



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

**Unaudited Financial Statement for the Third Quarter Ended 30 September 2018**

**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- Third Quarter 2018 ("Q3 2018") and 9 Months Ended 30 September 2018 ("9M 2018")**

	Group			Group		
	Q3 2018	Q3 2017	Change	9M 2018	9M 2017	Change
	(Unaudited)	(Restated)		(Unaudited)	(Restated)	
US\$'000	US\$'000	%	US\$'000	US\$'000	%	
<b>Revenue</b>	552,907	513,765	7.6	1,602,730	1,645,997	(2.6)
Cost of sales	(520,380)	(472,906)	10.0	(1,501,161)	(1,524,735)	(1.5)
<b>Gross profit</b>	32,527	40,859	(20.4)	101,569	121,262	(16.2)
Other income	248	410	(39.5)	1,312	1,043	25.8
Selling expenses	(12,148)	(11,801)	2.9	(32,682)	(33,983)	(3.8)
Administrative expenses	(17,956)	(19,148)	(6.2)	(59,185)	(56,833)	4.1
Administrative expenses - foreign exchange gain	5,237	6,043	(13.3)	3,544	10,160	(65.1)
<b>Operating profit</b>	7,908	16,363	(51.7)	14,558	41,649	(65.0)
Finance income	930	816	14.0	3,391	1,644	106.3
Finance costs	(8,639)	(7,381)	17.0	(21,374)	(20,316)	5.2
Share of (loss)/profit of associates	(71)	2,539	n/m	(18)	9,940	n/m
<b>Profit/(Loss) before taxation</b>	128	12,337	(99.0)	(3,443)	32,917	n/m
Income tax credit/(expense)	715	(3,942)	n/m	(1,293)	(11,779)	(89.0)
<b>Profit/(Loss) for the financial period</b>	843	8,395	(90.0)	(4,736)	21,138	n/m
<b>Profit/(Loss) attributable to:</b>						
Owners of the Company	1,732	7,163	(75.8)	(1,121)	19,578	n/m
Non-controlling interest	(889)	1,232	n/m	(3,615)	1,560	n/m
	843	8,395	(90.0)	(4,736)	21,138	n/m
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	14,992	23,216	(35.4)	36,308	61,188	(40.7)
<b>Earnings/(Loss) per share ("LPS/EPS") (refer item 6):</b>						
Basic and diluted EPS/(LPS) in US cents	0.11	0.45	(75.8)	(0.07)	1.23	n/m
Adjusted EPS/(LPS) in US cents	0.11	0.45	(75.8)	(0.07)	1.23	n/m

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 - Third Quarter 2018 ("Q3 2018") and 9 Months Ended 30 September 2018 ("9M 2018")**

	Group			Group		
	Q3 2018 (Unaudited)	Q3 2017 (Restated)	Change	9M 2018 (Unaudited)	9M 2017 (Restated)	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Profit/(Loss) for the financial period</b>	843	8,395	(90.0)	(4,736)	21,138	n/m
<b>Other comprehensive income</b>						
<i>Items that may be reclassified subsequently to profit and loss</i>						
Exchange differences on translation of foreign operations	(13,946)	27,656	n/m	(28,835)	55,977	n/m
Realisation of foreign currency translation reserve upon liquidation of a subsidiary	(5,333)	-		(5,333)	-	
<b>Other comprehensive (loss)/income for the financial period</b>	(19,279)	27,656	n/m	(34,168)	55,977	n/m
<b>Total comprehensive (loss)/income for the financial period</b>	(18,436)	36,051	n/m	(38,904)	77,115	n/m
<b>Total comprehensive (loss)/income attributable to:</b>						
Owners of the Company	(16,701)	32,591	n/m	(33,278)	72,030	n/m
Non-controlling interests	(1,735)	3,460	n/m	(5,626)	5,085	n/m
	(18,436)	36,051	n/m	(38,904)	77,115	n/m

n/m - not meaningful

**Note:**

Refer item (5) on details of restatement for Q3 2017 and 9M 2017.

## 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		
	Q3 2018	Q3 2017	Change	9M 2018	9M 2017	Change
	(Unaudited)	(Restated)		(Unaudited)	(Restated)	
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Amortisation of intangible asset	(90)	(20)	350.0	(235)	(59)	298.3
Cost of inventories recognised as an expense	(520,380)	(472,906)	10.0	(1,501,161)	(1,524,735)	(1.5)
Depreciation:						
-Cost of sales	(5,236)	(5,353)	(2.2)	(16,040)	(15,254)	5.2
-Selling expenses	(23)	(25)	(8.0)	(71)	(74)	(4.1)
-Administrative expenses	(1,709)	(1,477)	15.7	(5,229)	(4,190)	24.8
	(6,968)	(6,855)	1.6	(21,340)	(19,518)	9.3
Employee benefits expenses:						
-Cost of sales	(14,750)	(13,010)	13.4	(41,499)	(37,870)	9.6
-Selling expenses	(1,934)	(1,475)	31.1	(5,199)	(4,140)	25.6
-Administrative expenses	(10,126)	(11,433)	(11.4)	(30,301)	(30,166)	0.4
	(26,810)	(25,918)	3.4	(76,999)	(72,176)	6.7
Finance cost:						
-Working capital loans	(5,492)	(2,477)	121.7	(12,401)	(6,631)	87.0
- Term loans	(3,147)	(3,123)	0.8	(8,951)	(8,692)	3.0
-Medium Term Notes ("MTN")	-	(1,769)	n/m	-	(4,951)	n/m
-Finance lease obligation	-	(12)	n/m	(22)	(42)	(47.6)
	(8,639)	(7,381)	17.0	(21,374)	(20,316)	5.2
Foreign exchange gain/(loss):						
-Cost of sales	1,573	1,001	57.1	(1,009)	3,367	n/m
-Administrative expenses	5,237	6,043	(13.3)	3,544	10,160	(65.1)
	6,810	7,044	(3.3)	2,535	13,527	(81.3)
Non-recurring expenses:						
-Acquisitions-related expenses	(30)	-	n/m	(446)	-	n/m
	(30)	-	n/m	(446)	-	n/m
Other income:						
-Fair value gain/(loss) on biological assets	18	12	50.0	(31)	(69)	(55.1)
-Others	230	398	(42.2)	1,343	1,112	20.8
	248	410	(39.5)	1,312	1,043	25.8
Professional fees	(1,687)	(1,097)	53.8	(4,359)	(2,974)	46.6

n/m - not meaningful

### Note:

Refer item (5) on details of restatement for Q3 2017 and 9M 2017.

**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**

<b>Consolidated Statements of Financial Position as at 30 September 2018 and 31 December 2017</b>				
	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 18</b>	<b>31 Dec 17</b>	<b>30 Sep 18</b>	<b>31 Dec 17</b>
	<b>(Unaudited)</b>	<b>(Restated)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Non-current assets</b>				
Intangible assets	301,058	200,416	1,091	-
Property, plant and equipment	292,511	244,929	165	1,025
Plantation related properties	358,353	328,164	-	-
Biological assets	9,619	8,861	-	-
Investment properties	42,143	25,256	-	-
Deferred tax assets	16,435	14,346	-	-
Deferred charges	365	531	-	-
Other assets	1,837	1,793	-	-
Loan receivables	3,591	3,641	-	-
Investment in an associate	1,338	-	-	-
Investment in subsidiaries	-	-	679,761	600,824
<b>Total non-current assets</b>	<b>1,027,250</b>	<b>827,937</b>	<b>681,017</b>	<b>601,849</b>
<b>Current assets</b>				
Cash and bank balances	125,942	152,229	165	706
Trade receivables	177,204	121,689	-	-
Loan and other receivables	146,759	111,058	804,067	671,089
Tax receivables	9,144	2,175	-	-
Derivative financial instruments	32,955	22,885	-	-
Inventories	315,304	305,347	-	-
Consumable biological assets	18	49	-	-
	807,326	715,432	804,232	671,795
Assets of disposal group classified as held for sale	-	89,384	-	-
<b>Total current assets</b>	<b>807,326</b>	<b>804,816</b>	<b>804,232</b>	<b>671,795</b>
<b>Total assets</b>	<b>1,834,576</b>	<b>1,632,753</b>	<b>1,485,249</b>	<b>1,273,644</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Derivative financial instruments	1,666	145	-	-
Trade payables	34,771	38,757	-	-
Other payables	64,831	60,443	138,286	155,335
Loan payables	506,274	207,551	271,750	2,750
Provision for taxation	18,683	21,040	-	412
Finance lease obligation	-	496	-	496
	626,225	328,432	410,036	158,993
Liabilities of disposal group classified as held for sale	-	16,463	-	-
<b>Total current liabilities</b>	<b>626,225</b>	<b>344,895</b>	<b>410,036</b>	<b>158,993</b>
<b>Net current assets</b>	<b>181,101</b>	<b>459,921</b>	<b>394,196</b>	<b>512,802</b>
<b>Non-current liabilities</b>				
Loan payables	395,380	402,960	298,204	299,367
Retirement benefit obligations	22,281	19,024	-	-
Deferred tax liabilities	37,589	30,782	-	25
Finance lease obligation	-	86	-	86
Other payables	1,662	1,843	-	-
<b>Total non current liabilities</b>	<b>456,912</b>	<b>454,695</b>	<b>298,204</b>	<b>299,478</b>
<b>Net assets</b>	<b>751,439</b>	<b>833,163</b>	<b>777,009</b>	<b>815,173</b>
<b>Capital and reserves</b>				
Share capital	603,874	603,874	603,874	603,874
Perpetual securities	148,690	148,690	148,690	148,690
Capital reserves	711	711	-	-
Accumulated (losses)/profits	(42,399)	(5,694)	24,445	62,609
Foreign currency translation reserves	10,515	42,672	-	-
<b>Equity attributable to owners of the Company</b>	<b>721,391</b>	<b>790,253</b>	<b>777,009</b>	<b>815,173</b>
Non-controlling interests	30,048	42,910	-	-
<b>Total equity</b>	<b>751,439</b>	<b>833,163</b>	<b>777,009</b>	<b>815,173</b>
<b>Total liabilities and equity</b>	<b>1,834,576</b>	<b>1,632,753</b>	<b>1,485,249</b>	<b>1,273,644</b>

**Note:**

Refer item (5) on details of restatement for balance as at 31 December 2017.

## 1(b)(ii) Aggregate amount of group's borrowings and debt securities

### Amount repayable in one year or less, or on demand

	As at 30 September 2018 (Unaudited)		As at 31 December 2017 (Audited)	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Loan payables	69,115	437,159	33,672	173,879
Finance lease	-	-	496	-

### Amount repayable after one year

	As at 30 September 2018 (Unaudited)		As at 31 December 2017 (Audited)	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
Loan payables	2,062	393,318	3,215	399,745
Finance lease	-	-	86	-

### Details of any collateral

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

The finance leases which are secured by the lessor's title to the leased assets have been fully repaid during Q1 2018.

**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 - Third Quarter 2018 ("Q3 2018") and 9 Months Ended 30 September 2018 ("9M 2018")**

	Group		Group	
	Q3 2018 (Unaudited)	Q3 2017 (Restated)	9M 2018 (Unaudited)	9M 2017 (Restated)
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Operating activities:</b>				
<b>Profit/(Loss) before taxation</b>	128	12,337	(3,443)	32,917
Adjustments for:				
Depreciation expense	6,968	6,855	21,340	19,518
Amortisation of intangible asset	91	20	236	59
Retirement benefit expense	769	830	2,295	1,994
Interest income	(930)	(816)	(3,391)	(1,644)
Interest expense	8,639	7,381	21,374	20,316
Fair value loss/(gain) on open forward commodities contracts and inventories, unrealised	5,451	(24,963)	6,130	3,691
Fair value (gain)/loss on biological assets	(18)	(12)	31	69
Unrealised foreign exchange loss/(gain)	4,076	-	(1,418)	-
Loss/(Gain) on disposal of property, plant and equipment and investment properties and write off of property, plant and equipment	26	(22)	175	(38)
Realisation of foreign currency translation reserve upon liquidation of a subsidiary	(5,333)	-	(5,333)	-
Share of loss/(profit) of associates	71	(2,539)	18	(9,940)
Operating cash flows before working capital changes	19,938	(929)	38,014	66,942
Trade and other receivables	(13,935)	(5,356)	(78,344)	(64,820)
Inventories	21,036	41,463	9,295	(80,013)
Trade and other payables	3,087	4,466	(24,768)	17,291
Cash generated from/(used in) operations	30,126	39,644	(55,803)	(60,600)
Interest received	482	816	2,249	1,644
Interest paid	(5,084)	(2,180)	(10,932)	(6,321)
Tax paid	(3,222)	(2,581)	(7,911)	(4,183)
Net cash generated from/(used in) operating activities	22,302	35,699	(72,397)	(69,460)
<b>Investing activities</b>				
Acquisition of subsidiaries (net of cash acquired)	-	-	(109,579)	-
Acquisition of non-controlling interests	-	(1,606)	(15,260)	(2,856)
Option fee received from proposed disposal of an associate	-	540	-	5,943
Capital expenditure on property, plant and equipment and plantation assets	(18,984)	(15,740)	(54,464)	(40,336)
Proceeds from disposal of property, plant and equipment and investment properties	85	443	1,266	547
Net cash used in investing activities	(18,899)	(16,363)	(178,037)	(36,702)
<b>Financing activities</b>				
Net proceed from issuance of perpetual securities	-	-	-	148,690
Net (repayment)/proceeds of term loans	(687)	(1,219)	(15,124)	22,390
Net (repayment)/proceeds of working capital loans	(3,823)	(51,641)	284,288	78,184
Net repayment of Medium Term Notes ("MTN")	-	(87,291)	-	(87,291)
Interest paid on term loans	(3,330)	(2,247)	(9,121)	(7,078)
Interest paid on Medium Term Notes ("MTN")	-	(2,912)	-	(5,820)
Dividend distributed to perpetual securities holders	-	-	(3,375)	-
Dividend paid on ordinary shares	-	-	(24,088)	-
Repayment of obligation under finance lease arrangement	-	(159)	(582)	(439)
Repayment of shareholder loan for newly acquired subsidiaries	-	-	(10,306)	-
Dividend paid to non-controlling interest	-	-	(354)	(183)
Decrease/(increase) in pledged deposits	402	(111)	1,175	(4,556)
Net cash (used in)/generated from financing activities	(7,438)	(145,580)	222,513	143,897
Net (decrease)/increase in cash and cash equivalents	(4,035)	(126,244)	(27,921)	37,735
Cash and cash equivalents at beginning of the period	132,321	231,455	153,372	66,625
Effects of exchange rate changes on the balance of cash held in foreign currencies	(5,786)	1,868	(2,951)	2,719
<b>Cash and cash equivalents at end of the period</b>	<b>122,500</b>	<b>107,079</b>	<b>122,500</b>	<b>107,079</b>
<b>Cash and bank balances comprise the following:</b>				
Cash and cash equivalents	122,500	107,079	122,500	107,079
Fixed deposits - pledged	3,442	4,746	3,442	4,746
	125,942	111,825	125,942	111,825

**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 30 September 2018 and 30 September 2017**

	Attributable to owners of the Company					Total equity attributable to owners of the Company	Non-controlling interests	Total
	Share capital	Perpetual securities	Capital reserves	Accumulated profits/(losses)	Foreign currency translation reserves			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group (Unaudited)</b>								
Balance at 1 July 2018	603,874	148,690	711	(44,131)	28,948	738,092	31,783	769,875
<b>Total comprehensive loss for the period</b>								
Profit/(Loss) for the period	-	-	-	1,732	-	1,732	(889)	843
Other comprehensive loss	-	-	-	-	(18,433)	(18,433)	(846)	(19,279)
Total	-	-	-	1,732	(18,433)	(16,701)	(1,735)	(18,436)
Balance at 30 September 2018	603,874	148,690	711	(42,399)	10,515	721,391	30,048	751,439
<b>Group (Unaudited)</b>								
Balance at 1 July 2017, as restated	603,874	148,690	455	(22,211)	27,024	757,832	48,621	806,453
<b>Total comprehensive income for the period</b>								
Profit for the period	-	-	-	7,163	-	7,163	1,232	8,395
Other comprehensive income	-	-	-	-	25,428	25,428	2,228	27,656
Total	-	-	-	7,163	25,428	32,591	3,460	36,051
<b>Changes in ownership interests in subsidiaries</b>								
Acquisition of non-controlling interests without a change in control	-	-	-	205	-	205	(1,811)	(1,606)
Total	-	-	-	205	-	205	(1,811)	(1,606)
Balance at 30 September 2017	603,874	148,690	455	(14,843)	52,452	790,628	50,270	840,898
<b>Company (Unaudited)</b>								
Balance at 1 July 2018	603,874	148,690	-	28,211	-	780,775	-	780,775
<b>Total comprehensive loss for the period</b>								
Loss for the period	-	-	-	(3,766)	-	(3,766)	-	(3,766)
Total	-	-	-	(3,766)	-	(3,766)	-	(3,766)
Balance at 30 September 2018	603,874	148,690	-	24,445	-	777,009	-	777,009
<b>Company (Unaudited)</b>								
Balance at 1 July 2017	603,874	148,690	-	(20,468)	-	732,096	-	732,096
<b>Total comprehensive loss for the period</b>								
Loss for the period	-	-	-	(6,085)	-	(6,085)	-	(6,085)
Total	-	-	-	(6,085)	-	(6,085)	-	(6,085)
Balance at 30 September 2017	603,874	148,690	-	(26,553)	-	726,011	-	726,011

- 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**

	<b>Number of ordinary shares</b>	<b>US\$'000</b>
<b>Issued and paid-up</b>		
At 30 June 2018 and 30 September 2018	<u>1,595,011,941</u>	<u>603,874</u>

There were no outstanding options, convertibles, treasury shares or subsidiary holdings as at 30 September 2018 and 30 September 2017.

- 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 30 September 2018 and 31 December 2017. As such, the number of issued shares excluding treasury shares as at 30 September 2018 and 31 December 2017 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 2017.

**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 2018.

**(a) Convergence with International Financial Reporting Standards (“IFRS”)**

The Group has on 1 January 2018 adopted a new financial reporting framework identical to the IFRS, i.e. Singapore Financial Reporting Standards (International) (“SFRS(I”).

**(i) Exemption for cumulative translation differences**

On transition to the new financial reporting framework, the Group has elected the option to deem cumulative translation differences for foreign operations to be zero on 1 January 2017, and accordingly, the Group has reclassified an amount of US\$77,448,000 of foreign currency translation reserve to the opening retained earnings balance as at 1 January 2017.

**(ii) Deferred tax on unremitted foreign sourced income**

With the adoption of SFRS(I) by the Group from 1 January 2018, the Group is no longer able to apply the Recommended Accounting Practice 8 exemption of not providing deferred tax liability for unremitted foreign sourced income which it has no intention of remitting into Singapore. Consequently, the Group has recognised deferred tax liabilities of US\$4,668,000 and US\$3,947,000 as at 31 December 2017 and 31 December 2016 respectively, on the Group’s unremitted foreign sourced income.

The impact of convergence with SFRS(I) are as follows:

	<b>Group</b>	
	<b>31 Dec 2017</b>	<b>1 Jan 2017</b>
	<b>Increase/(Decrease)</b>	<b>Increase/(Decrease)</b>
	<b>US\$’000</b>	<b>US\$’000</b>
<b>Statement of financial position</b>		
Deferred tax liabilities	4,668	3,947
Accumulated losses	(82,116)	(81,395)
Foreign currency translation reserves	77,448	77,448

	<b>Group</b>	
	<b>Q3 2017</b>	<b>9M 2017</b>
	<b>Increase/(Decrease)</b>	<b>Increase/(Decrease)</b>
	<b>US\$’000</b>	<b>US\$’000</b>
<b>Profit or loss</b>		
Deferred tax expense	180	540

**(b) Adoption of SFRS(I) 9 Financial Instruments and SFRS(I) 15 Revenue from Contracts with Customers**

The Group has performed a detailed analysis of the impact of adoption of SFRS(I) 9 and SFRS(I) 15, and assessed the impact to be immaterial. As such, there is no restatements to the Group's prior period's financial statements upon the adoption of SFRS(I) 9 and SFRS(I) 15.

**(c) Prior year adjustment in accordance with SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations**

In 2017, the Group had classified the processing business in Thailand (Teck Bee Hang Co., Ltd and its subsidiaries ("TBH Group")) as an asset held for sale, following the Group's strategic review. The decision was made at that time on the basis of the poor financial performance of TBH Group and also, unfavourable market environment in Thailand.

Subsequent to 2017, positive changes have been made to TBH's business and operations leading to improvement in TBH's financial performance in H1 2018. As part of the Group's continuous reassessment of its key business segments, it now determines that TBH fits into the Group's latest business strategy and initial plan to dispose/discontinue the operations of TBH has changed significantly and an immediate sale is unlikely. As such, the Group decided to reclassify TBH Group out from discontinued operations to continuing operations.

Accordingly, the comparative figures in the income statement and cash flow statements for Q3 2017 and 9M 2017 have been re-presented to reflect TBH Group as continuing operations in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

**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	
	Q3 2018 (Unaudited)	Q3 2017 (Restated)	9M 2018 (Unaudited)	9M 2017 (Restated)
Profit/(Loss) attributable to owners of the Company (US\$'000)	1,732	7,163	(1,121)	19,578
Basic and diluted earnings/(loss) per share ("EPS/LPS") in US cents <sup>(1)</sup>	0.11	0.45	(0.07)	1.23
Adjusted EPS/(LPS) in US cents <sup>(2)</sup>	0.11	0.45	(0.07)	1.23
Adjusted EPS/(LPS) in SGD cents <sup>(3)</sup>	0.15	0.61	(0.09)	1.70

**Notes:**

- (1) The basic and diluted (LPS)/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 (LPS)/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 30 September 2018 of 1,595,011,941 ordinary shares.
- (3) Translated at the average exchange rates for each respective period.

The basic and diluted (LPS)/EPS for Q3 2018 and Q3 2017 were the same as there were no potentially dilutive ordinary shares in issue as at 30 September 2018 and 30 September 2017.

**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	
	30 September 2018 (Unaudited)	31 December 2017 (Restated)	30 September 2018 (Unaudited)	31 December 2017 (Restated)
Net asset value per ordinary share based on issued share capital (US cents)	47.11	52.24	48.71	51.11
Net asset value per ordinary share based on issued share capital (SGD cents) <sup>(1)</sup>	64.37	69.82	66.56	68.31
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 Q3 2018 VS Q3 2017 AND 9M 2018 VS 9M 2017**

**Overview**

**Snapshot**

**Operating financial statistics**

		Q3 2018	Q3 2017 (Restated)	Change	9M 2018	9M 2017 (Restated)	Change
Total sales volume	tonnes	374,380	319,321	17.2%	1,055,096	900,362	17.2%
Revenue	US\$ million	552.9	513.8	7.6%	1,602.7	1,646.0	-2.6%
Revenue per tonne	US\$	1,477	1,609	-8.2%	1,519	1,828	-16.9%
Gross profit	US\$ million	32.5	40.9	-20.4%	101.6	121.3	-16.2%
EBITDA	US\$ million	15.0	23.2	-35.4%	36.3	61.2	-40.7%
Net profit/(loss)	US\$ million	0.8	8.4	-90.0%	(4.7)	21.1	n/m

n/m - not meaningful

Q3 2018 and 9M 2018 included the results of our newly acquired or incorporated assets and subsidiaries, namely Corrie MacColl Group, PT Pulau Bintan Djaya ("PT PBD"), PT Sumber Djantin ("PTSD") and PT Sumber Alam ("PTSA").

## **Revenue**

### *Q3 2018 vs Q3 2017*

Revenue increased by US\$39.1 million or 7.6%, from US\$513.8 million in Q3 2017 to US\$552.9 million in Q3 2018 due to the increase in sales volume by 55,059 tonnes or 17.2% from 319,321 tonnes in Q3 2017 to 374,380 tonnes in Q3 2018. Nevertheless, the increase in the revenue is partially offset by lower revenue per tonne of US\$1,477 in Q3 2018 as compared to US\$1,609 in Q3 2017. The reduction of the revenue per tonne is in line with the movement of natural rubber market price during these periods.

### *9M 2018 vs 9M 2017*

Revenue decreased by US\$43.3 million or 2.6%, from US\$1,646.0 million for 9M 2017 to US\$1,602.7 million for 9M 2018 mainly due to the decrease in revenue per tonne from US\$1,828 (9M 2017) to US\$1,519 (9M 2018), which was in line with the movement of the natural rubber market price during these periods. However, the decrease in revenue is partially offset by higher sales volumes from 900,362 tonnes for 9M 2017 to 1,055,096 tonnes for 9M 2018. The increased volume was mainly contributed by additional volume from the newly acquired or incorporated subsidiaries.

## **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.

### *Q3 2018 vs Q3 2017*

Costs of sales increased by US\$47.5 million or 10.0%, from US\$472.9 million in Q3 2017 to US\$520.4 million in Q3 2018, due to the increase in volume.

### *9M 2018 vs 9M 2017*

Costs of sales decreased by US\$23.6 million or 1.5%, from US\$1,524.7 million for 9M 2017 to US\$1,501.2 million for 9M 2018, mainly due to the decrease in the price of raw materials which was in line with the decrease in the natural rubber market price, partially offset by increase in volume.

## **Gross profit**

	Q3 2018	Q3 2017 (Restated)	Change	9M 2018	9M 2017 (Restated)	Change
Gross profit (US\$ million)	32.5	40.9	-20.4%	101.6	121.3	-16.2%
Sales volume (tonnes)	374,380	319,321	17.2%	1,055,096	900,362	17.2%
Gross profit per tonne (US\$)	87	128	-32.1%	96	135	-28.5%

### *Q3 2018 vs Q3 2017*

Gross profit decreased by US\$8.4 million or 20.4% from US\$40.9 million in Q3 2017 to US\$32.5 million in Q3 2018 mainly due to lower gross profit per tonne of US\$87 (Q3 2017: US\$128) despite higher sales volume of 374,380 tonnes in Q3 2018 compared to 319,321 tonnes in Q3 2017. Global Tyre Majors segment continues to experience margin compression as a result of low rubber prices, which restricts the supply of raw materials to our factories. However, it is partially offset by higher distribution margin from Global Non-Tyre and Specialty Tyre segment.

### *9M 2018 vs 9M 2017*

Gross profit decreased by US\$19.7 million or 16.2% from US\$121.3 million for 9M 2017 to US\$101.6 million for 9M 2018 as gross profit per tonne has reduced to US\$96 (9M 2017: US\$135). Our factories in Indonesia experienced margin compression due to intense competition in the raw material market. This resulted in the factories having to pay higher prices to secure raw material supplies to ensure delivery of committed volume to customers. In addition, in the Ivory Coast, the Group incurred a gross loss of US\$6.6 million in 9M 2018 due to a loss of margin arising from a lower quality of raw material purchased stemming from lapses in procurement process.

Higher gross profit for 9M 2017 was mainly due to a rally in rubber prices in January and February 2017, which enabled the Global Tyre Majors segment to capture strong processing margins. Sales in China also generated higher margins during the price rally. This, however, did not recur in 2018. In contrast, rubber prices remained at lower levels this year, which had affected our gross profit for 9M 2018.

### **Profit/(Loss) before tax**

#### *Q3 2018 vs Q3 2017*

Profit before tax in Q3 2018 was US\$0.1 million, a decrease of US\$12.2 million from profit before tax of US\$12.3 million in Q3 2017. The decrease in profit before tax was mainly due to the decrease in gross profit of US\$8.4 million as explained above, higher finance cost as a result of interest rate hike and higher utilisation of banking facilities to support working capital requirements for new acquisitions. Nonetheless, this was partially offset by a reduction in the administrative expenses.

#### *9M 2018 vs 9M 2017*

Loss before tax for 9M 2018 was US\$3.4 million, as compared to profit before tax of US\$32.9 million for 9M 2017.

The decrease in profit before tax for both the periods mentioned above was mainly due to the decrease in gross profit, non-recurrence of share of profit of associate (disposed of in Q4 2017), and additional operating expenses from the newly acquired and incorporated subsidiaries.

### **Profit/(Loss) after tax**

#### *Q3 2018 vs Q3 2017*

Profit after tax in Q3 2018 was US\$0.8 million, compared to profit after tax of US\$8.4 million in Q3 2017. The tax income in Q3 2018 of US\$0.7 million was mainly due to recognition of the deferred tax assets in the Global Tyre Majors segment.

#### *9M 2018 vs 9M 2017*

Loss after tax in 9M 2018 was US\$4.7 million, compared to profit after tax of US\$21.1 million in 9M 2017. The tax expense for 9M 2018 of US\$1.3 million was from our profitable segments.

## **Reclassification of discontinued operation to continuing operation**

As explained in Section 5(c), TBH Group has been reclassified from discontinued operations to continuing operations in 2018, which resulted in a restatement of comparative figures in the income statement and cash flow statements. Accordingly, TBH Group's assets and liabilities have also been included in respective assets and liabilities line item in the Group balance sheet.

As at 31 December 2017, the balance sheet of TBH Group was classified as separate assets and liabilities item on the Group balance sheet are broken down as follows:

	<b>31 Dec 17</b>
	<b>Unaudited US\$'000</b>
<b><u>ASSETS</u></b>	
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
<b><u>LIABILITIES</u></b>	
Working capital liabilities	8,969
Deferred tax liabilities	7,494
Total liabilities	16,463
<b>Net assets</b>	<b>72,921</b>

## **REVIEW OF THE FINANCIAL POSITION OF THE GROUP AS AT 30 SEPTEMBER 2018 VS 31 DECEMBER 2017**

### **Non-current assets**

Non-current assets increased by US\$199.3 million or 24.1% from 31 December 2017 (US\$827.9 million) to 30 September 2018 (US\$1,027.2 million), mainly due to the following factors:

- (i) the acquisition of Corrie MacColl Group (US\$27.2 million), the acquisition of 80% equity stake in PT PBD (US\$14.1 million) and the acquisition of PTSD and PTSA (US\$55.9 million) which had the following effects on the non-current assets:
  - additions of US\$100.6 million in intangible assets mainly related to the provisional goodwill;
  - additions of US\$41.1 million in PPE and investment properties
- (ii) US\$54.5 million additional investment in PPE and plantation related properties as part of the planned capital expenditure;
- (iii) US\$42.2 million of PPE and investment properties belonging to TBH being reclassified from assets of disposal group classified as held for sale.

The increase in non-current assets was partially offset by:

- (i) depreciation expense of US\$21.3 million; and
- (ii) foreign exchange difference arising from the translation of PPE and plantation related properties in an aggregate of US\$17.6 million as a result of the weakening of respective local currencies in Indonesia, China, and Thailand, against the US Dollar.

### **Current assets**

Current assets increased by US\$2.5 million or 0.3% from 31 December 2017 (US\$804.8 million) to 30 September 2018 (US\$807.3 million) mainly due to:

- (i) increase in trade and other receivables of US\$91.2 million, and inventories of US\$10.0 million in line with the Group's enlarged operations and
- (ii) increase in derivative financial instruments of US\$10.1 million mainly due to higher valuation gain on open sales contracts as at 30 September 2018.

The increase in current assets was partially offset by:

- (i) decrease in cash and bank balances of US\$26.3 million; and
- (ii) reclassification of assets of disposal group classified as held for sale to non-current assets.

### **Current liabilities**

Current liabilities increased by US\$281.3 million or 81.6% from 31 December 2017 (US\$344.9 million) to 30 September 2018 (US\$626.2 million), mainly due to:

- (i) increase in loan payables of US\$298.7 million, for the acquisition activities as well as for working capital purposes, especially for the newly acquired subsidiaries; and
- (ii) increase in derivative financial instruments of US\$1.5 million mainly due to unrealised foreign exchange loss on forward currency contracts.

The breakdown of the current loan payables are as follows:

<b>(US\$ million)</b>	<b>30 September 2018</b>	<b>31 December 2017</b>
Working capital loans	505.4	196.6
Term loans	0.9	11.0
<b>Total</b>	<b>506.3</b>	<b>207.6</b>

\* Please refer to group funding structure section for further explanation.

### **Non-current liabilities**

Non-current liabilities increased by US\$2.2 million or 0.5% from 31 December 2017 (US\$454.7 million) to 30 September 2018 (US\$456.9 million), mainly due to:

- (i) increase in deferred tax liabilities by US\$6.8 million, and
- (ii) increase in provision of retirement benefit obligation of US\$3.3 million

as a result of the reclassification of liabilities of disposal group classified as held for sale to continuing operations. The increase in non-current liabilities was offset by decrease in term loans of US\$7.6 million.

## Equity

The Group's equity decreased by US\$81.8 million from US\$833.2 million as at 31 December 2017 to US\$751.4 million as at 30 September 2018, mainly due to distribution of dividends on ordinary shares and perpetual securities of US\$24.1 million and US\$3.4 million respectively, the decrease in non-controlling interests, foreign currency translation loss during the period due to weakening of Indonesian Rupiah, Chinese RMB, and Euro against the US Dollar, and net loss incurred during the period.

## Group funding structure

Against these lacklustre market conditions, the Group focused on further strengthening its balance sheet. The table below summarises the funding structure of the Group:

(US\$ million)	Unaudited 30-Sep-18	Unaudited 30-Jun-18	Unaudited 31-Mar-18	Restated 31-Dec-17
Working capital employed <sup>(1)</sup>	513.8	536.0	550.4	427.7
Working capital loans	507.4	515.1	422.1	207.6
<b>% Efficiency of Working Capital Funding</b>	<b>98.8%</b>	<b>96.1%</b>	<b>76.7%</b>	<b>48.5%</b>
Operational long term assets <sup>(2)</sup>	923.6	861.3	785.6	718.1
Term loans	394.2	394.0	402.2	403.0
<b>% Fixed Asset Gearing</b>	<b>42.7%</b>	<b>45.7%</b>	<b>51.2%</b>	<b>56.1%</b>
Cash and cash equivalents <sup>(3)</sup>	122.5	132.3	168.4	153.4
Non-core assets <sup>(4)</sup>	93.2	149.3	148.6	144.5
<b>Total equity (excluding Perpetual Securities)</b>	<b>602.7</b>	<b>621.2</b>	<b>680.1</b>	<b>684.5</b>
Perpetual Securities	148.7	148.7	148.7	148.7
<b>Total equity (including Perpetual Securities)</b>	<b>751.4</b>	<b>769.9</b>	<b>828.8</b>	<b>833.2</b>

Note 1: Working capital employed for the Group are defined as the sum of operational trade and other receivables, net derivative assets, pledged deposits and inventories, netted off against trade and other payables.

Note 2: Operational long term assets of the Group are defined as intangible assets, property, plant and equipment, plantation and biological assets, other non-current assets, net off against non-current liabilities. In Sep-18, certain plantation assets and PPE in Malaysia have been re-classified from non-core assets.

Note 3: Cash and cash equivalents as stated in the cash flow statement.

Note 4: Non-core assets includes loan receivable from third party and investment properties, as well as certain plantation assets in Malaysia (up to June-18).

Halcyon Agri's treasury operations have developed a stable funding base where the Group maintains full control of cash balances, financing tenors are matched, and fixed assets sustainably financed.



## REVIEW OF THE CASH FLOW STATEMENT OF THE GROUP FOR Q3 2018 VS Q3 2017 AND 9M 2018 VS 9M 2017

The following table sets out a summary of cash flows for Q3 2018, Q3 2017, 9M 2018 and 9M 2017

(US\$ million)	Q3 2018	Q3 2017 (Restated)	9M 2018	9M 2017 (Restated)
Net cash generated from operating activities, before working capital changes	12.1	(4.9)	21.4	58.1
Changes in working capital	10.2	40.6	(93.8)	(127.5)
Net cash generated from/(used in) operating activities	22.3	35.7	(72.4)	(69.4)
Net cash used in investing activities	(18.9)	(16.4)	(178.0)	(36.7)
Net cash (used in)/generated from financing activities	(7.4)	(145.6)	222.5	143.9
Net (decrease)/increase in cash and cash equivalents	(4.0)	(126.3)	(27.9)	37.8
Cash and cash equivalents at the beginning of the period	132.3	231.5	153.4	66.6
Effect of exchange rate changes on the balance of cash held in foreign currencies	(5.8)	1.9	(3.0)	2.7
<b>Cash and cash equivalents at the end of the period</b>	<b>122.5</b>	<b>107.1</b>	<b>122.5</b>	<b>107.1</b>

### Q3 2018 vs Q3 2017

The Group's cash and cash equivalents decreased by US\$4.0 million during Q3 2018. It recorded a net cash generated from operating activities of US\$22.3 million during Q3 2018.

Net cash used in investing activities of US\$18.9 million was mainly due to capital expenditure on property, plant and equipment and plantation related assets.

Net cash used in financing activities was US\$7.4 million, mainly due to repayment of various loans and payment of loan interests.

### 9M 2018 vs 9M 2017

The Group's cash and cash equivalents decreased by US\$27.9 million during 9M 2018. It recorded a net cash used in operating activities of US\$72.4 million during 9M 2018.

Net cash used in investing activities of US\$178.0 million was mainly due to acquisition of Corrie MacColl Group, PT PBD, PTSD and PTSA, acquisition of non-controlling interests, and capital expenditure on property, plant and equipment and plantation related assets.

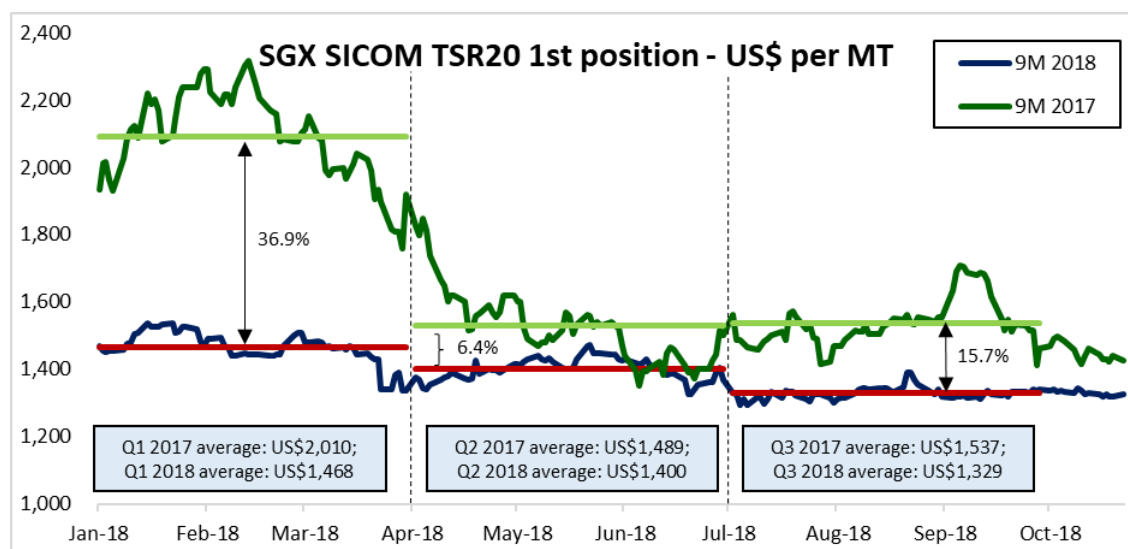
Net cash generated from financing activities was US\$222.5 million, mainly due to proceeds from various loans, offset by payment of dividends on ordinary shares, distribution to perpetual securities holders and payment of loan interest.

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

**Market Overview**



In Q3 2018, the SICOM TSR20 first position continued its downward trend to an average of US\$1,329 per mT from US\$1,400 in the previous quarter, driven by the continued impact of global macro uncertainties. Persistent challenges continue to exist in the natural rubber industry, including the perceived overstock situation in China and low prices that negatively impact the availability of raw materials. We have discussed all these industry issues and more in the various blog posts which can be found on our website at <https://www.halcyonagri.com/halcyon-is-rubber/>.

For the remainder of 2018 and into Q1 2019, management is focused on the following:

- Completing our internal strategic asset review.
- Delivering on a digitisation strategy to target a 2019 launch.
- Continue reviewing the efficiency and flexibility of the Group’s operating cost structure to stay responsive to volatile market prices.

**11. Dividend**

**(a) *Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?

No dividends have been declared or recommended for the current financial period.

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

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

No.

**(c) *Date payable***

Not applicable.

**(d) *Books closure date***

Not applicable.

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

No dividend has been declared or recommended for the current financial period.

**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

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 38 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.

On 1 January 2018, the Group has streamlined its operating structure into the following key segments:

- **Global Non-Tyre & Specialty Tyre Segment** – This business segment includes our plantation and processing business in Cameroon and Malaysia and our distribution business under the brand name of Centrotrade, Wurfbain, Corrie MacColl, Alan L. Grant, Momentum Technologies and Kelvin Terminals.
- **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, 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.

**Segment Information - Third Quarter 2018 ("Q3 2018") and Third Quarter 2017 ("Q3 2017")**

(US\$'000)	Global Non-Tyre & Specialty Tyre		Global Tyre Majors		PRC Tyre Majors		Corporate		Elimination		Consolidated	
	Q3 2018	Q3 2017	Q3 2018	Q3 2017	Q3 2018	Q3 2017 (Restated)	Q3 2018	Q3 2017	Q3 2018	Q3 2017	Q3 2018	Q3 2017 (Restated)
Revenue to third party	165,568	92,418	194,722	167,076	192,617	254,271	-	-	-	-	552,907	513,765
Inter-segment revenue	620	7,130	11,906	70,268	3,954	6,651	4,282	2,535	(20,762)	(86,584)	-	-
<b>Total revenue</b>	<b>166,188</b>	<b>99,548</b>	<b>206,628</b>	<b>237,344</b>	<b>196,571</b>	<b>260,922</b>	<b>4,282</b>	<b>2,535</b>	<b>(20,762)</b>	<b>(86,584)</b>	<b>552,907</b>	<b>513,765</b>
<b>Gross profit</b>	<b>15,404</b>	<b>7,347</b>	<b>7,541</b>	<b>18,919</b>	<b>9,581</b>	<b>14,554</b>	<b>4,283</b>	<b>2,535</b>	<b>(4,282)</b>	<b>(2,496)</b>	<b>32,527</b>	<b>40,859</b>
<b>Operating profit/(loss)</b>	<b>9,938</b>	<b>6,597</b>	<b>(4,397)</b>	<b>8,143</b>	<b>(2,647)</b>	<b>3,165</b>	<b>5,014</b>	<b>(1,542)</b>	<b>-</b>	<b>-</b>	<b>7,908</b>	<b>16,363</b>
Finance income											930	816
Finance costs											(8,639)	(7,381)
Share of (loss)/profit of associates											(71)	2,539
<b>Profit before taxation</b>											<b>128</b>	<b>12,337</b>
Income tax credit/(expense)											715	(3,942)
<b>Profit for the financial period</b>											<b>843</b>	<b>8,395</b>
Total sales volume (tonnes)	100,021	62,125	148,339	155,888	137,876	158,463	-	-	(11,856)	(57,155)	374,380	319,321
Gross profit per tonne (US\$)	154	118	51	121	69	92	-	-	-	-	87	128
Other information:												
Management fee expense/(income)	-	748	2,827	857	1,448	900	(4,275)	(2,505)	-	-	-	-
Depreciation expenses	1,720	1,456	3,212	3,363	2,019	2,019	17	17	-	-	6,968	6,855
Capital expenditure	15,890	11,671	2,034	1,806	967	2,252	93	11	-	-	18,984	15,740

**Segment Information -9 Months of 2018 ("9M 2018") and 9 Months of 2017 ("9M 2017")**

(US\$'000)	Global Non-Tyre & Specialty Tyre		Global Tyre Majors		PRC Tyre Majors		Corporate		Elimination		Consolidated		
	9M 2018	9M 2017	9M 2018	9M 2017	9M 2018	9M 2017	9M 2018	9M 2017	9M 2018	9M 2017	9M 2018	9M 2017	
						(Restated)						(Restated)	
Revenue to third party	469,076	312,106	536,208	497,202	597,446	836,689	-	-	-	-	1,602,730	1,645,997	
Inter-segment revenue	5,148	15,416	38,944	312,331	9,179	36,365	12,873	7,605	(66,144)	(371,717)	-	-	
<b>Total revenue</b>	<b>474,224</b>	<b>327,522</b>	<b>575,152</b>	<b>809,533</b>	<b>606,625</b>	<b>873,054</b>	<b>12,873</b>	<b>7,605</b>	<b>(66,144)</b>	<b>(371,717)</b>	<b>1,602,730</b>	<b>1,645,997</b>	
<b>Gross profit</b>	<b>36,624</b>	<b>20,067</b>	<b>19,898</b>	<b>75,772</b>	<b>45,094</b>	<b>25,597</b>	<b>12,873</b>	<b>7,605</b>	<b>(12,920)</b>	<b>(7,779)</b>	<b>101,569</b>	<b>121,262</b>	
<b>Operating profit/(loss)</b>	<b>14,547</b>	<b>9,977</b>	<b>(14,571)</b>	<b>41,686</b>	<b>10,125</b>	<b>(7,081)</b>	<b>4,457</b>	<b>(2,933)</b>	<b>-</b>	<b>-</b>	<b>14,558</b>	<b>41,649</b>	
Finance income												3,391	1,644
Finance costs												(21,374)	(20,316)
Share of (loss)/profit of associates												(18)	9,940
<b>(Loss)/Profit before taxation</b>												<b>(3,443)</b>	<b>32,917</b>
Income tax expense												(1,293)	(11,779)
<b>(Loss)/Profit for the financial period</b>												<b>(4,736)</b>	<b>21,138</b>
Total sales volume (tonnes)	288,609	186,346	398,930	458,843	405,581	467,585	-	-	(38,024)	(212,412)	1,055,096	900,362	
Gross profit per tonne (US\$)	127	108	50	165	111	55	-	-	-	-	96	135	
Other information:													
Management fee expense/(income)	-	1,350	8,480	3,738	4,386	2,700	(12,866)	(7,788)	-	-	-	-	
Depreciation expenses	5,108	4,280	9,884	9,292	6,300	5,894	48	52	-	-	21,340	19,518	
Capital expenditure	46,649	28,976	5,193	5,141	2,308	5,341	314	878	-	-	54,464	40,336	
	Global Non-Tyre & Specialty Tyre		Global Tyre Majors		PRC Tyre Majors		Corporate		Elimination		Consolidated		
	30-Sep-18	31-Dec-17	30-Sep-18	31-Dec-17	30-Sep-18	31-Dec-17	30-Sep-18	31-Dec-17	30-Sep-18	31-Dec-17	30-Sep-18	31-Dec-17	
Segment Assets	1,063,474	915,516	620,679	661,887	395,051	464,188	1,529,298	1,326,362	(1,773,926)	(1,735,200)	1,834,576	1,632,753	
Segment Liabilities	624,698	477,152	550,252	543,782	250,544	402,350	751,552	510,606	(1,093,909)	(1,134,300)	1,083,137	799,590	

\* Certain plantation assets in Malaysia have been reclassified from Corporate segment to Global Non-Tyre & Specialty Tyre segment in Sep-18 and have been reflected retrospectively for Dec-17

**15. 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.

**16. Negative Confirmation by the Board pursuant to Rule 705(5)**

We, Robert Meyer and Pascal Demierre, hereby confirm on behalf of the Board of Directors (the “Board”) of the Company that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the third quarter and 9 months ended 30 September 2018 to be false or misleading in any material aspect.

**By Order of the Board**

Robert Meyer  
Executive Director and CEO

Singapore,  
12 November 2018