HALCYON

ESG-DRIVEN TO ACHIEVE NATURAL RUBBER SUPPLY CHAIN EXCELLENCE

坚定不移以ESG为驱动力，努力成为天然橡胶供应链优秀管理者

CORPORATE REPORT 2024

Contents

About The Report

The 2024 Annual Report covers the financial year 2024 (1 January to 31 December), encompasses the strategic and financial aspects of Halcyon Agri Corporation Limited's business, as well as detailing the developments and initiatives moving into 2025 and beyond.

We also would like to invite you to stay updated with Halcyon Agri's latest developments by subscribing to our corporate news alerts via our website: www.halcyonagri.com. Your privacy is important to us and the details you provide will be used solely for provision of corporate news updates. You may unsubscribe at any time.

Please contact investor@halcyonagri.com for any questions or feedback.

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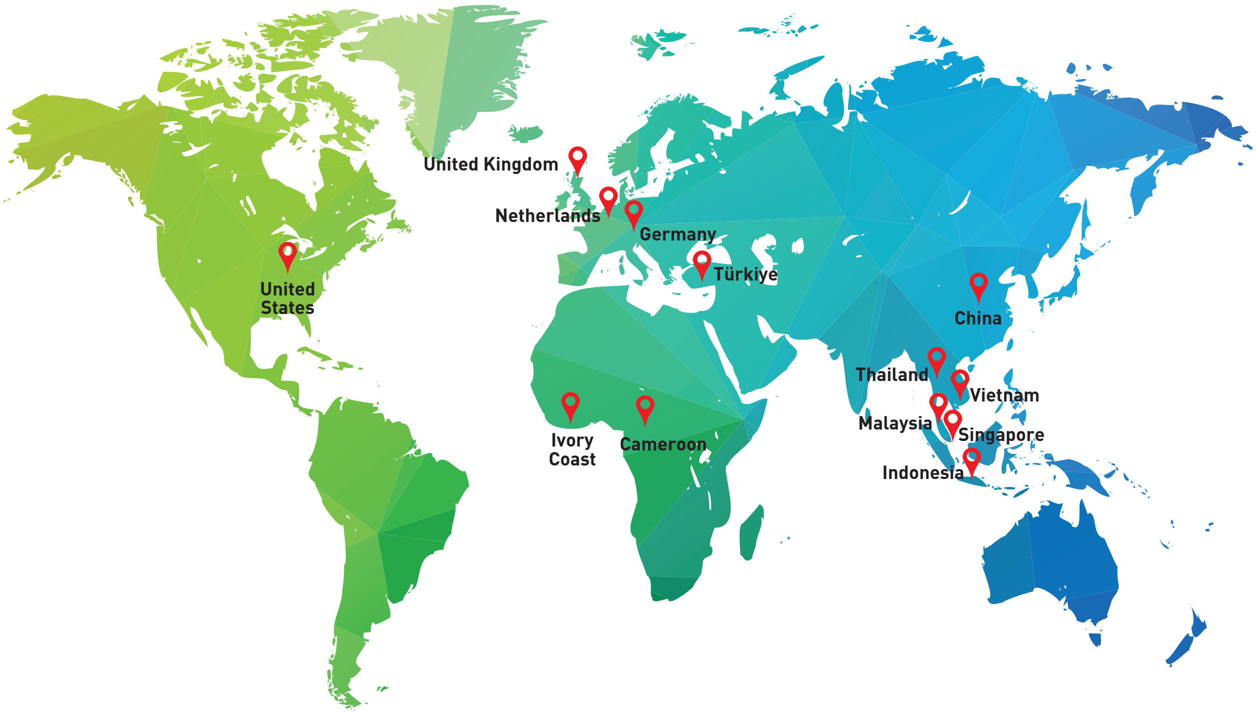
Halcyon Agri **At A Glance**

A GLOBAL FRANCHISE



Halcyon Agri Corporation Limited (SGX: 5VJ) is a leading integrated natural rubber supply chain franchise. Headquartered in Singapore with over 14,000 employees in more than 100 locations, the Group leverages its extensive network of plantations, factories, warehouses, terminals, and sales offices around the world to distribute a wide range of natural rubber products to our customers.

We operate three major platforms:

Halcyon Rubber Company (HRC Group)

A pre-eminent supplier of natural rubber to the global tyre fraternity, HRC Group owns and operates factories located across the key rubber origins, including Indonesia, Malaysia, China, Thailand and Ivory Coast. All our factories have been approved to supply tyre-grade rubber to tyre majors globally, most of which are also approved to supply EUDR-compliant natural rubber.

These factories and they have attained international standards of environmental performance under ISO 14001 and/or compliant with HeveaPro, an industry-leading manufacturing standard for sustainable natural rubber.

Being a mid-stream business, the key profitability driver for the factories is the processing margins, which is the selling price of the finished product, deducted against the procurement costs from smallholder farmers, and associated conversion costs and overheads.

HRC Group also owns a rubber plantation in Ivory Coast which supplies raw material into its own factories locally.

CMC Plantations (CMCP)

CMCP is the owner of one of the largest commercially owned and operated rubber plantations located in Cameroon, and another smaller scale plantation in Malaysia. As CMCP progressively opens its immature areas for tapping, there are less than half of CMCP's planted areas that remain immature currently. The plantation business is a long-term investment as each planted rubber tree takes an average of five to seven years before they yield the first drop of latex, and will go on to be productive for the next 30 years.

As the plantation overheads are mostly fixed in nature, the progressive opening of immature areas and the yield ramp-up of the young trees will drive the increase in production volume in near future, which will reduce overall unit cost. There is further upside profit potential when factoring in the cyclical recovery in rubber prices.

The natural rubber produced from our plantations are also EUDR compliant.

CMC International (CMCI)

A leading provider of specialist polymers for industrial and non-tyre applications, CMCI operates a wide storefront in key consumption regions covering in-house plantation rubber and concentrated latex, as well as global procurement capability for third-party sourced natural and synthetic rubber, in both dry and liquid forms.

CMCI is also the sole distribution arm for our plantation outputs, which allows us to capture the whole supply chain margin from the tree all the way to the customers' destination. The distribution margins are used to support the development and maintenance costs of our plantations.

Chief Executive **Officer's Review**

Dear Stakeholders,

I am pleased to present the annual report of Halcyon Agri Corporation Limited ("Halcyon Agri") for the financial year ended 31 December 2024 ("FY2024"). In 2024, with ESG at the core, we continue to make meaningful progress in our overall management and operations. Guided by our vision to become a global leader in the natural rubber industry, we continuously strive to improve quality, optimise costs, foster collaboration, and improve efficiency. With this focus, we are steadily advancing toward our goal of becoming a benchmark for excellence in natural rubber supply chain management.

FY2024 Financial Highlights

Since I took the helm in March 2024, amid the challenging market conditions, we have implemented a series of effective measures tailored to our strengths and leveraging the Group's advantages. This includes the rigorous implementation of the patented HeveaPro quality standards — one of its kind in the industry — alongside the strategic use of our production and operations data in our data centre. These initiatives have reshaped our operating model, unlocked new potential, increased efficiency, and fueled our business growth.

The report card in FY2024 shows that we are heading in the right direction as a Group, and we will build on this momentum in FY2025.

Financial performance overview

US$ million	FY2024	FY2023
Revenue	3,777.1	2,900.8
Gross profit	*190.9*	*146.2*
Operating profit/(loss)	49.6	(18.3)
Net financing costs	(63.9)	(60.0)

Sales volume and revenue

The Group maintained its sales growth momentum from the previous years as a result of conscious effort to expand our market share, and to leverage the wider network being part of the China Hainan Rubber Industry Group Co., Ltd ("HRG"). Sales volume for FY2024 is 2,055,274 MT, up 7% from FY2023.

Our sales volume forms 13.6% of global natural rubber consumption of 15.1 million MT.

Revenue increased by 30.2% year-on-year, from US$2.9 billion in FY2023 to US$3.8 billion in FY2024, in line with the upward movement in market prices as well as the increase in sales volume.

Gross profit

Gross profit increased by 30.6% from US$146.2 million in FY2023 to US$190.9 million in FY2024, in line with the movement in revenue. During the year, we increased focus on the quality and sales premium of in-house HeveaPro rubber products, and at the same time, tightened our controls on the raw material intake costs and working capital usage efficiency. The enhancements in our controls have also contributed to the improvement in gross profit.

Operating profit/(loss)

The Group has turned from an operating loss position of US$18.3 million in FY2023, to an operating profit of US$49.6 million in FY2024, driven by the overall increase in gross profit, as well as the absence of one-off costs of US$34.9 million incurred in FY2023 to address its legacy matters.

Net financing costs

The Group's net financing costs has slightly increased from US$60.0 million in FY2023 to US$63.9 million in FY2024, due to higher consumption of working capital loans during the financial year that is in line with the higher net working capital balances. This is set off by the cost savings from reduction in Federal Reserve interest rates from September 2024.

Financial position overview

US$ million	FY2024	FY2023
Net working capital assets	622.7	498.5
Cash and cash equivalents	83.7	48.3
Total net working capital employed	706.3	546.8
Working capital loans	535.6	615.0
% Efficiency of working capital funding	**75.8%**	**112.5%**
Operational long-term assets	1,022.8	1,043.9
Non-core assets	39.5	41.2
Other borrowings	141.3	119.0
% Fixed asset gearing	**13.3%**	**11.0%**
Shareholder loans	581.7	376.0
Total equity/Net assets	**510.1**	**565.7**
Balance sheet metrics		
Cash conversion days	*59 days*	*65 days*
Accounts receivable days	*14 days*	*17 days*
Inventory days	*50 days*	*54 days*
Accounts payable days	*5 days*	*6 days*

The Group's net assets position moved from US$565.7 million in FY2023 to US$510.1 million in FY2024, mainly due to the financial losses during the year.

Working capital funding efficiency has reduced from 112.5% in FY2023 to 75.8% in FY2024, mainly due to the replacement of external bank loans with shareholder loans at more favourable terms, which frees up banking facility headroom, positioning ourselves for growth opportunities.

Fixed asset gearing has remained at largely similar levels in both financial years.

Cash conversion days has also reduced from 65 days in FY2023 to 59 days in FY2024, reflecting the Group's efforts in improving its overall working capital utilisation.

Cash flows

US$ million	2024	2023
Operating cash flows before working capital changes	76.3	19.2
Changes in working capital	(155.9)	24.3
Interest received	2.9	2.0
Tax paid	(9.3)	(17.3)
Net cash flow from operating activities	**(86.0)**	**28.2**
Net cash flow from investing activities	**18.4**	**16.4**
Net cash flow from financing activities	**103.5**	**(115.1)**
Net changes in cash and cash equivalents	**35.9**	**(70.6)**

Operating cash flows

Following the loss reduction strategies and the efforts in reducing cash conversion days, the Group seen its operational cash flows increase year-on-year. The Group has also consciously invested into its net working capital during the year continue growing its scale amid higher rubber prices.

Investing cash flows

The Group continues to divest its non-core assets to free up capital, and reallocated them into areas that provide better returns.

Financing cash flows

Turned from a net cash outflow position in FY2023 to net cash inflow position in FY2024, as the Group has tapped into its financing facilities to obtain the necessary funding for its investments into working capital.

Future Outlook

Due to supply scarcity issue mainly driven by the rapid changes in weather patterns especially in the Southeast Asia, the natural rubber prices have increased in the recent period: SICOM TSR20 prices trended around US$1,600 – 1,650 per MT levels in early FY2024, and jumped to a US$2,136 per MT, the highest point in the past five years, before retreating to trade in a range between US$1,950 – 2,000 per MT.

The downstream demand has remained resilient during this year, and we have also seen the demand shifting towards traceable natural rubber, as part of the introduction of EU Deforestation Regulation (EUDR) that was slated to take effect on 30 December 2024. On December 2024, the EU has announced that the effective date of EUDR will be delayed by one year, to 30 December 2025 to give companies and authorities more time to better prepare for its implementation.

Although our sales of EUDR-compliant natural rubber are mildly affected by this announcement, we also take this window of opportunity to reassess and enhance the standard operating procedures for our traceable natural rubber products. We are strengthening our operational compliance, fostering collaboration between the Group's global entities, to build an integrated, transparent and traceable supply chain. We continue to improve on our traceability infrastructure to meet the higher standards set forth by EUDR, and is committed to working closely with our customers to ensure full compliance.

Looking ahead, we foresee more uncertainties in the global macroeconomic environment in 2025, driven by a few factors as follows:

- Federal Reserve and European Central Bank signalled that they may maintain higher interest rates for longer due to a rather persistent core inflation, which contrasts with the People's Bank of China's position to continue lowering its Loan Prime Rate;
- Further developments in geopolitical tensions in Eastern Europe and the Middle East;
- Impact of tariffs imposed by the United States on its trading countries;
- China's economic growth as they emerge from the weaknesses in real estate sector, and its stimulus to measures aimed at boosting domestic consumption and supporting small and medium enterprises (SMEs).

Meanwhile, the Group's focus in 2025 shall be as follows:

- Focus and invest only on sustainable and well-rounded growth across our business segments;
- Enhance our management capabilities, and continue to invest efforts in efficiency improvement and cost optimisation;
- Strengthening our market presence by maximising our production capacity and diversifying our products to cater to customer's demands.

Concluding Thoughts

In closing, I would like to express my appreciation to all members of Halcyon Agri for their dedication and commitment to the Group. On behalf of the Group, I would also like to thank our Board of Directors, our major shareholders, our banking and commercial partners, and all other stakeholders for your continued trust and support.

Sun Weiliang
Chief Executive Officer
Halcyon Agri Corporation Limited

Chief Executive Officer's Review

各位：

我很高兴向您呈现Halcyon Agri Corporation Limited（“合盛农业”）截至2024年12月31日财政年度的年度报告。2024年，我们继续以ESG为核心驱动力，推动公司管理和运营进步与增长，坚定不移引领“成为全球领先的天然橡胶供应商”愿景，坚持“提升质量，降低成本，团结协作，增强效率”的管理理念，稳步朝着天然橡胶供应链优秀管理者的目标迈进。

2024财年财务亮点

自我于2024年3月上任以来，尽管市场环境充满各种挑战，我们根据自身条件，聚焦内生驱动，采取了一系列有效措施，充分发挥公司优势，包括严格实施全行业唯一获得专利的HeveaPro质量体系和充分运用运营大数据中心，重塑运营模式，挖掘增长动能，提高效率，不断促进业务增长。2024年的成绩单显示，我们正朝着正确的方向前进，为2025年进一步增长奠定坚实基础。

财务业绩概览

项目（百万美元）	2024财年	2023财年
收入	3,777.1	2,900.8
毛利润	190.9	146.2
经营利润/(亏损)	49.6	(18.3)
净融资成本	(63.9)	(60.0)

销售量及营业收入

我们抓住下游需求的机遇，并借助海南天然橡胶产业集团有限公司（“海胶集团”）的全球销售网络，进一步扩大市场份额。本集团保持了前几年的销售增长势头，全年实现销售量2,055,274吨，比去年增长了7%。销售量占全球1510万吨天然橡胶消费量的13.6%。

收入同比增长30.2%，从2023财年的29亿美元增加到2024财年的37.8亿美元，主要得益于市场橡胶价格的上升以及我们销售量的提高。

毛利润

毛利润从2023财年的1.462亿美元增加30.6%至2024财年的1.909亿美元，与收入增长保持一致。年内，我们更加关注自产HeveaPro橡胶产品的品质和溢价，同时严格管控原材料采购成本和资金的使用效率，利润的提高同时也来源于内部管控的效果。

经营利润/(亏损)

集团已从2023财年1,830万美元的经营亏损转为2024财年4,960万美元的经营利润，得益于毛利润的整体提升以及2023年为解决历史问题而产生的3,490万美元一次性成本的计提。

净融资成本

集团的净融资成本从2023财年的6,000万美元小幅增加至2024财年的6,390万美元，主要由于在本财年内流动贷款的使用量增加，投入与运营资金。然而，这部分被2024年9月美联储利率下调带来的利息节省所抵消。

财务状况概览

项目（百万美元）	2024财年	2023财年
净运营资产	622.7	498.5
现金及现金等价物	83.7	48.3
运营资金总额	706.3	546.8
流动贷款	535.6	615.0
运营资金使用效率 (%)	**75.8%**	**112.5%**
长期运营资产	1,022.8	1,043.9
非核心资产	39.5	41.2
其他借款	141.3	119.0
固定资产杠杆率 (%)	**13.3%**	**11.0%**
股东借款	581.7	376.0
股东权益 / 净资产	**510.1**	**565.7**
资产负债表指标		
现金转换天数	**59天**	**65天**
应收账款天数	14天	17天
存货天数	50天	54天
应付账款天数	5天	6天

本集团的净资产从2023财年的5.657亿美元降至2024财年的5.101亿美元，主要由于本年度的财务亏损。

运营资金使用效率从2023财年的112.5%降至2024财年的75.8%，主要由于外部银行贷款被股东借款以更有利的条件置换，从而释放了银行贷款头寸，为来年捕捉市场机遇做好准备。

固定资产杠杆率基本保持相同。

现金转换天数也从2023财年的65天减少至2024财年的59天，反映出本集团在提高整体资金使用效率方面的努力。

现金流

项目 (百万美元)	2024年	2023年
营运现金流 (不含运营资金变化)	76.3	19.2
运营资金变化	(155.9)	24.3
利息收入	2.9	2.0
所得税支付	(9.3)	(17.3)
经营活动产生的现金流量	**(85.9)**	**28.2**
投资活动产生的现金流量	**18.4**	**16.4**
融资活动产生的现金流量	**103.5**	**(115.1)**
现金及现金等价物净变化	**35.9**	**(70.6)**

经营活动产生的现金流量

通过减少亏损的策略以及缩短现金转换天数，本集团的营运现金流实现了同比增长。集团也在年内增加了对运营资金的投资，以在橡胶价格上涨的情况下持续扩大规模。

投资活动产生的现金流量

本集团继续处置非核心资产以释放资金，并将其重新分配到回报率更高的领域。

融资活动产生的现金流量

本集团已从2023财年的净现金流出转变为2024财年的净现金流入，主要因为通过融资支持对运营资金的投入。

未来展望

受东南亚地区气候不稳定影响，导致供应短缺的情况出现，天然橡胶价格年内波动显著，一度升至五年新高（2024年初每吨1,600-1,650美元跃升至2,136美元的高点，随后回落至每吨1,950-2,000美元区间）。

下游需求在今年保持了韧性，同时也留意到需求正在转向可追溯天然橡胶，这是由于欧盟将于2024年12月30日生效的欧盟零毁林法案（EUDR）所引发的效应。2024年12月，欧盟宣布EUDR的生效日期将推迟一年，至2025年12月30日，以便企业和监管机构有更多时间准备。自公告以来，我们的EUDR天然橡胶销售虽然受到一定影响，但是，我们充分利用这一窗口期，重新审视可追溯天然橡胶实施标准流程，着力加强合规运营，在全球范围强化各个子公司的协同合作，打造"一体化、透明且可追溯的供应链"。集团不断完善建立追溯性基础设施，以应对EUDR更高的要求，并承诺与客户紧密合作，确保符合该法规。

展望2025年，我们预见全球宏观经济环境存在更多不确定性，主要因素包括：

- 美联储和欧洲央行可能维持较高利率以应对持续的核心通胀，同时中国人民银行继续将LPR保持在低位所形成的对照；
- 东欧和中东地缘政治紧张局势的进一步发展；
- 美国对其贸易国实施的关税影响；
- 中国经济在房地产行业疲软后的复苏，以及促进国内消费和支持中小企业的刺激措施。

同时，集团在2025年的重点将如下：

- 专注并仅投资于可持续、全方位的业务发展；
- 提升自身的管理能力，并持续投入精力于效率改进和成本优化；
- 以客户为核心，通过充分释放产能潜力与优化产品结构，强化客户服务能力，巩固市场份额。

结语

最后，我要感谢合盛农业全体成员的奉献与承诺。谨代表集团，感谢董事会、主要大股东、银行与商业合作伙伴以及所有利益相关者的持续信任与支持。

孙卫良
合盛农业集团
首席执行官

Board Of Directors **and Senior Management**

Wang Hongxiang
Non-Executive Director

Mr Wang Hongxiang was appointed to the Board in February 2025 as a Non-Executive Director. He is currently the Chairman of the Board of Directors of China Hainan Rubber Industry Group Co., Ltd. Before joining China Hainan Rubber Industry Group Co., Ltd, Mr Wang served as secretary, party committee member and deputy county mayor of Tunchang County, Hainan Province.

Mr Wang graduated from Hainan Normal University, holding a bachelor's degree in Chinese language.

Sun Weiliang
Executive Director,
Chief Executive Officer

Mr Sun Weiliang is the Executive Director and Chief Executive Officer of Halcyon Agri Corporation Limited. He joined the Board as Non-Executive Director in April 2023 and was re-designated as the Executive Director and Chief Executive Officer in March 2024. As Chief Executive Officer, Mr Sun is in charge of formulating and executing the business strategy of the Group, and of overseeing its day-to-day management. Before joining Halcyon Agri, Mr Sun was the Chief Financial Officer of China Hainan Rubber Industry Group Co., Ltd, a position he held since 2021 until his appointment as the Chief Executive Officer of Halcyon Agri.

Mr Sun holds a Bachelor of Economics, Hangzhou Electronic Industrial College.

Eddie Chan Yean Hoe
Independent Director

Mr Eddie Chan Yean Hoe is an Independent Director appointed to the Board in 2020 and serves as the Chairman of the Audit Committee and Remuneration Committee. He also sits on the Nominating Committee. He was an Executive Director and a Partner of Ernst & Young Malaysia with many years of experience in auditing, corporate restructuring, taxation and accounting, across several industries including rubber and oil palm plantations. He also held several senior finance roles in a multinational oil and gas company until his retirement. He had served as a Director of Daiman Development Berhad, prior to his appointment to the Board.

Mr Eddie Chan is a Certified Public Accountant. He is a member of the Malaysian Institute of Certified Public Accountants and a chartered member of the Malaysian Institute of Accountants.

Huang Xuhua
Independent Director

Mr Huang Xuhua is an Independent Director appointed to the Board in 2021 and serves as the Chairman of the Nominating Committee. He also sits on the Audit Committee and Remuneration Committee. He has over 30 years of experience in corporate and commercial laws, and specialises in mergers and acquisitions, joint ventures, cross-border investments and private equity transactions. Mr Huang has been based in Beijing, New York, Hong Kong and Singapore in the course of his legal career, and was a partner of one of the world's largest international law firms for 14 years.

He received his Bachelor of Laws from Renmin University of China in Beijing and his Master of Laws from Columbia University School of Law in New York.

Board Of Directors and Senior Management

Latha Eapen K. Mathew
Independent Director

Ms Latha Eapen K. Mathew is an Independent Director appointed to the Board in 2022 and also sits on the Audit Committee. She was a Partner of Ernst & Young with over 35 years of experience in taxation, and specialised in Singapore and international corporate tax.

She had served as a Board Member of Singapore Chartered Tax Professionals, and non-profit initiatives including Treasurer and Board Member of Make A Wish Singapore. She is currently on the Board of Governance of Methodist Welfare Services.

Ms Eapen is a member of Singapore Chartered Tax Professionals, Institute of Singapore Chartered Accountants and CPA Australia and a member of SNEC Medifund Committee. She received Bachelor of Accountancy from the University of Singapore.

Xu Xingbin
Non-Executive Director

Mr Xu Xingbin is a Non-Executive Director appointed to the Board in 2023. Mr Xu has been with Sinochem International Corporation for more than 10 years and is now its General Manager of the Strategy Development Department. He has held various senior positions including:

- Vice General Manager, Strategy Development Department (Sinochem International)
- General Manager, Strategy Management Department (Sinochem International)
- Vice General Manager (Sinochem International Corp Care Co., Ltd)
- Vice General Manager (Sinochem Agro Co., Ltd)

Mr Xu received his Bachelor of Economics from Wuhan University and his Master of Business Administration from Shanghai Jiaotong University.

Fan Xiaohong
Non-Executive Director

Ms Fan Xiaohong was appointed to the Board in April 2024 as a Non-Executive Director. She is currently the General Manager of Operation and Risk Control Department of China Hainan Rubber Industry Group Co., Ltd, overseeing the operational management as well as risk management framework of its subsidiaries.

Ms Fan graduated from Sichuan Agricultural University, holding a bachelor's degree and a master's degree.

Chen Lei
Non-Executive Director

Ms Chen Lei was appointed to the Board in September 2024 as a Non-Executive Director. She is currently the General Manager of Finance Management Department of Sinochem International Corporation, overseeing the accounting, tax, financing, budgeting and financial auditing functions. She is also serving as the General Manager of Sinochem Chemical Technology (Hainan) Co., Ltd, responsible for the operation and management of the company's business.

Ms Chen is a graduate of Shanghai Maritime University, holding a degree in Management.

Senior **Management**

Jeremy Loh
Chief Financial Officer

Mr Jeremy Loh is the Chief Financial Officer of Halcyon Agri and is responsible for the Group's financial affairs, including corporate finance, treasury and capital management.

He joined Halcyon Agri in 2016 as the Deputy Chief Financial Officer and brings with him more than 20 years of financial reporting, control and risk expertise to the Group. His work experiences include senior roles at international banks and auditing firms in Singapore, Thailand and Malaysia.

Mr Loh holds a Bachelor's Degree in Accounting from Monash University Australia.

Risk **Management**

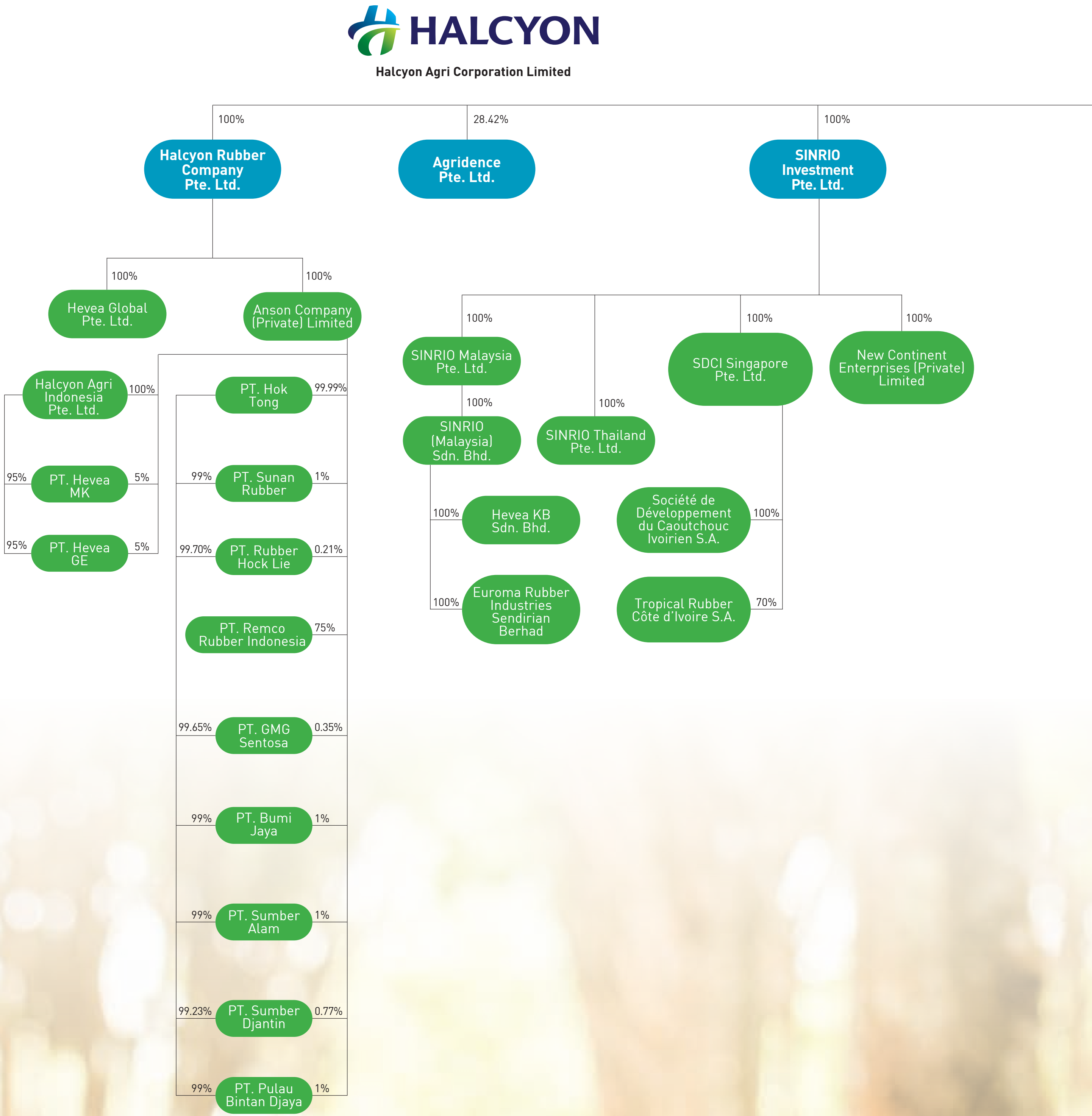
The Board as a whole is responsible for the governance of risk and overall internal controls framework. Through its Audit Committee, the Board devotes significant attention to maintain an effective system of risk management and internal controls, safeguard the Group's investments and that of our Shareholders, and ensure that risks are managed in the Group's best interests. Risks are proactively managed and embedded in the Group's planning and decision-making process as well as day-to-day operations.

Our Risk Register is reviewed regularly to ensure risk mitigation measures are symmetric with market environment and the Group's operations. The Audit Committee is apprised of any material changes as soon as they are identified or through the quarterly updates of the macro-environmental developments by the management that potentially has an impact to the following key risks of the Group.

RISK	CAUSE	IMPACT	MITIGATION MEASURES
PRICE RISK Fluctuations in the price of natural rubber and rubber products	• Weather, political and geopolitical changes, futures market activities and currency movements • Overstocking of inventories	• Price volatility directly impacts the Group's profitability/performance	• Utilise forward physical contracts and/or derivatives to manage the Group's open positions • Daily reports on market positioning and mark-to-market prices to facilitate the Group's decision making
CREDIT AND COUNTERPARTY RISK Customers' default and counterparty's failure to meet contractual obligations	• Adverse market movements and volatile market price • Inadequate screening of the customer and counterparty • Inadequate monitoring of outstanding contracts and/or receivables	• Customer defaults resulting in loss of revenue • Breach of counterparty obligation resulting in additional costs	• Transact only with credit-worthy customers or counterparties • Periodic review of credit terms granted against collaterals obtained • Periodic review of limit granted against the utilisation of credit limits and transaction limits • Review the adequacy of credit insurance to protect against potential default • Monitor Mark-to-Market positions of all open contracts
LIQUIDITY RISK Insufficient liquidity to consistently meet obligations as well as to cater to changing business models	• Longer-than-expected working capital cycle • Banks reduce or cancel banking facilities • Mismatch between asset acquisitions with tenure of funding obtained	• Insufficient working capital resulting in inability to meet obligations on time, disruptions to operations or even impacts ability of the Group to meet its business objectives	• Manage liquidity by matching between sources of funds and intended purpose • Maintain sufficient headroom on unutilised committed banking facilities at all times • Monitor and continually optimise working capital cycle
INTEREST RATE RISK Fluctuation in interest rate for loans and borrowings	• Macroeconomic outlook, currency movements, political and geopolitical disruptions	• Interest rate hikes could increase the Group's financing costs and negatively impact the Group's results as well as liquidity • Missing opportunities on securing financing at favourable interest rates	• Align cash availability with repayment terms of facilities • Actively monitor interest rate trends • Monitor and continually optimise working capital cycle • Cost of financing factored in the selling price
FOREIGN EXCHANGE RISK Fluctuation in forex rates	• Macroeconomic outlook, political and geopolitical changes	• Inadequate hedging and unfavourable movements in exchange rates resulting in forex losses	• Monitor exchange rate movements and unhedged foreign currency exposure on an ongoing basis • Employ hedging instruments to manage exposure

RISK	CAUSE	IMPACT	MITIGATION MEASURES
BIOLOGICAL ASSETS RISK Suboptimal performance of biological assets	• Unpredictable planting/replanting conditions (e.g. soil and weather conditions, plant diseases and pests) • Extreme weather conditions/animal intrusions causing damages to trees	• Inefficient asset utilisation and loss of profits as the Group would have to procure from third party sources to make up for the suboptimal yield of existing trees	• In-house team of experienced plantation team, supported by the services of qualified professionals as required for planting/replanting matters • Periodic review of open positions between Sales Contracts and inventory levels • Periodic review of actual versus budget yield from plantations
SOCIAL AND POLITICAL RISK Risk of changes in socio-economic and political climate	• Socio-economic and political development (e.g. issues of labour laws, human rights, environmental protection) that have serious impact on local population	• Improper management of such issues could negatively affect the Group's reputation • Disruptions to operation resulting in deviations from expected financial performance	• Leverage the expertise and knowledge of local management and consultants to actively monitor the social and political risks • Diversify operations from different countries • Sales contracts provide terms allowing substitution of similar products from other sources
LEGAL AND COMPLIANCE RISK The Group operates in many different geographic locations with diverse cultures and local customs	• Not being updated with changes of legal and regulatory requirements in respective geographical locations	• Failure to comply with local laws and regulations may result in the Group being involved in litigations pertaining to claims and disputes • Penalties/fines, disruptions to operations or even cessation of business from revocation of licenses • Negative impact of the Group's reputation	• Maintain active communication with internal and external legal advisors • Proactively engage in discussions with local governments, regulators and industry leaders • Policies and procedures aligned with local regulations are in place and communicated to all employees for compliance • Grievance procedure and whistleblowing policy in place to provide internal/external stakeholders avenue to report on compliance issues
TAX AND COMPLIANCE RISK Risk in determination of our tax entitlement and obligation	• Uncertainty regarding the application and interpretation of tax laws; not updated with changes in tax rules given the size and vast geographic scope of our operations	• Failure to comply with tax rules which result in additional taxes, interest and penalties payable	• Deploy proper resources, either with employees of relevant technical expertise and with adequate local knowledge or engagement of external advisors or both where necessary • In situations where there is inconsistent interpretation of tax laws, proactively engage with the relevant tax authorities to ensuring tax issues can be resolved as equitably in a timely and cost effective manner

Corporate **Structure**




100%
Halcyon Agri Natural Rubber (Shanghai) Limited (合盛天然橡胶(上海)有限公司)
100%
Shanghai CMI Rubber Co., Ltd. (上海玺美橡胶制品有限公司)
100%
Hainan Halcyon Rubber Tech. Co., Ltd. (海南合盛橡胶科技有限公司)
100%
Hainan Baoting Halcyon Rubber Tech. Co., Ltd. (海南保亭和晟橡胶科技有限公司)
96.67%
Yunnan Halcyon Rubber Tech. Co., Ltd. (云南合盛橡胶科技有限公司)
100%
Corrie MacColl Pte. Ltd.
40%
G.P. Sentosa Enterprises Co., Ltd.
6%
Teck Bee Hang Co., Ltd.
49%
100%
Centrotrade Minerals and Metals, Inc.
98.36%
Techem Industries Co., Ltd.
86%
Teck-Fu Joint Venture Co., Ltd.
45%
Feltex Co., Ltd.
100%
Corrie MacColl Limited
100%
Corrie MacColl International Pte. Ltd.
100%
Corrie MacColl Plantations Pte. Ltd.
100%
Corrie MacColl Malaysia Sdn. Bhd.
Corrie MacColl Deutschland GmbH
100%
49%
Corrie MacColl (Thailand) Co., Ltd.
51%
Kelvin Terminals B.V.
100%
49%
Corrie MacColl Hatyai Co., Ltd.
100%
JFL Agro Pte. Ltd.
100%
JFL Holdings Sdn. Bhd.
100%
Société de Développement du Caoutchouc Camerounais S.A.
Hevea Cameroun S.A.
90%
Sud Cameroun Hevea S.A.
80%
100%
Corrie MacColl Europe B.V.
100%
Corrie MacColl Holdings, Inc.
100%
Corrie MacColl North America, Inc.
100%
Corrie MacColl Rubber Ltd.
100%
Corrie MacColl İthalat ve İhracat Anonim Şirketi
100%
HAC Capital Pte. Ltd.

Corporate **Information**

BOARD OF DIRECTORS

Wang Hongxiang *(Non-Executive Director)*
Sun Weiliang *(Executive Director and Chief Executive Officer)*
Eddie Chan Yean Hoe *(Independent Director)*
Huang Xuhua *(Independent Director)*
Latha Eapen K. Mathew *(Independent Director)*
Xu Xingbin *(Non-Executive Director)*
Fan Xiaohong *(Non-Executive Director)*
Chen Lei *(Non-Executive Director)*

AUDIT COMMITTEE

Eddie Chan Yean Hoe *(Chairman)*
Latha Eapen K. Mathew
Huang Xuhua
Fan Xiaohong
Chen Lei

REMUNERATION COMMITTEE

Eddie Chan Yean Hoe *(Chairman)*
Huang Xuhua
Sun Weiliang

NOMINATING COMMITTEE

Huang Xuhua *(Chairman)*
Eddie Chan Yean Hoe
Sun Weiliang

COMPANY SECRETARY

Wong Teck Kow

REGISTERED OFFICE AND CORPORATE HEADQUARTERS

180 Clemenceau Avenue
#05-02 Haw Par Centre
Singapore 239922
Tel: +65 6460 0200
Fax: +65 6460 0850

INVESTOR RELATIONS

180 Clemenceau Avenue
#05-02 Haw Par Centre
Singapore 239922
Email: Investor@halcyonagri.com

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632
Tel: +65 6536 5355
Website: www.boardroomlimited.com

AUDITORS

Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583
Tel: +65 6535 7777
Partner in Charge: Lee Lai Hiang
(Since financial year ended 31 December 2024)

PRINCIPAL BANKERS

The Export-Import Bank of China
China Development Bank
Industrial and Commercial Bank of China
China CITIC Bank International Limited
China Everbright Bank Co., Ltd.
Bank of Communications Co., Ltd.
Shanghai Pudong Development Bank Co., Ltd.
Bank of Shanghai Co., Ltd.
China Zheshang Bank Co., Ltd.
The Bank of East Asia Limited
PT Bank Central Asia Tbk
Afriland First Bank
Cooperatieve Rabobank U.A.
Deutsche Bank AG
Wells Fargo Bank NA
Société Générale S.A.

Corporate Governance **Report**

Halcyon Agri Corporation Limited (the "Company" or "HAC" and together with its subsidiaries, the "Group") firmly believes that high standards of corporate governance and sustainable business strategy are the core pillars that determine the Group's success in creating long-term value for its stakeholders.

The Group has achieved a high level of business resilience through its robust corporate governance framework which focuses on effective leadership and oversight; transparency and accountability; inclusive and sustainable development; as well as continuous risk management, mitigation and control.

The Board of Directors (the "Board") will continue to steer and further strengthen resilience to possible future shocks by focusing on driving sustainable business growth, business model innovation and embrace the key tenets of good governance.

The Company's ongoing efforts to implement best practices in corporate governance in all aspects of the Group's operations throughout the financial year ended 31 December 2024 ("FY2024") are highlighted in this report and the Board Committee reports (the "Committee Reports"), embedded in and forming part of the Company's annual report for FY2024 (the "Annual Report"). All the following Committee Reports form part of this report:

- Nominating Committee ("NC") Report
- Remuneration Committee ("RC") Report
- Audit Committee ("AC") Report

Compliance with the Code of Corporate Governance

The Company has applied the principles of the Code of Corporate Governance 2018 (the "Code") to its corporate governance structure and practices as described in this report. The Board is pleased to report that the Group has adhered to all material principles and provisions of the Code, and wherever applicable, together with other applicable laws, rules and regulations, including the Listing Manual (the "Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The disclosure of our corporate governance framework and practices in this report has been approved by the Board.

BOARD STRUCTURE

Board Composition and Diversity Highlights

Board Member	Sun Weiliang	Eddie Chan Yean Hoe	Huang Xuhua	Latha Eapen	Xu Xingbin	Fan Xiaohong	Chen Lei	Wang Hongxiang	Total/ Average/ Proportion
Tenure and Independence									
Date of Appointment	26 April 2023	28 July 2020	18 June 2021	12 August 2022	24 November 2023	1 April 2024	5 September 2024	21 February 2025	
Last re-elected date (if applicable)	24 April 2024	24 April 2024	27 April 2022	26 April 2023	24 April 2024	24 April 2024	–	–	
Tenure as of 30 April 2025[1]	2 years	4 years 9 months	3 years 10 months	2 years 8 months	1 year 5 months	1 year 1 month	7 months	2 months	2 years 1 month
Independence	X[2]	✓	✓	✓	X[2]	X[2]	X[2]	X[2]	37.5%
Executive	✓	X	X	X	X	X	X	X	12.5%
Board Committees Membership									
Audit Committee		✓ Chairman	✓	✓		✓	✓		5
Nominating Committee	✓	✓	✓ Chairman						3
Remuneration Committee	✓	✓ Chairman	✓						3

Board Member	Sun Weiliang	Eddie Chan Yean Hoe	Huang Xuhua	Latha Eapen	Xu Xingbin	Fan Xiaohong	Chen Lei	Wang Hongxiang	Total/ Average/ Proportion
Expertise and Experience									
Accounting/Financial	✓	✓		✓	✓	✓	✓		
International Business Exposure	✓	✓	✓	✓	✓	✓	✓	✓	
Leadership/Chief Executive	✓	✓	✓	✓	✓	✓	✓	✓	
Legal/Risk Management	✓	✓	✓	✓	✓	✓	✓	✓	
Mergers & Acquisitions	✓	✓	✓	✓	✓		✓		
Rubber/Commodities Business	✓	✓	✓	✓		✓		✓	
Sustainability	✓		✓			✓		✓	
Present and past three (3) years Directorships in Other listed companies (if any)	–	–	–	–	–	–	–	–	–
Demographics									
Age	57	69	60	69	49	42	42	52	55 years
Gender Identity	Male	Male	Male	Female	Male	Female	Female	Male	62.5% Male
Singapore Resident	✓		✓	✓					37.5%

Notes:

(1) For the purpose of Rule 210(5)(d)(iv) of the Listing Manual, the length of a director's tenure is from the date of his appointment until the date by which the Company's 2025 AGM is required by law to be held.

(2) Affiliated with substantial shareholder.

The profile of each Director (including academic and professional qualifications) is presented in this Annual Report under the section "Board of Directors".

Independent, Effective Board Oversight

- Separation of the roles of Chairman and Chief Executive Officer ("CEO"). The Board does not have a Chairman.
- Significant Independent Directors presence on the Board.
- Regular board refreshment with Independent Directors' average tenure of 3.8 years.
- Non-executive Directors make up 87.5% of the Board.
- Chairmen of all mandatory board committees, being AC, NC and RC, are all Independent Directors.
- Gender diverse board with three female Directors made up 37.5% of the Board.
- Diversity of skills, knowledge and broad range of experience – the Board comprises members with political or geopolitical savvy, an experienced lawyer who is qualified in a number of jurisdictions, retired audit firm partners as well as Directors who have years of experience in formulating corporate strategy and have in-depth knowledge of the rubber business.
- Annual performance evaluation on the Board, Board Committees and individual Directors.
- None of the Directors hold more than six (6) directorships (without other executive roles) or four (4) directorships (with other executive roles) in listed companies.
- No alternate directors appointed.
- Each Director has been submitted for re-nomination and re-appointment at least once during the past three (3) years

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

The Company is committed to upholding the highest ethical and corporate governance standards. It conducts business with integrity, fairness and transparency and will not tolerate any acts, attempted acts, or assistance with any form of bribery or corruption whether direct or indirect.

The Board continues to focus on value creation, innovation, sustainability and ethical business practices, and has embedded them in setting the strategic directions of the Company. It has put in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company.

Duties of the Board. The principal functions of the Board are to:

(a) establish corporate values and ethical standards of conduct for the Group;

(b) oversee the business performance and affairs of the Group and provide entrepreneurial leadership;

(c) set strategic direction for the Group, maintain the policy and decision-making framework in which the strategy is implemented;

(d) establish and maintain a sound risk management framework and adequate internal controls, setting risk appetite to achieve an appropriate balance between risk and the Group's performance;

(e) supervise, monitor and review the function and performance of the Group's management and ensure that necessary resources are in place for the Company to meet its strategic objectives;

(f) review and approve annual budgets, financial plans, major acquisitions and divestment plans, funding and investment proposals;

(g) ensure transparency and accountability to key stakeholder groups including compliance with relevant laws and regulations as well as the financial reporting standards;

(h) ascertain and ensure that the environmental, social and governance ("ESG") factors that are most material to the Company's long-term goals and viability are integrated into its overall business strategy;

(i) review sustainability risks and ensure that the management of the material ESG factors is incorporated into the Company's enterprise risk management process;

(j) review and approve the appointment of Directors and Key Management Personnel ("KMP"); and

(k) instil an ethical corporate culture and promote sustainable development.

Conflict of Interest. Directors have a duty to act in the best interests of the Company and are required to take all reasonable steps to avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of the Company. The Policy on Director's Conflicts of Interest complements the Company's corporate governance practices, and serves to guide the Directors in recognising and handling conflict situations. This policy requires any member of the Board or Board Committees who has an interest in a matter to recuse himself from discussions and abstain from participating in the approval process involving the issue of conflict. The Directors are also obliged to make timely disclosure of their interests to avoid any possible conflicts of interest.

Board Access to Information. The Board has unrestricted access to the Company's records and information. Directors are furnished with complete, adequate and timely information, and they are promptly alerted of changes to the Group's business and financial condition, to assist the Board to make a balanced and informed assessment to decide on matters as and when they arise. The CEO and the senior management of the Group (collectively, the "Management") have been maintaining close coordination and open dialogue with the Board on the business risks and the workplace health and safety issues, to ensure that the Directors are fully cognisant of the decisions and actions of the Management.

Documents and adequate information relating to meeting agenda items, including background and explanatory notes, financial statements, budgets, forecasts and progress reports of the Group's business operations and internal audit reports are circulated at least one week prior to each Board and/or Board Committee meeting through the board portal, to allow sufficient time for Directors to comprehensively understand the issues to be deliberated upon and make informed decisions thereon. Senior management personnel who are able to provide additional insights into the matters at hand, if required, would be invited to attend the meetings to present the papers and address queries from the Directors.

Analysis report covering the Group's operational performance, financial results, market environment, treasury activities, corporate and business development as well as other relevant information are presented to the Board regularly. Such regular updates and timely reports allow the Board to monitor the Group's performance as well as Management's performance relating to the goals and objectives set by the Board. All information requested by the Directors was provided in a timely manner.

Corporate Governance Report

Directors have direct and independent access to Management and may, at any time, request for further explanation, briefings or informal discussions on any aspect regarding the Group that is required for the discharge of Directors' duties and responsibilities. The Directors also have separate and independent access to the Company Secretary at all times. The Company Secretary advises the Board on corporate and administrative matters, facilitates a Director's orientation and professional development, and ensures timely and good information flow within the Board and Board Committees, and between Management and the Independent Directors. The Company Secretary and/or his colleague attends all Board and Board Committee meetings to ensure that Board procedures are followed and that the applicable rules and regulations are complied with. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

In furtherance of their duties, the Directors, individually or collectively, may also seek independent professional advice concerning any aspect of the Group's operations or undertakings, at the Company's expense.

Delegation of Authority. The Board embraces the principle of empowerment, and believes that governance and management are more effective and efficient when they are separated. The day-to-day management, operation and administration of the Group, including the implementation of the ESG strategy, are led by the Management team who are accountable to the Board for their performance in pursuing the long-term success of the Group. The Management collaborates closely with the non-executive Directors and provide insights on the Group's operations.

While the Board Committees and Management are tasked with certain responsibilities, all major decision-making remains the ultimate responsibility of the Board. A written Policy on Board Delegation of Authority (the "Delegation Policy"), which sets out the framework and mechanisms by which the Board delegates specific standing powers and limits of authority, had been adopted. The Delegation Policy aims to balance the need to empower and devolve decision-making to appropriate levels for operational efficiency and to ensure that proper systems of control are in place. It provides clear directions to Management on matters that are reserved for the Board's decision and approval, which includes the following:

(a) overall Group business and budget strategies;

(b) capital expenditures, investments or divestments exceeding certain material thresholds;

(c) all capital-related matters including capital issuance and redemption;

(d) significant policies governing the operations of the Company;

(e) corporate strategic development and restructuring;

(f) material interested person transactions which fall within the meaning of the Listing Manual; and

(g) risk management strategies.

All material transactions are reserved for the Board's decision, without any individual or group of individuals exercising considerable concentration of power or influence, or being allowed to dominate the Board's decision making.

Board Meetings. The Board meets on a quarterly basis and additional meetings would be held as warranted. Four (4) meetings were scheduled and held in FY2024 to review, discuss and receive updates from Management on the Group's financial performance, annual budget, sustainability issues, corporate strategy, business plans, corporate actions, capital plans, risk management policies, appointment and re-appointment of Directors, executive remuneration, significant operational matters and corporate actions that took place during the year.

The Board believes that meetings between Independent Directors who have no relationship (whether familial, business, financial, employment, or otherwise) with the Company encourage and promote greater openness and facilitate provision of well-balanced viewpoints to the Board. Any Independent Director may summon a meeting without the presence of the non-independent directors and Management whenever he deemed fit. Any recommendations or suggestions arising from such meeting will be communicated to the Board or to the Management as appropriate.

The CEO oversees the setting of Board meeting agendas, and the Directors are encouraged to propose any topic that is deemed appropriate to be discussed. Draft meeting agendas are circulated to the Chairmen of the Board Committees in advance for comments, to make sure that all material topics are attended to. As the Company does not have a Chairman, the Directors will discuss and elect a member to be Chairman at the start of the Board meeting.

To ensure meetings are held with maximum Directors' participation, all Board meetings are planned and scheduled in advance after consultation with Directors. In addition, Directors who are not able to be physically present in the Board meetings may participate in the Board and Board Committee meetings by telephone or video conference, as permitted by the Company's Constitution (the "Constitution"). The Constitution also provides that the Board may make decisions and grant approval by way of written resolutions. A list of written resolutions approved by the Board and Board Committees is compiled and circulated during Board and Board Committee meetings.

The record of Directors' attendance at the Board and Board Committee meetings for FY2024 is set out below:

	MEETING ATTENDANCE Number of scheduled meetings held between 1 January to 31 December 2024)				
	AGM	Board	AC	NC	RC
DIRECTOR	**1**	**5**	**4**	**1**	**1**
Eddie Chan Yean Hoe	1	5	4	1	1
Huang Xuhua	1	5	4	1	1
Latha Eapen K Mathew	1	5	4	–	–
Sun Weiliang	1	5	3[1]	1	1
Xu Xingbin	–	3	–	–	–
Fan Xiaohong (Appointed on 1 April 2024)	–	3	–	–	–
Chen Lei (Appointed on 5 September 2024)	–	2[1]	2[1]	–	–
Wang Hongxiang (Appointed on 21 February 2025)	–	–	–	–	–
Li Xuetao (Resigned on 12 March 2024)	–	2	1[1]	–	–
Liu Yongsheng (Resigned on 5 September 2024)	–	4	3	–	–
Zhang Daqiang (Resigned on 31 December 2024)	–	5	–	–	–
Attendance Rate (Exclude attendance by invitation)	50%	95%	100%	100%	100%

Note:
(1) Including attendance by invitation

BOARD GOVERNANCE FRAMEWORK AND LEADERSHIP STRUCTURE

The Company's corporate governance framework is designed to ensure that the Board has the authority and practices in place to review and evaluate the Group's business operations and to make decisions independent of Management. In making determinations about the corporate leadership, the Board considers many factors, including the specific needs of the business and the best interests of the Company's stakeholders. The current leadership structure comprises of a CEO and Board committees led primarily by Independent Directors. The Board believes that this structure provides an effective balance between strong leadership, appropriate safeguards and oversight by Independent Directors.

Board Committees. The Board oversees the Company's corporate governance practices, in part, through the work carried out by its three (3) Board Committees, namely, the AC, NC and RC (collectively, the "Board Committees"). Delegating certain functions and authority of the Board to the Board Committees enhances the governance framework, enables the Board to discharge its oversight function more effectively, and allows the Board to capitalise on and benefit from the expertise of the Independent Directors.

Each Board Committee functions within clearly defined terms of reference ("TOR") which have been approved by the Board. The TOR, committee structure and membership of each committee are reviewed by the Board from time to time.

All Board Committees are chaired by an Independent Director, to encourage independent oversight and enable the Board to discharge its obligations more effectively.

Corporate Governance Report

The primary responsibilities of each of the Board Committees together with their current membership are set forth below, with the detailed functions and involvement of the key Board Committees described in the respective Committee Reports.

Board Committee	Composition	Key Areas of Oversight Delegated to it by the Board (Not exhaustive)
Audit Committee ("AC")	**Five (5) members:** ■ Eddie Chan Yean Hoe (Chairman) ■ Latha Eapen K Mathew ■ Huang Xuhua ■ Fan Xiaohong ■ Chen Lei Three (3) out of five (5) members are Independent Directors All members are Non-Executive Directors	■ Financial reporting ■ Internal and external audit processes ■ Interested person transactions ■ Internal controls and risk management systems ■ Whistleblowing arrangements
Nominating Committee ("NC")	**Three (3) members:** ■ Huang Xuhua (Chairman) ■ Eddie Chan Yean Hoe ■ Sun Weiliang Two (2) out of three (3) members are Independent Directors Majority members are Non-Executive Directors	■ Board structure and composition ■ Succession plans for Directors, in particular the appointment and/or replacement of the Chairman, Directors, the CEO and KMP ■ Performance of the Board ■ Board and Director independence ■ Board orientation, training and development
Remuneration Committee ("RC")	**Three (3) members:** ■ Eddie Chan Yean Hoe (Chairman) ■ Huang Xuhua ■ Sun Weiliang Two (2) out of three (3) members are Independent Directors Majority members are Non-Executive Directors	■ Remuneration policies and framework for the Directors ■ Remuneration for the Board and KMP ■ Specific remuneration packages for Executive Director and KMP

Board Leadership Structure. There is a clear division of responsibilities between the leadership of the Board and the executive responsible for managing the Company's business. The roles of Chairman and the post of CEO are intended to be held by separate persons, to ensure an appropriate check and balance, increased accountability, and greater capacity of the Board for independent decision-making where no one individual has unfettered powers of decision-making. The two (2) key roles have fundamentally disparate responsibilities and functions, but complement each other in the overall objective of creating value for Shareholders, and play vital roles in providing the Group with strong leadership and vision.

The roles, duties and responsibilities of the Chairman, CEO and Directors of different classes (executive, non-executive and Independent Director) are detailed under a Memorandum on Director's Duties and Responsibilities which has been distributed to each Director upon his appointment, and accessible in the board portal.

BOARD COMPOSITION AND PERFORMANCE EVALUATION

The Company's Board is effective, comprises professionals with a broad range of experience and industry expertise, who discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

The NC assists the Board in fulfilling its corporate governance responsibility with respect to board effectiveness. The NC determines and evaluates the size, structure, composition, requisite skills, performance of the Board and Board Committees, as well as the appointment, independence, development and competencies of the Directors. The NC makes and reviews recommendations to the Board on all nominations for appointments and re-appointments to the Board as well as the appointment of KMP. The NC functions within clearly written TOR approved by the Board and its principal activities are set out in the Nominating Committee Report.

Board Appointment and Membership. The Board regularly and continually reviews its structure, size and composition to identify the balance of skills, knowledge and experience required for the Board to discharge its responsibilities effectively. The Board has a formal and transparent process for the appointment and re-appointment of Directors. The search, nomination and evaluation process is delegated to the NC.

In line with the provisions under the Diversity Policy (as defined below) and to document the Company's formal processes for the appointment and re-appointment of Directors, the Board has formulated and adopted a Director Nomination Policy (the "Nomination Policy") which sets out a non-exhaustive list of criteria with due regard for the benefits of diversity as set out in the Diversity Policy, for the NC to assess suitability of a proposed appointment and re-appointment of Directors. The Nomination Policy aims to enhance Board diversity, while maintaining an appropriate balance between continuity of experience and Board refreshment.

To ensure that the Company has the opportunity to benefit from all available talent, the evaluation of a potential new Director is based on meritocracy and made in accordance with the Nomination Policy. The Nomination Policy provides that potential board candidate(s) will be considered against objective criteria, having due regard for the Diversity Objectives, the ability of prospective candidates to contribute to discussions, deliberations and activities of the Board as well as the balance of Independent Directors on the Board. The NC also has a formal and written guide to conduct due diligence checks to assess suitability of a candidate for appointment as a Director of the Company.

In its review of proposals for the appointment or re-appointment of each Director as well as KMP, the NC will also take into consideration the composition and progressive renewal of the Board, as well as each Director's competencies, principal commitment, contribution and performance (including attendance to meetings, preparedness, participation and candour), including, if applicable, his or her performance as an Independent Director. Such appointment or re-appointment which has been recommended by the NC will be deliberated by the Board, and the appointment is reserved for the Board's decision. The Constitution also spells out the procedures for the appointment of new Directors, along with the re-election and removal of Directors.

Board Composition. The Company's Board has eight (8) members with three (3) Independent Directors independent from management and business relationships with the Company, one (1) executive Director and four (4) non-independent non-executive Directors.

Rotation and Re-election of Directors. At each AGM, Directors constituting not less than one-third of the Board are required to retire from office by rotation, and a Director shall submit himself for re-nomination and re-election at regular intervals of at least once every three (3) years. These requirements are clearly stated in the Company's Constitution and each member of the Board has submitted himself for re-nomination and re-appointment at least once, during the past three (3) years.

At the recommendation of the NC and with the approval of the Board, resolutions for the re-election of Mr Huang Xuhua, Ms Latha Eapen, Ms Chen Lei and Mr Wang Hongxiang as Directors of the Company will be tabled at the 2025 AGM for Shareholders' approval. They will, upon re-election as Directors, hold the same office in the Board and Board Committees immediately held before their re-election. Each of the Directors who is subject to re-election at the forthcoming AGM has abstained from making any recommendation and/or participating in any deliberation in respect of the assessment of his/her own re-election as a Director.

For information required under Rule 720(6) and Appendix 7.4.1 of the Listing Manual in respect of the Directors seeking re-election at the AGM, please refer to pages 109 to 114 of this Annual Report.

Board Diversity. The Company views diversity at the Board level as an essential element to build an open, inclusive and collaborative boardroom culture to support its strategic objectives and sustainable development. The Policy on Board Diversity (the "Diversity Policy") adopted by the Company since 2019 endorses the principle that a diverse Board should include and make good use of differences between the Directors in terms of professional experience, skills, knowledge, length of service, discipline, cultural and educational background, gender, age, ethnicity and other relevant factors including distinctions between directors such as cognitive and personal strengths (the "Diversity Objectives"). Different social constructs and diversity in thoughts allow the Board to consider issues more holistically and creatively during periods of uncertainty, which is important given the various emerging trends and business disruptions that may come up from time to time.

The Board recognises that gender as one of the key elements of diversity can widen the depth and breadth of its collective skills and perspectives, and it has appointed three female Directors.

The Company remains committed to promote gender diversity in the Board and to further improve the quality of its disclosures through policy development, representation, and transparency. Aligned with the regulator's efforts to work towards increasing the representation of females on boards, the Board has reviewed and updated its Diversity Policy to explicitly address gender diversity and place emphasis on core diversity characteristic/targets to ensure that the Board's Diversity Objectives are met. The target, timeline and progress towards achieving the Diversity Objectives are summarised below:

Core Diversity Characteristic	Target	Progress
(a) Demographic diversity including gender, age, ethnic/cultural group	■ At least 10% female representation on the Board by 2023, and reach the ambitious target of 20% by 2025	The Company has appointed three female Directors and has achieved its 2025 target
	■ Average age of the Board should be less than the prevailing retirement age in Singapore, preferably represented by at least three (3) different age groups (defined by decades)	Presently, the retirement age in Singapore is 63. The average age of the Board members is 55 years, with three (3) decades represented on Board
(b) Professional experience, talents, skills and knowledge	■ Diverse range of academic qualifications or professional experience backgrounds, with at least two (2) Board members having accounting or related financial management expertise or experience	The Board comprises members with political or geopolitical savvy, an experienced lawyer who is qualified in a number of jurisdictions, two (2) retired audit firm partners, as well as Directors who have years of experience in formulating corporate strategy and have in-depth knowledge of the rubber business
(c) Board refreshment	■ Average tenure for Independent Directors as a group shall be less than 7 years	Average tenure for Independent Directors as a group is 3.75 years

Board Independence. Having considered the scope and nature of the Group's operations, the composition of the Board as well as its governance framework, the Board concluded that it is well-constituted with the right structure. The current Board composition, consisting of eight (8) members, with three (3) Independent Directors and 87.5% of non-executive Directors, has a high level of independence. This enables the Board to function effectively at optimum levels during the year and exercise objective judgement on corporate affairs independently.

Board Orientation, Training and Development. The Board has adopted a set of best practice for Directors' training and development which is documented under the Policy on Induction, Training and Development for Directors (the "Training Policy"). The NC oversees and makes recommendations to the Board for training and professional development programs available to Directors, as well as induction for newly appointed Directors.

The Training Policy serves (i) to assist the new Director who is appointed to the Board for the first time to gain an understanding of his or her roles, duties, obligations and responsibilities as a Director of the Company, as well as the framework within which the Group operates; and (ii) to encourage all Directors to regularly review his or her training and professional development needs, to ensure that the Directors have appropriate competencies to effectively fulfill their responsibilities to the Company, Shareholders and other stakeholders. A formal letter of appointment setting out the roles of a Director and the time commitment required, as well as information about the Group, its operations, business, practices and governance systems, is issued to each newly appointed Director to ensure that the Director is aware of his or her duties and obligations.

The induction programme is tailored for each new Director (depending on his or her requirements, skills, qualifications and experience). As a mandatory requirement, a new Director who has no prior experience as a director of a listed company would attend a pre-requisite course for first-time appointees on boards of listed company, to familiarise himself or herself with the roles and responsibilities of a director of a public listed company. Except for the newly appointed Directors, all the directors have completed the core Listed Entity Director (LED) Programme organised by the Singapore Institute of Directors ("SID") with the support of the SGX-ST. Ms Chen Lei and Mr Wang Hongxiang, being newly appointed to the Board, will complete the LED Programme in due course.

All Directors, except for Ms Chen Lei and Mr Wang Hongxiang who were recently appointed to the Board, have completed the training on sustainability matters i.e. the Environmental, Social and Governance Essentials programme.

To ensure that each Director fulfils the needed and desired competencies of the Board, and keep abreast of changes to the regulatory environment, Directors are encouraged to attend courses which are relevant to the Directors in discharging their roles and responsibilities, at the Company's expense. The list of available seminars and courses is circulated to Directors through the board portal. Reading materials in connection with professional developments and applicable regulatory updates or amendments to relevant laws, rules and regulations are also disseminated to Directors through the board portal. Comprehensive and useful information covering the duties and obligations of a Director, TOR of Board Committees, the Group's business activities, strategic directions, policies and key areas of operations of the Group, are also provided in the resource centre under the board portal, and is accessible by all Directors. All Directors would be offered the opportunity to visit the Group's major operational sites and meet with any of the senior executives of the Group.

The Management regularly updates the Board and provides insights on business and strategic developments at meetings. The Group's external auditor, Ernst & Young LLP ("EY"), regularly briefs the AC members on changes to and new developments of accounting and reporting standards and/or regulatory environment.

Board Succession. The NC is also tasked to recommend and review succession plans for the Company's Directors and senior management, in particular for the CEO and the KMP, taking into account the challenges and opportunities facing the Group and the skills and experience needed in the future. The Company integrates executive development programs into CEO and KMP succession planning, and builds talent internally through training, so that the best internal candidates are identified early and flagged at the Board level. Where necessary or appropriate, the NC may tap on its networks and/or engage external professional executive recruitment agencies to assist with identifying and shortlisting candidates. The NC can also approach relevant institutions, such as the Singapore Institute of Directors, professional organisations or business federations, to source for suitable candidates.

Commitment to the Board. To ensure that each Director is able to devote sufficient time and attention to carrying out his/her role in accordance with his/her duties, the Board has determined that the maximum number of listed company board representations each Director of the Company is allowed to hold is as follows:

(a) directorships without other executive roles – Six (6)

(b) directorships with other executive roles – Four (4)

Directors of the Company are required to notify the Board of any new appointment of directorships to listed companies or other principal commitments, for the Board or NC to consider and to evaluate whether such Director is able to commit the time to adequately carried out his/her duties as a Director of the Company.

Board Performance Evaluation. The Board has a duty to ensure that its members possess the essential background, experience and knowledge in the business, and contribute an independent and objective perspective to enable sound, balanced and well-considered board decisions. The annual evaluation of the Board and of each Board Committee, as well as the contribution of each Director to the effectiveness of the Board, is led by the NC with the support of the Company Secretary.

The NC decides how the Board's performance may be evaluated to assess the effectiveness of the Board. The performance of the Board and each of the Board Committees is assessed by the NC on its overall effectiveness in accomplishing its goals and discharging its responsibilities based upon the following criteria:

(a) Board size and composition;

(b) Board governance processes;

(c) Board information and accountability;

(d) Board's performance in relation to discharging its principal functions;

(e) where practical, financial references which include return on capital employed, return on equity, debt to equity ratio, dividend payout ratio, economic value added, earnings per share, and total shareholder return (i.e. dividend plus share price increase over the year); and

(f) Board Committee performance, qualification and effectiveness in discharging their responsibilities set out in their respective TOR.

The evaluation of the individual Directors are based on his/her dedication and understanding of the role, preparedness and participation in the meetings, as well as quality of inputs to matters deliberated by the Board.

The assessment provides insights into the functioning of the Board, whilst identifying areas that might need strengthening and development. Directors are invited to provide their views and suggestions for any specific areas where improvements may be made to improve Board effectiveness. Every Director is also requested to complete an assessment of each Director's contributions, including himself, to the effectiveness of the Board, on an anonymous basis.

Following the review for FY2024, the NC and the Board are satisfied that each Director have contributed to the overall effectiveness of the Board and have demonstrated commitment to their roles on the Board, and that the Board and Board Committees operate effectively and have met their respective performance objectives. Notwithstanding that certain Directors have multiple board representations, these multiple directorships are not in conflict with the interests of the Company, and are within the maximum number of listed company board representations each Director of the Company is allowed to hold. No external facilitator was used in the evaluation process.

Taking into account the performance evaluation results, scope and nature of the Group's operations as well as its strategic direction, the Company and the Board are satisfied that the Board and Board Committees are of the right size for effective decision-making, have the appropriate balance and mix of skills, expertise, knowledge, experience and collectively possess the necessary core competencies in diverse areas that are relevant to the Company's strategy, governance and business. The collective skillset and global business experience of the Board have supported the Company and push forward into a new era of economic recovery and opportunity for the benefit of all stakeholders.

REMUNERATION MATTERS

The Company has formal and transparent procedures for fixing the remuneration packages of individual Directors and KMP. Its remuneration policy seeks to ensure that the level and structure of remuneration are appropriate and proportionate to the sustained performance and value creation of the Group, taking into account the strategic objectives of the Group.

Reviewing and making recommendations to the Board on the framework of remuneration for the Board and KMP as well as the specific packages for each Director and the KMP, are the key functions of the RC. Information about the RC, including its work in FY2024, is set out in the RC Report.

Remuneration Framework. The Company's remuneration and incentive framework, policies and practices are appropriate to attract, retain and motivate Directors to provide good stewardship of the Company and KMP to successfully manage the Company for the long term. The RC may from time to time, and where necessary or required, seek advice from external consultants in framing its remuneration policy and determining the level and mix of remuneration for Directors and KMP.

Remuneration framework as well as the specific remuneration packages which are tailored to the specific role and circumstances of each Director and KMP, including the CEO, are reviewed and discussed in the RC meeting.

The Company currently does not impose contractual provisions to reclaim incentive components of remuneration paid in prior years in the service agreements or employment agreements of the KMP. Notwithstanding this, the Company is not precluded from exercising the right to reclaim such incentives in exceptional circumstances including for example, misstatement of financial results or of misconduct resulting in financial loss to the Group.

The remuneration of Directors and KMP as well as RC's consideration on the remuneration package of each Director and KMP in respect of FY2024 have been agreed and approved by the Board, and are explicitly disclosed on a named basis, in the RC Report.

Overview on FY2025 Remuneration Programme. The Group's remuneration policies are appropriate, effective, meet the commercial requirements to remain competitive, are sensitive to the time horizon of risk and allow flexibility in response to prevailing circumstances, and align with the long-term interests of the Group. Currently, there are no employee share schemes provided by the Company or the Group, and the Company does not have any long-term incentive plans. None of the Directors and KMP have received any termination, retirement and post-employment benefits. All Directors and the KMP are remunerated on an earned basis. There is no employee in the Group who is a substantial shareholder of the Company or an immediate family member of a Director, CEO or substantial shareholders.

The Board, having assessed the Company's resiliency, preparedness, and continued management of material ESG issues and risks both during and after the crisis, is of the view that the Management's responses and actions taken in managing and improving the financial and operational resilience, as well as mitigating the impact of the crisis on employees, the communities and business continuity are commendable. It recognises that the Group's business was not spared from the impact of economic downturn, and that the Management's relentless efforts have succeeded in maximising opportunities and minimising economic disruptions.

In light of the above, the Board believes that the Company's remuneration decision for FY2024 aligns with the long-term interests of Shareholders and other stakeholders, as well as the risk management policy of the Company. The Company did not engage any remuneration consultants or professional firms in FY2024.

ACCOUNTABILITY AND AUDIT

The Board is accountable and answerable to the Shareholders for all aspects of the Company. It endeavours to ensure that Shareholders are furnished with timely information, full disclosure of material information and aims to present a balanced and understandable assessment of the Company's performance, position and prospects to the Shareholders. It is imperative that the Shareholders are kept informed of the Group's operating environment, performance as well as management of sustainability issues. Its function relating to overseeing both internal and external audits is delegated to the AC. The main responsibility and objective of the AC are to assist the Board in fulfilling its financial and other oversight responsibilities by serving as an independent and objective party to oversee, monitor and appraise the integrity of the Company's financial reporting process, the internal controls and risk management systems as well as the audits processes. Significant findings in the course of its reviews are reported to the Board.

The principal responsibility and activities of the AC are set out in the AC Report.

Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensuring that an effective system of risk management and overall internal controls framework are in place. It determines the nature and extent of the significant risks which is appropriate for the Company in achieving its strategic objectives and creating value for the Shareholders. The Board oversees the design, implementation and monitoring of the risk management framework and policies, as well as the system of internal controls. It has significantly heightened vigilance on how the control environment is adapted to the new operating environment, including the information technology ("IT") controls related to telecommuting, workplace safety, alternate capacities and procedures for continued auditing work, and placed close scrutiny on high-risk areas.

The Board reviews the effectiveness of internal controls and ensures that Management puts in place action plans to mitigate the risks identified, and undertake remedial actions to rectify any control lapses. It devotes significant attention to maintaining an effective system of risk management and internal controls, to safeguard the investment of the Company and its Shareholders, and to ensure that the risks are managed in the best interests of the Group. The principal risks facing the Company and the mitigation measures are described under the Risk Management section of this Annual Report.

In assessing the effectiveness of the Group's internal controls, the Board focuses on identifying control gaps in the business process, areas for improvement and areas where controls can be strengthened. This process assists in ensuring that primary key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations. The Company's internal audits supplement the Group's evaluation on all matters concerning internal controls, including the assessment of any issues identified in the course of internal audits as well as the administration and implementation of the Group's internal policies and procedures.

The Company has a dedicated team which is responsible for developing, monitoring and maintaining risk management controls and reporting any key issues to Management. The Group's Commercial team assesses and evaluates its commercial strategy and positions on a weekly basis. The Group Risk Management Policy, which imposes appropriate measures and limits to control commercial risk exposures, is reviewed regularly to ensure that it is symmetric with the market environment and the Group's operations.

The internal controls practice of each of the Group's functions are subject to annual review or periodically when circumstances warrant such review. The Management constantly reviews the control environment including the legal and regulatory developments as well as the Company's risk-mitigation policies and protocols, adjusts such protocols as necessary to conform to evolving regulatory circumstances, enhances the standard operating procedures and ensures that the business is fully compliant with the applicable regulations and the Group's policies.

Financial Reporting. The Company's financial results are prepared and presented in compliance with statutory requirements including applicable accounting standards and the Listing Manual. The Company announces its half-yearly and full year unaudited financial statements through SGXNet within the timeline stipulated under the Listing Manual, and also provides updates on major operational development to the Shareholders periodically. It continues to comply with its continuing disclosure obligations to keep the Shareholders updated when appropriate, should there be any material developments (financial or otherwise) relating to the Company or the Group.

Management continues to adopt a prudent and disciplined approach in its capital management strategy to monitor its cash flow and to ensure sufficient liquidity headroom. Management reports the Company's cash flow, status of upcoming maturities of outstanding indebtedness as well as compliance with financial covenants to the AC regularly.

External Audits. The scope and results of auditing by the Company's external auditor, EY, its cost effectiveness, as well as independence and objectivity are reviewed by the AC annually. The AC and the Board are satisfied that the aggregate amount of audit fees paid and/or payable to EY in connection with the audit as well as non-audit services for FY2024 is appropriate. Having considered the relevant provisions under the applicable regulations, the cooperation extended by the Management and the fact that the non-audit services were provided by a separate team from EY, AC is of the view that the independence or objectivity of EY is not impaired. For details of fees paid and/or payable to EY in respect of audit and non-audit services, please refer to Note 8 of the Notes to the Financial Statements. The appointment of the external auditor of the Group complies with Rules 712 and 715 of the Listing Manual.

Internal audits. The primary functions of the internal audit function are to:

(a) formulate 3-year internal audit plan to identify specific areas or process that will be audited to ensure that the Company's risks are properly identified, assessed, and managed, and that the internal controls in place are effective and efficient;

(b) assess the relevant risks related to the Group's business operations and evaluate if an adequate system of internal controls is in place to protect the funds and assets of the Group;

(c) assess if the operations and business processes under review are conducted efficiently and effectively and to ensure control procedures are complied with; and

(d) identify and recommend improvement to internal control procedures, where required.

The Board believes that outsourcing the internal audit function to a professional firm is beneficial as the professional service provider has a broad range of expertise, resources, and technological specialisation to undertake the internal audit of the Group, especially in view of the global presence of the Group's business.

Internal audits are performed according to the audit plan and scope agreed between CLA Global TS Risk Advisory Pte. Ltd. ("CLA") and the AC. CLA reviews, then evaluates and tests the effectiveness of the internal controls on material business processes including financial, operational, compliance, IT controls and the management of ESG-related risks that are in place in each of the Group's key operating units.

Governance of Risk. The Board has the overall responsibility for evaluating and determining the nature and extent of the risks (including ESG-related risks) to achieve the Group's strategic objectives, maintaining sound and effective risk management and internal control systems (including those for ESG-related risks) and reviewing their effectiveness to safeguard Shareholders' investment and the Group's assets. The AC is tasked to assist the Board to oversee the internal controls and risk management systems. This includes identifying weaknesses, assessing risks and recommending areas for improvement and additional risk mitigations, where necessary. The Management reviews the conditions of the industry and any factors or events that may affect the Group's operations, ensures that new risks and impacts from the crisis are appropriately detected and remediated, and presents its observation of the potential risks and mitigation actions to the AC during quarterly meetings. Any material changes to the key risks areas are also reported to the AC as soon as they are identified. The AC reports annually to the Board, its view on the effectiveness and adequacy of the Group's internal controls (including financial, operational, compliance and IT controls) and risk management systems.

Anti-Corruption and Anti-bribery

The Company is committed to conduct its business with integrity, fairness and transparency, actively preventing all forms of corruption. It takes a zero-tolerance stance on bribery and corruption in any form, direct or indirect and has procedures in place to comply with applicable anti-bribery laws and regulations.

Under the Company's Anti-Corruption and Bribery Policy which is reviewed by the AC periodically, the Directors, Management and employees of the Group must not, directly or indirectly, accept, offer, promise, agree to pay, authorise payment of, pay, give, accept or solicit anything of a significant value to or from any third party with the intention to secure or reward an improper benefit or improper performance of a function or activity. They should also avoid any conduct that creates even the appearance of improper activity or conduct.

The Company's whistleblower mechanism supplements its fraud and corruption control system to prevent, detect and respond to incidents of fraud, bribery and corruption. There was one incident of bribery or corruption filed against one of the Company's employees during FY2024. The AC has conducted appropriate actions and directed Management to report the incident to the relevant authorities for criminal investigation and further action.

Whistleblowing Framework. The Group embraces the best practices on whistleblowing and has put in place and published on the Company's website, its Whistleblowing Policy as well as a channel to raise concerns about any suspected improprieties since 2013. The Whistleblowing Policy sets out the procedures and provides a formal, confidential channel to enable whistleblower(s) (including employees and third-parties) to raise concerns about any misconduct or wrongdoing relating to the Company and its officers, without fear of harassment, and with an assurance that their reports will be taken seriously and investigated.

All whistleblowing matters come under the purview of the AC. Reports can be lodged through post, the online form provided under the Company's website or via email at ac@halcyonagri.com and all whistleblowing reports will be channelled to the AC directly. All concerns raised will be independently assessed (parties who are related to the subject of the complaint must recuse themselves) to ensure that they are fairly and properly considered. The AC is responsible for oversight and monitoring of whistleblowing, and ensuring that an independent investigation of the reported concern is conducted, appropriate follow up actions are taken and the issues raised are properly resolved by the Management or such parties as appropriate.

The Company is committed to take all reasonable steps to protect the confidentiality and identity of the whistleblower, and will not tolerate any harassment, retaliation, unfair treatment or victimisation of anyone reporting a genuine concern in good faith.

Interested Person Transactions ("IPT"). The AC reviews IPTs at its quarterly meetings, to ensure that established procedures for monitoring the IPTs have been complied with. The AC is satisfied that the guidelines and review procedures established to review IPTs have been complied with in FY2024. Further information relating to the IPTs during FY2024 is provided under the section "Interested Person Transactions".

Summary of the Board and AC's Observations for FY2024. The Board is of the view that the AC comprises members with the requisite qualifications and sufficient financial management expertise to discharge the AC's functions competently. It has received assurances from the CEO and CFO that for FY2024:

(a) the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the Group's risk management and internal controls systems are adequate and effective in addressing the financial, operational, compliance and information technology risks of the Group.

With the assurances from the CEO together with the CFO, and following its assessment on the following:

(a) the reports of the internal auditor;

(b) the crisis management capability as well as the internal controls established and maintained by the Group;

(c) remedial actions taken by the Management according to the internal auditor's recommendations; and

(d) the reports from EY,

the Board, with the concurrence of the AC, is of the opinion that the Group's present risk management and internal controls systems are adequate and effective in addressing the financial, operational, compliance and information technology risks of the Group. That said, the Board notes that the risk management and internal controls provide reasonable, but not absolute, assurance against material misstatements of loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risk. The Board also notes that all internal control systems contain inherent limitations and no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error losses, fraud or other irregularities.

SHAREHOLDER RIGHTS AND ENGAGEMENT

The Company's corporate governance practices promote fair and equitable treatment of all Shareholders. Shareholders, as the owners of the Company, are entitled to attend and vote at general meetings, to a share of the Company's profits and all other rights pursuant to the Companies Act 1967 (the "Companies Act") as well as the provisions of the Company's Constitution.

Shareholder Rights and Conduct of Shareholder Meetings

The Company's general meetings provide an opportune forum for Shareholders to meet the Board and senior management and to interact with them. It is the Company's principal forum for dialogue with Shareholders.

The Company's forthcoming annual general meeting ("AGM") for the financial year ended 31 December 2024 will be held physically. Please refer to the notice of the AGM for information.

Shareholders are invited to attend the AGM physically to communicate their views and ask the Directors and Management questions regarding matters affecting the Company.

General meetings are attended by all Directors whenever possible, and would normally be chaired by a Director of the Company. Chairman of the Board Committees are also available at the meetings to answer any questions relating to the operations of the Board Committees. The Company's external auditor is also present to address Shareholders' queries about the conduct of audit and the preparation and contents of the auditors' report. Wherever practicable, updates on the Company's performance are presented to the Shareholders in the general meetings, for the benefit of the Shareholders.

The Company notifies the Shareholders on the meeting schedule and the agenda of meeting at least 14 or 21 days (as the case may be) prior to the date appointed for the general meeting. The notice of general meeting issued to all Shareholders is advertised in newspapers (where applicable) and disseminated through SGXNet, as well as published on the Company's website.

Rules (including the appointment of proxy(ies) and voting procedures) that govern the attendance for general meetings are clearly set out in the notice of the general meeting as well as the proxy form. Pursuant to the Constitution, every Shareholder is entitled to attend and vote at the general meetings of the Company and is allowed to appoint not more than two (2) proxies to vote on his/her behalf at the general meetings during his/her absence. Specified intermediaries such as the CPF Board, banks and capital market services license holders which provide custodial services are allowed to appoint multiple proxies.

Sufficient and necessary information required for Shareholders to make informed decisions is provided or accompanied by the notice convening each general meeting. At general meetings, each issue is proposed as a separate resolution. The voting outcomes, including the number of votes cast for and against, will be validated by the polling agent, and results of the poll will be announced at the meeting. The poll results of the general meetings will be announced to the public through SGXNet in accordance with the format prescribed under the Listing Manual.

The proceedings of the 2024 AGM were properly recorded, and the minutes were published on SGXNet and on the Company's website within one (1) month after the meeting.

Dividend Policy

The Company's dividend policy is based on a payout ratio of up to 20% of its core PATMI[1], barring unforeseen circumstances. Dividend payments are also affected by various factors such as level of earnings, the Company's development prospects, its financial position and funding needs, the overall macroeconomic situation and market conditions as well as other legal or contractual restrictions that may be applicable from time to time.

The Company's dividend policy ensures that its capital allocation is being decided in a way that delivers long-term, sustainable returns. In considering the level of dividend payments, the Board will consider all of the above factors and strive to ensure that capital allocation is being decided in a way that delivers long-term, sustainable returns.

The Board does not recommend payment of dividend for FY2024 as the Company was not profitable and it is appropriate to conserve funds for the Group's business activities and working capital requirement.

1 Core PATMI refers to profit attributable to owners of the Company, net of tax, excluding changes in fair value of biological assets as well as the extraordinary and exceptional items.

Engagement with Shareholders

The Company recognises that effective communication with investors assists in the creation and maintenance of an informed market, and enhances corporate governance by encouraging a culture of transparency in relation to its corporate activities. The Company endeavours to give Shareholders a balanced and understandable assessment of its performance and prospects, and would inform Shareholders immediately of any major or material developments or events that have an impact on the Group or may influence their investment decisions. To facilitate Shareholders' rights and to ensure fair communication with the Shareholders, all information about the Company's new initiatives which would be likely to materially affect the price or value of the Company's shares are promptly disseminated to Shareholders through the following platforms:

(a) SGXNet announcements and news release;

(b) annual report and notice of general meetings issued to all Shareholders;

(c) press releases on major developments of the Group;

(d) the Company's general meetings; and

(e) the corporate website (http://www.halcyonagri.com) maintained by the Company that allows all stakeholders to stay informed of material updates in a timely manner.

The Company has in place an Investor Relations Policy which allows for an exchange of views so as to actively engage and promote regular, effective and fair communication with Shareholders. The Company employs various platforms and effectively engaging with the Shareholders and the investment community, with an emphasis on timely, accurate, fair and transparent disclosure of information. Shareholders or the public may ask questions relating to the Company through the online submission form under the Company's website.

Materials relating to the Group including the financial results, press releases, annual reports and various other investor-related information are also available on the corporate website.

ENGAGEMENT WITH STAKEHOLDERS

Ethical and ecologically sustainable business practices are fundamental to the Company's strategy for long-term growth. Understanding stakeholder perspectives is critical to determining, assessing and managing key risks and issues. As such, the Company has arrangements in place to identify and engage with the material stakeholder groups, including employees and those working across the supply chain. It adopts an inclusive approach to balance the needs and interests of material stakeholders, as part of its overall responsibility to ensure the best interests of the Company are served. The Company is committed to operate as a responsible and sustainable business during these challenging times and continue to manage material ESG factors as a key focus to drive sustainable and resilient recovery.

Other information on the Group's corporate social responsibility initiatives and engagements with material stakeholder groups is set out under the Sustainability Report contained within this Annual Report.

DEALING IN SECURITIES

Trading of the Company shares is currently suspended and none of the Shareholders, Directors, officers and employees of the Group are allowed to deal in the shares of the Company.

Directors, officers and employees were reminded of their obligation not to trade in the Company's securities at any time while in possession of unpublished price sensitive information, and to refrain from dealing in the Company's securities on short-term considerations. They are also advised to be mindful of the laws on insider trading at all times even when dealing in securities not within the prohibited trading period.

INTERESTED PERSON TRANSACTIONS

The assessment of IPT is under the purview of the AC, to ensure that any transaction to be entered into with interested persons (as defined in the Listing Manual) will be assessed independently, and that the transaction is carried out on normal commercial terms and are not prejudicial to the interests of the Company or its minority Shareholders.

Any contract to be made with an interested person will not be proceeded with unless the pricing is determined in accordance with the Group's usual business practices and policies, consistent with the usual margin given or price received by the Group for the same or substantially similar type of transactions with unrelated parties, and that the terms are not more favourable to the interested person than those extended to or received from unrelated parties. Where it is impractical or not possible to compare against the terms of other transactions with unrelated third parties or in situations where the products or services may be purchased only from an interested person, such IPT must be reviewed and approved by the AC, and the AC member who is perceived to be related to the interested person is refrained from deliberating, reviewing and approving that particular transaction.

The following disclosures have been made in compliance with Rule 907 of the Listing Manual. The details of the IPT transacted by the Group during FY2024 (excluding transactions less than $100,000) are as follows:

Name of interested person	Nature of relationship	Aggregate value of all IPT during FY2024 (US$)	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (US$)
Sinochem International (Overseas) Pte. Ltd. ("SIO")	Substantial shareholder who owns 29.2% stake in the Company	4,384,000	–
China Rubber Technology Group Company Limited ("CRTG")	Substantial shareholder who owns 68.1% stake in the Company	8,024,000	136,156,000
	Total	12,408,000	136,156,000

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and the transactions are carried out on normal commercial terms and will not be prejudicial to the interest of the Company or its minority shareholders.

MATERIAL CONTRACT

Other than the service agreement entered into with the CEO and the IPTs as disclosed in this Annual Report, there were no material contracts (including loans) entered into by the Company or any of its subsidiaries involving the interest of the CEO, any Directors, or controlling shareholders which are either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year ended 31 December 2023.

Nominating Committee **Report**

The Nominating Committee ("NC") is delegated with the authority by the Board to review the Board's composition and diversity, make recommendations to the Board on the appointment of Directors and members to the Board Committees, and assess Independent Director's independence and commitment. The NC is also responsible for succession planning for Directors and KMPs, leadership training and development, and oversight of matters relating to corporate governance.

The NC comprises three (3) members and is chaired by an Independent Director, Mr Huang Xuhua ("Mr. Huang"). It functions within clearly written terms of reference approved by the Board.

Summary of NC's principal activities during FY2024

- Reviewed the composition of the Board and Board Committees
- Recommended the appointment of new Directors as well as the appointment of a Director to the Board Committees
- Nominated Directors for re-election by Shareholders at the 2025 AGM
- Managed the board performance evaluation process and reviewed the results of the evaluations
- Reviewed the independence of the Independent Directors
- Reviewed the time commitment of Directors for performance of their responsibilities
- Reviewed succession planning of the Board and the senior executives
- Reviewed the training and continued professional development of the Directors
- Endorsed the FY2024 Corporate Governance Report

Changes in Directors during FY2024

The NC reviewed the structure, size, and diversity of the Board to ensure that its composition complies with the Code and reflects an appropriate mix of skills, experience, and diversity objectives that are relevant to the Company's strategy, governance, businesses, and contributes to the Board's effectiveness and efficiency.

Mr Liu Yongsheng and Mr Zhang Daqiang had resigned as a Director of the Company in September 2024 and December 2024 respectively. Sinochem International (Overseas) Pte. Ltd. had nominated Ms Chen Lei ("Ms Chen") and she has been appointed as a Director of the Company in September 2024. China Hainan Rubber Industry Group Co., Ltd had nominated Mr Wang Hongxiang ("Mr Wang") and he has been appointed as a Director of the Company on 21 February 2025.

In its nomination of Ms Chen and Mr Wang for appointment to the Board, the NC has considered the specific needs of the Board, as well as their ability to contribute to discussions, deliberations and activities of the Board.

Nomination for Re-election

Pursuant to the Company's Constitution, two (2) Board members shall retire by rotation, and the Directors appointed after the 2025 AGM to fill the casual vacancies, namely Ms Chen and Mr Wang, shall hold office only until the forthcoming AGM ("2025 AGM").

The NC has identified that Mr Huang and Ms Latha Eapen ("Ms Eapen"), being the Directors who have been longest in office since their last election, shall retire by rotation at the 2025 AGM.

Given the expertise and past experience of Mr Huang and Ms Eapen, who have offered themselves for re-election at the 2025 AGM, NC considered that their appointments would ensure the Board's diversity and benefit the future development of the Company. Accordingly, the NC has nominated Mr Huang and Ms Eapen to the Board, for it to recommend to Shareholders for re-election at the 2025 AGM. Mr Huang had abstained from participating in the deliberation on his own re-election as a Director at the NC meeting.

The nominations were made in accordance with the Nomination Policy and took into account the merits of the candidates including, among others, their experience, reputation for integrity, time commitment and the diversity aspects (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, and knowledge), with due regard for the benefits of diversity, as set out in the Diversity Policy.

Independence of Director

Non-executive Directors' independence is assessed upon appointment, annually, and as and when circumstances warrant reconsideration. The NC reviews and determines whether a Director is independent. During the year, each of the Independent Directors has submitted a declaration form confirming that he is to be considered independent under the requirements of Rule 210(5)(d) of the Listing Manual as well as the provisions set out in the Code. Taking into consideration the declarations submitted by the Independent Directors, as well as the length that the Director has served on the Board, the NC affirmed that each of the Independent Directors is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers, and there has been no element that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Group.

It was also noted that none of the Independent Directors or their family members was employed by, or received significant payment from or provided material services to the Group in FY2024 or in any of the past three (3) financial years.

There is a strong independence element on the Board, with three (3) Independent Directors on the Board.

Board Performance Evaluation

Based on the assessment criteria determined by the NC[1], the formal evaluation questionnaires were tabulated and circulated to all Directors via the board portal, for Directors to rate and provide feedback on the performance of the Board, the Board Committees and each Director for FY2024. The findings of the Board evaluation (including feedback and comments received from the Directors) have been analysed and discussed during the NC meeting, to identify areas for improvement and any training required to further enhance the effectiveness of the Board. The Board reviewed feedback from the NC collectively and will decide and agree on action plans, if required.

The FY2024 evaluation results indicated that the Board operates effectively, and the Board was satisfied with the operational effectiveness of the Board committees as well as the competencies of each Director.

1 Evaluation criteria is described under the Corporate Governance Report.

Remuneration Committee **Report**

The Remuneration Committee ("RC") is delegated with the authority by the Board to establish, review, and make recommendations to the Board on the Group's remuneration policy and practices. It ensures that the remuneration framework is in line with the Group's business strategy, objectives, values and long-term sustainability of the business.

The RC is chaired by an Independent Director, Mr Eddie Chan Yean Hoe and comprises Mr Huang Xuhua and Mr Sun Weiliang. Two out of the three members of the RC are independent non-executive directors and none of the RC members is allowed to participate in the deliberation, and has to abstain from voting on any resolution, relating to his own remuneration or that of employees related to him.

The RC held one (1) meeting in FY2024. Members' attendance records are disclosed in the Corporate Governance Report contained in this Annual Report.

Summary of RC's principal activities during FY2024

- Reviewed the Directors' fees structure
- Reviewed and approved the performance of the CEO and KMP
- Reviewed and recommended to the Board, the remuneration of each Director
- Evaluated the performance of the CEO and KMP, and recommended their remuneration package to the Board
- Endorsed the FY2024 Corporate Governance Report

Developing Group Remuneration Framework

In assessing the Group's remuneration framework, the RC considers all aspects of remuneration (including directors' fees, salaries, allowances, bonuses, benefits in kind and severance packages) and aims to be fair and avoid rewarding poor performance. It also reviews the Company's obligations arising in the event of termination of the CEO's and KMP's contracts of service, to ensure that such contracts contain fair and reasonable termination clauses which are not overly generous. It may from time to time, and where necessary or required, seek advice from external consultants in framing its remuneration policy and determining the level and mix of remuneration for Directors and KMP.

In respect of long-term incentive schemes (if any, including share schemes as may be implemented), the RC is responsible for considering whether Directors should be eligible for benefits under such long-term incentive schemes. Any recommendation of the RC will be submitted to the Board for consideration and approval. The Board is ultimately accountable for all remuneration decisions.

Where applicable, the RC will also review annually the remuneration of employees related to the Directors, the CEO and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC will also review and approve any bonuses, pay increases and/or promotions for these employees, if any. There were no employees related to the Directors, the CEO and substantial shareholders in FY2024.

Agreeing the Level and Mix of Remuneration

The key considerations of the RC in recommending the level and mix of remuneration are:

(a) to link rewards with value creation and offer appropriate remuneration and employment conditions to build, motivate and retain Directors, KMP and talent;

(b) to align the interests of Directors and KMP with the interests of Shareholders and other stakeholders; and

(c) risk policies of the Company, such that the remuneration is symmetric with risk outcome and sensitive to the time horizon of risk; and

(d) country-specific practices including the pay and employment conditions within the industry.

When it recommends the remuneration package to the Board, the RC takes into consideration the aforementioned factors, the strategic direction of the Group and industry practice, to ensure an appropriate remuneration level and mix that recognises the performance, potential and responsibilities of these individuals.

Reviewing Non-Executive Directors' Fees Structure

The remuneration for each non-executive Director, which comprise a basic fee and attendance fees (the "Directors' Fees"), are appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities. Directors' Fees are reviewed annually by the RC to benchmark such fees against the amounts paid by other listed companies of similar size.

The Directors' Fee structure which was adopted since 2017 is as follows:

	Basic Fee per annum (SGD)				Attendance Fee (SGD)
Position	**Board**	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**	**Board, Board Committees and General Meetings**
Chairman	100,000	37,500	12,500	12,500	1,000 for each day of attending any Board, Board Committee or General meeting
Member	50,000	12,500	6,250	6,250	

The Company submits the quantum of Directors' Fees of each financial year, which is to be paid quarterly in arrears, to Shareholders for approval at its annual general meeting. Shareholders' approval will be sought at the 2025 AGM in respect of the proposed payment of Directors' fees of up to S$600,000 (payable quarterly in arrears) for FY2025.

Remuneration of Directors for FY2024

Name	Position Held	Directors' Fee/Fixed Salary (S$)	Variable Bonus/Other Compensation (S$)	Total (S$)
Eddie Chan Yean Hoe	Independent Director, Chairman of AC and RC and member of NC	113,250.00	–	113,250.00
Huang Xuhua	Independent Director, Chairman of NC and member of AC and RC	88,250.00	–	88,250.00
Latha Eapen	Independent Director, Member of AC	69,500.00	–	69,500.00
Xu Xingbin	Non-independent Non-executive Director	53,000.00	–	53,000.00
Fan Xiaohong *(appointed on 1 April 2024)*	Non-independent Non-executive Director	–	–	–
Chen Lei *(appointed on 5 September 2024)*	Non-independent Non-executive Director, Member of AC	20,791.66	–	20,791.66
Liu Yongsheng *(resigned on 5 September 2024)*	Non-independent Non-executive Director, Member of AC	47,708.34	–	47,708.34
	Total Directors' Fees for Non-executive Directors	**392,500.00**	**–**	**392,500.00**
Sun Weiliang *(re-designated on 12 March 2024)*	Executive Director and CEO	340,521.00	–	340,521.00
Li Xuetao *(resigned on 12 March 2024)*	Executive Director and CEO	150,000.00	38,076.00	188,076.00
Zhang Daqiang *(resigned on 31 December 2024)*	Executive Director and Chief Strategy Officer ("CSO")	362,400.00	–	362,400.00
	Total Remuneration of Executive Directors	**852,921.00**	**38,076.00**	**890,997.00**

Notes:

(1) Non-executive Directors are not paid salary, allowance and bonus.

(2) Executive Director is not paid director's fee.

(3) Mr Sun Weiliang was appointed as Non-independent Non-executive Director on 26 April 2023 and re-designated as the Executive Director and CEO of the Company with effect from 12 March 2024. Mr Sun has declined the payment of Director's fee in line with the policy of China Hainan Rubber Industry Group Co., Ltd.

(4) Ms Fan Xiaohong has declined the payment of Director's fee in line with the policy of China Hainan Rubber Industry Group Co., Ltd.

The aggregate remuneration of S$392,500 paid to the non-executive Directors (the "Directors' Fees") for FY2024 is within the threshold limit of S$600,000 approved by Shareholders on 24 April 2024.

Remuneration of the Executive Directors comprised the basic salary.

Remuneration of KMP

The Company has one (1) KMP (who is not a Director or the CEO) as at the date of this report. Disclosure of his remuneration for FY2024 pursuant to the Code is as follows:

Name	Position Held	Salary (%)	Allowance/ Benefit (%)	Variable Bonus (%)	Remuneration Band
Loh Jui Hau	Chief Financial Officer	85.7	–	14.3	Band 1

Note:

Remuneration Bands are as follows:

Band 1: From S$250,000 up to S$500,000

Remuneration Consideration for Executive Directors and KMP

Performance measures and remuneration packages of the executive Directors and KMP emphasise on value creation and are principally based on the achievement of the objectives of their functions as set out in the key performance indicators ("KPIs") agreed by the individual. These KPIs take into consideration the performance of the Company, the Management's performance, scope of work, overall organisational health, potential and responsibilities of these individuals, and leadership in the face of unexpected challenges. Qualitative evaluation, such as vocational competence, responsibility at work and activity in the workplace, as well as the quality of work in relation to the demands and goals of duties, has also been used to evaluate and assess the Management's performance in FY2024.

RC is satisfied that the executive Director and KMP devoted the necessary time and energy to fulfilling their commitments, and have met the aforementioned performance conditions in FY2024.

Specific remuneration packages for the Executive Directors and KMP in respect of FY2024 have been reviewed by the RC and approved by the Board.

Audit Committee **Report**

The Audit Committee ("AC") is delegated with the authority by the Board to provide independent oversight of the Group's financial reporting and internal control systems, and the adequacy of the external and internal audits. The AC is provided with sufficient resources and support to perform its duties, in examining all matters relating to the Group's adopted accounting principles and practices, and in reviewing all material financial, operational and compliance controls.

The AC is chaired by the Independent Director, Mr Eddie Chan Yean Hoe, and comprises only non-executive Directors, namely, Ms Latha Eapen K Mathew, Mr Huang Xuhua, Ms Fan Xiaohong and Ms Chen Lei. The members of the AC are professionals who have extensive experience in senior management positions, including two (2) retired partners from Big Four accounting firms with extensive accounting and financial management expertise. The AC members are therefore appropriately qualified to discharge their responsibilities. None of the AC members were previous partners or directors of the Company's external audit firm within the last two (2) years and none of the AC members hold any financial interest in such external audit firm.

Pursuant to the written terms of reference ("TOR") endorsed by the Board, AC has the following key functions:

(a) oversight of financial reporting, monitor integrity of the Group's financial statements and any public financial reporting;

(b) review the assurance provided by the CEO and the CFO on the financial records and financial statements;

(c) review and recommend to the Board, the appointment or re-appointment of the external auditor and matters relating to its removal, remuneration and terms of engagement;

(d) review and evaluate at least annually the adequacy, effectiveness, independence, scope and results of internal and external audits;

(e) review and report to the Board at least annually on the effectiveness and adequacy of the Company's internal controls and risk management systems;

(f) review interested person transactions involving the Group in accordance with the Listing Manual;

(g) review and approve future hedging policy, instruments used for hedging and foreign exchange policy and practice of the Group;

(h) review whistleblowing policy arrangement, lead the independent investigations and ensure appropriate follow-up actions, if any; and

(i) generally undertake such other functions and duties as may be required by the Listing Manual.

To ensure that it could discharge its functions properly, AC has the explicit authority to investigate any matters within its TOR and has full access to and the cooperation of Management. The AC has full discretion to invite any Director or executive officer to attend any AC meeting to answer questions which the AC may have. It also has direct access to the Company's external auditor and is conferred the authority to source external resources including obtaining legal or other professional advice and services. It may commission an independent audit on internal controls and risk management for its assurance, or where it is not satisfied with the systems of internal controls and risk management.

Summary of AC's principal activities during FY2024

- Reviewed the Group's quarterly, half-yearly, and annual financial results
- Reviewed, with both the external auditor and management, the audit approach and methodology applied, in particular to the key audit matters ("KAMs") included in the Auditor's Report
- Approved the internal audit plan
- Reviewed significant internal and external audit findings and monitored Management's response to their recommendations
- Reviewed updates on legal and regulatory compliance matters, including anti-corruption matters and whistleblowing disclosures
- Reviewed the adequacy and effectiveness of the Group's risk management, internal control systems and its accounting, financial reporting, and internal audit functions
- Reviewed the interested person transactions
- Reviewed and monitored the external auditor's independence and reviewed the engagement to perform non-audit services
- Reviewed whistleblowing incidents
- Reviewed and recommended the re-appointment of external auditor
- Endorsed the FY2024 Corporate Governance Report

Audit Committee Report

Review of Financial Results

The AC safeguards the integrity in financial reporting and ensures that such reporting is in compliance with the requirements of the Singapore Financial Reporting Standards. It reviews all announcements relating to the Company's financial performance, and oversees significant financial reporting issues and assessments, in particular, the Group's application and consistency of financial and accounting policies, judgements and practices. The AC, when satisfied that the financial results and related announcements meet statutory requirements, would submit and recommend the release of the financial results and related announcements to the Board. Any significant issues considered and judgement applied by the AC in relation to the financial statements and the actions to address such concerns will also be reported to the Board.

The AC reviewed the FY2024 audited financial statements in conjunction with the external auditor. Based on this review and discussions with Management, the AC was satisfied that the financial statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the year ended 31 December 2024.

Review of External Audits and Re-appointment of External Auditor

AC reviews the overall scope of the external audit prior to each audit process, to ensure material areas are covered and sufficient attention is dedicated to emerging and existential risks. During the course of review of the Company's financial statements for FY2024, the AC has reviewed and discussed each of the KAMs with the Management as well as the external auditor, Ernst & Young LLP ("EY"). The AC has assessed and considered the Management's approach, methodology and assumptions applied to each of the KAMs, and was satisfied with the appropriateness of the analyses performed by the Management. The AC agrees and concurs with the basis and conclusions included in EY's report with respect to the KAMs. For more information on the KAMs, please refer to page 38 of this Annual Report.

Taking into consideration all relevant factors (with reference to the audit quality indicators as published by the Accounting and Regulatory Authority) including the adequacy of resources, the experience of supervisory and professional staff to be assigned to the audit process, the quality of work carried out by EY, the size and complexity of the Group, its businesses and operations, AC was satisfied with EY's work, its independence and its objectivity, and recommended the re-appointment of EY (which has indicated its willingness to continue in office) as the Group's external auditor for Shareholders' approval at the 2025 AGM. The appointment of the external auditor of the Group complies with Rules 712 and 715 of the Listing Manual.

Review of Internal Audit Functions

AC decides on the appointment, termination and remuneration of CLA Global TS Risk Advisory Pte. Ltd. ("CLA"), the Group's internal auditor since May 2013. To ensure that the review on internal controls is conducted effectively, CLA's primary reporting line is to the AC, and it is granted unfettered access to all the Company's documents, records, properties and personnel.

CLA presents the internal audit reports, which compiles the detailed findings relevant to the Group's key operating units that it had reviewed, to the AC during quarterly meetings. Any material non-compliance or failure in internal controls, recommendations for improvements and remedial actions taken by Management are reported to the AC. If action plans to mitigate the risks are required, the AC would instruct and ensure that Management undertakes follow-up actions.

The AC reviews the adequacy, effectiveness, independence and scope of the internal audit function annually, including the internal audit plans, activities, budget for internal audit and organisational structure of CLA. It is satisfied that the internal audit function is independent, effective and that the internal audit activity conducted by CLA for FY2024 had fulfilled professional standards, including those promulgated by The Institute of Internal Auditors. Given that there is a team of 12 members assigned to the Company's internal audits, led by Ms Pamela Chen who has 18 years of relevant experience, the AC believes that the internal audit function is adequately resourced and has appropriate standing within the Group during FY2024. It is also of the view that the quantum of fee paid or payable to CLA should not put its objectivity at risk.

Review of Risk management and Internal Control Systems

The AC is tasked to oversee the Group's overall risk management framework and to advise the Board on the Group's risk-related matters. It reviews the Group's risk policies and assesses the effectiveness of the Group's risk management and internal control systems. AC has reviewed the up-to-date risk register, the implementation and execution of standard operating procedures, as well as remedial actions recommended by the internal auditor and implemented by Management.

The AC meets with the internal and external auditors without the presence of Management at least once a year, to obtain feedback on the competency and adequacy of the finance function and to ascertain if there are any material weaknesses or control deficiencies in the Group's financial reporting and operational systems.

The AC is satisfied that the Group has adequate and effective risk management and internal control systems.

Review of Whistleblowing Framework

The AC is responsible for the overall oversight and monitoring of the whistleblowing framework and its implementation. In particular, the AC considers all whistleblowing complaints and reviews them at its quarterly meetings to ensure that an independent and thorough investigation is conducted, with appropriate follow-up actions. The outcome of each investigation is reported to the AC. There was one incident of bribery or corruption filed against one of the Company's employees during FY2024. Management has reported the incident to the relevant authorities for criminal investigation and further action.

The Whistleblowing Policy and its effectiveness will be reviewed by the AC periodically.

Review of Interested Person Transactions ("IPT")

The AC reviews IPTs at its quarterly meetings, to ensure that established procedures for monitoring the IPTs have been complied with. The AC is satisfied that the guidelines and review procedures established to review IPTs have been complied with in FY2024. Further information relating to the IPTs during FY2024 is provided under the section "Interested Person Transactions".

Directors' **Statements**

The directors present their statement to the members together with the audited consolidated financial statements of Halcyon Agri Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2024.

1. Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as China Hainan Rubber Industry Group Co., Ltd. ("HRG"), the penultimate holding company, has agreed to provide continuing financial support to enable the Company to continue its business and to meet its liabilities as and when they fall due for the next twelve months from the date of the financial statements.

2. Directors

The directors of the Company in office at the date of this statement are:

Wang Hongxiang	(Appointed on 21 February 2025)
Sun Weiliang	
Fan Xiaohong	
Xu Xingbin	
Chen Lei	(Appointed on 05 September 2024)
Eddie Chan Yean Hoe	
Huang Xuhua	
Latha Eapen K. Mathew	

3. Arrangements to enable directors to acquire shares or debentures

Except as disclosed in this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

4. Directors' interest in shares or debentures

According to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

5. Share options

(a) ***Options to take up unissued shares***

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group were granted.

(b) ***Options exercised***

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) ***Unissued shares under option***

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

6. Audit committee

The Company's audit committee ("AC") carried out its functions in accordance with Section 201B (5) of the Companies Act 1967, and it had performed the following core duties and activities (not exhaustive) during the financial year ended 31 December 2024:

(a) Reviewed the audit plans, adequacy, effectiveness, scope of audit and reporting obligation of the internal and external auditors;

(b) Reviewed the quarterly financial results, the half-yearly and full year financial statements as well as the auditor's report, before their submission to the board of directors (the "Board");

(c) Assessed and concluded the key audit matters with external auditor;

(d) Reviewed the effectiveness of the internal control systems, including financial, operational, compliance and information technology controls, as well as the risk management systems;

(e) Held a private discussion with the internal and external auditors to discuss matters which would be more appropriately deliberated without the presence of the Company's management, such as the cooperation of and assistance given by the Company's management to the internal and external auditors;

(f) Reviewed legal and regulatory matters that may have a material impact on the financial statements;

(g) Reviewed and evaluated the services of external auditor including the amount of fees paid and/or payable to the external auditor as well as their independence and objectivity;

(h) Reviewed the nature and extent of non-audit services provided by the external auditor;

(i) Recommended the re-appointment of the external auditor to the Board;

(j) Reported to the Board, the material matters deliberated by the AC with appropriate recommendations (as the case may be);

(k) Reviewed the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;

(l) Reviewed interested person transactions which fall under the scope of the Listing Manual of the Singapore Exchange Securities Trading Limited; and

(m) Reviewed whistleblowing policy arrangement, lead the independent investigations and ensure appropriate follow-up actions.

During the year, four AC meetings were held. The AC, having reviewed all non-audit services provided by the external auditor, is satisfied that the nature and extent of such services would not affect the independence of the external auditor.

Further details regarding the AC are disclosed in the Corporate Governance Report.

7. Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors:

Eddie Chan Yean Hoe
Director

Sun Weiliang
Director

Singapore
2 April 2025

Independent **Auditor's Report**

To the members of Halcyon Agri Corporation Limited

Report on the audit of the financial statement

Opinion

We have audited the financial statements of Halcyon Agri Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2024, the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group and the statements of changes in equity of the Group and the Company for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year then ended.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSA"s). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

1. Impairment of goodwill and process know-how

As at 31 December 2024, the Group's goodwill and process know-how amounted to US$286,379,000 (2023: US$286,379,000) and US$10,000,000 (2023: US$10,000,000) respectively. These represent approximately 58% of the Group's net assets.

We focused on the impairment assessment of goodwill and process know-how because the impairment testing of the cash generating units ("CGUs") attributable to these intangibles rely on estimates of value-in-use ("VIU") based on the CGU's expected future cash flows. We considered audit of these cash flow projections to be a key audit matter as this involved significant management judgement and are based on assumptions that are affected by expected future market and economic conditions. In addition, judgement has also been exercised by management in identifying the appropriate CGUs for the impairment test.

The Group uses assumptions in respect of future market and economic conditions such as forecasted rubber price, forecasted sales volume and margin, discount rates and terminal growth rates. We assessed and tested the reasonableness of these assumptions by comparing them to historical performance of the CGU and considered the impact of the prevailing market and economic conditions on the underlying key assumptions. We engaged our valuation specialists to assist us with the audit of the reasonableness of management's valuation methodologies and certain assumptions used.

We also reviewed the Group's process in identifying changes to CGUs to which goodwill and/or intangible assets have been allocated to. We obtained and evaluated management's sensitivity analyses to ascertain the impact of reasonably possible changes in key assumptions and we performed our own independent sensitivity calculations to quantify the downside changes to management's models required to result in an impairment.

We also assessed the adequacy of the disclosures concerning those key assumptions to which the outcome of the impairment test is most sensitive. The disclosures on goodwill and process know-how and key assumptions are included in Note 10 to the financial statements.

Key audit matters (cont'd)

2. Measurement of biological assets

As at 31 December 2024, biological assets of the Group amounted to US$390,169,000 (2023: US$396,385,000). The Group's biological assets, which mainly comprised of latex and rubber trees, are fair valued by professional independent valuers engaged by the Group using industry/market accepted valuation methodology. Due to the measurement of fair value being inherently judgement and significance of the amount as at the year end, we have considered this to be a key audit matter.

We had obtained the valuation of biological assets prepared by independent valuers engaged by the management. The fair value reports are reviewed by us together with our valuation specialists for appropriateness of the fair value methodology used and reasonableness of the assumptions used which include forecast cash flows, discount rates and yield rates for the plantation and market prices of the latex and log. We assessed the competence, capability and objectivity of the independent valuers and assessed the reasonableness of their conclusions having regard to the key assumptions mentioned above. We also evaluated the key assumptions such as yield rates for the plantation by comparing these assumptions to historical trends and assessed the reasonableness of the market price of the latex and log used by comparing these against available external market data.

We have also assessed the adequacy of the disclosures in relation to biological assets included in Note 15 to the financial statements.

3. Going concern assessment

For the year ended 31 December 2024, the Group incurred loss after tax of US$30,909,000. As at 31 December 2024, the Group's and Company's current liabilities exceeded its current assets by US$440,639,000 and US$396,961,000 respectively.

As stated in Note 2.1, the financial statements have been prepared on a going concern basis. Management's assessment of the Group's ability to generate sufficient cash flows, and availability of financial support from the major shareholder and the ultimate holding company are important considerations in the going concern assessment. As management's going concern assessment is a significant aspect of our audit, we have identified this as a key audit matter.

Our audit procedures included, amongst others:

- Discussion with management to obtain an understanding of their plans regarding operating and financing cash flows, including loan obligations;
- Assessed the reasonableness of the key assumptions used in the management's cash flow forecast prepared for the purpose of the going concern assessment, including:
    - o Comparing management's forecast of revenue and gross profit margin against historical sales and external data;
    - o Corroborate management forecasted financing cost with the latest borrowing interest rate and external published data;
    - o Evaluated and performed sensitivity analysis on the reasonableness of key assumptions used in the cash flow forecast, particularly on the rubber price and gross profit margin;
- Obtained and reviewed the letter of financial support received from HRG to assess the intent to provide the financial support and management's assessment on the ability of HRG to provide the financial support;
- Reviewed financing activities post-year end to get latest updates on management's actions.

We also reviewed the disclosure in Note 2.1 to the financial statements on the going concern assumption.

Independent Auditor's Report

To the members of Halcyon Agri Corporation Limited

Other information

Management is responsible for other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

To the members of Halcyon Agri Corporation Limited

Auditor's responsibilities for the audit of the financial statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Lai Hiang.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
2 April 2025

Consolidated **Income Statement**

For the financial year ended 31 December 2024

	Note	2024 US$'000	2023 US$'000
Revenue	4	3,777,123	2,900,827
Cost of sales		(3,586,190)	(2,754,659)
Gross profit		190,933	146,168
Other income	5	4,489	26,671
Selling expenses		(56,256)	(66,118)
General and administrative expenses		(83,704)	(128,286)
General and administrative expenses – foreign exchange (loss)/gain		(5,812)	3,310
Operating profit/(loss)		49,650	(18,255)
Finance income	6(a)	2,927	3,829
Finance costs	6(b)	(66,800)	(63,860)
Share of loss of associates		(496)	(1,013)
Loss before tax	8	(14,719)	(79,299)
Income tax expense	7	(16,190)	(9,342)
Loss for the financial year		(30,909)	(88,641)
Loss attributable to:			
Owners of the Company		(29,143)	(87,017)
Non-controlling interests		(1,766)	(1,624)
		(30,909)	(88,641)
Loss per share ("LPS"):			
Basic and diluted (US cents per share)	9	(2.30)	(5.93)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement **Of Comprehensive Income**

For the financial year ended 31 December 2024

	2024 US$'000	2023 US$'000
Loss for the financial year	(30,909)	(88,641)
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(14,833)	6,044
Items that will not be reclassified subsequently to profit or loss		
Actuarial gain on retirement benefit obligation (net of tax)	449	81
Other comprehensive (loss)/income for the financial year, net of tax	(14,384)	6,125
Total comprehensive loss for the financial year, net of tax	(45,293)	(82,516)
Attributable to:		
– Owners of the Company	(42,344)	(81,362)
– Non-controlling interests	(2,949)	(1,154)
Total comprehensive loss for the financial year, net of tax	(45,293)	(82,516)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements Of **Financial Position**

As at 31 December 2024

	Note	Group 2024 US$'000	Group 2023 US$'000	Company 2024 US$'000	Company 2023 US$'000
ASSETS					
Non-current assets					
Intangible assets	10	297,581	298,046	–	–
Property, plant and equipment	11	211,040	224,458	1,545	2,192
Plantation and biological assets	15	551,895	558,346	–	–
Investment properties	12	39,536	41,200	–	–
Deferred tax assets	14	19,528	21,110	–	–
Deferred charges		1,162	1,283	–	–
Other assets		160	160	–	–
Loans and other receivables	19	1,607	3,826	–	–
Investment in subsidiaries	13(a)	–	–	955,464	919,598
Investment in associates	13(b)	2,287	6,000	896	4,568
Total non-current assets		1,124,796	1,154,429	957,905	926,358
Current assets					
Cash and bank balances	17	83,654	48,286	27,599	829
Trade receivables	18	195,683	141,273	–	–
Loans and other receivables	19	145,046	152,170	484,127	513,254
Tax receivables		5,461	5,035	–	–
Derivative financial instruments	20	31,211	8,653	10,003	4,652
Debt instrument	16	–	–	–	–
Inventories	21	506,143	456,921	–	–
Consumable biological assets	15	38	24	–	–
		967,236	812,362	521,729	518,735
Assets classified as held for sale	22	1,132	–	–	–
Total current assets		968,368	812,362	521,729	518,735
Total assets		2,093,164	1,966,791	1,479,634	1,445,093
LIABILITIES AND EQUITY					
Current liabilities					
Derivative financial instruments	20	23,800	13,021	15,360	4,063
Trade payables	23	98,200	67,495	–	–
Other payables	24	133,287	137,344	149,589	101,642
Loan payables	25	1,144,945	997,036	752,649	734,284
Provision for taxation		6,730	7,279	300	2,490
Lease liabilities	30	2,045	1,778	792	1,042
Total current liabilities		1,409,007	1,223,953	918,690	843,521
Net current liabilities		(440,639)	(411,591)	(396,961)	(324,786)
Non-current liabilities					
Loan payables	25	106,047	104,768	–	–
Retirement benefit obligations	26	13,746	15,233	–	–
Deferred tax liabilities	14	41,595	43,357	363	248
Lease liabilities	30	5,513	6,402	53	872
Other payables	24	7,115	7,387	44,859	24,143
Total non-current liabilities		174,016	177,147	45,275	25,263
Net assets		510,141	565,691	515,669	576,309
Capital and reserves					
Share capital	27	603,874	603,874	603,874	603,874
Perpetual securities	28	192,640	192,640	192,640	192,640
Capital reserve	29(a)	4,937	3,530	–	–
Other reserves	29(b)	(1,517)	(1,517)	(1,310)	(1,310)
Accumulated losses		(268,647)	(230,971)	(279,535)	(218,895)
Foreign currency translation reserve	29(c)	(40,359)	(26,684)	–	–
Equity attributable to owners of the Company		490,928	540,872	515,669	576,309
Non-controlling interests		19,213	24,819	–	–
Total equity		510,141	565,691	515,669	576,309
Total liabilities and equity		2,093,164	1,966,791	1,479,634	1,445,093

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements Of **Changes In Equity**

For the financial year ended 31 December 2024

	Note	Share capital US$'000	Perpetual securities US$'000	Capital reserve US$'000	Other reserves US$'000	Accumulated losses US$'000	Foreign currency translation reserve US$'000	Total equity attributable to owners of the Company US$'000	Non-controlling interests US$'000	Total equity US$'000
				Attributable to owners of the Company						
Group										
At 1 January 2024		603,874	192,640	3,530	(1,517)	(230,971)	(26,684)	540,872	24,819	565,691
Loss for the year		–	–	–	–	(29,143)	–	(29,143)	(1,766)	(30,909)
Other comprehensive income		–	–	–	–	474	(13,675)	(13,201)	(1,183)	(14,384)
Total comprehensive loss for the year		–	–	–	–	(28,669)	(13,675)	(42,344)	(2,949)	(45,293)
Contributions by and distributions to owners										
Distribution to perpetual securities holders	28	–	–	–	–	(7,600)	–	(7,600)	–	(7,600)
Statutory reserve fund		–	–	1,498	–	(1,498)	–	–	–	–
Dividend declared to non-controlling interests		–	–	–	–	–	–	–	(2,657)	(2,657)
Total contributions by and distributions to owners		–	–	1,498	–	(9,098)	–	(7,600)	(2,657)	(10,257)
Changes in ownership interests in subsidiaries										
Strike off of a subsidiary		–	–	(91)	–	91	–	–	–	–
Total changes in ownership interests in subsidiaries		–	–	(91)	–	91	–	–	–	–
At 31 December 2024		603,874	192,640	4,937	(1,517)	(268,647)	(40,359)	490,928	19,213	510,141

	Note	Share capital US$'000	Perpetual securities US$'000	Capital reserve US$'000	Other reserves US$'000	Accumulated losses US$'000	Foreign currency translation reserve US$'000	Total equity attributable to owners of the Company US$'000	Non-controlling interests US$'000	Total equity US$'000
				Attributable to owners of the Company						
Group										
At 1 January 2023		603,874	192,640	2,898	(1,517)	(135,712)	(32,349)	629,834	30,198	660,032
Loss for the year		–	–	–	–	(87,017)	–	(87,017)	(1,624)	(88,641)
Other comprehensive income		–	–	–	–	(10)	5,665	5,655	470	6,125
Total comprehensive (loss)/income for the year		–	–	–	–	(87,027)	5,665	(81,362)	(1,154)	(82,516)
Contributions by and distributions to owners										
Distribution to perpetual securities holders	28	–	–	–	–	(7,600)	–	(7,600)	–	(7,600)
Statutory reserve fund		–	–	632	–	(632)	–	–	–	–
Dividend declared to non-controlling interests		–	–	–	–	–	–	–	(4,225)	(4,225)
Total contributions by and distributions to owners		–	–	632	–	(8,232)	–	(7,600)	(4,225)	(11,825)
At 31 December 2023		603,874	192,640	3,530	(1,517)	(230,971)	(26,684)	540,872	24,819	565,691

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements Of Changes In Equity

For the financial year ended 31 December 2024

	Note	Share capital US$'000	Perpetual securities US$'000	Other reserves US$'000	(Accumulated losses)/ Retained earnings US$'000	Total equity US$'000
Company						
At 1 January 2024		603,874	192,640	(1,310)	(218,895)	576,309
Loss for the year representing total comprehensive loss for the year		–	–	–	(53,040)	(53,040)
Contributions by and distributions to owners						
Distribution to perpetual securities holders	28	–	–	–	(7,600)	(7,600)
Total transactions with owners in their capacity as owners		–	–	–	(7,600)	(7,600)
At 31 December 2024		603,874	192,640	(1,310)	(279,535)	515,669
At 1 January 2023		603,874	192,640	(1,310)	2,944	798,148
Loss for the year representing total comprehensive loss for the year		–	–	–	(214,239)	(214,239)
Contributions by and distributions to owners						
Distribution to perpetual securities holders	28	–	–	–	(7,600)	(7,600)
Total transactions with owners in their capacity as owners		–	–	–	(7,600)	(7,600)
At 31 December 2023		603,874	192,640	(1,310)	(218,895)	576,309

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated **Cash Flow Statement**

For the financial year ended 31 December 2024

	Note	2024 US$'000	2023 US$'000
Operating activities			
Loss before tax		(14,719)	(79,299)
Adjustments for:			
Depreciation expense	8	26,689	25,729
Amortisation of intangible assets	8	580	897
Amortisation of right-of-use assets	8	2,130	2,281
Retirement benefit expenses	8	1,317	2,633
Interest income	6	(2,927)	(3,829)
Interest expense	6	66,800	63,860
Unrealised fair value gain on open forward commodities contracts and inventories	8	(15,581)	(472)
Fair value (gain)/loss on investment properties	5,8	(415)	1,458
Fair value (gain)/loss on biological assets	5,8	(2,092)	1,596
Loss/(gain) on disposal of property, plant and equipment, plantation and investment properties	5,8	25	(23,768)
Write off of property, plant and equipment and plantation	8	217	1,099
Impairment loss on property, plant and equipment	8	1,188	2,149
(Reversal of impairment losses)/impairment losses on financial assets	8	(122)	23,665
Impairment loss on investment in an associate	8	3,207	–
Loss on disposal of asset held for sale		–	381
Share of loss of associates		496	1,013
Unrealised foreign exchange loss/(gain)		9,483	(153)
Operating cash flows before changes in working capital		76,330	19,240
Trade and other receivables		(96,785)	(23,757)
Inventories		(48,909)	1,283
Trade and other payables		(10,194)	46,734
Cash (used in)/generated from operations		(79,558)	43,500
Interest received		2,927	2,004
Tax paid		(9,285)	(17,348)
Net cash (used in)/generated from operating activities		(85,916)	28,156
Investing activities			
Capital expenditure on property, plant and equipment, and intangible assets		(16,497)	(14,410)
Capital expenditure on plantation and biological assets		(6,781)	(8,387)
Proceeds from disposal of property, plant and equipment, plantation, and investment properties		12	39,151
Proceeds from repayment of loan to a third party		41,616	–
Net cash generated from investing activities		18,350	16,354
Financing activities			
Net proceeds/(repayments) of borrowings		164,527	(37,655)
Net proceeds/(repayments) of term loans		27,702	(349,460)
Net proceeds of other working capital loans		136,825	311,805
Repayments of obligation under lease arrangements	30	(2,477)	(2,612)
Interest paid		(48,184)	(61,696)
Dividend distributed to perpetual securities holders	28	(7,600)	(7,600)
Dividend paid to non-controlling interests		(353)	(5,578)
Guarantee fee paid in relation to issuance of perpetual securities		(2,400)	–
Net cash generated from/(used in) financing activities		103,513	(115,141)
Net increase/(decrease) in cash and cash equivalents		35,947	(70,631)
Cash and cash equivalents at the beginning of year		48,286	118,682
Effect of exchange rate changes on the balance of cash held in foreign currencies		(579)	235
Cash and cash equivalents at the end of year	17	83,654	48,286

Consolidated Cash Flow Statement

For the financial year ended 31 December 2024

Reconciliation of liabilities arising from financing activities:

	Group	
	Loan payables US$'000 (Note 25)	**Lease liabilities US$'000 (Note 30)**
At 1 January 2023	1,133,365	10,143
Net of repayment of borrowings	(37,655)	(2,612)
Non-cash items:		
– Addition on right-of-use assets	–	582
– Foreign exchange movement	3,178	(163)
– Amortisation fee for loan	2,916	–
– Interest expense	–	452
– Derecognition of lease liabilities	–	(222)
Total non-cash items	6,094	649
At 31 December 2023 and 1 January 2024	1,101,804	8,180
Net of proceeds/(repayment) of borrowings	164,527	(2,477)
Non-cash items:		
– Addition on right-of-use assets	–	1,669
– Foreign exchange movement	(15,777)	(234)
– Amortisation fee for loan	438	–
– Interest expense	–	420
Total non-cash items	(15,339)	1,855
At 31 December 2024	1,250,992	7,558

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes To **The Financial Statements**

For the financial year ended 31 December 2024

1. Corporate information

Halcyon Agri Corporation Limited (the "Company") is a public limited liability company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited.

The registered office of the Company is located at 180 Clemenceau Avenue, #05-02 Haw Par Centre, Singapore 239922.

As at 31 December 2024, the Company is 68.1% owned by China Rubber Technology Group Company Limited ("CRTG"), a company incorporated and domiciled in Hong Kong. The penultimate holding company is China Hainan Rubber Industry Group Co., Ltd. ("HRG"), a state-owned enterprise of the People's Republic of China, domiciled in the People's Republic of China and listed on the Shanghai Stock Exchange. HRG is directly owned by **海南省农垦投资控股集团有限公司** (also known as Hainan Province Agribusiness Investment Holding Group Co., Ltd., or the "ultimate holding company" or "HSF"), a state-owned enterprise of the People's Republic of China.

As at 31 December 2024, the Company is 29.2% owned by Sinochem International (Overseas) Pte. Ltd. ("SIO"), a company incorporated and domiciled in Singapore. The penultimate holding company was Sinochem International Corporation ("SIC"), which is domiciled in the People's Republic of China and listed on the Shanghai Stock Exchange. SIC is owned by Sinochem Holdings Corporation Ltd., a state-owned enterprise of the People's Republic of China.

As the total number and percentage of shares held by the public is approximately 2.7%, less than the requisite 10% threshold under Rule 723 of the Listing Manual, the Company has received a notification of delisting from the Singapore Exchange Regulation Pte Ltd on 26 August 2024 and is in the process of finalising the possible options and relevant terms in relation to the exit offer proposal.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries and associates are disclosed in Note 13(a) and Note 13(b) to the financial statements respectively.

2. Summary of material accounting policy information

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I), except for the adoption of new and amended standards as set out in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollar ("USD" or "US$") and all values in the tables are rounded to the nearest thousand ("US$'000") unless otherwise indicated.

Going concern assumption

The financial statements of the Group have been prepared on a going concern basis notwithstanding the fact that:

- The Group incurred loss after tax of US$30,909,000 (2023: US$88,641,000) for the financial year ended 31 December 2024; and

- As at 31 December 2024, the Group's and Company's total borrowings amounted to $1,250,992,000 and $752,649,000 (2023: $1,101,804,000 and $734,284,000) of which $1,144,945,000 and $752,649,000 (2023: $997,036,000 and $734,284,000) were classified as current liabilities respectively; and

- As at 31 December 2024, the Group's current liabilities exceeded its current assets by US$440,639,000 (2023: net current liabilities position of US$411,591,000).

The Directors are of the view that the Group and Company is able to continue as a going concern and meet its liabilities as and when the fall due for the following reasons:

- HRG has provided a letter of financial support for the period next 12 months from date of financial statements to ensure that the Group is able to refinance and meet all of its short-term obligations when they fall due;

- There are unused banking facilities available to drawdown when needed;

- In February 2025, HRG and SIC have restructured the current shareholders' loans amounting to US$372,690,000 and granted an extension for one year (Note 38);

Notes To The Financial Statements

For the financial year ended 31 December 2024

2. Summary of material accounting policy information (cont'd)

2.1 Basis of preparation (cont'd)

Going concern assumption (cont'd)

- In February 2025, HSF extended a short-term loan (US$64,000,000) to a 2-years long term loan (Note 38);
- In January 2025, the Group secured a short-term working capital loan with a facility of US$277,000,000 (Note 38);
- The Group's key plans to address its payment obligations in the next 12 months are as follows:

  (i) Continue to work closely with financiers and both major shareholders to restore the financing tenor and to further improve the Group's liquidity headroom; and

  (ii) HRG and SIC have also provided their full support and commitment to the Group to complete its refinancing exercise and to meet its operational needs by supporting negotiations with the financiers.

2.2 Changes in accounting policies and disclosures

Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial years beginning on or after 1 January 2024. The adoption of these standards affects the Group's disclosures as listed below, but did not have any material effect on the financial performance of the Group, or the financial position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 21: Lack of Exchangeability	1 January 2025
Amendments to FRS 107 and FRS 109: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to FRS 107 and FRS 109: Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to FRSs – *Volume 11*	1 January 2026
FRS 118 Presentation and disclosure in Financial Statements	1 January 2027
FRS 119 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 Basis of consolidation and business combinations

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2. Summary of material accounting policy information (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(a) *Basis of consolidation (cont'd)*

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

– derecognises the carrying amount of any non-controlling interest;

– derecognises the cumulative translation differences recorded in equity;

– recognises the fair value of the consideration received;

– recognises the fair value of any investment retained;

– recognises any surplus or deficit in profit or loss;

– re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) *Business combinations and goodwill*

Where a business combination involves entities or businesses under common control, it is outside the scope of SFRS(I) 3 *Business Combinations* and may be accounted for using the pooling of interest method or the acquisition method. Acquisition method is applied when the transaction has substance from the perspective of the Group in accordance with SFRS(I) 3 *Business Combinations*.

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with SFRS(I) 1-39 *Financial Instruments: Recognition and Measurement* either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.12(a). In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.5 Transactions with non-controlling interests

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

When the proportion of equity held by the NCI changes and the parent retains control of the subsidiary, the carrying amount originally recognised in NCI is adjusted to reflect the changes in the relative interests in the subsidiary.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Notes To The Financial Statements

For the financial year ended 31 December 2024

2. Summary of material accounting policy information (cont'd)

2.6 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

When the Group loses control of a subsidiary, it shall:

(a) Derecognise:

(i) The assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost; and

(ii) The carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them).

(b) Recognise:

(i) The fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of the control;

(ii) If the transaction, event or circumstances that resulted in the loss of control involves a distribution of shares of the subsidiary to owners in their capacity as owners, that distribution; and

(iii) Any investment retained in the former subsidiary at its fair value at the date when control is lost.

2.7 Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates using the equity method from the date on which it becomes an associate. On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associate. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2. Summary of material accounting policy information (cont'd)

2.8 Foreign currency

The financial statements are presented in United States Dollar ("USD"), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling as at the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the statement of financial position date and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.19. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements and renovation	–	10 years
Office equipment	–	2 years
Computers and software	–	1 to 10 years
Leasehold buildings	–	20 years
Plant and machinery	–	10 years
Vehicles	–	4 to 10 years
Leasehold land	–	20 to 95 years

Freehold land is not depreciated.

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Plantation establishment costs, consisting of costs directly incurred during the period of plantation development, are not depreciated. The establishment costs will be transferred to plantation assets and will be subject to depreciation upon commencement of rubber tapping activities.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Notes To The Financial Statements

For the financial year ended 31 December 2024

2. Summary of material accounting policy information (cont'd)

2.10 Land use rights

Certain plantation lands in Cameroon were given land use rights by the State of Cameroon in 1996 for a period of 50 years plus 50 years, renewable at a nominal value to the Group. With the Group's continuing investment in replanting and extension on the plantation land, the Group is of the view that it is not likely that the land use rights will not be renewed at the expiring of its current term. The land use rights are depreciated over its remaining useful life of 73 years.

2.11 Investment properties

Investment properties are properties that are owned by the Group that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

2.12 Intangible assets

(a) *Goodwill*

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(b) *Other intangible assets*

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2. Summary of material accounting policy information (cont'd)

2.12 Intangible assets (cont'd)

(b) *Other intangible assets (cont'd)*

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(i) Process know-how

The useful life of the process know-how was estimated to be indefinite because based on the current demand for rubber, management believes there is no foreseeable limit to the period over which the process know-how are expected to generate net cash inflows for the Group.

(ii) Customer relationship

Customer relationship acquired was initially recognised at cost and was subsequently carried at cost less accumulated amortization and accumulated impairment losses. These costs are amortised to the income statement using the straight-line method over 10 years.

(iii) Computer software

Acquired computer software licences are initially capitalised at cost and was subsequently carried at cost less accumulated amortization and accumulated impairment losses. These costs are amortised to the income statement using the straight-line method over 5 years.

2.13 Bearer plants and biological assets

The classification of rubber trees as bearer plant or non-bearer plant depends on the business plan for respective rubber plantations, pertinent facts and circumstances surrounding the trees, plantation and relevant market or industry considerations. Rubber trees are not considered bearer plant when there is commercially viable plan to convert the rubber trees into products other than incidental scrap at the end of the rubber production life to an established market.

Bearer plants consist of the oil palm trees in the Malaysian plantation and rubber trees in Ivory Coast plantation. Cultivation of seedlings is stated at cost. The accumulated cost will be classified as immature plantations at the time of planting. Mature plantations are stated at cost less accumulated depreciation and impairment. The Group concluded that depreciating the mature plantations by the expected yield pattern of the bearer plants over their useful lives, estimated at 30 years, is more reflective of the pattern in which the assets' future benefit are expected to be consumed. The carrying value of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. A bearer plant is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the bearer plant is included in the profit or loss when the bearer plant is derecognised.

Biological assets consist of rubber latex and rubber trees in the Malaysian and Cameroonian plantations, produce that grows on oil palm trees in the Malaysian plantations and rubber latex in Ivory Coast plantation. These are measured at fair value less estimate costs to sell. Gains or losses arising on initial recognition of plantations at fair value less estimated costs to sell and from the changes in fair value less estimated costs to sell of plantations at each reporting date are included in profit or loss for the period in which they arise.

The Group has assessed that there is an established commercial market for end-of-life rubber trees in Malaysia and Cameroon, and it is the Group's business plan to dispose the end-of-life rubber trees as an agricultural produce for more than an incidental scrap. As such, the classification of rubber plantations in Malaysia and Cameroon remains the same as preceding year.

Further details are disclosed in Note 3.1(a).

2.14 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2. Summary of material accounting policy information (cont'd)

2.14 Impairment of non-financial assets (cont'd)

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously.

2.15 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Debt instrument

(i) Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

(iii) Fair value through profit or loss ("FVPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

2. Summary of material accounting policy information (cont'd)

2.15 Financial instruments (cont'd)

(a) *Financial assets (cont'd)*

Investments in equity instruments (cont'd)

Derivatives

Derivatives are initially recognised at fair value on the date of derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) *Gain/loss on commodity contracts*

Commodity contracts to buy and sell natural rubber commodities can be subject to net settlement if market conditions are favourable. Such commodity contracts and derivative financial instruments are marked to market at market rates prevailing at the end of the reporting period. Unrealised gains or losses are taken to profit or loss. Market value is generally based on listed market prices. If listed market prices are not available, market value is determined based on relevant factors, including trade price quotations, time value and volatility factors underlying the commodities and price quotations for similar commodities traded in different markets, including markets located in different geographical areas.

2.16 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that resulted from default events that are possible within the next 12 months (12-months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposures, irrespective of timing of the default (an ECL).

Notes To The Financial Statements

For the financial year ended 31 December 2024

2. Summary of material accounting policy information (cont'd)

2.16 Impairment of financial assets (cont'd)

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassess the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 90 days past due.

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal and external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.18 Inventories

Inventories except consumables are carried at the fair market value at the end of each reporting period, whereby the resulting unrealised gain or loss is recognised in profit or loss. This is an alternative policy allowed by SFRS(I) 1-2 *Inventories* for commodity broker or trader, as this better reflect the performance of the Group. The Group's operating activities, including procurement of raw materials, selling of finished goods and entering into forward commodity (natural rubber) contracts are subject to movements in the market prices of natural rubber. The Group has two main types of sales contracts and purchase contracts; long term contracts ("LTCs") and spot contracts ("Spot"). The prices for LTCs are usually determined based on the average market price preceding the delivery months, whereas the prices for Spot contracts are usually agreed on the day the Spot contracts are entered. In addition to the management of the price risk between the sales and purchase activities, which is the key driver and contributor to the Group's profitability, the Group also provided other ancillary services such as processing and distribution. The profit for these ancillary services is recognised in the profit or loss only when these services are performed by the Group.

Consumables are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current post-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. Summary of material accounting policy information (cont'd)

2.21 Employee benefits

(a) *Retirement benefit costs*

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Service costs which include current service cost, past service cost and gains or losses on non-routine settlement are recognised as expense in profit or loss. Net interest is calculated by applying the discount rate based on high quality long term bonds at the beginning of the period to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Defined benefit costs are categorised as follows:

- Service cost;
- Net interest expense or income of the net retirement benefit obligation; and
- Re-measurements of net retirement benefit obligation

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefit expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plan.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

(b) *Employee leave entitlement*

Employees' entitlement to annual leave is recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

2.22 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.14.

Notes To The Financial Statements

For the financial year ended 31 December 2024

2. Summary of material accounting policy information (cont'd)

2.22 Leases (cont'd)

Group as a lessee (cont'd)

(ii) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.23 Non-current assets held-for-sale and discontinued operations

Non-current assets and disposal groups classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. A component of the Group is classified as a 'discontinued operation' when the criteria to be classified as held-for-sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Property, plant and equipment and intangible assets once classified as held-for-sale are not depreciated or amortised.

2.24 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring promised goods or services to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Sale of goods*

Revenue from sale of goods is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied.

(b) *Interest income*

Interest income is recognised using the effective interest method.

2. Summary of material accounting policy information (cont'd)

2.24 Revenue (cont'd)

(c) *Rental income*

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.25 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Notes To The Financial Statements

For the financial year ended 31 December 2024

2. Summary of material accounting policy information (cont'd)

2.25 Taxes (cont'd)

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– When receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of other receivables or other payables in the statement of financial position.

2.26 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

Fair valuation of shares is based on the prevailing market price as at the date of issuance.

2.27 Perpetual securities

The perpetual securities do not have a maturity date and the Company is able to elect to defer any scheduled distribution perpetually subject to the terms and conditions of the securities issue. Accordingly, the Company is not considered to have a contractual obligation to make principal repayments or distributions in respect of its perpetual securities issue and the perpetual securities are presented within equity. Distributions are treated as dividends which will be directly debited from equity. Costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

On the election of the Company to redeem the perpetual securities, the perpetual securities will be reclassified as a financial liability. The financial liability is initially recognised at fair value and any difference between the carrying amount of the liability and the previously recognised equity instrument is recognised in equity.

No gain or loss is recognised in the profit or loss on the reclassification.

2.28 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.29 Segment reporting

For management purposes, the Group is organised into operating segments based on their business units. Management regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 34, including the factors used to identify the reportable segments and the measurement basis of segment information.

2. Summary of material accounting policy information (cont'd)

2.30 Government grant

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

2.31 Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements that has estimates and assumptions involved. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) *Classification of rubber trees as bearer plants or non-bearer plants*

The Group has rubber plantations in Malaysia and Cameroon.

The classification of rubber trees as bearer plant or non-bearer plant depends on the business plan for respective rubber plantations, pertinent facts and circumstances surrounding the trees, plantation and relevant market or industry considerations. Rubber trees are not considered bearer plant when there is commercially viable plan to sell the rubber trees as agricultural produce other than incidental scrap at the end of the rubber production life to an established market.

The Group has assessed that there is an established commercial market for end-of-life rubber trees in Malaysia and Cameroon, and it is the Group's business plan to convert the rubber trees into products other than incidental scrap at the end of the rubber production life. As such, the classification of rubber plantations in Malaysia and Cameroon remains the same as preceding year.

Further details are disclosed in Note 2.13.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Impairment of goodwill and process know-how*

Determining whether goodwill and process know-how is impaired requires an estimation of the value in use of the cash-generating-unit to which the goodwill and process know-how have been allocated.

The value in use calculation requires the Group to estimate the future cash flows that is expected to arise, the growth rate used for extrapolation purposes and a suitable discount rate in order to calculate present value. The key assumptions applied in the determination of the value in use including a sensitivity analysis are disclosed and further explained in Note 10 to the financial statements. The Group's carrying amount of goodwill and process know-how as at 31 December 2024 is US$296,379,000 (2023: US$296,379,000).

Notes To The Financial Statements

For the financial year ended 31 December 2024

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(b) *Measurement of biological assets*

The fair value of biological assets is estimated using the discounted cash flow model ("DCF") by independent professional valuers. This requires an estimate of the expected future cash flows from the biological assets to be made and a suitable discount rate to be chosen, in order to calculate the present value of future cash flows. The valuation of these biological assets is particularly sensitive to discount rates as disclosed in Note 35(d)(i).

(c) *Direct and indirect taxes*

Significant judgement is involved in determining the provision for direct and indirect taxes, and the recoverability of indirect tax receivables from the local government where the Group's subsidiaries operate in. Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future recoverable amount on the indirect tax receivables recognised as at year end. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

For provision of direct and indirect taxes, the Group recognises liabilities based on estimates of whether additional taxes will be due. In the event where the final income tax outcome is different from the amounts that were initially recognised, such differences will impact the income tax or general and administrative expenses in the year in which such decision is made by the taxation authority.

For recoverability of indirect tax receivables, the Group assessed the recoverability based on the expected future recoverable amounts.

The Group's carrying amount of tax receivable and provision for taxation as at 31 December 2024 amounted to US$5,461,000 (2023: US$5,035,000) and US$6,730,000 (2023: US$7,279,000) respectively. The carrying amount of indirect tax receivables and payables are disclosed in Notes 19 and 24 respectively.

4. Revenue

	Group	
	2024	**2023**
	US$'000	**US$'000**
Sale of goods	3,777,123	2,900,827

Sales is recognised at point in time. Refer to Note 34 for disaggregation of revenue.

Advances related to contracted sales (Note 24)	20,242	42,991

Advances related to contracted sales are the Group's obligations to transfer goods to customers for which the Group have received advances collected from customers prior to the transfer of control of goods to the customers. These advances will be recognised as revenue when the Group satisfied the performance obligation under the contract. Revenue recognised during the year from advances related to contracted sales received in prior year amounting to US$42,991,000 (2023: US$18,877,000).

5. Other income

	Group	
	2024	**2023**
	US$'000	**US$'000**
Gain on disposal of property, plant and equipment, plantation and investment properties	–	23,768
Fair value gain on investment properties (Note 12)	415	997
Fair value gain on biological assets (Note 15)	2,092	–
Government grants	394	564
Others	1,588	1,342
	4,489	26,671

6. (a) Finance income

	Group 2024 US$'000	Group 2023 US$'000
Interest income:		
– Loans and receivables	–	1,825
– Deposits	2,927	2,004
	2,927	3,829

(b) Finance costs

	Group 2024 US$'000	Group 2023 US$'000
Interest expense on:		
– Term loans	16,608	28,351
– Working capital loans	61,890	48,420
– Lease liabilities (Note 30)	420	452
	78,918	77,223
Less: interest expense capitalised in:		
– Plantation and biological assets (Note 15)	(12,118)	(13,363)
	66,800	63,860

7. Income tax expense

	Group 2024 US$'000	Group 2023 US$'000
Consolidated income statement		
Current tax:		
Current tax expense	(18,122)	(16,235)
(Under)/over provision in respect of prior years	(559)	846
Deferred tax:		
Tax credit relating to the origination and reversal of temporary differences	1,055	3,933
Reversal of over provision in respect of prior years	1,436	2,114
Income tax expense recognised in consolidated income statement	(16,190)	(9,342)

Relationship between tax expense and accounting loss

Reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 December 2024 and 2023 are as follows:

	Group 2024 US$'000	Group 2023 US$'000
Loss before tax	(14,719)	(79,299)
Tax at the domestic income tax rate of 17% (2023: 17%)	2,502	13,481
Effect of non-deductible expenses	(12,481)	(18,918)
Effect of non-taxable income	805	2,975
Effect of tax-exempt income	59	713
Interest income deducted at source	–	(2)
Effect of different tax rates of subsidiaries operating in other jurisdictions[1]	824	3,436
Deferred tax asset not recognised	(8,604)	(6,950)
Utilisation of previously unrecognised tax losses	209	560
Recognition of deferred tax assets not recognised in prior year	25	672
Effect of tax incentive at lower rate	1,491	(7,046)
Over provision in respect of prior years	877	2,960
Tax on revenue	(1,206)	(940)
Others	(691)	(283)
Income tax expense recognised in consolidated income statement	(16,190)	(9,342)

[1] The corporate income tax rates of the Group's foreign subsidiaries range from 20% to 33% (2023: 20% to 33%).

A subsidiary within the Group, Hevea Global Pte Ltd ("HG") were granted the Global Trader Programme ("GTP") Incentive subject to the fulfilment of certain conditions. HG's GTP was renewed from 1 January 2021 for a period of 5 years. The qualifying income of HG shall be taxed at the concessionary tax rate of 10%.

Notes To The Financial Statements

For the financial year ended 31 December 2024

8. Loss before tax

		Group 2024 US$'000	Group 2023 US$'000
(a)	Loss before tax has been arrived at after charging/(crediting):		
	Non-recurring expenses:		
	– Tax settlement arising from prior years	–	5,344
	– Business rationalisation expenses	–	2,885
		–	8,229
	Depreciation of property, plant and equipment, plantation and biological assets included in:		
	– Cost of sales	21,254	20,315
	– Selling expenses	55	59
	– Administrative expenses	5,476	7,204
		26,785	27,578
	Less: Depreciation of property, plant and equipment capitalised in plantation and biological assets (Note 11a)	(96)	(1,849)
		26,689	25,729
	Foreign exchange loss/(gain) included in:		
	– Cost of sales	517	(60)
	– Administrative expenses	5,812	(3,310)
		6,329	(3,370)
	Amortisation:		
	– Intangible assets (Note 10)	580	897
	– Right-of-use assets (Note 11b)	2,130	2,281
		2,710	3,178
	Professional fees	5,773	6,418
	Audit fees:		
	– Paid/payable to auditors of the Company	440	452
	– Paid/payable to other auditors – network firms	942	978
	– Paid/payable to other auditors – non network firms	117	73
	Non-audit fees:		
	– Paid/payable to auditors of the Company	20	33
	– Paid/payable to other auditors – network firms	13	–
	Lease expenses on short-term leases and low-value assets	521	641
	Write off of property, plant and equipment and plantation (Note 11(a), Note 15)	217	1,099
	Loss on disposal of asset held for sale	–	381
	Fair value loss on biological assets (Note 15)	–	1,596
	Fair value loss on investment properties (Note 12)	–	2,455
	Impairment loss on property, plant and equipment (Note 11(a))	1,188	2,149
	(Reversal of impairment losses)/impairment losses on financial assets	(122)	23,665
	Impairment loss on investment in an associate (Note13(b))	3,207	–
	Loss on disposal of property, plant and equipment	25	–
	Inventories recognised as an expense in cost of sales[1]	3,586,190	2,754,659

[1] Included unrealised fair value gain on open forward commodity contracts and inventories of US$15,581,000 (2023: fair value gain of US$472,000).

		2024 US$'000	2023 US$'000
(b)	Employee benefits expenses (including directors' remuneration):		
	– Defined benefit plans	1,371	2,633
	– Defined contribution plans	3,619	3,166
	– Staff salaries	92,940	97,296
		97,930	103,095
	Included in:		
	– Cost of sales	53,106	59,405
	– Selling expenses	5,557	5,832
	– Administrative expenses	39,267	37,858
		97,930	103,095

9. Loss per share ("LPS")

	Group 2024 US$'000	Group 2023 US$'000
Loss for the year attributable to owners of the Company	(29,143)	(87,017)
Dividend on perpetual securities	(7,600)	(7,600)
Adjusted loss for the year attributable to owners of the Company	(36,743)	(94,617)
	Basic and diluted	
Weighted average number of ordinary shares used to compute earnings per share ('000)	1,595,012	1,595,012
Loss per share (US cents)	(2.30)	(5.93)

10. Intangible assets

	Process know-how US$'000	Goodwill US$'000	Customer related intangibles US$'000	Trademark US$'000	Computer software US$'000	Total US$'000
Group						
Cost:						
At 1 January 2023	10,000	286,379	2,800	33	4,695	303,907
Additions	–	–	–	–	104	104
Exchange difference	–	–	–	–	(2)	(2)
At 31 December 2023 and 1 January 2024	10,000	286,379	2,800	33	4,797	304,009
Additions	–	–	–	–	130	130
Transfer to property, plant, and equipment (Note 11)	–	–	–	–	(7)	(7)
Exchange difference	–	–	2	–	4	6
At 31 December 2024	10,000	286,379	2,802	33	4,924	304,138
Accumulated amortisation:						
At 1 January 2023	–	–	1,592	33	3,442	5,067
Amortisation for the year (Note 8)	–	–	280	–	617	897
Exchange difference	–	–	–	–	(1)	(1)
As at 31 December 2023 and 1 January 2024	–	–	1,872	33	4,058	5,963
Amortisation for the year (Note 8)	–	–	282	–	298	580
Exchange difference	–	–	4	–	10	14
At 31 December 2024	–	–	2,158	33	4,366	6,557
Net carrying amount:						
At 31 December 2023	10,000	286,379	928	–	739	298,046
At 31 December 2024	10,000	286,379	644	–	558	297,581

The amortisation of customer related intangibles, and computer software is included in administrative expenses in the consolidated income statement.

Notes To The Financial Statements

For the financial year ended 31 December 2024

10. Intangible assets (cont'd)

	Computer software US$'000
Company	
Cost:	
At 1 January 2023, 31 December 2023 and 31 December 2024	1,247
Accumulated amortisation:	
At 1 January 2023	1,081
Amortisation for the year	166
At 31 December 2023, 1 January 2024 and 31 December 2024	1,247
Net carrying amount:	
At 31 December 2023	–
At 31 December 2024	–

Process know-how

Process know-how relates to the production of a certain grade of rubber and has been allocated to the HRC Group CGU. As explained in Note 2.12(b)(i), the intangible asset has been assessed as having indefinite life so long as there is a demand for such rubber. The Group expects continuance for such demand.

Goodwill

Goodwill acquired through business combinations have been allocated to following cash-generating units ("CGU"), for impairment testing:

	Group	
	2024 US$'000	2023 US$'000
CGU within HRC Group	256,601	256,601
CGU within Corrie MacColl Group	29,778	29,778
	286,379	286,379

Customer related intangibles

Customer related intangibles relates to non-contractual customer relationships acquired through business combination. The intangible asset has a remaining amortisation period of 1 to 4 years (2023: 2 to 5 years).

Computer software

Computer software has a remaining amortisation period of 1 to 4 years (2023: 1 to 4 years).

Impairment testing of goodwill and process know-how with indefinite life

The above goodwill and process know-how was tested for impairment as at 31 December 2024. No impairment loss was recognised as at 31 December 2024 as the recoverable amounts of the respective CGU to which goodwill and process know-how have been allocated to were in excess of their respective carrying values. The recoverable amount of the CGUs has been determined based on value in use calculations using 5-10 years cash flow projections from financial budgets approved by management and assumed a terminal growth rate thereafter.

10. Intangible assets (cont'd)

Impairment testing of goodwill and process know-how with indefinite life (cont'd)

Key assumptions used in the value in use calculations

Cash generating units/intangible assets	Carrying amount as at 31 December 2024 US$'000	Discount rate	Terminal growth rate
HRC Group:			
– Goodwill	256,601	10%	3%
– Process know-how	10,000	10%	3%
Corrie MacColl Group:			
– Goodwill	29,778	10%	2%
Total	296,379		

Cash generating units/intangible assets	Carrying amount as at 31 December 2023 US$'000	Discount rate	Terminal growth rate
HRC Group:			
– Goodwill	256,601	10.5%	3%
– Process know-how	10,000	10.5%	3%
Corrie MacColl Group:			
– Goodwill	29,778	10%	2%
Total	296,379		

The calculations of value in use for the CGUs are most sensitive to the following assumptions:

Post-tax discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates.

Terminal growth rates – The forecasted growth rates are based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs.

Sales volume and growth rates – The forecasted sales volume and growth rates are determined based on management's knowledge and past experience of the businesses, taking into consideration the expected medium to long-term market outlook.

Rubber price – The forecasted rubber price is based on estimated rubber price published by an external industry report.

Gross profit per metric tonne – forecasted gross profit is based on estimated gross profit per metric tonne for the future years.

Sensitivity to changes in assumptions

Changes to the above assumptions used by management to determine the recoverable amount can have significant impact on the results of the assessment. Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGU to materially exceed its recoverable amount.

11. Property, plant and equipment

	Group		Company	
	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
Property, plant and equipment (Note 11(a))	203,734	216,514	760	438
Right-of-use assets (Note 11(b))	7,306	7,944	785	1,754
	211,040	224,458	1,545	2,192

11. Property, plant and equipment (cont'd)

(a) *Property, plant and equipment*

Group	Leasehold improvements and renovation US$'000	Office equipment US$'000	Computers and software US$'000	Leasehold buildings US$'000	Plant and machinery US$'000	Vehicles US$'000	Leasehold land US$'000	Freehold land US$'000	Assets under construction US$'000	Total US$'000
Cost:										
At 1 January 2023	6,926	19,653	2,878	150,306	102,633	7,550	65,581	8,604	7,421	371,552
Additions	23	494	184	5,625	3,582	666	212	–	7,629	18,415
Disposals	–	(201)	(30)	(222)	(375)	(305)	–	–	–	(1,133)
Write off	–	(40)	(9)	(8)	(992)	(162)	(147)	–	(11)	(1,369)
Reclassifications	–	1,319	213	968	6,344	53	99	–	(8,996)	–
Transfer to investment property (Note 12)	–	–	–	–	–	–	–	(23)	–	(23)
Exchange differences	(27)	411	12	2,302	1,602	137	245	54	146	4,882
At 31 December 2023 and 1 January 2024	6,922	21,636	3,248	158,971	112,794	7,939	65,990	8,635	6,189	392,324
Additions	118	483	144	1,028	6,166	528	–	–	7,900	16,367
Disposals	(231)	(160)	(38)	–	(514)	(25)	–	–	–	(968)
Write off	–	(168)	(52)	(2,088)	(2,763)	(198)	–	–	–	(5,269)
Reclassifications	(1,555)	(506)	540	2,736	5,852	461	309	283	(8,120)	–
Transfer from Intangible assets (Note 10)	–	–	–	–	7	–	–	–	–	7
Exchange differences	(27)	(955)	(51)	(6,374)	(4,197)	(382)	(2,132)	34	(234)	(14,318)
At 31 December 2024	5,227	20,330	3,791	154,273	117,345	8,323	64,167	8,952	5,735	388,143

11. **Property, plant and equipment (cont'd)**

(a) ***Property, plant and equipment (cont'd)***

Group	Leasehold improvements and renovation US$'000	Office equipment US$'000	Computers and software US$'000	Leasehold buildings US$'000	Plant and machinery US$'000	Vehicles US$'000	Leasehold land US$'000	Freehold land US$'000	Assets under construction US$'000	Total US$'000
Accumulated depreciation and impairment:										
At 1 January 2023	1,190	11,408	2,569	52,987	63,161	4,209	15,093	–	–	150,617
Disposals	–	(193)	(29)	(83)	(319)	(305)	–	–	–	(929)
Depreciation for the year	285	1,219	327	7,890	8,563	718	1,916	–	–	20,918
Write off	–	(38)	(9)	(6)	(981)	(81)	–	–	–	(1,115)
Transfer to plantation related properties (Note 15)	–	15	95	891	757	91	–	–	–	1,849
Impairment loss	–	2,100	–	12	1	–	36	–	–	2,149
Exchange differences	37	306	(7)	788	1,019	13	165	–	–	2,321
At 31 December 2023 and 1 January 2024	1,512	14,817	2,946	62,479	72,201	4,645	17,210	–	–	175,810
Disposals	(228)	(157)	(34)	(31)	(487)	(25)	–	–	–	(962)
Depreciation for the year	232	1,043	300	8,411	8,539	714	1,565	–	–	20,804
Write off	–	(152)	(47)	(1,978)	(2,637)	(238)	–	–	–	(5,052)
Reclassifications	1,135	(271)	349	(190)	(1,504)	482	(1)	–	–	–
Transfer to plantation related properties (Note 15)	–	7	1	62	8	18	–	–	–	96
Impairment loss	–	–	–	37	1,151	–	–	–	–	1,188
Exchange differences	130	(907)	(45)	(2,634)	(3,136)	(188)	(695)	–	–	(7,475)
At 31 December 2024	2,781	14,380	3,470	66,156	74,135	5,408	18,079	–	–	184,409
Net carrying amount:										
At 31 December 2023	5,410	6,819	302	96,492	40,593	3,294	48,780	8,635	6,189	216,514
At 31 December 2024	2,446	5,950	321	88,117	43,210	2,915	46,088	8,952	5,735	203,734

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11. Property, plant and equipment (cont'd)

(a) *Property, plant and equipment (cont'd)*

Company	Renovation US$'000	Computers US$'000	Office equipment US$'000	Assets under construction US$'000	Total US$'000
Cost:					
At 1 January 2023	298	537	46	302	1,183
Additions	–	16	5	60	81
Write-off	–	(1)	–	–	(1)
At 31 December 2023 and 1 January 2024	298	552	51	362	1,263
Additions	–	1	8	358	367
Write-off	–	(9)	–	–	(9)
At 31 December 2024	298	544	59	720	1,621
Accumulated depreciation:					
At 1 January 2023	256	417	30	–	703
Depreciation for the year	17	89	17	–	123
Write-off	–	(1)	–	–	(1)
At 31 December 2023 and 1 January 2024	273	505	47	–	825
Depreciation for the year	14	26	4	–	44
Write-off	–	(8)	–	–	(8)
At 31 December 2024	287	523	51	–	861
Net carrying amount:					
At 31 December 2023	25	47	4	362	438
At 31 December 2024	11	21	8	720	760

Assets pledged as security

In addition to assets held under lease obligation, the Group has pledged certain property, plant and equipment with carrying amount of US$43,279,000 (2023: US$49,425,000) to secure the Group's and the Company's loans and borrowings (Note 25).

Impairment testing

Management has observed indicators of impairment for the Cameroon CGU. Accordingly, an impairment assessment was performed to determine the value in use of the Cameroon CGU.

Key assumption used in value in use calculation of Cameroon CGU:

	Carrying amount of the CGU as at 31 December 2024 US$'000	Carrying amount of the CGU as at 31 December 2023 US$'000	Discount rate	Terminal growth rate
Cameroon CGU	520,853	538,207	13.0%	0%

Sensitivity to changes in assumptions

Changes to the above assumptions used by management to determine the recoverable amount can have significant impact on the results of the assessment.

Assuming an increase in discount rate to 13.6% (2023: 11.2%) throughout the projection period, there will be an impairment loss of US$761,000 (2023: US$3,850,000) to the Cameroon CGU.

(b) *Right-of-use assets*

The Group has lease contracts for land, office, vehicles and other equipment used in its operations with predominantly fixed payments over the lease terms. Some of these leases have terms of renewal but no purchase options or escalation clauses.

Leases of land and office generally have lease terms between 1 and 85 years (2023: between 1 and 86 years), machinery and other equipment generally have lease terms between 1 and 3 years (2023: between 1 and 4 years). Generally, the Group is restricted from assigning and subleasing the leased assets.

11. Property, plant and equipment (cont'd)

(b) *Right-of-use assets (cont'd)*

The Group also has certain leases of office and other equipment with lease terms of 12 months or less and leases of other equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemption for these leases. The election of short-term lease and low-value-lease exemption is made on lease-by-lease basis.

Set out below are the carrying amount of right-of-use assets recognised and the movements during the period:

	Land and office US$'000	Office equipment and motor vehicles US$'000	Total US$'000
Group			
At 1 January 2023	9,205	285	9,490
Additions	342	260	602
Termination	(167)	(44)	(211)
Amortisation for the year	(2,133)	(148)	(2,281)
Exchange differences	344	–	344
At 31 December 2023 and 1 January 2024	7,591	353	7,944
Additions	1,359	310	1,669
Amortisation for the year	(1,896)	(234)	(2,130)
Exchange differences	(181)	4	(177)
At 31 December 2024	6,873	433	7,306
Net carrying amount:			
At 31 December 2023	7,591	353	7,944
At 31 December 2024	6,873	433	7,306

As at 31 December 2023, motor vehicles with carrying amount of US$11,000 was secured over the lease liabilities of US$12,000.

The carrying amounts of lease liabilities are disclosed in Note 30.

	Land and office US$'000	Office equipment US$'000	Total US$'000
Company			
At 1 January 2023	2,578	97	2,675
Additions	–	90	90
Termination	–	(43)	(43)
Amortisation for the year	(938)	(30)	(968)
At 31 December 2023 and 1 January 2024	1,640	114	1,754
Amortisation for the year	(938)	(31)	(969)
At 31 December 2024	702	83	785
Net carrying amount:			
At 31 December 2023	1,640	114	1,754
At 31 December 2024	702	83	785

The following are the amounts recognised in the consolidated statement of comprehensive income:

	Group	
	2024 US$'000	2023 US$'000
Amortisation expense of right-of-use assets	2,130	2,281
Interest expense on liabilities	420	452
Expense relating to leases of low-value assets and short-term leases (included in general and administrative expenses)	521	641
	3,071	3,374

The Group had total cash outflows for leases of US$2,998,000 (2023: US$3,253,000).

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12. Investment properties

	Group	
	2024	**2023**
	US$'000	**US$'000**
Statement of financial position:		
At 1 January	41,200	40,668
Fair value gain/(loss) recognised in profit or loss (Note 5, 8)	415	(1,458)
Reclassification (to)/from assets classified as held-for-sale (Note 22)	(1,132)	1,373
Reclassification from property, plant and equipment (Note 11(a))	–	23
Exchange differences	(947)	594
At 31 December	39,536	41,200
Income statement:		
Rental income from investment properties:		
– Minimum lease payments	13	13

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Valuation of investment properties

Investment properties are stated at fair value, which has been determined based on valuations performed as at 31 December 2024 and 2023. The valuations were performed by independent valuers with recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued. Details of valuation techniques and inputs used are disclosed in Note 35(d).

The investment properties held by the Group as at 31 December 2024 are as follows:

Description and Location	**Existing Use**	**Tenure**	**Unexpired lease term**
Residential house in Palembang, Indonesia	Residential	Leasehold	15 years
Land in Palembang, Indonesia	Vacant land	Leasehold	7-19 years
Offices in Palembang, Indonesia	Offices	Leasehold	9-20 years
Shophouses in Medan, Indonesia	Shophouses	Leasehold	17 years
Shophouse in Jakarta, Indonesia	Shophouse	Leasehold	19 years
Residential house in Banjarmasin, Indonesia	Residential	Leasehold	5 years
Shophouse in Jambi, Indonesia	Shophouse	Leasehold	14 years
Land in Pontianak, Indonesia	Vacant land	Leasehold	12-28 years
Shophouse in Rantau Prapat, Indonesia	Shophouse	Leasehold	17 years
Land in Riau, Indonesia	Vacant land	Leasehold	17 years
Shophouse in Riau, Indonesia	Shophouse	Leasehold	3-10 years
Shophouses in Pontianak, Indonesia	Shophouses	Leasehold	18-22 years
Commercial offices in Hainan, China	Commercial offices	Leasehold	34 years
Land in Songkhla, Thailand	Vacant land	Freehold	–
Land in Pattani, Thailand	Vacant land	Freehold	–
Residential houses and offices in Pattani, Thailand	Houses and offices	Freehold	–
Land in Chantaburi, Thailand	Vacant land	Freehold	–
Factory buildings in Chantaburi, Thailand	Vacant factory	Freehold	–
Land in Nakornsri, Thailand	Vacant land	Freehold	–
Factory buildings in Nakornsri, Thailand	Vacant factory	Freehold	–
Land in Krabi, Thailand	Vacant land	Freehold	–
Land in Trang, Thailand	Vacant land	Freehold	–
Land in Yala, Thailand	Vacant land	Freehold	–
Land in Narathiwat, Thailand	Vacant land	Freehold	–
Residential houses and offices in Narathiwat, Thailand	Houses and offices	Freehold	–

13. Investment in subsidiaries and associates

(a) ***Investment in subsidiaries***

	Company	
	2024	**2023**
	US$'000	**US$'000**
Unquoted equity shares:		
At cost	502,547	502,547
Addition	19,663	–
Allowance for impairment in value	(160,287)	(160,287)
	361,923	342,260
Amount due from subsidiaries	593,541	577,338
	955,464	919,598

On 18 November 2024, the Company acquired 100% equity interest in Halcyon Agri Natural Rubber (Shanghai) Limited ("HASL"), a wholly owned indirect subsidiary, from another indirect subsidiary, New Continent Enterprises (Private) Limited ("NCE") for a consideration of RMB141 million (equivalent to US$19.7 million).

Amount due from subsidiaries are determined to be non-interest bearing, unsecured and have no repayment terms. Accordingly, amount due from subsidiaries are treated as capital contribution and are classified as investment in subsidiaries.

The movement in impairment of investment in unquoted ordinary shares are as follows:

	Company	
	2024	**2023**
	US$'000	**US$'000**
At 1 January	160,287	–
Charge for the year	–	160,287
At 31 December	160,287	160,287

During the current financial year, management performed impairment testing for the Company's investments in certain subsidiaries as there were indicators of impairment. Based on the assessment of the recoverable amounts of these subsidiaries, no impairment allowance on investments in subsidiaries was recorded for the year (2023: US$160,287,000).

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13. Investment in subsidiaries and associates (cont'd)

(a) ***Investment in subsidiaries (cont'd)***

Details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Proportion (%) of Group effective ownership interest 2024	2023
Held by the Company				
Halcyon Rubber Company Pte. Ltd.[1]	Singapore	Investment holding	100.00	100.00
Corrie MacColl Pte. Ltd.[1]	Singapore	Investment holding	100.00	100.00
SINRIO Investment Pte.Ltd.[1]	Singapore	Investment holding	100.00	100.00
HAC Capital Pte. Ltd.[1]	Singapore	Investment holding	100.00	100.00
Corrie MacColl Limited[3]	United Kingdom	Investment holding	100.00	100.00
Halcyon Agri Natural Rubber (Shanghai) Limited[3][5]	People's Republic of China	Natural rubber trading and distribution	100.00	100.00
Subsidiaries of Halcyon Rubber Company Pte. Ltd.				
Anson Company (Private) Limited[1]	Singapore	Investment holding	100.00	100.00
Hevea Global Pte. Ltd.[1]	Singapore	Natural rubber trading and distribution	100.00	100.00
Subsidiaries of Anson Company (Private) Limited				
Halcyon Agri Indonesia Pte.Ltd.[1]	Singapore	Investment holding	100.00	100.00
PT. Hok Tong[2]	Indonesia	Natural rubber processing	99.99	99.99
PT. Remco Rubber Indonesia[2]	Indonesia	Natural rubber processing	75.00	75.00
Subsidiaries of Halcyon Agri Indonesia Pte. Ltd.				
PT. Hevea MK[2]	Indonesia	Natural rubber processing	100.00	100.00
PT. Hevea GE[2]	Indonesia	Natural rubber processing	100.00	100.00
Subsidiaries of PT. Hok Tong				
PT. Bumi Jaya[2]	Indonesia	Natural rubber processing	100.00	100.00
PT. Sunan Rubber[2]	Indonesia	Natural rubber processing	100.00	100.00
PT. Rubber Hock Lie[2]	Indonesia	Natural rubber processing	99.91	99.91
PT. GMG Sentosa[2]	Indonesia	Natural rubber processing	100.00	100.00
PT. Pulau Bintan Djaya[2]	Indonesia	Natural rubber processing	100.00	100.00
PT. Sumber Alam[2]	Indonesia	Natural rubber processing	100.00	100.00
PT. Sumber Djantin[2]	Indonesia	Natural rubber processing	100.00	100.00
Subsidiaries of Corrie MacColl Pte. Ltd.				
G.P. Sentosa Enterprises Co., Ltd.[2]	Thailand	Investment holding	100.00	100.00
Teck Bee Hang Co., Ltd.[2]	Thailand	Natural rubber processing	55.00	55.00
Centrotrade Minerals and Metals, Inc.[4]	United States	Dormant	100.00	100.00

13. Investment in subsidiaries and associates (cont'd)

(a) ***Investment in subsidiaries (cont'd)***

Name	Country of incorporation	Principal activities	Proportion (%) of Group effective ownership interest 2024	2023
Subsidiaries of Teck Bee Hang Co., Ltd.				
Techem Industries Co., Ltd.[3]	Thailand	Manufacture and distribution of plastic products	54.10	54.10
Teck-Fu Joint Venture Co., Ltd.[3]	Thailand	Natural rubber processing	47.30	47.30
Subsidiaries of SINRIO Investment Pte. Ltd.				
New Continent Enterprises (Private) Limited[1]	Singapore	Natural rubber trading and distribution	100.00	100.00
SINRIO Malaysia Pte.Ltd.[1]	Singapore	Investment holding	100.00	100.00
SDCI Singapore Pte. Ltd.[1]	Singapore	Investment holding	100.00	100.00
SINRIO Thailand Pte. Ltd.[1]	Singapore	Dormant	100.00	100.00
Subsidiary of SINRIO Malaysia Pte. Ltd.				
SINRIO (Malaysia) Sdn.Bhd.[2]	Malaysia	Investment holding	100.00	100.00
Subsidiaries of SINRIO (Malaysia) Sdn. Bhd.				
Hevea KB Sdn. Bhd.[2]	Malaysia	Natural rubber processing	100.00	100.00
Euroma Rubber Industries Sendirian Berhad[2]	Malaysia	Natural rubber processing	100.00	100.00
Subsidiaries of SDCI Singapore Pte. Ltd.				
Société de Développement du Caoutchouc Ivoirien S.A.[2]	Ivory Coast	Natural rubber processing	100.00	100.00
Tropical Rubber Côte d'Ivoire S.A.[2]	Ivory Coast	Natural rubber plantation	70.00	70.00
Subsidiaries of Halcyon Agri Natural Rubber (Shanghai) Limited				
Shanghai CMI Rubber Co., Ltd.[3][5]	People's Republic of China	Trading and distribution of natural rubber and rubber related products	100.00	100.00
Hainan Halcyon Rubber Tech. Co., Ltd.[3][5]	People's Republic of China	Natural rubber processing	100.00	100.00
Subsidiaries of Hainan Halcyon Rubber Tech. Co., Ltd.				
Yunnan Halcyon Rubber Tech. Co., Ltd. (formerly known as Xishuangbanna Halcyon Rubber Tech. Co., Ltd.)[3]	People's Republic of China	Natural rubber processing	96.67	96.67
Hainan Baoting Halcyon Rubber Tech. Co., Ltd[3]	People's Republic of China	Natural rubber processing	100.00	100.00
Shanghai Hancheng Trading Co., Ltd[3]#	People's Republic of China	Dormant	–	100.00
Baisha Sinochem Rubber Co., Ltd[3]#	People's Republic of China	Dormant	–	100.00

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For the financial year ended 31 December 2024

13. Investment in subsidiaries and associates (cont'd)

(a) ***Investment in subsidiaries (cont'd)***

Name	Country of incorporation	Principal activities	Proportion (%) of Group effective ownership interest 2024	2023
Subsidiaries of Corrie MacColl Limited				
Corrie MacColl International Pte. Ltd.[1]	Singapore	Investment holding	100.00	100.00
Corrie MacColl Plantations Pte. Ltd.[1]	Singapore	Investment holding	100.00	100.00
Subsidiaries of Corrie MacColl International Pte. Ltd.				
Corrie MacColl Deutschland GmbH[4]	Germany	Natural rubber trading and distribution	100.00	100.00
Corrie MacColl Malaysia Sdn. Bhd.[2]	Malaysia	Natural rubber trading and distribution	100.00	100.00
Corrie MacColl Europe B.V.[2]	The Netherlands	Investment holding, trading and distribution of natural rubber and latex	100.00	100.00
Kelvin Terminals B.V.[4]	The Netherlands	Storage and trading of natural rubber, latex and synthetic rubber	100.00	100.00
Corrie MacColl (Thailand) Co., Ltd.[3]	Thailand	Investment holding	49.00	49.00
Subsidiaries of Corrie MacColl Europe B.V.				
Corrie MacColl Rubber Ltd.[3]	United Kingdom	Other business support service activities	100.00	100.00
Corrie MacColl Holdings, Inc.[2]	United States	Investment holding	100.00	100.00
Corrie MacColl ithalat ve ihracat Anonim Şirketi[4]	Republic of Turkey	Trading and distribution of natural rubber	100.00	100.00
Subsidiaries of Corrie MacColl Holdings, Inc.				
Corrie MacColl North America, Inc.[2]	United States	Trading and distribution of natural rubber, latex and synthetic rubber	100.00	100.00
CMH MTL Holdings, Inc.#	United States	Dormant	–	100.00
Subsidiary of Corrie MacColl (Thailand) Co., Ltd.				
Corrie MacColl Hatyai Co., Ltd.[3]	Thailand	Trading and distribution of natural rubber, latex and synthetic rubber	100.00	100.00
Subsidiaries of Corrie MacColl Plantations Pte. Ltd.				
Société de Développement du Caoutchouc Camerounais S.A.[2]	Cameroon	Investment holding	100.00	100.00
JFL Agro Pte. Ltd.[1]	Singapore	Investment holding	100.00	100.00

13. Investment in subsidiaries and associates (cont'd)

(a) ***Investment in subsidiaries (cont'd)***

Name	Country of incorporation	Principal activities	Proportion (%) of Group effective ownership interest 2024	2023
Subsidiaries of Société de Développement du Caoutchouc Camerounais S.A.				
Hevea Cameroun S.A.[2]	Cameroon	Natural rubber plantation and processing	90.00	90.00
Sud Cameroun Hevea S.A.[2]	Cameroon	Natural rubber plantation and processing	80.00	80.00
Subsidiary of JFL Agro Pte. Ltd.				
JFL Holdings Sdn. Bhd.[2]	Malaysia	Natural rubber and oil palm plantation	100.00	100.00

[1] Audited by Ernst & Young LLP, Singapore.

[2] Audited by member firms of EY Global in the respective countries.

[3] Audited by other firms of Certified Public Accountants.

[4] No statutory audit required in the country of incorporation.

[5] Intra-group transfer of shareholding.

Struck off during the year 2024.

(b) ***Investment in associates***

The Group's investment in associates is summarised as below:

	Group 2024 US$'000	Group 2023 US$'000	Company 2024 US$'000	Company 2023 US$'000
Feltex Co., Ltd.	1,391	1,432	–	–
Agridence Pte. Ltd.	896	4,568	896	4,568
	2,287	6,000	896	4,568

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest 2024	2023
Held through a subsidiary				
Feltex Co., Ltd.[1]	Thailand	Natural rubber processing	24.75	24.75
Held by the Company				
Agridence Pte. Ltd.[2]	Singapore	Natural rubber supply chain and trading platform	29.99	29.99

[1] Audited by other firms of Certified Public Accountants, and are not significant associates for the purpose of Listing Rule 715(2) of the Singapore Exchange Securities Trading Limited.

[2] Audited by Ernst & Young LLP, Singapore.

During the current financial year, management performed impairment testing for the Company's investment in Agridence Pte. Ltd. as there were indicators of impairment. Based on assessment of the recoverable amount, an allowance for impairment for investment in associate of US$3,207,000 (2023:US$Nil) was recorded to write-down the carrying amount of the investment in associate.

13. Investment in subsidiaries and associates (cont'd)

(b) ***Investment in associates (cont'd)***

Financial information about the Group's investment in associates are as follows:

	Group	
	2024	**2023**
	US$'000	**US$'000**
Current assets	6,806	8,323
Non-current assets	2,705	1,638
Current liabilities	(3,233)	(2,541)
Non-current liabilities	(1)	(59)
Equity	6,277	7,361
Total comprehensive loss, net of tax	(1,243)	(2,854)

14. Deferred tax

Deferred tax as at 31 December relates to the following:

	Group				Company	
	Statement of financial position		**Consolidated income statement**		**Statement of financial position**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Differences in depreciation for tax purposes	3,663	4,732	(1,323)	1,021	(1)	(9)
Tax losses carry forward	22,853	24,180	2,552	276	–	–
Retirement benefit liabilities	1,810	2,164	(275)	(22)	–	–
Fair value uplift of biological assets	(12,292)	(12,211)	(186)	–	–	–
Fair value uplift of investment properties	(4,829)	(4,744)	(93)	5,239	–	–
Fair value uplift of property, plant and equipment acquired in business combination	(17,964)	(19,801)	680	173	–	–
Unremitted foreign source income	(12,836)	(13,796)	1,069	(923)	(479)	(428)
Forward currency contracts	(2,513)	(2,564)	35	160	–	–
Right-of-use assets	(1,439)	(1,514)	–	–	(133)	(298)
Lease liabilities	1,491	1,558	–	–	144	325
Others	(11)	(251)	32	123	106	162
Tax credit			2,491	6,047		
Net deferred tax liabilities	(22,067)	(22,247)			(363)	(248)
Reflected in the statement of financial position as follows:						
Deferred tax assets	19,528	21,110			–	–
Deferred tax liabilities	(41,595)	(43,357)			(363)	(248)
Deferred tax liabilities, net	(22,067)	(22,247)			(363)	(248)

14. Deferred tax (cont'd)

	Group	
	2024	**2023**
	US$'000	**US$'000**
Reconciliation of deferred tax liabilities, net		
At 1 January	(22,247)	(27,550)
Tax credit during the year recognised in profit or loss	2,491	6,047
Tax expense during the year recognised in other comprehensive income	19	(30)
Utilisation of deferred tax assets for Group tax relief	(3,487)	–
Exchange differences	1,157	(714)
At 31 December	(22,067)	(22,247)

Unrecognised tax losses and unabsorbed capital allowances

At the end of reporting period, the Group has unrecognised tax losses and unabsorbed capital allowances amounting to US$107,085,000 and US$24,244,000 (2023: US$136,200,000 and US$22,804,000) respectively that are available for offset against future taxable profits. Tax losses of US$94,299,000 (2023: US$126,001,000) will expire within 5 years and US$5,760,000 (2023: US$10,199,000) will expire in 5 to 10 years.

The related deferred tax benefits of US$52,269,000 (2023: US$40,532,000) were not recognised as the recoverability was considered not probable.

Unrecognised temporary differences relating to investments in subsidiaries

A deferred tax liability of US$27,220,000 (2023: US$21,304,000) that could arise upon the distribution of profit at certain subsidiaries has not been provided for as at 31 December 2024 as the distributable profits is within the Group's control and there is currently no intention for the profits to be remitted to Singapore.

15. Plantation and biological assets

	Plantation related properties									
	Leasehold land use rights US$'000	Freehold land use rights US$'000	Plantation US$'000	Plantation establishment costs US$'000	Other plantation related costs US$'000	Total plantation related properties US$'000	Non-current biological assets US$'000	Total plantation and biological assets US$'000	Consumable biological assets US$'000	Total US$'000
Group										
Cost										
At 1 January 2023	84,092	58,108	9,358	6,163	15,822	173,543	384,757	558,300	78	558,378
Additions	–	–	–	485	91	576	21,174	21,750	–	21,750
Capitalisation of depreciation	–	–	–	104	226	330	–	330	–	330
Reclassification	–	–	945	(58)	(887)	–	–	–	–	–
Transfer from property, plant and equipment (Note 11)	–	–	–	–	–	–	1,849	1,849	–	1,849
Fair value adjustment (Note 8)	–	–	–	–	–	–	(1,545)	(1,545)	(51)	(1,596)
Disposals	–	–	(2,673)	–	–	(2,673)	–	(2,673)	–	(2,673)
Write-off	–	–	–	–	–	–	(1,994)	(1,994)	–	(1,994)
Exchange differences	(1,229)	–	198	(71)	(612)	(1,714)	12,565	10,851	(3)	10,848
At 31 December 2023	82,863	58,108	7,828	6,623	14,640	170,062	416,806	586,868	24	586,892
At 1 January 2024	82,863	58,108	7,828	6,623	14,640	170,062	416,806	586,868	24	586,892
Additions	–	–	–	163	24	187	18,712	18,899	–	18,899
Capitalisation of depreciation	–	–	–	99	219	318	–	318	–	318
Reclassification	–	–	2,971	(2,971)	–	–	–	–	–	–
Transfer from property, plant and equipment (Note 11)	–	–	–	–	–	–	96	96	–	96
Fair value adjustment (Note 5)	–	–	–	–	–	–	2,078	2,078	14	2,092
Write-off	–	–	–	–	–	–	(439)	(439)	–	(439)
Exchange differences	823	–	(358)	(30)	402	837	(23,256)	(22,419)	–	(22,419)
At 31 December 2024	83,686	58,108	10,441	3,884	15,285	171,404	413,997	585,401	38	585,439

15. Plantation and biological assets (cont'd)

	Plantation related properties									
	Leasehold land use rights US$'000	Freehold land use rights US$'000	Plantation US$'000	Plantation establishment costs US$'000	Other plantation related costs US$'000	Total plantation related properties US$'000	Non-current biological assets US$'000	Total plantation and biological assets US$'000	Consumable biological assets US$'000	Total US$'000
Accumulated depreciation										
At 1 January 2023	5,573	–	1,139	–	–	6,712	13,467	20,179	–	20,179
Depreciation for the year	980	–	293	–	124	1,397	3,744	5,141	–	5,141
Transfer to inventory	–	–	–	–	–	–	2,634	2,634	–	2,634
Write-off	–	–	–	–	–	–	(1,149)	(1,149)	–	(1,149)
Exchange difference	(115)	–	83	–	–	(32)	1,749	1,717	–	1,717
At 31 December 2023	6,438	–	1,515	–	124	8,077	20,445	28,522	–	28,522
At 1 January 2024	6,438	–	1,515	–	124	8,077	20,445	28,522	–	28,522
Depreciation for the year	980	–	400	–	250	1,630	4,573	6,203	–	6,203
Transfer to inventory	–	–	–	–	–	–	2,650	2,650	–	2,650
Write-off	–	–	–	–	–	–	(439)	(439)	–	(439)
Exchange difference	92	–	(168)	–	9	(67)	(3,363)	(3,430)	–	(3,430)
At 31 December 2024	7,510	–	1,747	–	383	9,640	23,866	33,506	–	33,506
Carrying amount										
At 31 December 2023	76,425	58,108	6,313	6,623	14,516	161,985	396,361	558,346	24	558,370
At 31 December 2024	76,176	58,108	8,694	3,884	14,902	161,764	390,131	551,895	38	551,933

15. Plantation and biological assets (cont'd)

Details of the Group's plantation assets are summarised as follows:

Country	Malaysia	Cameroon	Cameroon	Ivory Coast
Type of ownership	Leasehold	Freehold	Land use rights	Land use rights
Total land area (hectares)	9,844	45,198	52,607	1,376

The Group's biological assets mainly consist of rubber trees in Malaysian and Cameroonian plantations and produce that grows on oil palm trees in Malaysian plantation, all of which are grown for commercial sales as part of normal business operations.

Interest expense amounting to US$12,118,000 was capitalised in 2024 (2023: US$13,363,000). The rate used to determine the amount of borrowing costs eligible for capitalisation was 6.90% – 7.50% (2023: 7.07% – 7.50%) per annum, which is the effective interest rate of borrowings.

The impairment assessment for the plantation in Cameroon is assessed at the Cameroon CGU level as disclosed in Note 11(a).

16. Debt instrument

In 2024, the issuer of debt instrument was liquidated and the Group has written off the debt instrument in full. There is no profit and loss impact during 2024 as the debt instrument is fully impaired in 2023.

17. Cash and bank balances

	Group		Company	
	2024 US$'000	**2023 US$'000**	**2024 US$'000**	**2023 US$'000**
Cash at bank and on hand	66,366	44,214	13,731	729
Short term deposits	17,288	4,072	13,868	100
Total cash and bank balances	83,654	48,286	27,599	829

Cash and bank balances comprise cash held by the Group and Company and short-term bank deposits. The carrying amounts of these assets approximate their fair value.

Fixed deposits were made for varying periods, depending on immediate cash requirements of the Group, and earn interest at the respective short term deposit rates. The weighted average effective interest rate as at 31 December 2024 for the Group is 4.21% (2023: 4.63%) per annum.

Cash and bank balances of US$950,000 (2023: US$1,011,000) of the Group have been charged as security for the Group's general banking facilities (Note 25) and performance guarantee.

As at each reporting date, the carrying amounts of cash and bank balances denominated in currencies other than the respective group entities' functional currencies are as follows:

	Group		Company	
	2024 US$'000	**2023 US$'000**	**2024 US$'000**	**2023 US$'000**
United States Dollar	9,438	7,879	–	–
Singapore Dollar	333	1,016	20	357
Euro	229	1,599	10	6
Pound Sterling	272	305	–	2

18. Trade receivables

	Group	
	2024 US$'000	**2023 US$'000**
External parties	195,683	141,273

Trade receivables are repayable within the normal trade credit terms of 2 days to 90 days.

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was granted up to the end of the reporting period.

18. Trade receivables (cont'd)

Trade receivables of US$26,148,000 (2023: US$25,012,000) of the Group have been charged as security for the Group's banking facilities (Note 25).

As at each reporting date, the carrying amounts of trade receivables denominated in currencies other than the respective group entities' functional currencies are as follows:

	Group	
	2024	**2023**
	US$'000	**US$'000**
United States Dollar	10,211	9,574
Euro	8,464	6,336
Pound Sterling	899	646

Expected credit losses ("ECL")

The movement in allowance for expected credit losses of trade receivables are as follows:

	Group	
	2024	**2023**
	US$'000	**US$'000**
At 1 January	649	600
Charge for the year	170	49
At 31 December	819	649

19. Loans and other receivables

	Group		Company	
	2024	**2023**	**2024**	**2023**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Current				
Financial assets				
Loan to a third party	–	43,758	–	–
Loan to non-controlling interests of a subsidiary	1,584	–	–	–
Other receivables	16,475	29,275	193	–
Amount due from penultimate holding	848	778	848	778
Amount due from subsidiaries	–	–	482,325	511,668
Deposits	29,843	30,080	456	300
	48,750	103,891	483,822	512,746
Non-financial assets				
Prepayments	63,958	21,992	124	453
Other tax receivables	32,338	26,287	181	55
	96,296	48,279	305	508
Total current loans and other receivables	145,046	152,170	484,127	513,254
Non-current				
Financial assets				
Loan to non-controlling interests of a subsidiary	1,584	3,369	–	–
Other receivables	23	457	–	–
Total non-current loans and other receivables	1,607	3,826	–	–

The loan to non-controlling interests of a subsidiary is secured, repayable in 2025 and earns interest at 5% (2023: 5%) per annum.

The loan to a third party has been fully repaid in 2024.

Included within other receivables is corporate social responsibility receivable ("CSR receivable") amounting to US$8,956,000 (2023: US$10,902,000). CSR receivable relates to receivable from a local government of a country where the Group's subsidiaries operate in. The receivable arose from the costs incurred by the Group in building community for its workforce, such as costs incurred in building hospital or school, which is co-funded by the local government.

Other receivables also comprise amount due from non-controlling interest of a subsidiary amounting to US$938,000 (2023: US$2,486,000), interest receivables amounting to US$2,971,000 (2023: US$2,063,000), staff advances amounting to US$1,657,000 (2023: US$2,064,000) and stamp duty recoverable from HRG amounting to US$778,000 (2023: US$778,000).

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19. Loans and other receivables (cont'd)

Included within deposits is a pledged collateral for bank facilities amounting to US$8,799,000 (2023: US$3,296,000).

The Group had assessed the recoverability of other tax receivables which relates to value-added tax receivables from certain local governments of countries where the Group's subsidiaries operate in. As at 31 December 2024, the allowance provided for other tax receivables amounted to US$2,480,000 (2023: US$2,637,000).

As at 31 December 2024, amount due from subsidiaries amounting to US$192,782,000 (2023: US$231,497,000) are unsecured, bears an average interest of 7.25% (2023: 7.33%) per annum, repayable on demand and are expected to be settled in cash. The remaining amounts are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

Expected credit losses ("ECL")

The movement in allowance for expected credit losses of loans and other receivables are as follows:

	Group		Company	
	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
At 1 January	25,626	4,446	63	80
(Reversal)/Charge for the year	(292)	21,224	(7)	(17)
Write-off	(23,569)	–	–	–
Exchange difference	(60)	(44)	–	–
At 31 December	1,705	25,626	56	63

As at each reporting date, the carrying amounts of loans and other receivables denominated in currencies other than the respective group entities' functional currencies are as follows:

	Group		Company	
	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
United States Dollar	462	4,949	–	–
Singapore Dollar	350	101	292	61
Euro	143	66,164	–	–
Chinese Yuan	–	635	–	–
Japanese Yen	–	443	–	–

20. Derivative financial instruments

	2024		2023	
	Assets US$'000	Liabilities US$'000	Assets US$'000	Liabilities US$'000
Group				
Forward currency contracts	6,244	(7,586)	2,454	(4,053)
Forward contracts on commodity (natural rubber)	24,967	(16,214)	6,199	(8,968)
Total	31,211	(23,800)	8,653	(13,021)
Company				
Forward currency contracts	10,003	(15,360)	4,652	(4,063)

The Group utilises forward commodity (natural rubber) contracts and forward currency contracts to manage the fluctuations in natural rubber prices or exposure arising from foreign currencies.

20. Derivative financial instruments (cont'd)

At the end of the reporting period, the total notional amounts of derivative financial instruments to which the Group is committed to are as follows:

	Notional amount		Positive fair value		Negative fair value	
	2024	2023	2024	2023	2024	2023
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Forward contracts on commodity (natural rubber)	443,877	382,969	24,967	6,199	(16,214)	(8,968)
Forward currency contracts	552,664	294,888	6,244	2,454	(7,586)	(4,053)
			31,211	8,653	(23,800)	(13,021)

The maturity period for forward commodity (natural rubber) contracts ranges from one to twelve months (2023: one to twelve months).

21. Inventories

	Group	
	2024	2023
	US$'000	US$'000
At cost:		
– Consumables	20,987	23,731
At fair value:		
– Raw materials	115,221	127,796
– Work-in-progress	27,553	22,406
– Finished goods held for sale	342,382	282,988
	485,156	433,190
	506,143	456,921

Inventories as at the end of the current reporting period included fair value gain of US$35,709,000 (2023: fair value gain of US$32,049,000).

Inventories with carrying amounts of US$101,740,000 (2023: US$94,675,000) have been pledged as security for a trade financing facility (Note 25).

22. Assets classified as held-for-sale

(i) During 2024, the Group has decided to sell offices located in Indonesia. Accordingly, these properties amounting to US$1,132,000 have been reclassified from investment properties to assets classified as held for sale with disposal expected to be completed in 2025.

(ii) During 2023, the Group has transferred certain properties classified as asset held for sale in China amounting to US$1,373,000 to investment properties, as the properties are redesignated for lease purposes.

23. Trade payables

	Group	
	2024	2023
	US$'000	US$'000
External parties	98,200	67,495

These amounts are non-interest bearing. Trade payables are normally settled on 60 days term.

As at each reporting date, the carrying amounts of trade payables denominated in currencies other than the respective group entities' functional currencies are as follows:

	Group	
	2024	2023
	US$'000	US$'000
United States Dollar	3,130	1,986
Euro	697	1,475

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24. Other payables

	Group		Company	
	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
Current				
Financial liabilities				
Other payables	27,605	27,688	857	140
Accrued operating expenses	33,275	39,537	4,353	4,599
Amounts due to SIC	2,400	3,600	2,400	3,600
Accrued interest expense	43,012	17,598	44,058	16,202
Amount due to subsidiaries	–	–	97,258	76,541
	106,292	88,423	148,926	101,082
Non-financial liabilities				
Other indirect tax payables	6,753	5,930	663	560
Advances related to contracted sales	20,242	42,991	–	–
	26,995	48,921	663	560
Total current other payables	133,287	137,344	149,589	101,642
Non-current				
Financial liabilities				
Amounts due to SIC	–	1,200	–	1,200
Amount due to subsidiaries	–	–	44,859	22,943
Other payables	5,550	5,268	–	–
	5,550	6,468	44,859	24,143
Non-financial liabilities				
Government grants	1,565	919	–	–
Total non-current other payables	7,115	7,387	44,859	24,143

Included within other payables is an amount related to asset divestment project payable to a local authority of a country where a subsidiary operates, amounting to US$7,900,000 (2023: US$8,400,000).

As at 31 December 2024, certain amount due to subsidiaries amounting to US$109,891,000 (2023: US$95,727,000) bears an average interest of 6.70% (2023: 6.61%) per annum, unsecured and repayable on demand. The remaining amount due to subsidiaries are non-interest bearing, unsecured and repayable on demand.

Amounts due to SIC are relating to guarantee fee for issuance of perpetual securities (Note 28).

As at each reporting date, the carrying amounts of other payables denominated in currencies other than the respective group entities' functional currencies are as follows:

	Group		Company	
	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
United States Dollar	2,146	2,151	–	–
Singapore Dollar	860	62	–	–
Euro	954	933	–	–

25. Loan payables

	Group		Company	
	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
Current:				
– Working capital loans	529,875	609,241	219,837	358,284
– Shareholders' loans	581,502	376,000	532,812	376,000
– Term loans	33,568	11,795	–	–
	1,144,945	997,036	752,649	734,284
Non-current:				
– Working capital loans	5,913	5,770	–	–
– Term loans	100,134	98,998	–	–
	106,047	104,768	–	–
Total loan payables	1,250,992	1,101,804	752,649	734,284

25. Loan payables (cont'd)

As at each reporting date, the carrying amounts of loan payables denominated in currencies other than the respective group entities' functional currencies are as follows:

	Group		Company	
	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
United States Dollar	52,667	64,025	–	–
Japanese Yen	40,397	–	40,397	–
Chinese Yuan	100,400	14,091	100,400	14,091

Working capital loans bear average interest rates of 5.74% (2023: 6.34%) per annum. Certain loan payables amounting to US$261,205,000 (2023: US$229,745,000) are secured by a charge over certain of the Group's inventories (Note 21), property, plant and equipment (Note 11), certain cash and bank balances (Note 17), and certain trade receivables (Note 18).

During the year, the Group has received additional working capital loans of US$205,502,000 from the shareholder. The shareholder loans bear average interest rates of 6.67% (2023: 6.62%) per annum. In February 2025, the maturity dates of these loans have been extended (Note 38).

The Group and the Company have the following term loans:

	Group		Company	
	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
Current				
Loan A	2,310	6,738	–	–
Loan B	2,652	2,780	–	–
Loan D	12,988	–	–	–
Loan E	15,618	2,277	–	–
	33,568	11,795	–	–
Non-current				
Loan A	431	2,808	–	–
Loan B	3,315	6,255	–	–
Loan C	30,904	14,860	–	–
Loan D	65,419	74,682	–	–
Loan E	65	393	–	–
	100,134	98,998	–	–

Details of the term loans are as follow:

(a) Loan A bears an average effective interest of 6.00% (2023: 6.00%) per annum and repayable on monthly instalments until 2026. This loan is unsecured.

(b) Loan B bears an average effective interest rate of 7.75% (2023: 7.75%) per annum, repayable on monthly instalments until 2026. This loan is secured on certain property, plant and equipment and inventories.

(c) Loan C bears an average effective interest rate of 6.35% (2023: 7.01%) per annum and is repayable in 2026. The loan is secured on certain property, plant and equipment, pledged deposit, trade receivables and inventories.

(d) Loan D bears an average effective interest rate of 7.50% (2023: 7.50%) per annum, repayable on monthly instalments until 2027. This loan is secured by certain property, plant and equipment.

(e) Loan E bears an average effective interest rate of 4.85% (2023: 4.85%) per annum and is repayable on monthly instalments until 2026. This loan is secured by certain property, plant and equipment.

26. Retirement benefit obligations

The Group provides defined post-employment benefits for its qualifying employees in accordance with relevant labour laws and regulations in Indonesia, Thailand, Cameroon and Ivory Coast.

Changes in retirement benefit obligations are as follows:

	Group	
	2024	**2023**
	US$'000	**US$'000**
At 1 January	15,233	16,542
Benefit paid for the year	(1,633)	(4,270)
Changes charged to profit or loss		
– Current service costs	99	199
– Interest cost on benefit obligations	495	898
– Past service costs	(47)	(91)
– Net actuarial gain recognised during the year	(115)	(1,995)
– Provision of long-term employee benefit	(36)	1,060
– Excess benefit	975	2,562
Re-measurement gains in other comprehensive income		
– Actuarial changes arising from changes in demographic assumptions	(110)	62
– Actuarial changes arising from changes in financial assumptions	190	(348)
– Experience adjustments	(548)	175
– Exchange difference	(757)	439
At 31 December	13,746	15,233

The cost of providing post-employment benefits is calculated by independent actuaries. The actuarial valuation was carried out using the following key assumptions:

	Group	
	2024	**2023**
	%	**%**
Indonesia (Headcount: 2024 – 2,466, 2023 – 2,787)		
Discount rate	7.10	6.70 – 6.90
Future salary increment rate	5.50	5.50
Thailand (Headcount: 2024 – 1,080, 2023 – 1,066)		
Discount rate	2.41	3.03
Future salary increment rate	1.00 – 4.00	1.00 – 4.00
Cameroon (Headcount: 2024 – 6,498, 2023 – 6,589)		
Discount rate	3.50 – 7.00	3.50 – 6.50
Future salary increment rate	1.00 – 4.00	1.00 – 4.00
Ivory Coast (Headcount: 2024 – 1,035, 2023 – 992)		
Discount rate	5.80 – 6.00	5.80 – 6.00
Future salary increment rate	2.00	2.00

The other assumptions such as mortality rate, disability rate, changes in bond yields, inflation risk and voluntary resignation rate are not significant assumptions for these plans as there are insignificant changes in retirement benefit obligations arising from them.

Sensitivity analysis to the principal assumptions used in determining employee benefits obligations are as follows:

	Quantitative sensitivity analysis		
Assumptions	**Basis points Increase/(decrease)**	**(Decrease)/increase in aggregate current service and interest cost US$'000**	**(Decrease)/increase in net employee benefits liabilities US$'000**
31 December 2024			
Annual discount rate	100/(100)	(357)/33	(922)/1,039
Future annual salary growth rate	100/(100)	67/(404)	1,034/(931)
31 December 2023			
Annual discount rate	100/(100)	(588)/651	(996)/1,126
Future annual salary growth rate	100/(100)	713/(606)	1,075/(958)

26. Retirement benefit obligations (cont'd)

The above sensitivity analysis is based on a change in an assumption while holding other assumptions constant. Changes in some of the assumptions may be correlated. When calculating the sensitivity of the retirement benefit obligations to significant actuarial assumptions, the same method (present value of the retirement benefit obligations calculated with the Projected Unit Credit method at the end of the reporting period) has been applied as when calculating the retirement benefit obligations recognised within the statement of financial position.

The following payments are expected contributions to the employee benefits plan obligation in future years:

	Group	
	2024 US$'000	2023 US$'000
Less than 1 year	3,000	3,000
More than 1 year	10,746	12,233
Total expected payments	13,746	15,233

The weighted average duration of the retirement benefits obligation is 17 years (2023: 20.3 years).

27. Share capital

	Group and Company			
	2024		2023	
	No. of shares '000	US$'000	No. of shares '000	US$'000
Issued and fully paid ordinary shares				
Balance at beginning and end of financial year	1,595,012	603,874	1,595,012	603,874

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. The ordinary shares of the Company have no par value.

28. Perpetual securities

In 2020, the Company issued guaranteed subordinated perpetual securities with principal amount of US$200,000,000 bearing distribution rate of 3.80% per annum. In the event of non-redemption by the Company in November 2025, the distribution rate will be reset and every five calendar years thereafter to a distribution rate equivalent to the sum of (a) the initial spread of 3.345%, (b) the then-prevailing five-year U.S. treasury rate and (c) a margin of 3.00% per annum. The perpetual securities were unconditionally and irrevocably guaranteed by SIC. An amount of US$192,640,000, net of issuance costs and guarantee fees, was recognised in equity.

The perpetual securities bear distributions which are payable semi-annually. Subject to the relevant terms and conditions of the perpetual securities, the Company may elect to defer any scheduled distribution perpetually on the perpetual securities and is not subject to any limits as to the number of times a distribution can be deferred.

The perpetual securities are classified as equity and distributions are treated as dividends. This is on the basis that the Company has no contractual obligations to repay its principal or to pay any distributions. As a result, the instrument does not meet the definition as a financial liability under SFRS(I) 1-32 *Financial Instruments: Disclosure and Presentation*.

29. Other reserves

(a) ***Capital reserve***

Capital reserve also includes funds arising from the Group's People's Republic of China ("PRC") subsidiaries which are required to transfer 10% of the net income to the reserve fund in accordance with PRC Articles of Association.

(b) ***Other reserves***

Other reserves mainly pertain to transaction cost on the issuance of perpetual securities.

(c) ***Foreign currency translation reserve***

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

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30. Lease liabilities

	Land and office US$'000	Office equipment and motor vehicles US$'000	Total US$'000
Group			
At 1 January 2023	9,940	203	10,143
Additions	322	260	582
Interest expense (Note 6(b))	438	14	452
Lease payment	(2,461)	(151)	(2,612)
Exchange difference	(167)	4	(163)
Derecognition of lease liabilities	(178)	(44)	(222)
At 31 December 2023 and 1 January 2024	7,894	286	8,180
Additions	1,359	310	1,669
Interest expense (Note 6(b))	397	23	420
Lease payment	(2,260)	(217)	(2,477)
Exchange difference	(231)	(3)	(234)
At 31 December 2024	7,159	399	7,558

	Land and office US$'000	Office equipment US$'000	Total US$'000
Company			
At 1 January 2023	2,710	102	2,812
Additions	–	90	90
Interest expense	92	4	96
Lease payment	(1,046)	(33)	(1,079)
Exchange difference	37	2	39
Derecognition of lease liabilities	–	(44)	(44)
At 31 December 2023 and 1 January 2024	1,793	121	1,914
Interest expense	53	4	57
Lease payment	(1,052)	(29)	(1,081)
Exchange difference	(36)	(9)	(45)
At 31 December 2024	758	87	845

	Group		Company	
	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
Current	2,045	1,778	792	1,042
Non-current	5,513	6,402	53	872
	7,558	8,180	845	1,914

As at 31 December 2024, the average incremental borrowing rate applied and average interest rate in the lease was 5.20% and 5.58% (2023: 5.20% and 5.53%) per annum respectively.

As at 31 December 2023, the Group's lease liabilities of US$12,000 was secured over motor vehicles (Note 11(b)).

As at each reporting date, the carrying amounts of lease liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	Group and Company	
	2024 US$'000	2023 US$'000
Singapore Dollar	845	1,914

31. Commitments and contingencies

(a) ***Commitment for sales, purchases and forward currency contracts***

The Group has committed sales, purchases and currency contracts that are entered into for the use of the Group. The contractual or notional amounts of the committed contracts with fixed pricing terms that was outstanding as at 31 December 2024 and 2023 are disclosed in Note 20.

(b) ***Corporate guarantees***

The following are the corporate guarantees given by the Company for the credit facilities extended by banks to:

	Company	
	2024 US$'000	2023 US$'000
Subsidiaries	311,225	328,670

(c) ***Commitment for property, plant and equipment***

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements relating to purchase of the property, plant and equipment of US$3,255,000 (2023: US$7,007,000).

32. Financial risks and management

(a) ***Categories of financial instruments***

The following table sets out the financial instruments as at the end of the reporting period:

		Group		Company	
	Note	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
Financial assets					
At amortised cost					
Cash and bank balances	17	83,654	48,286	27,599	829
Trade receivables	18	195,683	141,273	–	–
Loans and other receivables	19	50,357	107,717	483,822	512,746
		329,694	297,276	511,421	513,575
At fair value through profit or loss					
Derivative financial instruments	20	31,211	8,653	10,003	4,652
		360,905	305,929	521,424	518,227
Financial liabilities					
At amortised cost					
Trade payables	23	98,200	67,495	–	–
Other payables	24	111,842	94,891	193,785	125,225
Loan payables	25	1,250,992	1,101,804	752,649	734,284
Lease liabilities	30	7,558	8,180	845	1,914
		1,468,592	1,272,370	947,279	861,423
At fair value through profit or loss					
Derivative financial instruments	20	23,800	13,021	15,360	4,063
		1,492,392	1,285,391	962,639	865,486

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For the financial year ended 31 December 2024

32. Financial risks and management (cont'd)

(b) ***Financial risk management policies and objectives***

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk, liquidity risk and commodity price risk. The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management programme seeks to minimise potential adverse effects on the financial performance of the Group.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

(i) *Foreign currency risk*

As disclosed in Note 2.8 of the financial statements, the functional currency of the Company is the United States Dollar.

The Group faces foreign exchange risk as its borrowings, export sales and the costs of certain purchases are denominated in a currency other than the respective functional currencies of the Group entities, primarily Singapore Dollar, Euro, Indonesian Rupiah, Malaysian Ringgit, Chinese Yuan, CFA Franc and Thai Baht. The Group also holds cash and short-term deposits denominated in foreign currencies for working capital purposes.

The Group enters into foreign currency forward contracts to hedge the foreign currency exposure for some of its receivables.

Foreign currency sensitivity

The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where they gave rise to an impact on the Group's profit or loss and/or equity.

If the relevant foreign currency strengthens by 5% against the functional currencies of Group entities, loss before tax will (increase)/decrease by:

	Group		Company	
	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
United States Dollar	(1,892)	(2,288)	–	–
Singapore Dollar	(51)	(43)	(27)	(75)
Euro	359	296	1	–
Pound Sterling	37	26	–	–
Chinese Yuan[1]	158	(597)	155	(703)
Japanese Yen[1]	–	22	–	–

[1] Excludes the effect of foreign currency exposure that has been materially hedged.

(ii) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's primary interest rate risk arises from its loan payables.

32. Financial risks and management (cont'd)

(b) ***Financial risk management policies and objectives (cont'd)***

(ii) *Interest rate risk (cont'd)*

The Group's exposures to interest rates are set out below.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's loss before tax for the financial year would increase/decrease by US$2,887,000 (2023: US$3,711,000). This is mainly attributable to the Group's exposure to interest rates on its balance due to the banks and financial institutions, and certain loan receivables.

(iii) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are creditworthy entities.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 365 days of when they fall due, which are derived based on the Group's historical information.

To assess whether there is significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligation;
- Actual or expected significant changes in the operating results of the borrower;
- Significant increases in credit risk on other financial instruments of the same borrower;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third party guarantees or credit enhancements;
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

Notes To The Financial Statements

For the financial year ended 31 December 2024

32. Financial risks and management (cont'd)

(b) ***Financial risk management policies and objectives (cont'd)***

(iii) *Credit risk (cont'd)*

The Group determined that its financial assets are credit-impaired when:

– There is significant difficulty of the issuer or the borrower;

– A breach of contract, such as a default or past due event;

– It is becoming probably that the borrower will enter bankruptcy or other financial reorganisation;

– There is disappearance of an active market for the financial asset because of financial difficulty.

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and qualitative information about amount arising from expected credit losses ("ECL") for each class of financial assets.

(A) Trade receivables

The Group provides for ECL for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers which are:

– HRC Group

– Corrie MacColl Group

The credit risk exposure on the Group's trade receivables is as follow:

		Days past due				
	Current US$'000	**<30 days US$'000**	**30-60 days US$'000**	**61-90 days US$'000**	**>91 days US$'000**	**Total US$'000**
31 December 2024						
ECL rate	0.25%	0.29%	0.36%	34.77%	99.22%	
Total trade receivables	149,843	43,315	2,772	400	172	196,502
ECL	376	126	10	137	170	819

		Days past due				
	Current US$'000	**<30 days US$'000**	**30-60 days US$'000**	**61-90 days US$'000**	**>91 days US$'000**	**Total US$'000**
31 December 2023						
ECL rate	0.25%	0.29%	0.36%	0.49%	26.51%	
Total trade receivables	95,619	40,591	3,209	1,471	1,032	141,922
ECL	239	118	12	7	273	649

Further details of credit risk on trade receivables are disclosed in Note 18 to the financial statements.

32. Financial risks and management (cont'd)

(b) ***Financial risk management policies and objectives (cont'd)***

(iii) *Credit risk (cont'd)*

(B) Other receivables

The Group provides for ECL for all financial assets based on general approach of 12-months ECL either individual or collective basis. As at 31 December 2023, the loan principal and interest amounting to US$30,817,000 were due for repayment. The loan has since been fully settled by the borrower. Accordingly, the Group has written off the ECL provision of US$22,579,000 recognised in 2023, together with the corresponding loan principal and interest, amounting to a total of US$23,569,000. Further details of the assessment are disclosed in Note 19.

(C) Debt instrument

The debt instrument is recognised initially at fair value. Further details of the initial recognition are disclosed in Note 16.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables (net of impairment loss on receivables) at the statement of financial position date is as follows:

	Group	
	2024	**2023**
	US$'000	**US$'000**
By country:		
Asia (excluding Singapore and China)	46,253	32,079
China	79,677	48,722
Singapore	5,562	4,748
United States of America ("USA")/Canada	16,589	19,982
Europe	30,493	22,282
Others	17,109	13,460
	195,683	141,273

(iv) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group maintains sufficient liquidity at all times by efficient cash and working capital management.

Non-derivative financial instruments

The following tables detail the remaining contractual maturity for non-derivative financial instruments.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The adjustment column represents the possible future interest cash outflow attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset or liabilities on the statement of financial position.

32. **Financial risks and management (cont'd)**

(b) ***Financial risk management policies and objectives (cont'd)***

(iv) *Liquidity risk (cont'd)*

Non-derivative financial instruments (cont'd)

	2024						2023					
	Weighted average effective interest rate %	**On demand or within one year US$'000**	**One to three years US$'000**	**Over three years US$'000**	**Adjustment US$'000**	**Total US$'000**	**Weighted average effective interest rate %**	**On demand or within one year US$'000**	**One to three years US$'000**	**Over three years US$'000**	**Adjustment US$'000**	**Total US$'000**
Group												
Financial assets:												
Trade and other receivables – interest bearing	5.00	1,980	1,980	–	(792)	3,168	10.57	46,206	4,211	–	(3,290)	47,127
Trade and other receivables – non-interest bearing		242,849	23	–	–	242,872		201,406	457	–	–	201,863
Debt instruments		–	–	–	–	–		–	–	–	–	–
Cash at banks and in hand		66,366	–	–	–	66,366		44,214	–	–	–	44,214
Short term deposits	4.21	18,015	–	–	(727)	17,288	4.63	4,261	–	–	(189)	4,072
Total undiscounted financial assets		329,210	2,003	–	(1,519)	329,694		296,087	4,668	–	(3,479)	297,276
Financial liabilities:												
Trade and other payables – interest bearing	4.95	–	–	1,600	(396)	1,204	4.95	–	–	1,600	(394)	1,206
Trade and other payables – non-interest bearing		204,493	–	4,345	–	208,838		157,116	–	4,064	–	161,180
Lease liabilities	5.58	2,238	1,484	21,139	(17,303)	7,558	5.53	2,206	2,084	22,291	(18,401)	8,180
Loan payables – variable rate	6.76	601,838	33,057	–	(40,193)	594,702	6.74	781,630	15,891	–	(51,306)	746,215
Loan payables – fixed rate	5.08	614,256	82,406	4,577	(44,949)	656,290	5.75	285,878	69,910	42,491	(42,690)	355,589
Total undiscounted financial liabilities		1,422,825	116,947	31,661	(102,841)	1,468,592		1,226,830	87,885	70,446	(112,791)	1,272,370

32. Financial risks and management (cont'd)

(b) ***Financial risk management policies and objectives (cont'd)***

(iv) *Liquidity risk (cont'd)*

Non-derivative financial instruments (cont'd)

	2024						2023					
	Weighted average effective interest rate %	On demand or within one year US$'000	One to three years US$'000	Over three years US$'000	Adjustment US$'000	Total US$'000	Weighted average effective interest rate %	On demand or within one year US$'000	One to three years US$'000	Over three years US$'000	Adjustment US$'000	Total US$'000
Company												
Financial assets:												
Trade and other receivables – non-interest bearing		291,040	–	–	–	291,040		281,249	–	–	–	281,249
Trade and other receivables – interest bearing	7.25	206,751	–	–	(13,969)	192,782	7.33	248,455	–	–	(16,958)	231,497
Cash at banks and in hand		13,731	–	–	–	13,731		729	–	–	–	729
Short term deposits	4.30	13,905	–	–	(37)	13,868	5.05	140	–	–	(40)	100
Total undiscounted financial assets		525,427	–	–	(14,006)	511,421		530,573	–	–	(16,998)	513,575
Financial liabilities:												
Trade and other payables – non-interest bearing		83,894	–	–	–	83,894		25,683	1,200	–	–	26,883
Trade and other payables – interest bearing	6.70	73,024	–	44,859	(7,992)	109,891	7.21	82,491	–	22,943	(7,092)	98,342
Lease liabilities	5.64	808	54	–	(17)	845	3.57	1,100	890	–	(76)	1,914
Loan payables – variable rate	6.74	588,175	–	–	(37,114)	551,061	6.73	768,647	–	–	(48,454)	720,193
Loan payables – fixed rate	3.94	209,524	–	–	(7,936)	201,588	3.30	14,556	–	–	(465)	14,091
Total undiscounted financial liabilities		955,425	54	44,859	(53,059)	947,279		892,477	2,090	22,943	(56,087)	861,423

Notes To The Financial Statements

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32. Financial risks and management (cont'd)

(b) ***Financial risk management policies and objectives (cont'd)***

(iv) *Liquidity risk (cont'd)*

Derivative financial instruments

The liquidity analysis for derivative financial instruments has been drawn up based on the undiscounted net cash inflows/(outflows) on the derivative instrument that settle on a net basis and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period. Refer to Note 20 for more details.

(v) *Commodity price risk*

Due to the nature of the Group's operations, the Group is exposed to changes in agricultural commodity prices.

The Group managed the exposure on commodity price risk by utilising forward physical contracts and/or derivatives to manage the Group's open commodity positions. The Group also reviewed daily monitoring reports on market positioning to facilitate decision making process on the Group's exposure.

At the end of the reporting period, a 5% increase/decrease of the commodities price index, with all other variables held constant, would have increased/decreased loss before income tax by US$1,694,000 (2023: US$2,369,121) and decreased/increased equity by US$1,694,000 (2023: US$2,369,121).

33. Related party transactions

Some of the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements.

The Group entered into the following transactions with related parties:

	Group	
	2024	**2023**
	US$'000	**US$'000**
Banking facilities jointly covered by letter of comfort from SIC and HRG	63,016	400,295
Banking facilities jointly covered by corporate guarantee from SIC and HRG	219,837	–
Fee charged by SIC for issuance of letter of comfort	1,362	688
Shareholder's loan from HRG	430,276	330,986
Shareholder's loan from CRTG	42,400	–
Shareholder's loan from HSF	63,812	–
Shareholder's loan from SIC	45,014	45,014
Interest charged by HRG	22,683	11,493
Interest charged by CRTG	4,499	–
Interest charged by HSF	2,731	–
Interest charged by SIC	3,022	4,164
Sales of rubber to subsidiaries of HRG	34,645	19,272
Purchase of rubber from subsidiaries of HRG	79,622	24,041

33. Related party transactions (cont'd)

Compensation of directors and key management personnel

The remuneration of directors and other members of key management personnel during the year were as follows:

	Group	
	2024	**2023**
	US$'000	**US$'000**
Directors' fees	293	345
Short-term benefits		
– Directors of the Company	666	593
– Other key management personnel	1,073	1,127
	2,032	2,065

34. Segment information

The Group is a global leader in natural rubber industry, 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 37 natural rubber processing facilities in Indonesia, Malaysia, Thailand, China, Cameroon and Ivory Coast, 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 key segments of the Group comprise the following:

(a) CMC Plantation ("CMCP Group") – This business segment includes plantation and processing business in Cameroon and Malaysia.

(b) CMC Distribution ("CMCI Group") – This business segment mainly covers the distribution business for industrial and non-tyre applications.

(c) HRC Group – This business segment includes the Group processing factories in Indonesia, China, Malaysia, Thailand and Ivory Coast, and distribution business in Singapore and China, whose customers are predominantly top-tier global tyre makers.

(d) Corporate segment – The business 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.

34. Segment information (cont'd)

	CMCP Group		CMCI Group		HRC Group		Corporate		Elimination			Consolidated	
	FY 2024 US$'000	FY 2023 US$'000	FY 2024 US$'000	FY 2023 US$'000	FY 2024 US$'000	FY 2023 US$'000	FY 2024 US$'000	FY 2023 US$'000	FY 2024 US$'000	FY 2023 US$'000		FY 2024 US$'000	FY 2023 US$'000
Revenue to third party	1,462	1,682	531,853	559,322	3,243,808	2,339,823	–	–	–	–		3,777,123	2,900,827
Inter-segment revenue	48,862	31,758	15,803	282	36,472	52,002	11,639	12,817	(112,776)	(96,859)	A	–	–
Total revenue	50,324	33,440	547,656	559,604	3,280,280	2,391,825	11,639	12,817	(112,776)	(96,859)		3,777,123	2,900,827
Gross profit	5,689	(8,684)	59,490	69,464	125,924	85,775	11,639	12,817	(11,809)	(13,204)	B	190,933	146,168
Operating (loss)/profit	(13,752)	(34,454)	26,461	31,039	39,925	11,804	(3,379)	(24,946)	395	(1,698)		49,650	(18,255)
Operating (loss)/profit excluding management fee	(13,752)	(34,454)	26,750	31,039	51,274	11,804	(15,017)	(24,946)	395	(1,698)		49,650	(18,255)
Finance income												2,927	3,829
Finance costs												(66,800)	(63,860)
Share of result of associates												(496)	(1,013)
Loss before tax												(14,719)	(79,299)
Income tax expense												(16,190)	(9,342)
Loss for the financial year												(30,909)	(88,641)
Segment assets	781,407	851,816	628,633	583,806	1,276,436	1,143,391	1,460,067	1,615,076	(2,053,379)	(2,227,298)	C	2,093,164	1,966,791
Segment liabilities	326,617	367,529	338,946	312,915	823,347	708,401	944,530	880,334	(850,417)	(868,079)	D	1,583,023	1,401,100
Other information:													
Management fee expense/(income)	–	–	289	620	11,350	12,197	(11,639)	(12,817)	–	–		–	–
Depreciation expense (include right-of-use assets)	9,786	7,737	1,251	1,379	16,290	17,464	1,011	1,128	481	302		28,819	28,010
Fair value (gain)/loss on investment properties	–	–	–	–	(415)	1,458	–	–	–	–		(415)	1,458
Fair value (gain)/loss on biological assets	(2,092)	1,596	–	–	–	–	–	–	–	–		(2,092)	1,596
Unrealised fair value (gain)/loss on open forward commodity contracts and inventories	(5,326)	1,330	3,522	6,068	(13,777)	(7,870)	–	–	–	–		(15,581)	(472)
Capital expenditure on property, plant and equipment and intangible assets	1,557	3,621	82	52	14,492	10,655	366	82	–	–		16,497	14,410
Capital expenditure on plantation and biological assets	6,781	8,387	–	–	–	–	–	–	–	–		6,781	8,387

34. Segment information (cont'd)

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

A. Inter-segment revenues are eliminated on consolidation.

B. Management fee is eliminated on consolidation.

C. Elimination on investment in subsidiaries and intercompany balances.

D. Elimination on intercompany balances.

Geographical information

The Group's revenue from external customers and information about its segment assets (non-current assets including intangible assets, property, plant and equipment, plantation and biological assets, investment properties, deferred charges, other assets, loans and other receivables and investment in associates) by geographical location are detailed below:

	Group	
	2024 US$'000	**2023 US$'000**
Sales of natural rubber		
Singapore	57,465	55,287
Asia (excluding Singapore and China)	545,471	464,442
China	2,506,118	1,717,583
USA/Canada	302,526	293,178
Europe	303,489	286,212
Others	62,054	84,125
	3,777,123	2,900,827

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

	Group	
	2024 US$'000	**2023 US$'000**
Non-current assets		
Singapore	17,259	21,719
Asia	481,918	491,466
Africa	571,268	584,037
Europe	23,784	24,789
Others	11,039	11,308
	1,105,268	1,133,319

Non-current assets presented above includes intangible assets, property, plant and equipment, plantation and biological assets, investment properties, deferred charges, other assets, loans and other receivables and investment in associates as presented in the consolidated statement of financial position.

35. Fair value of assets and liabilities

(a) ***Fair value hierarchies***

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Notes To The Financial Statements

For the financial year ended 31 December 2024

35. Fair value of assets and liabilities (cont'd)

(b) ***Assets and liabilities measured at fair value***

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group 2024 Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) US$'000	**Significant observable inputs other than quoted prices (Level 2) US$'000**	**Significant unobservable inputs (Level 3) US$'000**	**Total US$'000**
Assets measured at fair value				
Financial assets:				
Derivative financial instruments	–	31,211	–	31,211
Financial assets as at 31 December 2024	–	31,211	–	31,211
Non-financial assets:				
Inventories	–	485,156	–	485,156
Biological assets	–	–	390,169	390,169
Investment properties	–	–	39,536	39,536
Non-financial assets as at 31 December 2024	–	485,156	429,705	914,861
Liabilities measured at fair value				
Financial liabilities:				
Derivative financial instruments	–	23,800	–	23,800
Financial liabilities as at 31 December 2024	–	23,800	–	23,800

	Group 2023 Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) US$'000	**Significant observable inputs other than quoted prices (Level 2) US$'000**	**Significant unobservable inputs (Level 3) US$'000**	**Total US$'000**
Assets measured at fair value				
Financial assets:				
Derivative financial instruments	–	8,653	–	8,653
Financial assets as at 31 December 2023	–	8,653	–	8,653
Non-financial assets:				
Inventories	–	433,190	–	433,190
Biological assets	–	–	396,385	396,385
Investment properties	–	–	41,200	41,200
Non-financial assets as at 31 December 2023	–	433,190	437,585	870,775
Liabilities measured at fair value				
Financial liabilities:				
Derivative financial instruments	–	13,021	–	13,021
Financial liabilities as at 31 December 2023	–	13,021	–	13,021

35. Fair value of assets and liabilities (cont'd)

(b) ***Assets and liabilities measured at fair value (cont'd)***

	Company 2024 Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) US$'000	**Significant observable inputs other than quoted prices (Level 2) US$'000**	**Significant unobservable inputs (Level 3) US$'000**	**Total US$'000**
Assets measured at fair value				
Financial assets:				
Derivative financial instruments	–	10,003	–	10,003
Financial assets as at 31 December 2024	–	10,003	–	10,003
Liabilities measured at fair value				
Financial liabilities:				
Derivative financial instruments	–	15,360	–	15,360
Financial liabilities as at 31 December 2024	–	15,360	–	15,360

	2023 Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) US$'000	**Significant observable inputs other than quoted prices (Level 2) US$'000**	**Significant unobservable inputs (Level 3) US$'000**	**Total US$'000**
Assets measured at fair value				
Financial assets:				
Derivative financial instruments	–	4,652	–	4,652
Financial assets as at 31 December 2023	–	4,652	–	4,652
Liabilities measured at fair value				
Financial liabilities:				
Derivative financial instruments	–	4,063	–	4,063
Financial liabilities as at 31 December 2023	–	4,063	–	4,063

(c) ***Level 2 fair value measurements***

The fair value of inventories (except consumables) are calculated using quoted prices in relevant commodity exchanges at the end of the reporting period, making adjustments according to the stage of production of the inventories, port of loading, and grades of products. Where such prices are not available, the Group uses valuation models to determine the fair values based on relevant factors, including trade price quotations, time value and volatility factors underlying the commodities and commodity exchange price quotations and dealer quotations for similar commodities traded in different markets and geographical areas, existing at the end of the reporting period.

The fair value of forward currency contract is calculated using quoted prices (adjusted) offered by the financial institutions at the end of reporting period.

Notes To The Financial Statements

For the financial year ended 31 December 2024

35. Fair value of assets and liabilities (cont'd)

(d) ***Level 3 fair value measurements***

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements*

Biological assets

The fair value of the Group's major biological assets has been determined based on valuations by an independent professional valuer using the discounted cash flow valuation method. The most significant inputs into the discounted cash flow valuation method are the average annual yield and discount rate. The fair value of biological assets is computed using the following:

	Group	
	2024	**2023**
Malaysia		
Average annual yield for rubber trees in Malaysian plantation (Metric tonne per hectare)	1.05	1.2
Discount rate for rubber trees in Malaysian plantation (%)	9.0	9.0
Cameroon		
Average annual yield for rubber trees in Cameroonian plantation (Metric tonne per hectare)	1.3 – 2.0	1.3 – 2.0
Discount rate for rubber trees in Cameroonian plantation (%)	13.0	11.0

An increase in average annual yield per hectare will result in an increase to the fair value of biological assets, while an increase in discount rate will result in a decrease of estimated fair value.

At the end of the reporting period, a 1.0% increase/decrease in average annual yield will increase/decrease the fair value of biological asset by US$7,474,000 (2023: US$7,876,000), and a 0.5% increase/decrease in discount rate will decrease/increase the fair value of biological asset by US$16,876,000 (2023: US$19,634,000) for Cameroonian plantations.

A 1.0% increase/decrease in average annual yield will increase/decrease the fair value of biological asset by US$223,000 (2023: US$412,000), and a 0.5% increase/decrease in discount rate will decrease/increase the fair value of biological asset by US$1,119,000 (2023: US$765,000) for Malaysian plantations.

Investment properties

The fair value of the Group's investment properties has been derived using the market comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property location, accessibility, topography, facilities and utilities, size and date of transaction.

If the market prices had been 5% higher or lower and all other variables were held constant, the Group's fair value of investment properties would increase or decrease by US$1,977,000 (2023: US$2,060,000).

(ii) *Movements in Level 3 assets measured at fair value*

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

		2024	
	Biological assets US$'000	**Investment properties US$'000**	**Total US$'000**
Group			
Opening balance	396,385	41,200	437,585
Fair value gain recognised in profit or loss	2,092	415	2,507
Additions	18,712	–	18,712
Depreciation for the year	(4,573)	–	(4,573)
Reclassification	(2,554)	(1,132)	(3,686)
Exchange differences	(19,893)	(947)	(20,840)
Closing balance	390,169	39,536	429,705

35. Fair value of assets and liabilities (cont'd)

(d) ***Level 3 fair value measurements (cont'd)***

(ii) *Movements in Level 3 assets measured at fair value (cont'd)*

		2023	
	Biological assets US$'000	**Investment properties US$'000**	**Total US$'000**
Group			
Opening balance	371,368	40,668	412,036
Fair value loss recognised in profit or loss	(1,596)	(1,458)	(3,054)
Additions	21,174	–	21,174
Depreciation for the year	(3,744)	–	(3,744)
Write off	(845)	–	(845)
Reclassification	(785)	1,396	611
Exchange differences	10,813	594	11,407
Closing balance	396,385	41,200	437,585

There has been no transfer from Level 1 and Level 2 to Level 3 for the financial years ended 31 December 2024 and 2023.

(iii) *Valuation policies and procedures*

It is the Group's policy to engage external valuation experts to perform the valuation of biological assets and investment properties. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 Fair Value Measurement guidance.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted, and the reliability of the inputs used in the valuations.

(e) ***Fair value of financial instruments not measured at fair value and whose carrying amounts are reasonable approximation of fair value***

The carrying amounts of cash and bank balances (Note 17), trade receivables (Note 18), loans and other receivables (Note 19), trade payables (Note 23), other payables (Note 24), and loan payables (Note 25) approximate their respective fair values due to the relatively short-term maturity of these financial instruments or that they are floating rate instruments that are re-priced to market interest rates on or near the statement of financial position date.

36. Dividends on ordinary shares

The Group has not paid dividend on ordinary shares during the financial years 2024 and 2023.

37. Capital management

The Group reviews its capital structure at least annually to ensure that the Group will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group is required to comply with loan covenants imposed by the lenders, unless it is specifically waived by the lenders. This externally imposed requirement has been complied with by the Group in financial years ended 31 December 2024 and 2023, except for loan of a subsidiary for financial year ended 31 December 2024.

As at 31 December 2024, the subsidiary has obtained waiver from the bank for bank loan with carrying amount of US$136,210,000 (2023: US$129,125,000) for the non-fulfilment of financial covenants.

The capital structure of the Group comprises only of issued capital and retained earnings. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2024 and 2023.

The Group is committed to a sustainable dividend policy that ensures its capital allocation is being decided in a way that delivers long-term, sustainable returns. In considering the level of dividend payments, the Board will consider all of the above factors and strive to ensure that its capital allocation is being decided in a way that delivers long-term, sustainable returns.

Notes To The Financial Statements

For the financial year ended 31 December 2024

37. Capital management (cont'd)

The Group monitors capital using a gearing ratio, which is net borrowing divided by total equity. The Group includes within net borrowing, loans and borrowings, lease liabilities, adjusted for working capital items.

	Group	
	2024	**2023**
	US$'000	**US$'000**
Loan payables (Note 25)	1,250,992	1,101,804
Lease liabilities (Note 30)	7,558	8,180
Total borrowing	1,258,550	1,109,984
Adjust for: Working capital items		
– Trade receivables (Note 18)	(195,683)	(141,273)
– Inventories (Note 21)	(506,143)	(456,921)
– Cash and bank balances (Note 17)	(83,654)	(48,286)
– Trade payables (Note 23)	98,200	67,495
Adjusted net borrowing	571,270	530,999
Total equity	510,141	565,691
Adjusted gearing ratio	1.12	0.94

38. Events occurring after the reporting period

Shareholders' loans

(i) In February 2025, HRG and SIC have restructured the current shareholders' loans amounting to US$372,690,000 and granted an extension for one year.

(ii) In February 2025, HSF extended a short-term loan (US$64,000,000) to a 2-years long term loan.

New loan facility

In January 2025, the Group has secured a short-term loan facility of US$277,000,000.

39. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 2 April 2025.

Supplemental Information On **Directors Seeking Re-Election**

The information required under Rule 720(6) and Appendix 7.4.1 of the SGX-ST Listing Manual in respect of Directors seeking re-election at the Annual General Meeting on 28 April 2025 is set out below.

Name of Director		HUANG XUHUA	LATHA EAPEN K. MATHEW	CHEN LEI	WANG HONGXIANG
1.	**Date of appointment**	18 June 2021	12 August 2022	5 September 2024	21 February 2025
2.	**Date of last re-appointment**	27 April 2022	26 April 2023	N/A	N/A
3.	**Age**	60	69	42	52
4.	**Country of principal residence**	Singapore	Singapore	China	China
5.	**The Board's comments on this re-election** (including rationale, selection criteria, and the search and nomination process)	The Board, after reviewed the recommendation from the Nominating Committee and Mr Huang Xuhua's professional expertise, work experience, attendance, participation and candour, is of the view that Mr Huang possesses the requisite experience, expertise, knowledge and skills to continue as an Independent Director of the Company.	The Board, after reviewed the recommendation from the Nominating Committee and Ms Latha Eapen K Mathew's professional expertise, work experience, attendance, participation and candour, is of the view that Ms Eapen possesses the requisite experience, expertise, knowledge and skills to continue an Independent Director of the Company.	The Board, after reviewed the recommendation from the Nominating Committee and Ms Chen Lei's professional expertise, work experience, attendance, participation and candour, is of the view that Ms Chen possesses the requisite experience, expertise, knowledge and skills to continue as a Non-Executive Director of the Company.	The Board, after reviewed the recommendation from the Nominating Committee and Mr Wang Hongxiang's professional expertise, work experience and candour, is of the view that Mr Wang possesses the requisite experience, expertise, knowledge and skills to continue as a Non-Executive Director of the Company.
6.	**Whether appointment is executive, and if so, the area of responsibility**	Independent Non-Executive	Independent Non-Executive	Non-Independent Non-Executive	Non-Independent Non-Executive
7.	**Job title (e.g. Lead ID, AC Chairman, AC Member etc.)**	Independent Director, the Chairman of Nominating Committee, a member of Audit and Remuneration Committees	Independent Director, a member of Audit Committee	Non-Executive Director, a member of Audit Committee	Non-Executive Director
8.	**Professional qualifications**	Master of Law Degree from Columbia University School of Law	Bachelor of Accountancy, University of Singapore	• Intermediate Accountant, Ministry of Finance, The People's Republic of China • Bachelor of Management, Shanghai Maritime University	Bachelor in Chinese language, Hainan Normal University, The People's Republic of China

Supplemental Information On Directors Seeking Re-Election

Name of Director		HUANG XUHUA	LATHA EAPEN K. MATHEW	CHEN LEI	WANG HONGXIANG
9.	**Working experience and occupation(s) during the past 10 years**	• 2018 to 2024: Head, China Practice of Allen & Gledhill • 2003 to 2017: Partner of King & Wood Mallesons	Ms Eapen was with Ernst & Young for about 37 years until her retirement in June 2017. Her last position was Partner and she specialising in Singapore and international corporate tax.	• April 2024 to present: General Manager, Finance Management Department of Sinochem International Corporation ("SIC") and General Manager of Sinochem Chemical Technology (Hainan) Co., Ltd. • February 2022 to April 2024: Vice General Manager cum Budget and Evaluation Director, Finance Management Department of SIC • January 2014 to February 2022: Finance Director of Sennics Co., Ltd • February 2013 to January 2014: Deputy Director of Finance, New Materials Division of SIC	• 2016 to 2021: CCP Party Secretary of Xinxing Township of Tunchang County • 2016 to 2021: CCP Party Committee member and Deputy County Mayor: Third-Level Researchers
10.	**Shareholding interest in the listed issuer and its subsidiaries**	Nil	Nil	Nil	Nil
11.	**Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries**	Nil	Nil	Ms Chen does not have any familial relationship with any director, executive officer and/or substantial shareholder of the Company. She was nominated by the Company's substantial shareholder, Sinochem International (Overseas) Pte. Ltd. to be a Non-Independent Non-Executive Director of the Company	Mr Wang does not have any familial relationship with any director, executive officer and/or substantial shareholder of the Company. He was nominated by the Company's controlling shareholder, China Hainan Rubber Industry Group Co., Ltd. ("HRG"), to be a Non-Independent Non-Executive Director of the Company
12.	**Conflict of interests (including any competing business)**	Nil	Nil	Nil	Nil
13.	**Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer**	Yes	Yes	Yes	Yes

Name of Director		HUANG XUHUA	LATHA EAPEN K. MATHEW	CHEN LEI	WANG HONGXIANG
14.	**Other Principal Commitments including Directorships**				
(a)	*Past (for the last 5 years)*	Nil	Nil	Nil	Nil
(b)	*Present*	Nil	Nil	• Supervisor of: – Bluestar (Beijing) Technology Center Co., Ltd. – Sinochem International Advanced Materials (Hebei) Co. Ltd • Director of Sinochem International (Hong Kong) Chemical Investment Co., Limited	• The Chairman of HRG
15.	**Other declarations**				
(a)	*Was there at any time during the last 10 years an application or a petition under any bankruptcy laws of any jurisdiction filed against you, or against a partnership of which you were a partner at the time when you were a partner or at any time within 2 years from the date you ceased to be a partner?*	No	No	No	No
(b)	*Was there at any time during the last 10 years, an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which you were a director or an equivalent person or a key executive, at the time when you were a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date you ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?*	No	No	No	No

Supplemental Information On Directors Seeking Re-Election

Name of Director		HUANG XUHUA	LATHA EAPEN K. MATHEW	CHEN LEI	WANG HONGXIANG
(c)	*Is there any unsatisfied judgment against you?*	No	No	No	No
(d)	*Have you been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or have been the subject of any criminal proceedings (including any pending criminal proceedings of which you are aware) for such purpose?*	No	No	No	No
(e)	*Have you been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere? Have you ever been the subject of any criminal proceedings (including any pending criminal proceedings of which you are aware) for such breach?*	No	No	No	No
(f)	*Have you, at any time in the last 10 years, had any judgment entered against you in any civil proceedings, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere or a finding of fraud, misrepresentation or dishonesty on your part? Have you been the subject of any civil proceedings (including any pending civil proceedings of which you are aware) involving an allegation of fraud, misrepresentation or dishonesty on your part?*	No	No	No	No
(g)	*Have you been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?*	No	No	No	No

Name of Director		HUANG XUHUA	LATHA EAPEN K. MATHEW	CHEN LEI	WANG HONGXIANG
(h)	*Have you ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?*	No	No	No	No
(i)	*Have you been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining you from engaging in any type of business practice or activity?*	No	No	No	No
(j)	*Have you ever, to your knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:*				
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;	No	No	No	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;	No	No	No	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No

Name of Director		HUANG XUHUA	LATHA EAPEN K. MATHEW	CHEN LEI	WANG HONGXIANG
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, *in connection with any matter occurring or arising during the period when you were so concerned with the entity or business trust?*	No	No	No	No
(k)	*Have you been the subject of any current or past investigation or disciplinary proceedings, or have been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, SGX-ST, professional body or government agency, whether in Singapore or elsewhere?*	No	No	No	No

Statistics of **Shareholdings**

As At 20 March 2025

Issued and paid-up share capital	:	S$952,655,008.46
Number of issued shares	:	1,595,011,941
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil
Voting rights on a poll	:	1 vote for each ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	1,292	24.22	72,768	0.00
100 – 1,000	1,955	36.64	793,784	0.05
1,001 – 10,000	1,515	28.40	6,367,694	0.40
10,001 – 1,000,000	566	10.61	23,442,029	1.47
1,000,001 AND ABOVE	7	0.13	1,564,335,666	98.08
TOTAL	5,335	100.00	1,595,011,941	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	RAFFLES NOMINEES(PTE) LIMITED	1,087,332,251	68.17
2	SINOCHEM INTERNATIONAL (OVERSEAS) PTE LTD	465,716,356	29.20
3	GE JIANMING	3,550,347	0.22
4	DBS NOMINEES PTE LTD	2,761,519	0.17
5	OCBC SECURITIES PRIVATE LTD	1,949,833	0.12
6	CITIBANK NOMS SPORE PTE LTD	1,517,583	0.10
7	PHILLIP SECURITIES PTE LTD	1,507,777	0.09
8	SOH KOK HANG	401,000	0.03
9	LIE A SUN	373,320	0.02
10	SHAW CHAI CHUNG MARKHAM	343,500	0.02
11	WEE JOO YEOW	330,000	0.02
12	TIO SENG SOON	321,030	0.02
13	UOB KAY HIAN PTE LTD	307,473	0.02
14	NG KWEE SIONG (HUANG GUIXIANG)	306,216	0.02
15	DBS VICKERS SECURITIES (S) PTE LTD	288,340	0.02
16	LAU KIN HONG	279,995	0.02
17	ABN AMRO CLEARING BANK N.V.	272,000	0.02
18	MERRILL LYNCH (SPORE) PTE LTD	269,714	0.02
19	TAY AH KIANG	221,285	0.01
20	ANG SWEE THYE	215,000	0.01
	TOTAL	**1,568,264,539**	**98.32**

SUBSTANTIAL SHAREHOLDERS

	Direct interest		Deemed interest	
Name of Substantial Shareholder	**Number of shares**	**%**	**Number of shares**	**%**
China Rubber Technology Group Company Limited ("CRTG")	1,086,256,025	68.10	–	–
China Hainan Rubber Industry Group Co., Ltd.[1] ("HRG")	–	–	1,086,256,025	68.10
Hainan Province Agribusiness Investment Holding Group Co., Ltd.[1]	–	–	1,086,256,025	68.10
Sinochem International (Overseas) Pte. Ltd. ("SIO")	465,716,356	29.20	–	–
Sinochem International Corporation Ltd.[2]	–	–	465,716,356	29.20
Sinochem Holdings Corporation Ltd.[2]	–	–	465,716,356	29.20

Notes:

(1) Each of HRG and Hainan Province Agribusiness Investment Holding Group Co., Ltd. is deemed interested in the shares held by CRTG, by virtue of its controlling interest in CRTG.

(2) Each of Sinochem International Corporation Ltd. and Sinochem Holdings Corporation Ltd. is deemed interested in the shares held by SIO, by virtue of its controlling interest in SIO.

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information available to the Company as at 20 March 2025, approximately 2.70% of the issued ordinary shares of the Company is held by the public.

Notice of **Annual General Meeting**

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Halcyon Agri Corporation Limited (the "**Company**") will be held at Hope & Faith meeting room, YWCA Fort Canning, 6 Fort Canning Road, Singapore 179494 on Monday, 28 April 2025 at 3.00 p.m. (Singapore time) for the purpose of transacting the following businesses:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2024, the Directors' Statement and the Independent Auditor's Report thereon. **(Resolution 1)**

2. To re-elect Mr Huang Xuhua, the Director who will retire pursuant to Regulation 91 of the Constitution of the Company and, being eligible, has offered himself for re-election. **(Resolution 2)**

3. To re-elect Ms Latha Eapen K. Mathew, the Director who will retire pursuant to Regulation 91 of the Constitution of the Company and, being eligible, has offered herself for re-election. **(Resolution 3)**

4. To re-elect Ms Chen Lei, the Director who will retire pursuant to Regulation 97 of the Constitution of the Company and, being eligible, has offered herself for re-election. **(Resolution 4)**

5. To re-elect Mr Wang Hongxiang, the Director who will retire pursuant to Regulation 97 of the Constitution of the Company and, being eligible, has offered himself for re-election. **(Resolution 5)**

6. To approve the sum of up to S$600,000 to be paid quarterly in arrears, to the non-executive Directors as Directors' fees for the financial year ending 31 December 2025. **(Resolution 6)**

7. To re-appoint Messrs Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix its remuneration. **(Resolution 7)**

8. To transact any other ordinary business which may be properly transacted at an AGM.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolution, with or without modification(s):

9. **Renewal of Interested Person Transaction(s) Mandate** **(Resolution 8)**

   THAT:

   (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Chapter 9**"), for the Company and its subsidiaries that are considered to be "**entities at risk**" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to Annual Report dated 11 April 2025 (the "**Appendix**") with the interested persons described in the Appendix, provided that such transactions are (i) made on normal commercial terms and will not be prejudicial to the interest of the Company or its minority shareholders and (ii) in accordance with the review procedures for such interested person transactions as set out in the Appendix (the "**Proposed IPT General Mandate**");

   (b) the Proposed IPT General Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier; and

   (c) the Directors of the Company and/or any one of them be and are hereby authorised to do all acts and things (including without limitation, execution of all such documents as may be required) as they or each of them may deem desirable, necessary or expedient in the interests of the Company to give effect to the Proposed IPT General Mandate.

By Order of the Board

Wong Teck Kow
Company Secretary
Singapore

11 April 2025

EXPLANATORY NOTES

(i) **Resolutions 2 and 3: Re-election of Directors who cease to hold office pursuant to Regulation 91 of the Constitution of the Company**

Mr Huang Xuhua will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Nominating Committee and members of the Audit and Remuneration Committees. He is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Ms Latha Eapen K. Mathew will, upon re-election as a Director of the Company, remain as an Independent Director and a member of the Audit Committee. She is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

(ii) **Resolutions 4 and 5: Re-election of Directors who cease to hold office pursuant to Regulation 97 of the Constitution of the Company**

Ms Chen Lei will, upon re-election as a Director of the Company, remain as a Non-Independent Non-Executive Director and a member of the Audit Committee. Ms Chen is a nominee director of Sinochem International (Oversea) Pte. Ltd. She is considered non-independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Mr Wang Hongxiang will, upon re-election as a Director of the Company, remain as a Non-Independent Non-Executive Director. Mr Wang is a nominee director of China Hainan Rubber Industry Group Co., Ltd.. He is considered non-independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

(iii) **Information of Directors seeking re-election under Resolutions 2 to 5**

Please refer to the sections on 'Board of Directors', 'Corporate Governance Report' and 'Supplemental Information on Directors Seeking Re-election' in the Company's Annual Report in respect of the financial year ended 31 December 2024 (the "**Annual Report**"), for detailed information (including information as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST) of the Directors seeking re-election under Resolutions 2 to 5.

(iv) **Resolution 6: Approval of Directors' fees of up to S$600,000**

Resolution 6, if passed, will facilitate the payment of Directors' fees during the financial year ending 31 December 2025 in which the fees are incurred. Directors' fees of up to S$600,000 are computed based on the anticipated number of Board and Board Committee meetings, assuming full attendance by all of the Non-Executive Directors. The amount also caters for any potential appointment of additional Directors, additional unscheduled Board meetings and/or the formation of additional Board Committee(s). Please refer to the section on 'Corporate Governance Report' in the Annual Report for further information on the Directors' fees.

(v) **Resolution 8: Renewal of Interest Person Transaction(s) Mandate**

Resolution 8, if passed, will empower the Directors of the Company to do all acts necessary to give effect to the Proposed IPT General Mandate as described in the Appendix. The authority shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the date that the next AGM of the Company is held or required by law to be held.

IMPORTANT NOTES RELATING TO THE AGM

(1) **AGM, Annual Report and documents related to the AGM**

Shareholders of the Company are invited to attend physically at the AGM. There will be no option for shareholders to participate in the Meeting virtually.

The Company's Annual Report and the documents which are relevant to the AGM, including the Appendix to Annual Report dated 11 April 2025 relating to the Renewal of IPT General Mandate (the "**Appendix**"), this Notice of AGM and the proxy form (the "**Proxy Form**") can be accessed at:

(a) the Company's website at https://www.halcyonagri.com/investors-media/agm-egm-announcements; or

(b) the SGX website at https://www.sgx.com/securities/company-announcements.

For your convenience, printed copies of this Notice of AGM and Proxy Form will be sent to shareholders by post. However, please note that no printed copies of the Annual Report including the Appendix will be despatched to the shareholders.

(2) **Arrangement for participation in the AGM physically**

Shareholders (including CPF and SRS Investors (as defined below)) may participate in the AGM by:

(a) attending the AGM in person;

(b) submitting questions to the Chairman of the Meeting in advance of, or at, the AGM; and/or

(c) voting at the AGM:

  (i) themselves personally; or

  (ii) through their duly appointed proxy/ies.

CPF and SRS Investors who wish to appoint the Chairman of the Meeting (and not third party proxy/ies) as proxy are to approach their respective CPF Agent Banks or SRS Operators to submit their votes. Please see item 5 below for details.

(3) A shareholder of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM in his stead.

(4) Pursuant to Section 181 of the Companies Act 1967, any shareholder who is a relevant intermediary is entitled to appoint one or more proxies to attend, speak and vote at the AGM. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

(5) An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF Investors and SRS Investors (collectively "**CPF and SRS Investors**") who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees (as may be applicable) to appoint the Chairman of the Meeting to act as their proxy, in which case, the relevant CPF and SRS Investors shall be precluded from attending the AGM.

(6) The completed and signed Proxy Form must be submitted to the Company in the following manner:

(a) **by post** and be lodged with the registered office of the Company at 180 Clemenceau Avenue #05-02, Haw Par Centre, Singapore 239922; or

(b) **by email** to AGM@halcyonagri.com enclosing a clear scanned copy of the Proxy Form,

and must be received by the Company by 25 April 2025 at 3.00 p.m. (being 72 hours before the time appointed for the holding of the AGM). CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 16 April 2025 at 3.00 p.m. (Singapore time) (being seven (7) working days before the time appointed for the holding of the AGM).

Shareholders are strongly encouraged to submit completed Proxy Forms electronically.

Submission of Questions in Advance

(1) Shareholders (including CPF or SRS investors) may submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted and received by the Company by 3.00 p.m. on 17 April 2025 in the following manner:

(a) **by post** to the registered office of the Company at 180 Clemenceau Avenue #05-02, Haw Par Centre, Singapore 239922; or

(b) **by email** to AGM@halcyonagri.com.

Shareholders are strongly encouraged to submit completed questions electronically.

(2) Shareholders (including CPF or SRS investors) will need to identify themselves when posing questions by email or by mail by providing the following details:

(a) the shareholder's full name as it appears on his/her/its CDP/CPF/SRS/Scrip-based share records;

(b) the shareholder's NRIC/Passport/UEN number;

(c) the shareholder's contact number and email address; and

(d) the manner in which the shareholder holds his/her/its Shares in the Company (e.g. via CDP, Scrip-based, CPF or SRS).

The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

(3) The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from shareholders either before or during the AGM. The responses to questions from shareholders will be posted on the SGXNET and the Company's website at least forty-eight (48) hours prior to the closing date and time for the lodgement of the Proxy Forms, or if answered during the AGM, to be included in the minutes of the AGM which will be published on the SGXNET and the Company's website within one (1) month after the date of the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

A "**Relevant Intermediary**" means:

(a) a banking corporation licensed under the Banking Act 1970 or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Board, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

GENERAL

The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form. In addition, in the case of a shareholder whose shares are entered in the Depository Register, the Company may reject a Proxy Form if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or by attending the AGM, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty. In addition, by attending the AGM and/or any adjournment thereof, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for any of the Purposes.

PROXY FORM

ANNUAL GENERAL MEETING

HALCYON AGRI CORPORATION LIMITED
(Incorporated In the Republic of Singapore)
(Registration No. 200504595D)

IMPORTANT:
1. Relevant intermediaries as defined in Section 181 of the Companies Act 1967 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting ("**AGM**").
2. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors, who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We, ____________________(Name) *NRIC/Passport/Co. Reg. No. ____________________

of ____ (address)
being a *shareholder(s) of the abovenamed company, hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	(%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	(%)

or failing *him/her, the Chairman of the Meeting, as *my/our *proxy/proxies, to attend and vote for *me/us on *my/our behalf at the AGM to be held at Hope & Faith meeting room, YWCA Fort Canning, 6 Fort Canning Road, Singapore 179494 on Monday, 28 April 2025 at 3.00 p.m.

*I/We direct *my/our *proxy/proxies to vote in the manner indicated below. **If no specific direction as to the manner of voting is given, *my/our *proxy/proxies may vote or abstain at his discretion.**

ORDINARY RESOLUTIONS		Number of Votes		
		For**	Against**	Abstain**
Ordinary Business				
Resolution 1	Adoption of Directors' Statement, Audited Financial Statements and Independent Auditor's Report			
Resolution 2	Re-election of Mr Huang Xuhua as Director			
Resolution 3	Re-election of Ms Latha Eapen K. Mathew as Director			
Resolution 4	Re-election of Ms Chen Lei as Director			
Resolution 5	Re-election of Mr Wang Hongxiang as Director			
Resolution 6	Approval of Directors' fees of up to S$600,000 for the financial year ending 31 December 2025			
Resolution 7	Re-appointment of Messrs Ernst & Young LLP as Auditor			
Special Business				
Resolution 8	Renewal of IPT General Mandate			

All resolutions put to vote at the AGM shall be decided by way of poll.

* *Delete accordingly*
** *Please tick √ or cross X or indicate the number of votes within the box set against each resolution to cast your votes "**For**" or "**Against**" in respect of that resolution. If you wish your proxy to Abstain from voting on a resolution, please tick √ or cross X or indicate the number of votes in the "**Abstain**" box in respect of that resolution.*

Dated this ____________ day of April 2025

Shares in:	Total No. of Shares Held
(a) CDP Register	
(b) Register of Members	
Total	

____
Signature(s) or Common Seal of shareholder(s)

IMPORTANT: PLEASE READ THE NOTES OVERLEAF which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a shareholder's proxy to attend, speak and vote on his/her/its behalf at the AGM.

Notes:

1. Please insert the total number of shares in the share capital of the Company held by the shareholder. If the shareholder has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), he should insert that number of shares. If the shareholder has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the shareholder has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the number of shares entered against his name in the Depository Register and registered in his name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the shareholder.

2. A shareholder of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM in his stead.

3. Where a shareholder appoints more than one proxy, the shareholder must specify the proportion of shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry one hundred per cent (100%) of the shareholdings of his/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

4. In relation to a relevant intermediary who wishes to appoint more than two proxies, it should annex to the instrument appointing a proxy or proxies the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of shares and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank who intends to appoint CPF investors as its proxies shall comply with this Note.

5. A proxy need not be a shareholder of the Company.

6. The instrument appointing the proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer(s).

7. Where an instrument appointing the proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof (failing previous registration with the Company) must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. The completed and signed proxy form must be submitted to the Company in the following manner:

   (a) by post and be lodged with the registered office of the Company at 180 Clemenceau Avenue #05-02, Haw Par Centre, Singapore 239922; or

   (b) by email to AGM@halcyonagri.com enclosing a clear scanned copy of the proxy form,

   and must be received by the Company by 25 April 2025 at 3.00 p.m. (Singapore time) (being 72 hours before the time appointed for the holding of the AGM).

   Shareholders are strongly encouraged to submit completed proxy forms electronically.

9. Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), including CPF and SRS investors, and who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 16 April 2025 at 3.00 p.m. (Singapore time).

A "**Relevant Intermediary**" means:

(a) a banking corporation licensed under the Banking Act 1970 or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Board, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the proxy form. In addition, in the case of a shareholder whose shares are entered in the Depository Register, the Company may reject a proxy form if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or by attending the AGM, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty. In addition, by attending the AGM and/or any adjournment thereof, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for any of the Purposes.

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