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

Full Year Financial Statement and Dividend Announcement
For the Financial Year Ended 31 December 2012

*Halcyon Agri Corporation Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 1 February 2013. The initial public offering of the Company (the "**IPO**") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**" or "**PPCF**").*

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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About us

Halcyon Agri Corporation Limited and its subsidiaries (the "**Group**") operate in the midstream of the natural rubber supply chain, specialising in the processing and merchandising of natural rubber. Headquartered in Singapore, where its risk management and merchandising operations are located, the Group owns and operates two rubber processing facilities, HMK1 and HMK2, in Palembang. The Group's products, namely SIR20, SIR20-VK and SIR20-Compound, are exported to a global customer base, including many of the top 20 international tyre manufacturers.

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 Statement of Comprehensive Income for the Financial Year Ended 31 December 2012.

	Group			Group		
	FY2012 (Unaudited)	FY2011 (Audited)	Change	Q4 2012 (Unaudited)	Q4 2011 (Unaudited)	Change
	US$'000	US$'000	%	US$'000	US$'000	%
Revenue	222,009	231,355	(4.0)	44,426	57,694	(23.0)
Cost of sales	(202,049)	(221,322)	(8.7)	(40,169)	(56,180)	(28.5)
Gross profit	19,960	10,033	98.9	4,257	1,514	181.2
Other income	23	2,145	(98.9)	(77)	(48)	60.4
Selling expenses	(1,512)	(998)	51.5	(440)	(262)	67.9
Administrative expenses	(4,913)	(4,173)	17.7	(1,945)	(1,184)	64.3
Operating profit	13,558	7,007	93.5	1,795	20	n/m
Finance income	37	37	-	14	7	100.0
Finance costs	(2,126)	(2,274)	(6.5)	(632)	(496)	27.4
Profit (Loss) before taxation	11,469	4,770	140.4	1,177	(469)	n/m
Income tax expense	(1,419)	(375)	278.5	(367)	57	n/m
Profit (Loss) for the financial year	10,050	4,395	128.7	810	(412)	n/m
Profit (Loss) attributable to:						
Owners of the company	9,869	4,395	124.6	821	(412)	n/m
Non-controlling interest	181	-	n/m	(11)	-	n/m
	10,050	4,395	128.7	810	(412)	n/m
Other comprehensive income (loss)						
Exchange differences on translation of foreign operations	(802)	(121)	562.8	(36)	128	n/m
Total comprehensive income (loss) for the financial year	9,248	4,274	116.4	774	(284)	n/m
Total comprehensive income (loss) attributable to:						
Owners of the Company	9,067	4,274	112.1	785	(284)	n/m
Non-controlling interests	181	-	n/m	(11)	-	n/m
	9,248	4,274	116.4	774	(284)	n/m
Earnings before interest,tax,depreciation and amortisation	14,342	5,578	157.1	2,013	245	721.6
Earnings (Loss) per share:						
Basic and diluted earnings (loss) per share ("EPS") in US$	80.24	35.73	124.6	6.67	(3.35)	n/m
Adjusted EPS in US cents - (refer item 6)	4.01	1.79	124.6	0.33	(0.17)	n/m

n/m - not meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

Profit (Loss) for the financial year has been arrived at after crediting (charging) the following:						
	Group			Group		
	FY2012 (Unaudited)	FY2011 (Audited)	Change	Q4 2012 (Unaudited)	Q4 2011 (Unaudited)	Change
	US$'000	US$'000	%	US$'000	US$'000	%
Cost of inventories recognised as an expense [1]	(202,049)	(221,322)	(8.7)	(40,169)	(56,180)	(28.5)
Employee benefits expenses	(5,740)	(3,915)	46.6	(1,461)	(971)	50.4
Management fees	(1,026)	(883)	16.1	(263)	(250)	4.9
Depreciation	(784)	(716)	9.4	(217)	(226)	(3.7)
Initial public offering ("IPO") expenses	(760)	-	n/m	(760)	-	n/m
Professional fees:						
-Start up cost	-	(665)	n/m	-	(133)	n/m
-Others	(160)	(91)	75.7	(60)	(41)	47.3
Foreign exchange gain (loss)	(42)	(83)	(49.6)	41	(35)	n/m
Negative goodwill arising on acquisition	-	2,145	n/m	-	-	-

n/m - not meaningful

[1] Included in cost of inventories recognised as expense is the cost of raw materials amounting to US$194.4 million (FY2011: US$209.9 million; Q4 2012: US$38.7 million; Q4 2011: US$53.1 million).

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

Consolidated Statements of Financial Position as at 31 December 2012 and 31 December 2011.

	Group		Company	
	31 Dec 12	31 Dec 11	31 Dec 12	31 Dec 11
ASSETS	Unaudited US$'000	Audited US$'000	Unaudited US$'000	Audited US$'000
Non-current assets				
Intangible assets	10,000	10,000	-	-
Property, plant and equipment	10,922	11,963	-	-
Investment in subsidiaries	-	-	16,000	16,000
Deferred charges	202	251	-	-
Deferred tax assets	156	46	-	-
Total non-current assets	21,280	22,260	16,000	16,000
Current assets				
Cash and bank balances	11,866	8,406	467	42
Trade receivables	6,816	10,611	-	-
Other receivables	1,131	1,512	15,956	15,087
Derivative financial instruments	718	3,067	-	-
Inventories	20,298	11,230	-	-
Total current assets	40,829	34,826	16,423	15,129
Total assets	62,109	57,086	32,423	31,129
LIABILITIES AND EQUITY				
Current liabilities				
Derivative financial instruments	977	1,282	-	-
Trade payables	1,626	33	-	-
Other payables	3,028	7,318	13,532	5,711
Loan payables	28,110	22,329	8,301	5,000
Provision for taxation	982	205	27	-
Total current liabilities	34,723	31,167	21,860	10,711
Net current assets (liabilities)	6,106	3,659	(5,437)	4,418
Non current liabilities				
Loan payables	-	8,500	-	8,500
Retirement benefit obligations	529	222	-	-
Deferred tax liabilities	587	175	-	-
Total non current liabilities	1,116	8,897	-	8,500
Net assets	26,270	17,022	10,563	11,918
Capital and reserves				
Share capital	12,500	12,500	12,500	12,500
Capital reserves	143	143	-	-
Accumulated profits (losses)	14,372	4,503	(1,937)	(582)
Foreign currency translation reserves	(926)	(124)	-	-
Equity attributable to owners of the company	26,089	17,022	10,563	11,918
Non-controlling interests	181	-	-	-
Total equity	**26,270**	**17,022**	**10,563**	**11,918**
Total liabilities and equity	62,109	57,086	32,423	31,129

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 Dec 2012 (Unaudited)		As at 31 Dec 2011 (Audited)	
Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
28,110	-	22,329	-

Amount repayable after one year

As at 31 Dec 2012 (Unaudited)		As at 31 Dec 2011 (Audited)	
Secured US$'000	Unsecured US$'000	Secured US$'000	Unsecured US$'000
-	-	8,500	-

Details of any collateral

Working capital loans are secured by corporate guarantees from the Company and by a charge over certain of the Group's inventories and pledged deposits.

Term loans are secured by a charge over certain of the Group's property, plant and equipment.

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

Consolidated Statement of Cash Flows for the Financial Year Ended 31 December 2012.

	FY2012	FY2011
	Unaudited	Audited
	US$'000	US$'000
Operating activities:		
Profit before income tax	11,469	4,770
Adjustments for:		
Negative goodwill arising on acquisition	-	(2,145)
Depreciation expense	784	716
Retirement benefit expense	329	230
Interest income	(37)	(37)
Interest expense	2,126	2,274
Fair value (gain) loss on open forward commodities contracts and inventories, unrealised	(1,369)	805
Operating profit before working capital changes	13,302	6,613
Trade receivables	3,795	(3,550)
Other receivables and deferred charges	36	1,026
Inventories	(5,654)	(5,221)
Trade payables	1,593	(6,877)
Other payables	(4,346)	5,686
Retirement benefit obligation	-	(7)
Cash generated from (used in) operations	8,726	(2,330)
Interest received	37	37
Interest paid	(1,053)	(1,455)
Tax paid	(255)	(41)
Net cash from (used in) operating activities	7,455	(3,789)
Investing activities		
Acquisition of intangible assets	-	(9,220)
Purchase of property, plant and equipment	(507)	(10,806)
Net cash used in investing activities	(507)	(20,026)
Financing activities		
Proceeds from issuance of shares	-	5,500
Decrease (Increase) in pledge deposits	1,500	(4,009)
Proceeds from term loans	-	16,500
Repayment of term loans	(5,199)	(3,000)
Interest paid on term loans	(621)	(731)
Net proceeds of working capital loans	2,480	9,717
Net cash (used in) from financing activities	(1,840)	23,977
Net increase in cash and cash equivalents	5,108	162
Cash and cash equivalents at beginning of the year	3,897	3,479
Effects of exchange rate changes on the balance of cash held in foreign currencies	(148)	256
Cash and cash equivalents at end of the year	**8,857**	**3,897**
Cash and bank balances comprise of the following:		
Cash and cash equivalents	8,857	3,897
Fixed deposits - pledged	3,009	4,509
	11,866	8,406

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 2012 and 31 December 2011.

Group (Unaudited)	Share capital US$ '000	Capital reserves US$ '000	Accumulated profits US$ '000	Foreign currency translation reserves US$ '000	Non-controlling interests US$ '000	Total US$ '000
Balance at 1 January 2011	7,000	143	108	(3)	-	7,248
Issue of share capital	5,500	-	-	-	-	5,500
Total comprehensive income (loss) for the year	-	-	4,395	(121)	-	4,274
Balance at 31 December 2011	12,500	143	4,503	(124)	-	17,022
Total comprehensive income (loss) for the period	-	-	9,869	(802)	181	9,248
Balance at 31 December 2012	12,500	143	14,372	(926)	181	26,270

Company (Unaudited)	Share capital US$ '000	Capital reserves US$ '000	Accumulated losses US$ '000	Foreign currency translation reserves US$ '000	Non-controlling interests US$ '000	Total US$ '000
Balance at 1 January 2011	7,000	-	(3)	-	-	6,997
Issue of share capital	5,500	-	-	-	-	5,500
Total comprehensive loss for the year	-	-	(579)	-	-	(579)
Balance at 31 December 2011	12,500	-	(582)	-	-	11,918
Total comprehensive loss for the year	-	-	(1,355)	-	-	(1,355)
Balance at 31 December 2012	12,500	-	(1,937)	-	-	10,563

1(d)(ii) Details of any changes in the company's share capital arising from right 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, as well as the number of shares held as treasury shares of the issuer, if any, against the total number of issued shares excluding treasury shares 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.

	31 Dec 12 Number of ordinary shares	31 Dec 11 Number of ordinary shares	31 Dec 12 US$000	31 Dec 11 US$000
Issued and paid up				
At 1 January	123,000	105,000	12,500	7,000
Issue of share capital	-	18,000	-	5,500
	123,000	123,000	12,500	12,500

On 7 January 2013, the Company undertook a share split whereby each of the Company's existing shares on that day was sub-divided into 2,000 ordinary shares ("Share Split"). The number of the ordinary shares outstanding after the Share Split is 246,000,000 ordinary shares.

On 31 January 2013, the Company completed its placement of 61,000,000 shares (which comprised 44,000,000 newly issued shares and 17,000,000 existing shares owned by the vendor) as part of its IPO on the Catalist Board of the SGX-ST at S$0.36 per share. The total number of the ordinary shares outstanding after the IPO is 290,000,000 ordinary shares.

There were no outstanding options, convertibles or treasury shares as at 31 December 2012 and 31 December 2011.

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 2012 and 31 December 2011. As such, the Company's number of issued shares excluding treasury shares as at 31 December 2012 and 31 December 2011 is as disclosed in Section 1(d)(ii).

1(d)(iv) A statement showing all sales, transfers, disposal, 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 year reported on.

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

The information in Part 1 has 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 2011.

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 the applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") which became effective for the accounting periods beginning on or after 1 January 2012. The adoption of these new and revised FRS and INT FRS are currently assessed to have no material financial impact on the Group's financial statements for the current financial period reported on.

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

	FY2012	FY2011	Q4 2012	Q4 2011
Profit (Loss) attributable to owners of the Company(US$'000)	9,869	4,395	821	(412)
Basic and diluted earnings (loss) per share ("EPS") in US$ (1)	80.24	35.73	6.67	(3.35)
Adjusted EPS in US cents (2)	4.01	1.79	0.33	(0.17)

Notes:

(1) For comparative purposes, the basic and diluted EPS for the periods under review have been computed based on the profit/(loss) attributable to owners of the Company and the weighted average number of ordinary shares in issue of 123,000 shares.

(2) For comparative purposes, the adjusted EPS for the periods under review have been computed based on the profit/(loss) attributable to owners of the Company and the share capital of 246,000,000 ordinary shares after the Share Split and prior to the IPO.

The basic and diluted EPS were the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2012 and 31 December 2011.

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 Dec 12 Unaudited	31 Dec 11 Audited	31 Dec 12 Unaudited	31 Dec 11 Audited
Net asset value per ordinary share based on issued share capital (US$)	213.57	138.39	85.88	96.89
Number of ordinary shares outstanding	123,000	123,000	123,000	123,000
Adjusted net asset value per ordinary share based on issued share capital (US cents) [1]	10.68	6.92	4.29	4.84

Note:

(1) The adjusted net asset value per ordinary share for the period under review have been computed based on the Group's and the Company's net asset value and the share capital of 246,000,000 ordinary shares outstanding after the Share Split and prior to the IPO.

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 FY2012 vs FY2011

Revenue

Our revenue decreased by US$9.4 million or 4%, from US$231.4 million in FY2011 to US$222.0 million in FY2012 mainly due to lower average selling prices for our products in FY2012, of US$3,273 per tonne (FY2011: US$4,662 per tonne). This decrease was offset by the 43.8% increase in sales volume from 46,634 tonnes in FY2011 to 67,046 tonnes in FY2012. In FY2011, we also recorded a non-recurring income of US$4.9 million for the processing of rubber by our subsidiary, PT Hevea MK, on behalf of a client.

We derive our revenue primarily from the sale of our products to customers and, to a limited extent, from hedging through the physical rubber market to manage our price risk exposure. Our revenue breakdown is set out below:

	FY2012		FY2011		Q4 2012		Q4 2011	
	(US$ million)	(%)	(US$ million)	(%)	(US$ million)	%	(US$ million)	%
Sales of our products	219.5	98.9	217.4	93.9	43.6	97.9	57.7	100.0
Physical rubber hedging revenue	1.1	0.5	9.8	4.3	-	-	0.1	0.1
Total sales of natural rubber	220.6	99.4	227.2	98.2	43.6	97.9	57.8	100.1
Others [1]	1.4	0.6	4.2	1.8	0.9	2.1	(0.1)	(0.1)
Total revenue	**222.0**	**100.0**	**231.4**	**100.0**	**44.5**	**100.0**	**57.7**	**100.0**

Note:

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

The value, volume and average selling price of our products sold to our customers are shown below:

	FY2012	FY2011	Q4 2012	Q4 2011
Sales of our products				
Sales value (US$ million)	219.5	217.4	43.6	57.7
Sales volume (tonne)	67,046	46,634	15,355	13,495
Average selling price (US$ per tonne)	3,273	4,662	2,839	4,276

Cost of sales

Our cost of sales comprises the cost of the raw materials and the cost of processing the raw materials into Natural Rubber for export. Our cost of sales accounted for 91.0% and 95.7% of our revenue in FY2012 and FY2011, respectively. The breakdown of the cost of sales is shown below:

	FY2012		FY2011		Q4 2012		Q4 2011	
	(US$ million)	(%)	(US$ million)	(%)	(US$ million)	(%)	(US$ million)	(%)
Raw materials	194.4	96.2	209.9	94.9	38.7	96.3	53.1	94.5
Employee benefit expense	2.6	1.3	1.6	0.7	0.4	1.0	0.4	0.7
Service fee	-	-	6.0	2.7	-	-	1.6	2.8
Depreciation	0.6	0.3	0.7	0.3	0.1	0.2	0.2	0.4
Other processing costs	4.4	2.2	3.1	1.4	1.0	2.5	0.9	1.6
Total cost of sales	**202.0**	**100.0**	**221.3**	**100.0**	**40.2**	**100.0**	**56.2**	**100.0**

Our cost of sales decreased by US$19.3 million or 8.7%, from US$221.3 million in FY2011 to US$202.0 million in FY2012, mainly due to the lower raw material costs in FY2012 (US$194.4 million) as compared to FY2011 (US$209.9 million). The decrease in FY2012 was also due to a non-recurring charge of US$6.0 million by our service provider that was incurred in FY2011 for the processing and exporting of our products.

Gross profit and margin

Our gross profit increased by US$10.0 million or 98.9% from US$10.0 million in FY2011 to US$20.0 million in FY2012. Our gross margins for FY2012 and FY2011 were 9.0% and 4.3% 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 first position of the Singapore Commodities Exchange (SICOM) TSR20 futures contract, and our raw materials' purchase price, which is typically a discount to the prevailing SICOM TSR20 futures contract, as well as any related hedging activity. We assess our gross material profit performance on the basis of US Dollar amount per tonne as opposed to a percentage of revenue.

	FY2012	FY2011	Q4 2012	Q4 2011
Total sales of natural rubber (US$ million)	220.6	227.2	43.6	57.8
Cost of raw materials (US$ million)	(194.4)	(209.9)	(38.7)	(53.1)
Gross material profit (US$ million)	26.2	17.3	4.9	4.7
Sales volume of our products (tonnes)	67,046	46,634	15,355	13,495
Gross material profit (US$ per tonne)	390.8	371.0	319.1	348.3

Our gross material profit per tonne on our own production increased by 5.3%, from US$371.0 in FY2011 to US$390.8 in FY2012 as a result of more effective raw material procurement. Correspondingly, our gross margin increased from 4.3% in FY2011 to 9.0% in FY2012.

Profit before tax

Our profit before tax in FY2012 was US$11.5 million, an increase of US$6.7 million or 140.4% from the profit before tax in FY2011 of US$4.8 million. The increase was mainly due to the increase in the gross profit, as explained above, partially offset by the increase in the selling expenses and administration expenses of US$0.5 million and US$0.7 million from FY2011 compared to FY2012 respectively.

Our other income of US$2.1 million in FY2011 was mainly related to the negative goodwill arising from the acquisition of our rubber processing facilities (HMK1 and HMK2) in FY2011, which is non-recurring.

Selling expenses increased by US$0.5 million or 51.5% from US$1.0 million in FY2011 to US$1.5 million in FY2012, due to higher volume of our products exported in FY2012, and additional performance-related bonuses paid to employees.

Administrative expenses in FY2012 include IPO expenses of US$0.8 million, whereas administrative expenses in FY2011 included a one-off expense of US$0.7 million relating to the establishment of our business and the acquisition of HMK1 and HMK2. Excluding the IPO expenses in FY2012 and the one-off expense in FY2011, the administrative expenses increased by US$0.6m or 17.1% from US$3.5 million in FY2011 to US$4.1 million, mainly due to higher performance-related bonuses paid to employees.

Our finance costs decreased by US$0.2 million or 6.5% from US$2.3 million in FY2011 to US$2.1 million in FY2012. This was mainly due to the decrease in interest expense attributable to a working capital loan of US$0.3 million as a result of lower loan utilisation due to lower raw material prices during FY2012 as compared to FY2011, offset by an increase in interest expense attributable to the term loan of US$0.1 million. Our finance costs in FY2012 include a US$0.2 million non-recurring amortisation of a prepaid facility fee, as a result of the term loan refinancing in November 2012.

Excluding the benefit of the one-off negative goodwill of US$2.1 million recognised in FY2011, adding back the one-off administrative expenses of US$0.7 million in FY2011 and US$0.8 million in FY2012, and adding back the non-recurring finance cost of US$0.2 million in FY2012, our profit before taxation would have shown an increase of US$9.1 million or 267.6% from US$3.4 million in FY2011 to US$12.5 million in FY2012.

Profit after tax

Our profit after tax in FY2012 was US$10.1 million, an increase of US$5.7 million or 128.7% over the profit after tax in FY2011 of US$4.4 million.

Excluding the benefit of the one-off negative goodwill of US$2.1 million recognised in FY2011, adding back the one-off administrative expenses of US$0.7 million in FY2011 and US$0.8 million in FY2012, and adding back the non-recurring finance cost of US$0.2 million in FY2012, our profit after taxation would have shown an increase of US$8.1 million or 270.0% from US$3.0 million in FY2011 to US$11.1 million in FY2012.

Review of the Income Statement of the Group for Q4 2012 vs Q4 2011

Our revenue in Q4 2012 decreased by US$13.3 million or 23.0% from US$57.7 million in Q4 2011 to US$44.4 million in Q4 2012 mainly due to lower average selling prices for our products in Q4 2012 (US$2,839 per tonne) as compared to Q4 2011 (US$4,276 per tonne). This decrease was partially offset by a 13.8% increase in sales volume from 13,495 tonnes in Q4 2011 to 15,355 tonnes in Q4 2012.

Our cost of sales decreased by US$16.0 million or 28.5% from US$56.2 million in Q4 2011 to US$40.2 million in Q4 2012 mainly due to the lower raw material costs in Q4 2012 (US$38.7 million) as compared to Q4 2011 (US$53.1 million). The decrease in Q4 2012 was also due to a non-recurring charge of US$1.6 million by a service provider that was incurred in Q4 2011 for the processing and exporting of our products.

Administrative expenses in Q4 2012 increased by US$0.8 million due to IPO expenses incurred.

The finance costs in Q4 2012 include a US$0.2 million non-recurring amortisation of a prepaid facility fee, as a result of the term loan refinancing in November 2012. Excluding this non-recurring fee, our finance costs decreased from US$0.5m to US$0.4m mainly due to lower utilization of the working capital loan facilities.

Adding back the one-off administrative expenses of US$0.8 million and the non-recurring finance cost of US$0.2 million in Q4 2012, our results would have shown an increase of US$2.2 million from US$0.4 million loss after tax in Q4 2011 to US$1.8 million profit after tax in Q4 2012.

Review of the Financial Position of the Group

Non-current assets

Property, plant and equipment of US$10.9 million as at 31 December 2012 (2011: US$12.0 million) represented 51.2% (2011: 53.8%) of our total non-current assets. Decrease in the property, plant and equipment as at 31 December 2012 from 31 December 2011 was mainly due to the depreciation charge of US$0.8 million and exchange differences of US$0.8 million, partially offset by additions during the year of US$0.5 million.

Intangible assets of US$10.0 million as at 31 December 2012 (2011: US$10.0 million) relate to the process know how of the production of a certain grade of rubber (SIR20-VK) which were acquired, along with HMK1 and HMK2, in FY2011.

Current assets

Our current assets had increased by US$6.0 million or 17.2% from US$34.8 million as at 31 December 2011 to US$40.8 million as at 31 December 2012, mainly due to the increase in cash and bank balances of US$3.5 million from US$8.4 million as at 31 December 2011 to US$11.9 million in as at 31 December 2012 and an increase in inventories of US$9.1 million, offset by a decrease in trade and other receivables of US$4.2 million and decrease in derivative financial assets of US$2.4 million.

Increase in inventories as at 31 December 2012 was mainly due to the increase in raw material purchases in Q4 2012 as compared to Q4 2011, in line with the increase of our operations. Decrease in trade and other receivables is mainly due to more timely receipt of payments from our customers as at 31 December 2012 compared to 31 December 2011.

Current liabilities

Our current liabilities has increased by US$3.5 million or 11.4% from US$31.2 million as at 31 December 2011 to US$34.7 million as at 31 December 2012, mainly due to the increase in current loan payables of US$5.8 million and the increase in provision for taxation of US$0.8 million, offset by the decrease in trade and other payables of US$2.7 million and decrease in derivative financial liabilities of US$0.3 million.

The increase in current loan payables is due to an increase in the term loan balances of US$3.3 million (31 December 2012: US$8.3 million; 31 December 2011: US$5.0 million) as they are maturing within 1 year and increase in the working capital loan balances of US$2.5 million (31 December 2012: US$19.8 million; 31 December 2011: US$17.3 million) in line with the increase in our operations. The decrease in trade and other payables of US$2.7 million is mainly due to more timely repayment of certain payables as at 31 December 2012 compared to 31 December 2011.

Non-current liabilities

Our non-current liabilities decreased by US$7.8 million from US$8.9 million as at 31 December 2011 to US$1.1 million as at 31 December 2012, mainly due to a reduction in term loan with maturity greater than 1 year by US$8.5 million, partially offset by the increase in deferred tax liabilities of US$0.4 million and the increase in retirement benefit obligations of US$0.3 million.

Equity

Group equity increased by US$9.3 million from US$17.0 million as at 31 December 2011 to US$26.3 million as at 31 December 2012, mainly due to the Group's net profit for FY2012.

Working capital

As at 31 December 2012, our net working capital amounted to US$17.6 million (31 December 2011: US$12.9 million), as set out below:

(US$ million)	**31 Dec 12**	**31 Dec 11**
Cash and bank balances	11.9	8.4
Trade receivables	6.8	10.6
Inventories	20.3	11.2
Less: Trade payables	(1.6)	-
Less: Working capital loans	(19.8)	(17.3)
Net working capital	**17.6**	**12.9**

Review of the Cash Flow Statement of the Group

The following table sets out a summary of our cash flow for FY2012 and FY2011:

(US$ million)	FY2012	FY2011
Net cash from operating activities, before working capital changes	12.0	5.1
Changes in working capital	(4.6)	(8.9)
Net cash from (used in) operating activities	7.4	(3.8)
Net cash used in investing activities	(0.5)	(20.0)
Net cash (used in) from financing activities	(1.8)	24.0
Net increase in cash and cash equivalents	5.1	0.2
Cash and cash equivalents at the beginning of the year	3.9	3.5
Effect of exchange rate changes on the balance of cash held in foreign currencies	(0.1)	0.2
Cash and cash equivalents at the end of the year	**8.9**	**3.9**

The Group's cash and cash equivalents had increased by US$5.1 million during FY2012, from US$3.9 million in FY2011 to US$8.9 million in FY2012, mainly due to net cash generated from operating activities of US$7.4 million, partially offset by net cash used in investing activities of US$0.5 million and net cash used in financing activities of US$1.8 million.

In FY2012, we recorded a net cash inflow from operating activities of US$7.4 million, which was a result of operating profit before working capital changes of US$13.3 million, an increase in working capital of US$4.6 million, net interest paid of US$1.0million and tax paid of US$0.3 million.

Net cash outflow from investing activities in FY2012 was US$0.5 million, which was mainly due to purchase of property, plant and equipment relating to capital investment to increase HMK1 and HMK2's production capacities.

Net cash used in financing activities in FY2012 was US$1.8million, which was mainly due to the net reduction of loans and borrowings of US$2.7 million and interest paid on term loans of US$0.6 million which were partially offset by a reduction in pledged deposits of US$1.5 million.

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

Not applicable. No forecast or prospect statement has been previously issued to the shareholders.

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

Group Development

The Group's additional wet processing line at HMK2 has been fully commissioned on 15 January 2013 and is expected to contribute an additional 10,500 mt per annum to the capacity of our processing facilities.

Industry Environment

In view of the ongoing global economic uncertainty, the natural rubber market is expected to remain volatile throughout the course of this financial year ending 31 December 2013. The Group will continue the strict application of its risk management policies, and remains cautiously optimistic with regards to the overall sector fundamentals, the long-term prospects of the natural rubber industry as well as its performance for this financial year ending 31 December 2013.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes (subject to approval by shareholders at the forthcoming annual general meeting to be convened ("AGM")).

Name of dividend	First and Final Dividend
Dividend type	Cash
Dividend rate	1.0 Singapore cents per share
Tax rate	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

(c) Date payable

The date the dividend will be payable (if approved by shareholders at the forthcoming AGM): 22 May 2013

(d) Books closure date

Notice is hereby given that subject to the approval of shareholders to the first and final dividend being obtained at the forthcoming AGM, the Share Transfer Books and Register of Members of the Company will be closed on 9 May 2013 for the purpose of determining shareholders' entitlements to the proposed first and final dividend. Duly stamped and completed transfers received by our Share Transfer Office, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5 p.m.

on 8 May 2013 will be registered to determine shareholders' entitlements to the proposed first and final dividend. Members of the Company whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with the shares of the Company as at 5 p.m. on 8 May 2013 will be entitled to such proposed dividend. The said first and final dividend will be paid by the Company to CDP which will distribute the dividends to holders of the securities accounts.

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

Not applicable.

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.

Not applicable. The Group does not have a general mandate for recurring interested person transactions.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group operates predominantly in the midstream of the natural rubber supply chain, specializing 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 only one reporting segment under FRS 108 Operating Segments.

Geographical information

Sales of natural rubber	FY2012 (US$ million)	FY2011 (US$ million)
USA	89.2	110.7
Asia (excluding Singapore and China)	80.1	87.3
Singapore	41.8	28.4
EU	8.4	0.8
China	1.1	-
Total	220.6	227.2

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

The Group's segment assets (non-current assets including intangible assets, property, plant and equipment and deferred charges) by geographical location are presented below:

Non-current assets	31 Dec 12 (US$ million)	31 Dec 11 (US$ million)
Asia (excluding Singapore and China)	10.9	12.0
Singapore	10.2	10.2
Total	21.1	22.2

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

The Group's sales of natural rubber are predominantly with customers based in USA and Asia (excluding Singapore and China), in which these regions contributed about 76.7% (FY2011: 87.1%) of the Group's total sales of natural rubber. The reason for the change in the composition in FY2012 as compared to FY2011 is mainly due to the Group's strategy to expand our customer base to other geographical regions.

16. Breakdown of results in the first half and second half of the year

As the Company was listed on the Catalist Board of the SGX-ST on 1 February 2013, this announcement is the Group's first Financial Statement and Dividend announcement in respect of the full financial year ended 31 December 2012. As such, no comparative half year numbers are available.

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

	Company	
	FY2012 (Unaudited) S$'000	**FY2011 (Audited) S$'000**
Ordinary	2,900	-
Total	**2,900**	**-**

18. Use of IPO proceeds

The Company refers to the net proceeds (gross proceed minus listing expenses) amounting to S$13.8 million (equivalent to US$11.1 million) raised from the initial public offering of its shares on the Catalist Board of the SGX-ST on 1 February 2013.

As at 27 February 2013, the status on the use of proceeds raised from the initial public offering of the Company is as follows:

	Allocation (US$'million)	Accumulated actual utilisation (US$'million)	Amount yet to be utilised (US$'million)
Use of proceeds from Placement			
Expansion and upgrading of processing facilities	6.9	1.6	5.3
General working capital [1]	4.2	4.2	-
Total	**11.1**	**5.8**	**5.3**

Note:

(1) Amount for general working capital purposes has been utilised for the procurement of raw materials.

The utilisation is in accordance with the intended use of proceeds of the initial public offering and in accordance with the percentage allocated, as stated in the Offer Document, which was registered with the SGX-ST on 24 January 2013.

19. 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(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

Pursuant to Rule 704(10) of the Listing Manual Section B: Rules of Catalist of 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 Chairman and CEO

Singapore,
27 February 2013