



HALCYON AGRI CORPORATION LIMITED
(Company Registration No.: 200504595D)

Unaudited Financial Statement for the Fourth Quarter Ended 31 December 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Profit and Loss Accounts- Fourth Quarter 2017 ("Q4 2017") and Financial Year Ended 31 December 2017 ("FY 2017")

	Group			Group		
	Q4 2017 (Unaudited)	Q4 2016 (Restated)	Change	FY 2017 (Unaudited)	FY 2016 (Restated)	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Continuing Operations						
Revenue	469,422	401,518	16.9	1,988,439	970,478	104.9
Cost of sales	(445,074)	(378,265)	17.7	(1,847,953)	(918,980)	101.1
Gross profit	24,348	23,253	4.7	140,486	51,498	172.8
Other income	23,842	93,164	(74.4)	24,776	94,787	(73.9)
Selling expenses	(12,360)	(5,998)	106.1	(37,457)	(15,094)	148.2
Administrative expenses	(19,585)	(27,841)	(29.7)	(63,307)	(54,890)	15.3
Operating profit	16,245	82,578	(80.3)	64,498	76,301	(15.5)
Finance income	1,293	987	31.0	2,922	1,735	68.4
Finance costs	(4,578)	(7,496)	(38.9)	(23,800)	(28,012)	(15.0)
Share of profit of associate	64	1,686	(96.2)	9,899	1,686	487.1
Profit before taxation	13,024	77,755	(83.2)	53,519	51,710	3.5
Income tax expense	(126)	(3,028)	(95.8)	(11,076)	(3,238)	242.1
Profit from continuing operations	12,898	74,727	(82.7)	42,443	48,472	(12.4)
Discontinued Operation						
Profit/(Loss) from discontinued operation	675	(3,162)	n/m	(7,192)	(3,162)	127.5
Total profit for the period/year	13,573	71,565	(81.0)	35,251	45,310	(22.2)
Profit/(Loss) attributable to:						
Owners of the Company						
- continuing operations, net of tax	10,873	76,220	(85.7)	35,705	49,487	(27.8)
- discontinued operation, net of tax	757	(1,739)	n/m	(3,957)	(1,739)	127.5
	11,630	74,481	(84.4)	31,748	47,748	(33.5)
Non-controlling interests						
- continuing operations, net of tax	2,025	(1,493)	n/m	6,738	(1,015)	n/m
- discontinued operation, net of tax	(82)	(1,423)	(94.2)	(3,235)	(1,423)	127.3
	1,943	(2,916)	n/m	3,503	(2,438)	n/m
Earnings before interest, tax, depreciation and amortisation ("EBITDA")						
- continuing operations	1,170	(2,597)	n/m	66,392	(1,906)	n/m
- discontinued operation	2,225	(2,272)	n/m	(1,809)	(2,272)	(20.4)
Earnings/(Loss) per share ("EPS/LPS"):						
Basic and diluted EPS/(LPS) in US cents						
- continuing operations (refer item 6)	0.68	4.87	(86.0)	2.24	5.65	(60.4)
- discontinued operation	0.05	(0.11)	n/m	(0.25)	(0.20)	25.0
Adjusted EPS/(LPS) in US cents						
- continuing operations (refer item 6)	0.68	4.78	(85.7)	2.24	3.10	(27.8)
- discontinued operation	0.05	(0.11)	n/m	(0.25)	(0.11)	127.5

n/m - not meaningful

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Consolidated Statement of Comprehensive Income - Fourth Quarter 2017 ("Q4 2017") and Financial Year Ended 31 December 2017 ("FY 2017")

	Group			Group		
	Q4 2017 (Unaudited)	Q4 2016 (Restated)	Change	FY 2017 (Unaudited)	FY 2016 (Restated)	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Profit for the financial period/year	13,573	71,565	(81.0)	35,251	45,310	(22.2)
Other comprehensive income						
<i><u>Items that may be reclassified subsequently to profit and loss</u></i>						
Exchange differences on translation of foreign operations	(10,254)	(27,051)	(62.1)	45,723	(19,634)	n/m
Recognised in the profit and loss accounts on occurrence of hedged transactions	-	(11)	n/m	-	2,189	n/m
<i><u>Items that will not be reclassified subsequently to profit and loss</u></i>						
Share of associates' other comprehensive loss	-	(2,783)	n/m	-	(2,783)	n/m
Actuarial loss on retirement benefit obligation (net of tax)	(1,197)	(965)	24.0	(1,197)	(965)	24.0
Other comprehensive (loss)/income for the financial period/year	(11,451)	(30,810)	(62.8)	44,526	(21,193)	n/m
Total comprehensive income for the financial period/year	2,122	40,755	(94.8)	79,777	24,117	230.8
Total comprehensive income/(loss) attributable to:						
Owners of the Company	876	44,819	(98.0)	73,446	26,786	174.2
Non-controlling interests	1,246	(4,064)	n/m	6,331	(2,669)	n/m
	2,122	40,755	(94.8)	79,777	24,117	230.8

n/m - not meaningful

Note:

Refer item (5) on details of restatement for Q4 2016 and FY 2016.

1(a)(ii) Notes to Consolidated Profit and Loss Accounts

Profit/(loss) for the financial period has been arrived at after crediting/(charging) the following:						
	Group			Group		
	Q4 2017 (Unaudited)	Q4 2016 (Restated)	Change	FY 2017 (Unaudited)	FY 2016 (Restated)	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Continuing operations						
Amortisation of intangible asset	(20)	(19)	5.3	(79)	(72)	9.7
Cost of inventories recognised as an expense	(445,074)	(378,265)	17.7	(1,847,953)	(918,980)	101.1
Depreciation:						
-Cost of sales	(4,625)	(4,306)	7.4	(18,075)	(9,948)	81.7
-Selling expenses	(24)	(24)	-	(98)	(92)	6.5
-Administrative expenses	(1,755)	(798)	119.9	(5,179)	(2,003)	158.6
	(6,404)	(5,128)	24.9	(23,352)	(12,043)	93.9
Employee benefits expenses:						
-Cost of sales	(11,280)	(10,881)	3.7	(45,409)	(23,756)	91.1
-Selling expenses	(2,015)	(1,142)	76.4	(5,982)	(4,387)	36.4
-Administrative expenses	(10,716)	(8,434)	27.1	(39,922)	(18,319)	117.9
	(24,011)	(20,457)	17.4	(91,313)	(46,462)	96.5
Finance cost:						
-Working capital loans	(1,304)	(2,317)	(43.7)	(6,841)	(8,273)	(17.3)
- Term loans	(3,264)	(3,557)	(8.2)	(11,956)	(13,156)	(9.1)
-Medium Term Notes ("MTN")	-	(1,604)	n/m	(4,951)	(6,501)	(23.8)
-Finance lease obligation	(10)	(18)	(44.4)	(52)	(82)	(36.6)
	(4,578)	(7,496)	(38.9)	(23,800)	(28,012)	(15.0)
Foreign exchange (loss)/gain:						
-Cost of sales	(2,884)	(2,678)	7.7	482	(2,530)	n/m
-Administrative expenses	2,380	2,194	8.5	12,190	167	7,221.1
	(504)	(484)	4.0	12,672	(2,363)	n/m
Non-recurring expenses (Included within administrative expenses):						
-Acquisitions-related expenses	(764)	(1,313)	(41.8)	(764)	(4,767)	(84.0)
-Expense on Consent Solicitation Exercise ("CSE")	-	(135)	n/m	-	(920)	n/m
-Expenses incurred on business integration and restructuring	-	(2,161)	n/m	-	(2,161)	n/m
-Amortisation of fee incurred for syndicated loan facility	-	(8,498)	n/m	-	(11,706)	n/m
-Others	-	(2,233)	n/m	-	(2,233)	n/m
	(764)	(14,340)	(94.7)	(764)	(21,787)	(96.5)
Other income:						
-Fair value gain on investment properties	1,258	1,717	(26.7)	1,258	1,717	(26.7)
-Fair value gain on biological assets	328	1,069	(69.3)	259	2,374	(89.1)
-Gain on disposal of an associate	18,130	-	n/m	18,130	-	n/m
-Gain on disposal of a subsidiary	3,406	-	n/m	3,406	-	n/m
-Net bargain purchase on acquisition of subsidiaries	-	90,321	n/m	-	90,321	n/m
-Others	720	57	1,163.0	1,723	375	359.4
	23,842	93,164	(74.4)	24,776	94,787	(73.9)
Professional fees	(2,110)	(1,462)	44.4	(4,971)	(2,460)	102.1

n/m - not meaningful

Note:

Refer item (5) on details of restatement for Q4 2016 and FY 2016.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Consolidated Statements of Financial Position as at 31 December 2017 and 31 December 2016				
	Group		Company	
	31 Dec 17	31 Dec 16	31 Dec 17	31 Dec 16
	Unaudited US\$'000	Restated US\$'000	Unaudited US\$'000	Audited US\$'000
ASSETS				
Non-current assets				
Intangible assets	200,416	200,496	-	-
Property, plant and equipment	244,929	244,781	1,025	207
Plantation related properties	328,164	281,703	-	-
Biological assets	8,861	6,821	-	-
Investment properties	25,256	39,791	-	-
Deferred tax assets	14,346	13,227	-	-
Deferred charges	531	207	-	-
Other assets	1,793	259	-	-
Loan receivables	3,641	3,209	-	-
Investment in associates	-	189,700	-	-
Investment in subsidiaries	-	-	600,824	615,640
Total non-current assets	827,937	980,194	601,849	615,847
Current assets				
Cash and bank balances	152,229	66,625	706	430
Trade receivables	121,689	98,066	-	-
Loan and other receivables	111,058	51,874	671,089	372,056
Tax receivables	2,175	1,767	-	-
Derivative financial instruments	22,885	30,889	-	-
Inventories	305,347	319,973	-	-
Consumable biological assets	49	134	-	-
	715,432	569,328	671,795	372,486
Assets of disposal group classified as held for sale	89,384	-	-	-
Total current assets	804,816	569,328	671,795	372,486
Total assets	1,632,753	1,549,522	1,273,644	988,333
LIABILITIES AND EQUITY				
Current liabilities				
Derivative financial instruments	145	58,786	-	-
Trade payables	38,757	46,265	-	-
Other payables	60,443	42,699	155,335	33,776
Loan payables	207,551	244,645	2,750	2,750
Provision for taxation	21,040	19,813	412	412
Finance lease obligation	496	497	496	465
	328,432	412,705	158,993	37,403
Liabilities of disposal group classified as held for sale	16,463	-	-	-
Total current liabilities	344,895	412,705	158,993	37,403
Net current assets	459,921	156,623	512,802	335,083
Non current liabilities				
Loan payables	402,960	460,372	299,367	357,654
Retirement benefit obligations	19,024	17,153	-	-
Deferred tax liabilities	26,114	34,763	25	25
Finance lease obligation	86	600	86	581
Other payables	1,843	1,850	-	-
Total non current liabilities	450,027	514,738	299,478	358,260
Net assets	837,831	622,079	815,173	592,670
Capital and reserves				
Share capital	603,874	603,874	603,874	603,874
Perpetual securities	148,690	-	148,690	-
Capital reserves	711	455	-	-
Accumulated profits/(losses)	76,422	48,116	62,609	(11,204)
Foreign currency translation reserves	(34,776)	(77,448)	-	-
Equity attributable to owners of the Company	794,921	574,997	815,173	592,670
Non-controlling interests	42,910	47,082	-	-
Total equity	837,831	622,079	815,173	592,670
Total liabilities and equity	1,632,753	1,549,522	1,273,644	988,333

Note:

Refer item (5) on details of restatement as at 31 December 2016.

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

	As at 31 December 2017 (Unaudited)		As at 31 December 2016 (Audited)	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Loan payables	33,672	173,879	141,246	103,399
Finance lease	496	-	497	-

Amount repayable after one year

	As at 31 December 2017 (Unaudited)		As at 31 December 2016 (Audited)	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Loan payables	3,215	399,745	7,914	452,458
Finance lease	86	-	600	-

Details of any collateral

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

Finance leases are secured by the lessor's title to the leased assets.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Group	
	Q4 2017 (Unaudited)	Q4 2016 (Restated)	FY 2017 (Unaudited)	FY 2016 (Restated)
	US\$'000	US\$'000	US\$'000	US\$'000
Operating activities:				
Profit before taxation from continuing operations	13,024	77,755	53,519	51,710
Profit/(loss) before taxation from discontinued operation	627	(3,067)	(6,951)	(3,067)
Profit before taxation	13,651	74,688	46,568	48,643
Adjustments for:				
Depreciation expense	7,275	5,388	26,792	12,303
Amortisation of intangible asset	20	19	79	72
Retirement benefit expense	1,527	1,124	3,521	2,390
Interest income	(1,306)	(987)	(2,950)	(1,735)
Interest expense	5,358	7,926	25,674	28,442
Fair value (gain)/loss on open forward commodities contracts and inventories, unrealised	(1,665)	(11,986)	2,026	(11,598)
Fair value gain on investment properties	(1,258)	(1,717)	(1,258)	(1,717)
Fair value gain on biological assets	(328)	(1,069)	(259)	(2,374)
Net bargain purchase on acquisition of subsidiaries	-	(90,321)	-	(90,321)
Unrealised foreign exchange (gain)/loss	(10,508)	(1,671)	(10,508)	356
Amortisation fee for syndicated loan facility and term loan	-	8,540	-	11,748
Loss on disposal of property, plant and equipment and investment properties and write off of property, plant and equipment	306	417	268	417
Gain on disposal of an associate	(18,130)	-	(18,130)	-
Gain on disposal of a group of subsidiaries	(3,406)	-	(3,406)	-
Share of profit of associates	(105)	(1,581)	(10,043)	(1,581)
Operating cash flows before working capital changes	(8,569)	(11,230)	58,374	(4,955)
Trade and other receivables	20,040	28,523	(44,780)	44,067
Inventories	30,174	(100,689)	(49,839)	(81,574)
Trade and other payables	(7,261)	9,405	10,029	423
Cash generated from/(used in) operations	34,384	(73,991)	(26,216)	(42,039)
Interest received	763	987	2,407	1,735
Interest paid	(3,320)	(3,255)	(9,641)	(9,297)
Tax paid	(5,046)	(743)	(9,229)	(13)
Net cash generated from/(used in) operating activities	26,781	(77,002)	(42,679)	(49,614)
Investing activities				
Acquisition of subsidiaries (net of cash acquired)	-	53,090	-	53,090
Acquisition of non-controlling interests	(5,151)	-	(8,007)	-
Proceeds from disposal of a group of subsidiaries	10	-	10	-
Proceeds from disposal of an associate	219,110	-	225,053	-
Loan extended to a third party	(49,911)	-	(49,911)	-
Capital expenditure on property, plant and equipment and plantation assets	(14,157)	(11,021)	(54,493)	(16,060)
Proceeds from disposal of property, plant and equipment and investment properties	161	746	708	746
Net cash generated from investing activities	150,062	42,815	113,360	37,776
Financing activities				
Net proceed from issuance of perpetual securities	-	-	148,690	-
Net (repayment)/proceeds of term loans & syndicated loan facility	(2,963)	(65,552)	19,427	(88,927)
Net (repayment)/proceeds of working capital loans	(123,630)	119,021	(45,446)	118,588
Net repayment of Medium Term Notes ("MTN")	-	-	(87,291)	-
Interest paid on term loans and syndicated loan facility	(2,649)	(2,841)	(9,727)	(12,440)
Interest paid on MTN & advance to MTN Trust Account	-	-	(5,820)	(8,878)
Dividend paid on perpetual securities	(3,375)	-	(3,375)	-
Repayment of obligation under finance lease arrangement	(129)	(121)	(568)	(444)
Dividend paid to non-controlling interest	-	(14)	(183)	(180)
Share issuance expense	-	(309)	-	(309)
Decrease/(Increase) in pledged deposits	76	-	(4,480)	-
Net cash (used in)/generated from financing activities	(132,670)	50,184	11,227	7,410
Net increase/(decrease) in cash and cash equivalents	44,173	15,997	81,908	(4,428)
Cash and cash equivalents at beginning of the period/year	107,079	48,981	66,625	70,541
Effects of exchange rate changes on the balance of cash held in foreign currencies	2,120	1,647	4,839	512
Cash and cash equivalents at end of the period/year	153,372	66,625	153,372	66,625
Cash and bank balances comprise the following:				
Cash and cash equivalents:				
- Continuing operations	149,056	66,625	149,056	66,625
- Disposal group asset held for sale	4,316	-	4,316	-
	153,372	66,625	153,372	66,625
Fixed deposits - pledged:				
- Continuing operations	3,173	-	3,173	-
- Disposal group asset held for sale	1,516	-	1,516	-
	4,689	-	4,689	-
	158,061	66,625	158,061	66,625

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statements of Changes in Equity as at 31 December 2017 and 31 December 2016

Group (Unaudited)	Share capital US\$ '000	Perpetual securities US\$ '000	Capital reserves US\$ '000	Accumulated profits/ (losses) US\$ '000	Foreign currency translation reserves US\$ '000	Hedging reserve US\$ '000	Non-controlling interests US\$ '000	Total US\$ '000
Balance at 1 January 2017 (restated)	603,874	-	455	48,116	(77,448)	-	47,082	622,079
Total comprehensive income/(loss) for the year								
Profit for the year	-	-	-	31,748	-	-	3,503	35,251
Other comprehensive (loss)/income	-	-	-	(1,042)	42,740	-	2,828	44,526
Total	-	-	-	30,706	42,740	-	6,331	79,777
Transactions with owners, recognised directly in equity								
Issuance of perpetual securities, net of transaction costs	-	148,690	-	-	-	-	-	148,690
Dividend paid to non-controlling interest	-	-	-	-	-	-	(183)	(183)
Statutory reserve fund	-	-	256	(256)	-	-	-	-
Distribution to perpetual securities holders	-	-	-	(3,375)	-	-	-	(3,375)
Disposal of a group of subsidiaries	-	-	-	-	(68)	-	(1,082)	(1,150)
Total	-	148,690	256	(3,631)	(68)	-	(1,265)	143,982
Changes in ownership interests in subsidiaries								
Acquisition of non-controlling interests without a change in control	-	-	-	1,746	-	-	(9,753)	(8,007)
Effect of additional investment in a subsidiary	-	-	-	(515)	-	-	515	-
Total	-	-	-	1,231	-	-	(9,238)	(8,007)
Balance at 31 December 2017	603,874	148,690	711	76,422	(34,776)	-	42,910	837,831
Group (Restated)								
Balance at 1 January 2016	156,551	-	143	4,363	(57,980)	(2,189)	24,238	125,126
Total comprehensive income/(loss) for the year								
Profit/(Loss) for the year, as restated	-	-	-	47,748	-	-	(2,438)	45,310
Other comprehensive (loss)/income, as restated	-	-	-	(3,683)	(19,468)	2,189	(231)	(21,193)
Total	-	-	-	44,065	(19,468)	2,189	(2,669)	24,117
Transactions with owners, recognised directly in equity								
Dividend paid to non-controlling interest	-	-	-	-	-	-	(180)	(180)
Statutory reserve fund	-	-	312	(312)	-	-	-	-
Non-controlling interest arising from acquisition of subsidiaries, as restated	-	-	-	-	-	-	25,693	25,693
Issuance of Company's shares (net of share issuance cost)	447,323	-	-	-	-	-	-	447,323
Total	447,323	-	312	(312)	-	-	25,513	472,836
Balance at 31 December 2016 (As restated)	603,874	-	455	48,116	(77,448)	-	47,082	622,079
Company (Unaudited)								
Balance at 1 January 2017	603,874	-	-	(11,204)	-	-	-	592,670
Total comprehensive income for the year								
Profit for the year	-	-	-	77,188	-	-	-	77,188
Total	-	-	-	77,188	-	-	-	77,188
Transactions with owners, recognised directly in equity								
Issuance of perpetual securities, net of transaction costs	-	148,690	-	-	-	-	-	148,690
Distribution to perpetual securities holders	-	-	-	(3,375)	-	-	-	(3,375)
Total	-	148,690	-	(3,375)	-	-	-	145,315
Balance at 31 December 2017	603,874	148,690	-	62,609	-	-	-	815,173
Company (Audited)								
Balance at 1 January 2016	156,551	-	-	1,249	-	-	-	157,800
Total comprehensive loss for the year								
Loss for the year	-	-	-	(12,453)	-	-	-	(12,453)
Total	-	-	-	(12,453)	-	-	-	(12,453)
Transactions with owners, recognised directly in equity								
Issue of share capital (net of share issuance cost)	447,323	-	-	-	-	-	-	447,323
Total	447,323	-	-	-	-	-	-	447,323
Balance at 31 December 2016	603,874	-	-	(11,204)	-	-	-	592,670

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Number of ordinary shares	US\$'000
Issued and paid up		
At 30 September 2017 and 31 December 2017	<u>1,595,011,941</u>	<u>603,874</u>

There were no outstanding options, convertibles, treasury shares or subsidiary holdings as at 31 December 2017 and 31 December 2016.

- 1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

The Company did not hold any treasury shares as at 31 December 2017 and 31 December 2016. As such, the number of issued shares excluding treasury shares as at 31 December 2017 and 31 December 2016 were 1,595,011,941 shares.

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on**

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been reviewed or audited by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5, the financial statements have been prepared using the same accounting policies and methods of computation as presented in the audited financial statements for the financial year ended 31 December 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted all applicable new and revised Financial Reporting Standards (“FRS”) and Interpretations of Financial Reporting Standards (“INT FRS”) which became effective for accounting periods beginning on or after 1 January 2017. The adoption of these new and revised FRS and INT FRS are assessed to have no material financial impact on the Group’s financial statements for the current financial period reported on.

(a) Prior year adjustments in accordance with FRS 103 Business Combinations

The comparative figures for Q4 2016 and FY 2016 have been restated to reflect the effects of the retrospective adjustment arising from the finalisation of the provisional Purchase Price Allocation (“PPA”), relating to the acquisition of GMG Group and SINRIO Group which was acquired in Q4 2016.

In accordance with FRS 103 Business Combination, the provisional net bargain purchase has been retrospectively adjusted to reflect the uncertainty in recovering certain other receivables, potential under-recognition of tax liabilities and under accrual of other liabilities.

The following adjustments were made to reflect the effects of the retrospective adjustment arising from the finalisation of the fair values of the assets and liabilities relating to the acquisition:

	Group 31 Dec 2016 Increase/(Decrease) US\$’000
Statement of financial position	
Property, plant and equipment	(45)
Loan and other receivables	(8,795)
Total assets	<u>(8,840)</u>
Other payables	749
Provision for taxation	15,665
Retirement benefit obligation	501
Total liabilities	<u>16,915</u>
Accumulated profits	(26,632)
Foreign currency translation reserve	877
Total equity	<u>(25,755)</u>

Group
Q4 2016 / FY 2016
Increase/(Decrease)
US\$'000

Profit and loss

Other income

(26,632)

(b) Prior year adjustment in accordance with FRS 105 Non-current Assets Held for Sale and Discontinued Operations

The comparative figures for Q4 2016 and FY 2016 have been re-presented to reflect TBH group as discontinued operations in accordance with FRS 105 Non-current Assets Held for Sale and Discontinued Operations. Refer Note 8 for details on the discontinued operation.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group		Group	
	Q4 2017	Q4 2016	FY 2017	FY 2016
<u>Continuing operations</u>	Unaudited	Restated	Unaudited	Restated
Profit attributable to owners of the Company (US\$'000)	10,873	76,220	35,705	49,487
Basic and diluted earnings per share ("EPS") in US cents ⁽¹⁾	0.68	4.87	2.24	5.65
Adjusted EPS in US cents ⁽²⁾	0.68	4.78	2.24	3.10
Adjusted EPS in SGD cents ⁽³⁾	0.92	6.80	3.08	4.29

Notes:

- (1) The basic and diluted EPS for the periods under review have been computed based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue for the respective periods.
- (2) For comparative purposes, the adjusted EPS for the periods under review have been computed based on the profit attributable to owners of the Company and number of ordinary shares in issue as at 31 December 2017 of 1,595,011,941 ordinary shares.
- (3) Translated at the average exchange rates for each respective period.

The basic and diluted EPS for Q4 2017, Q4 2016, FY 2017 and FY 2016 were the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2017 and 31 December 2016.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Unaudited	Restated	Unaudited	Restated
Net asset value per ordinary share based on issued share capital (US cents)	52.53	39.00	51.11	37.16
Net asset value per ordinary share based on issued share capital (SGD cents) ⁽¹⁾	70.21	56.41	68.31	53.74
Number of ordinary shares outstanding	1,595,011,941	1,595,011,941	1,595,011,941	1,595,011,941

Note:

(1) Translated at the closing exchange rates for each respective period.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

REVIEW OF THE INCOME STATEMENT OF THE GROUP FOR Q4 2017 VS Q4 2016 AND FY 2017 VS FY 2016

Overview

Snapshot

Operating financial statistics (continuing operations)

		Q4 2017	Q4 2016	Change	FY 2017	FY 2016	Change
Total sales volume	tonnes	298,380	280,499	6.4%	1,132,851	713,481	58.8%
Revenue	US\$ million	469.4	401.5	16.9%	1,988.4	970.5	104.9%
Revenue per tonne	US\$	1,573	1,431	9.9%	1,755	1,360	29.0%
Gross profit	US\$ million	24.3	23.3	4.7%	140.5	51.5	172.8%
EBITDA	US\$ million	1.1	(2.6)	n/m	66.4	(1.9)	n/m
Net profit	US\$ million	12.9	74.7	-82.7%	42.4	48.5	-12.4%

n/m - not meaningful

FY 2017 results included the full year results of the new subsidiaries, GMG Group and SINRIO Group acquired in Q4 2016. As such, each item in the income statement for FY 2017 has shown a significant movement as compared to FY 2016.

Revenue

Q4 2017 vs Q4 2016

Revenue increased by US\$67.9 million or 16.9%, from US\$401.5 million in Q4 2016 to US\$469.4 million in Q4 2017 mainly due to:

- (i) increase in revenue per tonne from US\$1,431 (Q4 2016) to US\$1,573 (Q4 2017), in line with the movement of the natural rubber market price during these periods; and
- (ii) higher sales volumes from 280,499 tonnes in Q4 2016 to 298,380 tonnes in Q4 2017.

FY 2017 vs FY 2016

Revenue increased by US\$1,018.0 million or 104.9%, from US\$970.5 million in FY 2016 to US\$1,988.4 million in FY 2017 mainly due to the following reasons:

- (i) higher revenue per tonne from US\$1,360 in FY 2016 to US\$1,755 in FY 2017, in line with the movement of the natural rubber market price during the year; and
- (ii) higher sales volumes from 713,481 tonnes in FY 2016 to 1,132,851 tonnes in FY 2017, mainly due to contribution from the newly acquired assets.

Cost of sales

Cost of sales comprises the cost of procuring and processing raw materials into finished goods, and other incidental costs to transport the goods to customers (for sales not on FOB basis).

Q4 2017 vs Q4 2016

Cost of sales increased by US\$66.8 million or 17.7%, from US\$378.3 million in Q4 2016 to US\$445.1 million in Q4 2017, mainly due to the increase in price of raw materials (in line with the increase in the market price for natural rubber).

FY 2017 vs FY 2016

Cost of sales increased by US\$929.0 million or 101.1%, from US\$919.0 million in FY 2016 to US\$1,848.0 million in FY 2017, due to the increase in sales volume (as explained above) and price of raw materials (in line with the increase in the market price for natural rubber).

Gross profit

	Q4 2017	Q4 2016	Change	FY 2017	FY 2016	Change
Gross profit (US\$ million)	24.3	23.3	4.7%	140.5	51.5	172.8%
Sales volume (tonnes)	298,380	280,499	6.4%	1,132,851	713,481	58.8%
Gross profit per tonne (US\$)	82	83	-1.6%	124	72	71.8%

Q4 2017 vs Q4 2016

Gross profit increased by US\$1.1 million or 4.7% from US\$23.3 million in Q4 2016 to US\$24.3 million in Q4 2017. This was mainly contributed by higher sales volume in Q4 2017 vs Q4 2016.

FY 2017 vs FY 2016

Gross profit increased by US\$89.0 million or 172.8% from US\$51.5 million in FY 2016 to US\$140.5 million in FY 2017 mainly due to the higher gross profit per tonne in FY 2017 vs FY 2016. This was at the back of the improved margins in the Processing Segment during FY 2017 and also, contribution from assets acquired in Q4 2016.

Profit before tax

Q4 2017 vs Q4 2016

Profit before tax in Q4 2017 was US\$13.0 million, a decrease of US\$64.7 million from the profit before tax of US\$77.8 million in Q4 2016.

The decrease in profit before tax was mainly due to decrease in other income of US\$69.3 million, from US\$93.2 million in Q4 2016 to US\$23.8 million in Q4 2017. The decrease in other income was mainly due to the one-off recognition of net bargain purchase of US\$90.3 million on the acquisition of GMG Group and SINRIO Group in FY 2016 but this does not recur this year. In FY 2017, other income recognised was mainly relating to the gain on disposal of an associate (SIAT S.A) and a group of subsidiaries (Inobonto Holdings Pte Ltd) totalling US\$21.5 million.

FY 2017 vs FY 2016

Profit before tax in FY 2017 was US\$53.5 million, an increase of US\$1.8 million from the profit before tax in FY 2016 of US\$51.7 million.

The increase in profit before tax was mainly due to (i) increase in gross profit of US\$89.0 million, (ii) increase in share of profit of associate of US\$8.3 million and (iii) decrease in net finance cost of US\$5.4 million, offset by increase in selling and administrative expenses of US\$30.8 million, in line with the expanded operations after the acquisition of GMG Group and SINRIO Group in Q4 2016, and decrease in other income of US\$70.0 million as explained above.

Profit after tax

Q4 2017 vs Q4 2016 and FY 2017 vs FY 2016

Profit after tax in Q4 2017 was US\$12.9 million (FY 2017: US\$42.4 million), a decrease of US\$61.8 million (FY 2017: a decrease of US\$6.0 million) from the profit after tax in Q4 2016 of US\$74.7 million (FY 2016: profit after tax of US\$48.5 million).

Discontinued operation

Discontinued operation refers to the Group's processing business in Thailand, under the brand name of Teck Bee Hang ("TBH"), which has been classified as asset held for sale under FRS105 *Non-Current Assets Held for Sale and Discontinued Operations*, following the Group's strategic review undertaken in H1 2017. The discontinued operation contributed to US\$7.2 million loss after tax in FY 2017 (FY 2016: loss after tax of US\$3.2 million) and Q4 2017: profit after tax of US\$0.7 million (Q4 2016: loss after tax of US\$3.2 million), with revenue of US\$169.9 million in FY 2017 (FY 2016: US\$39.8 million) and revenue of US\$43.0 million in Q4 2017 (Q4 2016: US\$39.8 million).

REVIEW OF THE FINANCIAL POSITION OF THE GROUP AS AT 31 DECEMBER 2017 VS 31 DECEMBER 2016

Non-current assets

Non-current assets decreased by US\$152.3 million or 15.5% from 31 December 2016 (US\$980.2 million) to 31 December 2017 (US\$827.9 million), mainly due to the following factors:

- (i) decrease in investment in associates of US\$189.7 million due to disposal of the Group's associate, SIAT S.A.;
- (ii) decrease of US\$46.0 million (arising from investment in associate, property, plant and equipment, investment properties and other assets) due to reclassification of TBH Group's non-current assets as assets of disposal group classified as held for sale;
- (iii) decrease of US\$14.5 million in investment properties mainly due to reclassification of TBH Group's investment properties of US\$16.7 million from non-current asset to current assets as assets of disposal group classified as held for sale (as mentioned above), offset by fair value gain on investment properties of US\$1.3 million; and
- (iv) these decreases were offset by increase of US\$46.6 million in property, plant and equipment and plantation related properties mainly due to:
 - (a) capital expenditure of US\$54.5 million and foreign exchange difference in an aggregate of US\$47.5 million, as a result of strengthening of respective local currency in Indonesia, Malaysia, China and Africa, against US Dollar; and
 - (b) offset by depreciation expense of US\$26.8 million and reclassification of TBH Group's property, plant and equipment of US\$27.2 million from non-current asset to current assets as assets of disposal group classified as held for sale (as mentioned above).

Current assets

Current assets increased by US\$235.5 million or 41.4% from 31 December 2016 (US\$569.3 million) to 31 December 2017 (US\$804.8 million) mainly due to:

- (i) increase in cash and bank balances of US\$85.6 million mainly due to net proceeds received from issuance of perpetual securities and proceeds from disposal of an associate, offset by redemption of S\$125 million MTN as announced on 31 July 2017 and repayment of the Group's certain working capital loans;
- (ii) increase in trade and other receivables of US\$82.8 million. This was mainly due to loan extended to a third party of US\$49.9 million and higher balances in connection with the higher rubber selling prices in Q4 2017 compared to Q4 2016;
- (iii) reclassification of all non-current assets of TBH Group amounting to US\$46.0 million as part of assets of disposal group classified as held for sale totalling to US\$89.4 million; and
- (iv) these increases were offset by decrease in derivative financial instruments of US\$8.0 million mainly due to lower valuation gain on open contracts as at 31 December 2017, and decrease in inventories of US\$14.6 million.

Current liabilities

Current liabilities decreased by US\$67.8 million or 16.4% from 31 December 2016 (US\$412.7 million) to 31 December 2017 (US\$344.9 million), mainly due to:

- (i) decrease in derivative financial instruments of US\$58.6 million mainly due to lower valuation loss on open contracts;
- (ii) decrease in loan payables of US\$37.1 million mainly due repayment of certain working capital loans, using the proceeds from disposal of the associate;
- (iii) these decreases were offset by an increase in provision for taxation of US\$1.2 million, in line with the higher profit before tax in FY 2017 as compared to FY 2016; increase in trade and other payables of US\$10.2 million and reclassification of all non-current liabilities of TBH group amounting to US\$9.6 million, as part of the liabilities within disposal group classified as held for sale, totalling to US\$16.5 million.

The breakdown of the current loan payables are as follows:

(US\$ million)	31 December 2017	31 December 2016
Working capital loans	196.6	234.2
Term loans	11.0	10.4
Total	207.6	244.6

Non-current liabilities

Non-current liabilities decreased by US\$64.7 million or 12.6% from 31 December 2016 (US\$514.7 million) to 31 December 2017 (US\$450.0 million), mainly due to redemption of MTN as mentioned above, offset by an additional drawdown of a term loan.

Equity

The Group's equity increased by US\$215.7 million from US\$622.1 million as at 31 December 2016 to US\$837.8 million as at 31 December 2017, mainly due to the net proceed of US\$148.7 million received from issuance of perpetual securities, the Group's FY 2017 net income and foreign currency translation gain arising during the year.

Assets and liabilities of disposal group classified as held for sale

Assets and liabilities of disposal group classified as held for sale refer to the assets and liabilities of TBH group. The key components are as follows:

	31 Dec 17
	Unaudited US\$'000
<u>ASSETS</u>	
Investment in associate	1,348
Property, plant and equipment	27,187
Investment properties	16,656
Cash and bank balances	5,832
Other working capital assets	38,361
Total assets	89,384
<u>LIABILITIES</u>	
Working capital liabilities	8,969
Deferred tax liabilities	7,494
Total liabilities	16,463
Net assets	72,921

Working capital

As at 31 December 2017, net working capital amounted to US\$343.8 million, as set out below:

(US\$ million)	31 December 2017	31 December 2016
Cash and bank balances	152.2	66.6
Trade receivables	121.7	98.1
Inventories	305.3	320.0
Less: Trade payables	(38.8)	(46.3)
Less: Working capital loans (current)	(196.6)	(234.2)
Net working capital	343.8	204.2

REVIEW OF THE CASH FLOW STATEMENT OF THE GROUP FOR Q4 2017 VS Q4 2016 AND FY 2017 VS FY 2016

The following table sets out a summary of cash flows for Q4 2017, Q4 2016, FY 2017 and FY 2016:

(US\$ million)	Q4 2017	Q4 2016	FY 2017	FY 2016
Net cash (used in)/generated from operating activities, before working capital changes	(16.2)	(14.2)	41.9	(12.5)
Changes in working capital	43.0	(62.8)	(84.6)	(37.1)
Net cash generated from/(used in) operating activities	26.8	(77.0)	(42.7)	(49.6)
Net cash generated from investing activities	150.1	42.8	113.4	37.8
Net cash (used in)/generated from financing activities	(132.7)	50.2	11.2	7.4
Net increase/(decrease) in cash and cash equivalents	44.2	16.0	81.9	(4.4)
Cash and cash equivalents at the beginning of the period/year	107.1	49.0	66.6	70.5
Effect of exchange rate changes on the balance of cash held in foreign currencies	2.1	1.6	4.9	0.5
Cash and cash equivalents at the end of the period/year	153.4	66.6	153.4	66.6

Q4 2017 vs Q4 2016

The Group's cash and cash equivalents increased by US\$44.2 million during Q4 2017. It recorded net cash inflow from operating activities of US\$26.8 million during Q4 2017.

Cash inflow from investing activities of US\$150.1 million was mainly due to proceeds received from disposal of an associate, offset by loan extended to a third party and capital expenditure on property, plant and equipment and plantation assets.

Net cash outflow from financing activities was US\$132.7 million, mainly due to net repayment of various loans and payment of associated interest costs.

FY 2017 vs FY 2016

The Group's cash and cash equivalents increased by US\$81.9 million during FY 2017. It recorded net cash outflow from operating activities of US\$42.7 million during FY 2017, mainly due to the increase in working capital balances due to increase in natural rubber prices in FY 2017 vs FY 2016.

Cash inflow from investing activities of US\$113.4 million was mainly due to proceeds received from disposal of an associate, offset by capital expenditure on property, plant and equipment and plantation assets, loan extended to a third party and acquisition of non-controlling interests.

Net cash inflow from financing activities was US\$11.2 million, mainly due to net proceeds from issuance of perpetual securities of US\$148.7 million, offset by repayment for MTN and net repayment for various loans and associated interest costs.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Company did not issue any forecast or prospect statement.

10. A commentary at the date of the announcement of the significant trend and competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

In FY 2017, Halcyon Agri completed its first full year of operations as the world's leading natural rubber supply chain manager after the successful acquisition of GMG Group and SINRIO Group in Q4 2016. Our FY 2017 financial results reflect the improvement in operating leverage that increased scale and scope brings to our business, despite the challenging price environment.

2017 saw continued volatility in the price of natural rubber, with the reference SICOM TSR 20 contract starting the year strongly at US\$2,011/mT. Since the peak in mid February 2017 of US\$2,316/mT, the SICOM TSR 20 price has steadily declined to a year low of US\$1,344/mT before closing the year at US\$1,469/mT. Member countries of the Tripartite Rubber Council imposed a fifth wave of Agreed Export Tonnage Scheme in Q1 2018 in an effort to stabilise prices. While we still expect market prices to remain volatile over the short term, we remain cautiously optimistic that the growing demand for natural rubber will help to stabilise prices at sustainable levels over 2018, driven by the industry's focus on establishing a sustainable natural rubber supply chain platform as well as the macro drivers of globally aligned GDP growth propelling capital investment, increased mobility and new vehicle technology, supplemented by the continued development of e-commerce and ride sharing.

An outcome of the strategic review conducted over 2017 was the restructuring and formal establishment of our three industry verticals under Global Tyre Majors, PRC Tyre Majors and Global Non-Tyre & Specialty Tyre which we discuss in more detail in Sections 14. Our focus into 2018 is to continue developing our world leading position under Global Tyre Majors, to build out the franchise value of our PRC Tyre Majors and to transform our Global Non-Tyre & Specialty Tyre business into the market leading provider of specialised rubber and latex for the non tyre business.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes. The Board intends to pay the following dividends for FY 2017 in an aggregate amount of S\$0.02 per share, subject to the requirements under the applicable regulations as well as the approval of Shareholders in the annual general meeting ("AGM") to be held at a later date:

Type of Dividend	Final	Special
Settlement via	Cash	Cash
Dividend amount per share	S\$0.01	S\$0.01
Tax Rate	Tax-exempt (one-tier)	Tax-exempt (one-tier)

(b) *Corresponding Period of the Immediately Preceding Financial Year*

Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividend was declared or recommended for FY2016, being the corresponding period of the immediately preceding financial year.

(c) *Date payable*

The date payable for the proposed dividend will be announced at a later date, if and after the proposed dividend is approved at the AGM.

(d) *Books closure date*

The books closure date will be announced at a later date, if and after the proposed dividend is approved at the AGM.

12. If no dividend has been declared (recommended), a statement to that effect

Not applicable, please refer to Note 11.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Company does not have an IPT Mandate.

14. Segmental information

(a) Existing segmentation

Halcyon Agri is a global leader in natural rubber, supporting the world's growing mobility needs through the origination, production and distribution of natural rubber. The Group sources a broad range of grades from all major origins globally, operates 33 natural rubber processing facilities in Indonesia, Malaysia, Thailand, China and Africa, and distributes to an international customer base through its network of warehouses and sales offices in South East Asia, China, the United States of America and Europe.

The Group's supply chain model is designed to capture adjacent margins along the natural rubber value chain, as follows:

- **Plantation Segment** – the management of mainly natural rubber estates, both owned by the Group and external third parties, employing latest agronomical models and best ecological practices to achieve world-leading sustainable yields. Revenue was mainly arising from oil palm and rubber harvest from the Group's plantation.
- **Processing Segment** – the procurement and processing of raw materials into high quality technically specified rubber ("TSR") in our 33 processing factories, with a strong focus on Corporate Social Responsibility ("CSR") and the development of premium grades.
- **Distribution Segment** – the merchandising and distribution of natural rubber and latex from the Group's own factories as well as selected third party origins and grades.
- **Corporate Segment** – covers group strategic management, corporate finance, group administration and legal matters, treasury, taxation and investment properties.

The results of the operating segments are reviewed continuously by the Group's executive team to optimise allocation of resources between the segments. Segmental performance is evaluated based on operating profit or loss which, in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on reasonable basis.

Segment information - Fourth Quarter 2017 ("Q4 2017") and Fourth Quarter 2016 ("Q4 2016")

(US\$'000)	Plantation		Processing		Distribution		Corporate		Elimination		Consolidated	
	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016
Revenue to third party	73	16	209,760	197,240	259,589	204,262	-	-	-	-	469,422	401,518
Inter-segment revenue	6,563	4,870	129,501	91,474	23,137	8,080	2,535	2,182	(161,736)	(106,606)	-	-
Total revenue	6,636	4,886	339,261	288,714	282,726	212,342	2,535	2,182	(161,736)	(106,606)	469,422	401,518
Gross profit	533	74	17,476	13,892	6,336	10,382	2,535	2,182	(2,532)	(3,277)	24,348	23,253
Operating (loss)/profit	(3,956)	151	3,185	392	(5,875)	6,248	23,287	(11,651)	(396)	87,438	16,245	82,578
Finance income											1,293	987
Finance cost											(4,578)	(7,496)
Share of profit of associate											64	1,686
Profit before taxation											13,024	77,755
Income tax expense											(126)	(3,028)
Profit from continuing operations, net of tax											12,898	74,727
Profit/(Loss) from discontinued operations, net of tax											675	(3,162)
Profit for the financial period											13,573	71,565
Total sales volume (tonnes)	4,445	2,886	219,835	188,774	178,736	147,913	-	-	(104,637)	(59,074)	298,380	280,499
Gross profit per tonne (US\$)	120	26	79	74	35	70	-	-	-	-	82	83
Other information (continuing operations):												
Depreciation expenses	1,499	1,313	4,727	3,750	80	48	99	17	-	-	6,404	5,128
Capital expenditure	11,267	5,727	2,629	5,131	63	150	3	13	-	-	13,962	11,021

Segment information - Financial Year Ended 31 December 2017 ("FY 2017") and 31 December 2016 ("FY 2016")

(US\$'000)	Plantation		Processing		Distribution		Corporate		Elimination		Consolidated	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Revenue to third party	242	64	893,161	496,064	1,095,036	474,350	-	-	-	-	1,988,439	970,478
Inter-segment revenue	27,921	4,870	498,369	132,718	27,742	22,537	10,140	8,727	(564,172)	(168,852)	-	-
Total revenue	28,163	4,934	1,391,530	628,782	1,122,778	496,887	10,140	8,727	(564,172)	(168,852)	1,988,439	970,478
Gross profit	7,836	122	114,817	30,942	18,233	21,529	10,140	8,727	(10,540)	(9,822)	140,486	51,498
Operating profit	(3,212)	1,005	61,273	(1,079)	(16,009)	7,220	23,061	(18,292)	(615)	87,447	64,498	76,301
Finance income											2,922	1,735
Finance cost											(23,800)	(28,012)
Share of profit of associate											9,899	1,686
Profit before taxation											53,519	51,710
Income tax expense											(11,076)	(3,238)
Profit from continuing operations, net of tax											42,443	48,472
Loss from discontinued operations, net of tax											(7,192)	(3,162)
Profit for the financial year											35,251	45,310
Total sales volume (tonnes)	17,488	2,886	796,664	455,586	639,842	364,045	-	-	(321,143)	(109,036)	1,132,851	713,481
Gross profit per tonne (US\$)	448	42	144	68	28	59	-	-	-	-	124	72
Other information (continuing operations):												
Depreciation expenses	5,474	1,454	17,196	10,321	284	202	398	66	-	-	23,352	12,043
Capital expenditure	42,614	7,627	9,457	7,946	587	333	908	154	-	-	53,566	16,060
	Plantation		Processing		Distribution		Corporate		Elimination		Consolidated	
	31 Dec 17	31 Dec 16	31 Dec 17	31 Dec 16	31 Dec 17	31 Dec 16	31 Dec 17	31 Dec 16	31 Dec 17	31 Dec 16	31 Dec 17	31 Dec 16
Segment Assets	503,532	373,749	980,433	824,176	340,888	351,626	1,700,546	1,655,727	(1,892,646)	(1,655,756)	1,632,753	1,549,522
Segment Liabilities	179,312	147,606	766,311	492,751	233,643	229,717	562,011	649,612	(946,355)	(592,243)	794,922	927,443

(b) Proforma segment – reporting under new segmentation

As part of our Group's ongoing review of the various businesses, the Group's business has been realigned into the following key segments, with effect from 1 January 2018, namely:

- **Global Non-Tyre & Specialty Tyre Segment** – This business segment includes our plantation and processing business in Cameroon and our distribution business under the brand name of Centrotrade (from 2018 onwards, include Wurfbain, Corrie MacColl and Alan L. Grant).
- **Global Tyre Majors Segment** – This business segment includes our processing factories in Indonesia and Ivory Coast and distribution business in Singapore, whose customers are predominantly top-tier global tyre makers.
- **PRC Tyre Majors Segment** – This business segment includes our processing factories in China, Malaysia and Thailand, plantation in Malaysia and our distribution business in Singapore and China, whose customers are predominantly tyre makers based in PRC.
- **Corporate Segment** – covers group strategic management, corporate finance, group administration and legal matters, treasury, and taxation.

Segmental performance is continuously monitored to optimise the allocation of resources between segments.

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	Global Non-Tyre & Specialty Tyre	Global Tyre Majors	China Tyre Majors	Corporate	Elimination	Consolidated
(US\$'000)	FY2017	FY2017	FY2017	FY2017	FY2017	FY2017
Revenue to third party	388,408	683,152	916,879	-	-	1,988,439
Inter-segment revenue	32,872	377,865	39,685	10,140	(460,562)	-
Total revenue	421,280	1,061,017	956,564	10,140	(460,562)	1,988,439
Gross profit	25,868	88,737	25,881	10,140	(10,140)	140,486
Operating profit/(loss)	9,169	45,423	(4,981)	14,887	-	64,498
Finance income						2,922
Finance cost						(23,800)
Share of profit of associates						9,899
Profit before taxation						53,519
Income tax expense						(11,076)
Profit from continuing operations, net of tax						42,443
Loss from discontinued operations, net of tax						(7,192)
Profit for the financial year						35,251
Total sales volume (tonnes)	247,702	625,991	532,157	-	(272,999)	1,132,851
Gross profit per tonne (US\$)	104	142	49	-	37	124
Other information:						
Depreciation expenses	5,829	12,446	5,009	68	-	23,352
Capital expenditure	39,705	7,221	5,759	881	-	53,566
	Global Non-Tyre & Specialty Tyre	Global Tyre Majors	China Tyre Majors	Corporate	Elimination	Consolidated
	31-Dec-17	31-Dec-17	31-Dec-17	31-Dec-17	31-Dec-17	31-Dec-17
Segment Assets	915,516	661,887	464,188	1,326,362	(1,735,200)	1,632,753
Segment Liabilities	472,484	543,782	402,350	510,606	(1,134,300)	794,922

Note: FY 2016 comparatives is not shown as the information is not meaningful.

15. Segmental information – Additional information for Full Year Announcement.

Geographical information

Sales of natural rubber	FY 2017 (US\$'million)	FY 2016 (US\$'million)
Singapore	92.7	189.3
Asia (excluding Singapore and China)	507.7	266.3
China	659.3	179.0
USA/Canada	208.1	136.3
Europe	464.1	165.5
Others	56.5	34.1
Total	1,988.4	970.5

The table above shows the Group's revenue by geographical locations (based on the origin of the customers' ultimate parent company).

The Group's segment assets (non-current assets including intangible assets, property, plant and equipment, investment properties, plantation related properties, biological assets, other assets, deferred charges, loan receivable and investment in associate) by geographical location are presented below:

Non-current assets	31 Dec 2017 (US\$'million)	31 Dec 2016 (US\$'million)
Asia	439.3	469.0
Africa	370.6	309.0
Europe	3.5	188.9
Others	0.2	0.1
Total	813.6	967.0

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

The changes in revenue and earnings contributed from the Plantation, Processing and Distribution Segment between 2016 and 2017 were mainly due to the recording of full year contribution from the acquired subsidiaries (GMG Group and SINRIO Group acquired in the fourth quarter of 2016).

17. Breakdown of sales and profit/(loss) after tax in the first half and second half of the financial year.

	Group		
	FY2017 (Unaudited)	FY2016 (Restated)	Increase/ (Decrease)
	US\$'000	US\$'000	%
<u>Continuing operations</u>			
(a) Sales reported for first half year	1,036,872	381,849	171.5%
(b) Profit/(Loss) after tax before deducting non-controlling interests reported for first half year	20,818	(14,255)	n/m
(c) Sales reported for second half year	951,567	628,461	51.4%
(d) Profit after tax before deducting non-controlling interests reported for second half year	21,625	62,727	-65.5%

18. A breakdown of the total dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY2017 (Unaudited) S\$'000	FY2016 (Audited) S\$'000
Declared and paid during the financial year:		
-Final exempt (one-tier) dividend for 2017 and 2016: NIL per share	-	-
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
-Final exempt (one-tier) dividend for 2017: S\$0.01 (2016: NIL) per share	15,950	-
-Special exempt (one-tier) dividend for 2017: S\$0.01 (2016: NIL) per share	15,950	-
Total	31,900	-

19. Undertakings from Directors and executive officers pursuant to Rule 720(1).

The Company confirms that each of its directors and executive officers has provided and has not withdrawn, a duly signed undertaking in the format set out in Appendix 7.7 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the SGX-ST, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company.

By Order of the Board

Robert Meyer

Executive Director and CEO

Singapore,
26 February 2018