

**MEDIA RELEASE**

For Immediate Release

## HALCYON AGRI PROPOSES DIVIDEND DISTRIBUTION ON THE BACK OF STRONG FY 2017 PERFORMANCE

- FY 2017 revenue more than doubles to US\$2.0 billion, on higher revenue per tonne and higher sales volume
- Total FY 2017 profit of US\$35.3 million and adjusted earnings per share of 2.24 US cents
- The Board has proposed a total dividend distribution of 2.00 Singapore cents per share
- Introduced new segmental reporting according to customer segments – Global Non-Tyre & Specialty Tyre, Global Tyre Majors, and PRC Tyre Majors

**Singapore, 26 February 2018** - Halcyon Agri Corporation Limited (“Halcyon Agri” and collectively with its subsidiaries, the “Group”), one of the world’s leading natural rubber supply chain franchise, today announced the Group’s revenue of US\$2.0 billion and net profit attributable to shareholders of US\$31.7 million for the full year ended 31 December 2017 (“FY 2017”).

Mr Robert Meyer, Executive Director and Chief Executive Officer, said, “2017 has been an eventful year for the Group, as we undertook several strategic acquisitions to strengthen our market position as the forerunner in the natural rubber supply chain. In light of the Group’s performance and strong cash position, the Board is delighted to propose a total dividend distribution of 2.00 Singapore cents per share in appreciation of our shareholders’ unwavering support and loyalty. This total dividend comprises a final dividend of 1.00 Singapore cent per share, and a special dividend of 1.00 Singapore cent per share.”

### Q4 & FY 2017 Financial Highlights

	Q4 2017 (Unaudited)	Q4 2016 (Restated)	% change	FY 2017 (Unaudited)	FY 2016 (Restated)	% change
	1 Oct 17 to 31 Dec 17	1 Oct 16 to 31 Dec 16		1 Jan 17 to 31 Dec 17	1 Jan 16 to 31 Dec 16	
<b>Revenue</b> (US\$m)	469.4	401.5	16.9	1,988.4	970.5	104.9
<b>EBITDA</b> (US\$m)	1.2	(2.6)	n/m	66.4	(1.9)	n/m
<b>Operating profit</b> (US\$m)	16.2	82.6	(80.3)	64.5	76.3	(15.5)
<b>Profit attributable to owners of the Company</b> (US\$m)	10.9	76.2	(85.7)	35.7	49.5	(27.8)
<b>Adjusted earnings / per share</b> (US cents)	0.68	4.78	(85.7)	2.24	3.10	(27.8)
<b>Cash and bank balances at the end of the period</b> (US\$m)	152.2	66.6	128.5	152.2	66.6	128.5

n/m – not meaningful

Note: Please refer to section 5 of the financial statements for explanation of the restated figures

## Group Performance

Revenue for FY 2017 rose 104.9% to US\$2.0 billion, up from US\$970.5 million in the year-ago period ("FY 2016"). The increase was mainly due to higher revenue per tonne recorded, which rose from US\$1,360 in FY 2016 to US\$1,755 in FY 2017. Sales volume also increased from 713,481 metric tonnes in FY 2016 to 1,132,851 metric tonnes in FY 2017, due to contribution from assets acquired in late 2016.

The Group recorded a profit before tax of US\$53.5 million in FY 2017, up from US\$51.7 million a year ago. This was mainly due to the increase in gross profit, increase in share of profit of an associate, decrease in net finance cost, offset by increase in selling and administrative expenses, as well as decrease in other income.

Halcyon Agri recorded a net cash outflow from operating activities of US\$42.7 million during FY 2017, mainly due to the increase in working capital balances resulting from an increase in sales volume. Cash inflow from investing activities rose from US\$37.8 million in FY 2016 to US\$113.4 million in FY 2017, mainly due to proceeds received from disposal of an associate, offset by capital expenditure on property, plant and equipment and plantation assets. The Group also registered a net cash inflow from financing activities of US\$11.2 million, primarily due to net proceeds from the issuance of perpetual securities of US\$148.7 million, offset by repayment for a medium-term note and net repayment for various loans and associated interest costs. Overall, the Group's cash position remains healthy, at US\$152.2 million as at 31 December 2017.

## New Segmental Reporting

Given the injection of assets from GMG Group and SINRIO Group in 2016, the Group implemented a strategic review that included the realignment of the financial performance reporting based on Halcyon Agri's three target customer segments, Global Non-Tyre & Specialty Tyre, Global Tyre Majors, and PRC Tyre Majors.

FY 2017 * (US\$m)	Global Non-Tyre & Specialty Tyre	Global Tyre Majors	PRC Tyre Majors
<b>Revenue</b>	421.3	1,061.0	956.6
<b>Gross Profit</b>	25.9	88.7	25.9
<b>Operating Profit</b>	9.2	45.4	(5.0)
<b>Segment Assets</b>	915.5	661.9	464.2
<b>Segment Liabilities</b>	472.5	543.8	402.4

\*Includes inter-segment figures

Global Non-Tyre & Specialty Tyre manages the demand of non-tyre customers, as well as specialty tyre producers. Global Tyre Majors represent most of the tyre manufacturers based around the world excluding China, while PRC Tyre Majors cater to Chinese tyre manufacturers.

## Well-positioned to ride on strategic acquisitions for growth

In 2017, Halcyon Agri undertook an acquisition which included the distribution franchises of Wurf bain, Corrie MacColl and Alan L Grant, some of the world's oldest rubber trading names. The acquisition will provide the global marketplace for specialty latex and rubber with unparalleled technical support and expertise for a seamless global supply network. Separately, the acquisition of five rubber factories in Indonesia will add a total of 192,000 metric tonnes to the Group's annual processing capabilities,



strengthening Halcyon Agri's competitive edge in the Global Tyre Majors market, and propelling the Group to become the single largest producer of Standard Indonesian Rubber globally.

Looking ahead, while Halcyon Agri expects market prices to remain volatile over the short term, the Group remains cautiously optimistic that the growing demand for natural rubber will help to stabilise prices at sustainable levels, backed by global macroeconomic drivers, as well as the industry's focus on creating a sustainable natural rubber supply chain platform.

"As we enter the new financial year, the Group will focus on strengthening our leading position in the Global Tyre Majors market, building up the franchise value of our PRC Tyre Majors business, and transforming our Global Non-Tyre & Specialty Tyre business into the market leading provider of specialised rubber and latex for our non-tyre customers," Mr Meyer added.

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### **About Halcyon Agri**

Halcyon Agri (SGX: 5VJ) is a leading supply chain franchise of natural rubber with a production capacity of 1.63 million metric tonnes per annum. The Group owns 38 processing factories in most major rubber producing origins and produces sustainable natural rubber under its proprietary HEVEAPRO brand. The Group leverages its extensive network of warehouses, terminals, laboratories and sales offices across the world to distribute a range of natural rubber grades, latex and specialised rubber for the tyre and non-tyre industries. The Group is headquartered in Singapore and has more than 15,000 employees located in 59 locations. Halcyon Agri is listed on the Main Board of the Singapore Exchange with a market capitalisation of more than US\$700 million.

Please visit us at [www.halcyonagri.com](http://www.halcyonagri.com) and [@HalcyonAgri](https://twitter.com/HalcyonAgri)

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