convened by a notice specifying the intention to propose such increase.

Any Director who holds any executive office, or who serves on any committee of the Directors, or who performs services outside the ordinary duties of a Director may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.

The remuneration of a Chief Executive Officer (or person holding equivalent position) shall be fixed by the Directors, subject to the provisions of any contract between the Chief Executive Officer (or a person holding an equivalent position) and our Company, and may be by way of fixed salary, commission or participation in profits (but not by a commission on or a percentage of turnover) of our Company or by any or all of these modes. Subject to the provisions of the Act and every other legislation for the time being in force concerning companies and affecting the Company, the Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme of fund to pay premiums.

(c) Borrowing

Subject to the Articles and to the provisions of the Act and every other legislation for the time being in force concerning companies and affecting the Company, the Directors may exercise all the powers of our Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. There are no specific provisions under our Articles of Association for the variation of such powers.

(d) Retirement Age Limit

There is no retirement age limit for Directors under our Articles of Association. Section 153 (1) of the Singapore Companies Act however, provides that no person of or over the age of 70 years shall be appointed a director of a public company or of a subsidiary of a public company, unless he is appointed or re-appointed as a director of our Company or authorised to continue in office as a director of our Company by way of an ordinary resolution passed at an annual general meeting of our Company.

(e) Shareholding Qualification

There is no shareholding qualification for Directors in the Memorandum and Articles of Association of our Company.

APPENDIX C — SUMMARY OF OUR ARTICLES OF ASSOCIATION

2. Share rights and restrictions

Our Company has one class of shares, namely, ordinary shares, which have identical rights in all respects and rank equally with one another.

Only persons who are registered in our register of shareholders and in cases in which the person so registered is the CDP, the persons named as the depositors in the depository register maintained by the CDP for the Shares, are recognized as our Shareholders.

(a) Dividends and distribution

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board of Directors. We must pay all dividends out of our profits.

The profits of our Company shall be divisible among our Shareholders in proportion to the number of shares held by them respectively. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address. The payment by us to the CDP of any dividend payable to a Shareholder whose name is entered in the depository register shall, to the extent of payment made to the CDP, discharge us from any liability to that Shareholder in respect of that payment.

The CDP will hold all dividend unclaimed for six years after having been declared and paid before release to the Directors, and the Directors may invest or otherwise make use of the unclaimed dividends for the benefit of our Company. Any dividend unclaimed after a period of six (6) years from the date they are first payable may be forfeited and the relevant Shareholder shall not have any right or claim in respect of such dividends or monies against our Company.

The Directors may retain any dividends on which our Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(b) Voting rights

Shareholders may exercise their voting rights in person or by proxy. Proxies need not be a Shareholder. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the depository register maintained by the CDP 48 hours before the general meeting.

Except as otherwise provided in our Articles of Association, two or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Articles of Association, on a show of hands, every Shareholder present in person and by proxy shall have one vote, and on a poll, every Shareholder present in person or by proxy shall have one vote for each Share which he holds or represents. A poll may be demanded in certain circumstances, including by the Chairman of the meeting or by any Shareholder present in person or by proxy and representing not less than 10.0% of the total voting rights of all Shareholders having the right to attend and vote at the meeting or 10.0% of the total number of paid-up shares in our Company (excluding treasury shares), or by not less than two Shareholders present in person or by proxy and entitled to vote. In the case of a tie vote, whether on a show of hands or poll, the Chairman of the meeting shall be entitled to a casting vote.

APPENDIX C — SUMMARY OF OUR ARTICLES OF ASSOCIATION

3. Change in capital

Changes in the capital structure of our Company (for example, a consolidation, sub-division or conversion of our share capital) require Shareholders to pass an ordinary resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice shall be given by advertisement in the daily press and in writing to any Stock Exchange upon which shares in the Company may be listed at least 14 clear days before the meeting. We may reduce our share capital in any manner and with and subject to any requirement, authorization and consent required by law.

4. Modification of rights of existing shares or classes of shares

Subject to the Companies Act, whenever the share capital of our Company is divided into different classes of shares, the special rights attached to any class may be modified, affected, altered or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. The necessary quorum for such meetings shall be two persons at least present and holding or representing by proxy at least one-third of the issued shares of the class, and that any holder of shares of the class present in person or by proxy, shall on a poll have one vote for every share of the class held by him.

5. Limitations on foreign or non-resident shareholders

There are no limitations imposed by Singapore law or by our Articles of Association on the rights of our Shareholders who are regarded as non-residents of Singapore, to hold or vote their shares.

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APPENDIX D — DESCRIPTION OF SINGAPORE LAW RELATING TO SHARES

The discussion below provides information about our share capital, the main provisions of our Articles of Association and the laws of Singapore relating to our shares. This description is only a summary and is qualified by reference to Singapore law and our Articles of Association.

1. ORDINARY SHARES

We have only one class of shares, namely, our ordinary shares, which have identical rights in all respects and rank equally with one another. Our Articles of Association provide that we may issue shares of a different class with preferential, deferred, qualified or other special rights, privileges or conditions as our Company may determine and may issue preference shares which are, or at our option are, subject to redemption, subject to certain limitations.

All of our ordinary shares are in registered form. We may, subject to the provisions of the Act and the rules of the SGX-ST, purchase our own ordinary shares. However, we may not, except in circumstances permitted by the Act, grant any financial assistance for the acquisition or proposed acquisition of our own ordinary shares.

2. ISSUANCE OF NEW SHARES

Subject to our Articles of Association (and as may be prescribed by the Catalist Rules), New Shares may only be issued with the prior approval of our Shareholders in a general meeting. Such approval is not required if our Shareholders had, by resolution in a general meeting, given a general mandate to the Directors for such issue. Such general mandate must limit the aggregate number of Shares (including Shares to be issued in pursuance of instruments made or granted pursuant to such approval) to be issued pursuant to such approval as follows: (i) if Shareholders approve the mandate by ordinary resolution, the limit must be not more than 100% of the total number of issued shares excluding treasury shares, of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than 50% of the total number of issued shares excluding treasury shares; or (ii) If Shareholders approve the mandate by special resolution, the limit on the aggregate number of shares and convertible securities issued, whether on a pro rata or non pro rata basis, may be up to 100% of the total number of issued shares excluding treasury shares (Shareholder approval must not be deemed by way of subscription for shares). The approval, if granted, will lapse at the conclusion of the first annual general meeting following the date on which the approval was granted or is revoked or varied by ordinary resolution of the Shareholders in general meeting, whichever is the earlier. Subject to the foregoing, the provisions of the Companies Act and any special rights attached to any class of shares currently issued, all new Shares are under the control of our Board who may allot and issue the same with such rights and restrictions as it may think fit.

3. SHAREHOLDERS

Only persons who are registered in our register of shareholders and, in cases in which the person so registered is the CDP, the persons named as the depositors in the depository register maintained by the CDP for our ordinary shares, are recognised as our Shareholders.

We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any ordinary share or other rights for any ordinary share other than the absolute right thereto of the registered holder of the ordinary share or of the person whose name is entered in the depository register for that ordinary share.

Subject to the provisions of the Companies Act, we may close the register of shareholders for any time or times. However, the register may not be closed for more than 30 days in aggregate in any calendar year. We typically, close the register to determine shareholders' entitlement to receive dividends and other distributions for no more than 10 days a year.

APPENDIX D — DESCRIPTION OF SINGAPORE LAW RELATING TO SHARES

4. TRANSFER OF ORDINARY SHARES

Save for the moratorium undertakings described in the section “Moratorium” of this Prospectus, there is no restriction on the transfer of our fully paid ordinary shares except where required by law. Our Board of Directors may only decline to register any transfer of ordinary shares which are not fully paid shares or ordinary shares on which we have a lien. Our ordinary shares may be transferred by a duly signed instrument of transfer in any form acceptable to our Board of Directors. Our Board of Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. We will replace lost or destroyed certificates for our ordinary shares if we are properly notified and if the applicant pays a fee which will not exceed \$2.00 and furnishes any evidence and indemnity that our Board of Directors may require.

5. GENERAL MEETINGS OF SHAREHOLDERS

We are required to hold an Annual General Meeting every year. Our Board of Directors may convene an extraordinary general meeting whenever it thinks fit and must do so if shareholders representing not less than 10% of the total voting rights of all shareholders request in writing that such a meeting be held. In addition, two or more shareholders holding not less than 10% of our issued share capital may call a meeting. Unless otherwise required by Singapore law or by our Articles of Association, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of Directors. A special resolution, requiring the affirmative vote of at least 75% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including the voluntary winding up of our company, amendments to our Memorandum and Articles of Association, a change of our corporate name and a reduction in our share capital, share premium account or capital redemption reserve fund. We must give at least 21 days’ notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days’ notice in writing. The notice must be given to every shareholder who has supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

6. VOTING RIGHTS

A shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. A proxy need not be a shareholder. A person who holds ordinary shares through the CDP book-entry clearance system will only be entitled to vote at a general meeting as a shareholder if his name appears on the depository register maintained by CDP 48 hours before the general meeting.

Except as otherwise provided in our Articles of Association, two or more shareholders must be present in person or by proxy to constitute a quorum at a general meeting. Under our Articles of Association, on a show of hands, every shareholder present in person and each proxy shall have one vote and, on a poll, every shareholder present in person or by proxy shall have one vote for each ordinary share held. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any shareholder present in person or by proxy and representing not less than 10% of the total voting rights of all shareholders having the right to attend and vote at the meeting or by not less than two shareholders present in person or by proxy and entitled to vote.

APPENDIX D — DESCRIPTION OF SINGAPORE LAW RELATING TO SHARES

7. DIVIDENDS

We may, by ordinary resolution, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board of Directors. Any dividend we pay must be paid out of our profits or pursuant to Section 76 of the Companies Act. Our Board of Directors may also declare an interim dividend. All dividends are paid pro rata among the shareholders in proportion to the number of shares held by them. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each shareholder at his registered address. Notwithstanding the foregoing, our payment to the CDP of any dividend payable to a shareholder whose name is entered in the depository register shall, to the extent of payment made to the CDP, discharge us from any liability to that shareholder in respect of that payment.

8. BONUS AND RIGHTS ISSUE

Our Board of Directors may, with the approval of our shareholders at a general meeting, capitalize any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account and distribute the same as bonus shares credited as paid-up to our shareholders in proportion to their shareholdings. Our Board of Directors may also issue rights to take up additional ordinary shares to shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue.

9. TAKEOVERS

The Act and the Singapore Code on Takeovers and Mergers regulate the acquisition of ordinary shares of public companies and contain certain provisions that may delay, deter or prevent a future takeover or change in control of our Company.

Any person acquiring an interest, either acting singly or together with other parties acting in concert with him, in 30% or more of our voting shares must extend a takeover offer for the remaining voting shares in accordance with the provisions of the Singapore Code on Takeovers and Mergers.

"Parties acting in concert" include a company and its related and associated companies, a company and its directors (including their relatives), a company and its pension funds, a person and any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, and a financial adviser and its client in respect of shares held by the financial adviser and shares in the client held by funds managed by the financial adviser on a discretionary basis.

An offer for consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror within the preceding 12 months.

A mandatory takeover offer is also required to be made if a person holding, either singly or together with parties acting in concert with him, between 30% and 50% of the voting shares acquires additional voting shares representing more than 1% of the voting shares in any six month period.

APPENDIX D — DESCRIPTION OF SINGAPORE LAW RELATING TO SHARES

10. LIQUIDATION OR OTHER RETURN OF CAPITAL

If our Company is liquidated or in the event of any other return of capital, holders of our ordinary shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares then existing.

11. INDEMNITY

As permitted by Singapore law, our Articles of Association provides that, subject to the Act, we will indemnify our Board of Directors and officers against any liability incurred by them in the execution and discharge of their duties or in relation thereto, including any liability in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to have been done as an officer or employee of the Company. We may not indemnify directors and officers against any liability for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto which by law would otherwise attach to them in respect of any negligence, wilful default, breach of duty or breach of trust.

12. LIMITATIONS ON RIGHTS TO HOLD OR VOTE ORDINARY SHARES

Except as described in “Voting Rights” and “Takeovers” above, there are no limitations imposed by Singapore law or by our Articles of Association on the rights of non-resident shareholders to hold or vote our ordinary shares.

13. MINORITY RIGHTS

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Act, which gives the Singapore courts a general power to make any order, upon application by any shareholder, as they think fit to remedy any of the following situations:

- (a) our affairs are being conducted or the powers of our Board of Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of our shareholders; or
- (b) we take an action, or threaten to take an action, or our shareholders pass a resolution, or threaten to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our shareholders, including the applicant.

Singapore courts have wide discretion as to the relief they may grant and the relief are in no way limited to those listed in the Act itself.

APPENDIX D — DESCRIPTION OF SINGAPORE LAW RELATING TO SHARES

Without prejudice to the foregoing, Singapore courts may:

- (i) direct or prohibit any act or cancel or vary any transaction or resolution;
- (ii) regulate the conduct of our affairs in the future;
- (iii) authorise civil proceedings to be brought in the name of, or on behalf of, our Company by a person or persons and on such terms as the court may direct;
- (iv) provide for the purchase of a minority shareholder's shares by our other shareholders or by our Company and, in the case of a purchase of shares by us, a corresponding reduction of our share capital; or
- (v) provide that our Company be wound up.

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APPENDIX E — TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

You are invited to apply and subscribe for and/or purchase the Placement Shares at the Placement Price for each Placement Share subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 PLACEMENT SHARES OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF NEW SHARES WILL BE REJECTED.**
2. Your application for the Placement Shares may only be made by way of Placement Shares Application Forms.

YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE PLACEMENT SHARES.

3. You are allowed to submit ONLY ONE application in your own name for the Placement Shares.

If you, being other than an approved nominee company, have submitted an application for Placement Shares in your own name, you should not submit any other application for Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and shall be rejected at the discretion of our Company, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent.

JOINT OR MULTIPLE APPLICATIONS FOR THE PLACEMENT SHARES SHALL BE REJECTED. If you submit or procure submissions of multiple share applications for the Placement Shares, you may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications will be liable to be rejected at the discretion of our Company, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent.

4. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole proprietorships, partnerships or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Forms) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of application.
5. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 6 below.
6. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.

APPENDIX E — TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected. If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars, such as name, NRIC/passport number, nationality and permanent residence status provided in your Application Form, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.
8. **If your address as stated in the Application Form is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and/or allocation will be sent to your address last registered with CDP.**
9. **Our Company, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or with the terms and conditions of this Offer Document, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance.**
10. **Our Company, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.**
11. Our Company, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and we will not entertain any enquiry and/or correspondence on our decision. This right applies to applications made by way of Application Forms. In deciding the basis of allotment and/or allocation which shall be at our discretion, we will give due consideration to the desirability of allotting and/or allocating the Placement Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.
12. Share certificates will be registered in the name of CDP or its nominee and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of Placement Shares allotted and/or allocated to you. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company or the Vendor. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Placement Shares allotted and/or allocated to you. This authorisation applies to applications made by way of Application Forms.

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You hereby consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent residency status, CDP Securities Account number, CPF Investment Account number (if applicable) and shares application amount to the Share Registrar, SGX-ST, CDP, CPF, our Company, the Vendor, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent.

13. In the event that we lodge a supplementary or replacement offer document (“**Relevant Document**”) pursuant to the SFA or any applicable legislation in force from time to time prior to the close of the Placement, and the Placement Shares have not been issued and/or sold, will (as required by law), and subject to the SFA, at our sole and absolute discretion either:
- (a) within seven days of the lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to withdraw; or
 - (b) deem your application as withdrawn and cancelled and refund your application monies (without interest of any share of revenue or other benefit arising therefrom) to you within seven days from the lodgement of the Relevant Document.

Where you have notified us within 14 days from the date of lodgement of the Relevant Document of your wish to exercise your option under paragraph 13(a) and (b) above to withdraw your application, we shall pay to you all monies paid by you on account of your application for the Placement Shares without interest or any share or revenue or other benefit arising therefrom and at your own risk, within seven days from the receipt of such notification.

In the event that at any time at the time of the lodgement of the Relevant Document, the Placement Shares have already been issued and/or sold but trading has not commenced, we will (as required by law), and subject to the SFA, either:

- (i) within seven days from the lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to return the Placement Shares; or
- (ii) deem the issue as void and refund your payment for the Placement Shares (without interest or any share of revenue or other benefit arising therefrom) within seven days from the lodgement of the Relevant Document.

Any applicant who wishes to exercise his option under paragraph 13(ii) above to return the Placement Shares issued and/or sold to him shall, within 14 days from the date of lodgement of the Relevant Document, notify us of this and return all documents, if any, purporting to be evidence of title of those Placement Shares, whereupon we shall, subject to the SFA, within seven days from the receipt of such notification and documents, pay to him all monies paid by him for the Placement Shares without interest of any share of revenue or other benefit arising therefrom and at his own risk, and the Placement Shares issued to him shall be void.

Additional terms and instructions applicable upon the lodgement of the supplementary or replacement offer document, including instructions on how you can exercise the option to withdraw, may be found in such supplementary or replacement offer document.

14. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Placement Shares allotted and/or allocated to you pursuant to your application, to our Company, the Vendor, the Manager, Sponsor and Lead Placement Agent, the Co-Placement Agent and any other parties so authorised as the foregoing persons.

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15. Any reference to “you” or the “applicant” in this section shall include an individual, a corporation, an approved nominee and trustee applying for the Placement Shares by way of an Application Form and a person applying for the Placement Shares through the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent or their designated sub-placement agent(s).
16. By completing and delivering an Application Form in accordance with the provisions of this Offer Document, you:
 - (a) irrevocably offer, agree and undertake to subscribe for and/or purchase the number Placement Shares specified in your application (or such smaller number for which the application is accepted) at the Placement Price for each Placement Share and agree that you will accept such Placement Shares as may be allotted and/or allocated to you, in each case, subject to the terms and conditions set out in this Offer Document and the Memorandum and Articles of Association of our Company for application;
 - (b) agree that the aggregate Placement Price for the Placement Shares applied for is due and payable to our Company and the Vendor upon application;
 - (c) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company, the Vendor, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent, in determining whether to accept your application and/or whether to allot and/or allocate any Placement Shares to you; and
 - (d) agree and warrant that if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Vendor, the Manager, Sponsor and Lead Placement Agent and/or the Co-Placement Agent will infringe any such laws as a result of the acceptance of your application.
17. Our acceptance of applications will be conditional upon, *inter alia*, our Company being satisfied that:
 - (a) permission has been granted by the SGX-ST to deal in and for quotation for all our existing issued Shares (including the Vendor Shares) and the New Shares on a “ready” basis on the Catalist;
 - (b) the Management and the Placement Agreements referred to in the section entitled “General and Statutory Information — Management and Placement Arrangements” of this Offer Document have become unconditional and have not been terminated or cancelled prior to such date as our Company, the Vendor, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent, may determine; and
 - (c) the SGX-ST (acting on behalf of the Authority) has not served a stop order which directs that no or no further shares to which this Offer Document relates be allotted and/or allocated.

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18. In the event that a stop order in respect of the Placement Shares is served by the Authority, the SGX-ST (acting on behalf of the Authority) or other competent authority, and
- (a) in the case the Placement Shares have not been issued, and/or sold, we will (as required by law), and subject to the SFA, deem all applications withdrawn and cancelled and we shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days of the stop order; or
 - (b) in the case if the Placement Shares have already been issued and/or sold but trading has not commenced, the issue of the Placement Shares will (as required by law) be deemed void and:
 - (i) if documents purporting to evidence title had been issued to you, our Company shall inform you to return such documents to us within 14 days from the date; and
 - (ii) we (and on behalf of the Vendor) will refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days from the date of receipt of those documents (if applicable) or the date of the stop order, whichever is later.

This shall not apply where only an interim stop order has been served.

19. In the event that an interim stop order in respect of the Placement Shares is served by the Authority, the SGX-ST (acting on behalf of the Authority) or other competent authority, no Placement Shares shall be issued to you until the Authority revokes the interim stop order.
20. The Authority or the SGX-ST (acting on behalf of the Authority) is not able to serve a stop order in respect of the Placement Shares if the Placement Shares have been issued and listed on a securities exchange and trading in them has commenced.
21. In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same through a SGXNET announcement to be posted on the Internet at the SGX-ST's website <http://www.sgx.com> and through a paid advertisement in a local newspaper.
22. We will not hold any applications in reserve.
23. We will not allot and/or allocate Shares on the basis of this Offer Document later than six months after the date of registration of this Offer Document by the SGX-ST (acting on behalf of the Authority).
24. Additional terms and conditions for applications by way of Application Forms are set out in this section below.

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ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING PRINTED APPLICATION FORMS

Your application by way of an Application Form shall be made on the terms and subject to the conditions of this Offer Document including but not limited to the terms and conditions appearing below and those set out above, as well as the Memorandum and Articles of Association of our Company.

1. Your application for the Placement Shares must be made using the **BLUE** Application Forms for Placement Shares, accompanying and forming part of this Offer Document. **ONLY ONE APPLICATION** should be enclosed in each envelope.

We draw your attention to the detailed instructions contained in the Application Forms and this Offer Document for the completion of the Application Forms which must be carefully followed. **Our Company, the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Offer Document or to the terms and conditions of this Offer Document, or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances.**

2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Forms except those under the heading "**FOR OFFICIAL USE ONLY**" must be completed and the words "**NOT APPLICABLE**" or "**N.A.**" should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. You must make your application, in the case of individuals, in your full names appearing in your identity cards (if applicants have such identification documents) or in your passports and, in the case of corporations, in your full names as registered with a competent authority. If you are a non-individual completing the Application Form under the hand of an official, you must state the name and capacity in which that official signs. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with the Share Registrar. We reserve the right to require you to produce documentary proof of identification for verification purposes.
5.
 - (a) You must complete Sections A and B and sign page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.

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6. You (whether you are an individual and corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted), will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporation. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Placement Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporation.

7. The completed and signed **BLUE** Application Form and the correct remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND** at your own risk to **Halcyon Agri Corporation Limited, c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623**, to arrive by **12.00 noon on 30 January 2013 or such other time as our Company and the Vendor may, in consultation with the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent, decide. Local Urgent Mail or Registered Post must NOT be used.** Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of Placement Shares applied for, in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**HALCYON AGRICORPORATION SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", and with your name and address written clearly on the reverse side. **Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted.** We will reject remittances bearing "**NOT TRANSFERABLE**" or "**NON TRANSFERABLE**" crossings. No acknowledgement or receipt will be issued by our Company, the Vendor, the Manager, Sponsor and Lead Placement Agent or the Co-Placement Agent for applications and application monies or remittance received.

8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk. Where your application is accepted in part only, the full amount of the balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and application monies have been received in the designated share issue account. If the completion of the Placement does not occur because permission from the SGX-ST is not granted or for any other reasons, monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom. In the event that the Placement is cancelled by us following the termination of the Management Agreement and the Placement Agreements or the Placement does not proceed for any reason, the application monies received will be refunded (without interest or any share of revenue or any other benefit arising therefrom) to you by ordinary post or

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telegraphic transfer at your own risk within five Market Days of the termination of the Placement. In the event that the Placement is cancelled by us following the issuance of a stop order by the Authority or other competent authority, the application monies received will be refunded (without interest or any share of revenue or any benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within 14 Market Days from the date of the stop order.

Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

9. Capitalised terms used in the Application Forms and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.
10. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of our Company, our Directors, the Vendor, the Manager, Sponsor and Lead Placement Agent, the Co-Placement Agent and/or any other party involved in the Placement, and if, in any such event, our Company, the Manager, Sponsor and Lead Placement Agent and/or the Co-Placement Agent does not receive your Application Form, you shall have no claim whatsoever against our Company, our Directors, the Vendor, the Manager, Sponsor and Lead Placement Agent, the Co-Placement Agent and/or any other party involved in the Placement for the Placement Shares applied for or for any compensation, loss or damage.
11. By completing and delivering the Application Form in accordance with the provisions of this Offer Document, you agree that:
 - (a) in consideration of us having distributed the Application Form to you and agreeing to close the Application List **at 12.00 noon on 30 January 2013 or such further period or periods as our Directors and the Vendor may, in consultation with the Manager, Sponsor and Lead Placement Agent and the Co-Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws**, you agree that:
 - (i) your application is irrevocable; and
 - (ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
 - (b) neither our Company, our Directors, the Vendor, the Manager, Sponsor and Lead Placement Agent, the Co-Placement Agent nor any other party involved in the Placement shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;
 - (c) all applications, acceptances and contracts resulting therefrom under the Placement shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

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- (d) in respect of the Placement Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
- (e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
- (f) in making your application, reliance is placed solely on the information contained in this Offer Document and none of our Company, the Vendor, the Manager, Sponsor and Lead Placement Agent, the Co-Placement Agent or any other person involved in the Placement shall have any liability for any information not so contained;
- (g) you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, and share application amount to our Share Registrar, CDP, SGX-ST, our Company, the Vendor, the Manager, Sponsor and Lead Placement Agent, the Co-Placement Agent or other authorised operators; and
- (h) you irrevocably agree and undertake to subscribe for and/or purchase the number of Placement Shares applied for as stated in the Application Form or any smaller number of such Placement Shares that may be allotted and/or allocated to you. In the event that our Company decides to allot any smaller number of Placement Shares or not to allot any Placement Shares to you, you agree to accept such decision as final.

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HALCYON AGRI

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