

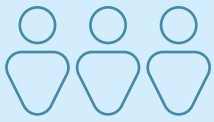
EXECUTIVE SUMMARY

Corporate Report 2018

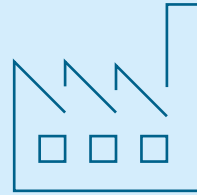
The executive summary contains financial highlights and milestones of our businesses. For the full report, please visit <https://corporatereport.halcyonagri.com>



OUR BUSINESS AT A GLANCE



17,000⁺
Dedicated Employees



38
Production Facilities



100⁺ Locations
Headquartered in Singapore, we have sales offices, warehouses, terminals, laboratories, factories, plantations and a wide distribution network across the world



1.6 Million mT
Production Capacity

GLOBAL FRANCHISE

OUR MERCHANDISING CAPABILITIES ACROSS THE VALUE CHAIN

CORRIE MACCOLL

Alan L Grant/Centrotrade/Wurfbain/ Momentum Technologies International

- Dedicated global team servicing non-tyre & specialty tyre markets
- Supplies natural & synthetic rubber, selected rubber chemicals and ancillary products
- Distribution of 400,000 mT across 60 countries
- Regional champions for Europe and North America
- Global 3rd-party procurement capability
- Among the world's oldest and most reputable rubber trading names

Kelvin Terminals/ Momentum Technologies Laboratories

- Full-suite distributor and provider of logistics solutions
- Warehouses & tank storage in key ports, hot rooms & centralised logistics management
- Independent accredited testing laboratories

HALCYON RUBBER COMPANY

Hevea Global

- Exclusive merchandising arm for the Group, servicing most of the tyre majors
- Exclusive marketing responsibility for 19 Indonesian factories
- Leading producer of Standard Indonesian Rubber at 826,000 mT
- Setting the industry standard with HEVEA*PRO*, our commitment to uphold the highest standard in global rubber production
- Factories are HEVEA*PRO* audited with TÜV SÜD and ISO 9001 certifications

SINRIO

New Continent Enterprises

- Spearheads Halcyon Agri's China-focused business
- Distributes Technically Specified Rubber from China, Ivory Coast*, Malaysia and Thailand
- 'Point-to-point' model eliminates intermediary, connecting customers directly to producers
- Factory processing capability of 711,000 mT from 18 factories

Halcyon Agri Shanghai

- Distribution of locally sourced Standard Chinese Rubber from SINRIO's factories in China

*Ivory Coast was listed under HRC in 2017

SIGNIFICANT EVENTS

January 2018

8 Jan

Completed purchase of RCMA's Polymer business at US\$31.8 million

April 2018

23 Apr

Became leading exporter and producer of Standard Indonesian Rubber with 19 factories in Indonesia

September 2018

25 Sep

Awarded 'Most Transparent Company in Manufacturing' by SIAS Investors' Choice Awards

27 Sep

Partnered with BSF Asia in Sports for the Disabled and main sponsor of the International Wheelchair Rugby Tournament 2018/2019

December 2018

6 Dec

Announced cessation to all land clearing and felling operations in SudCam and HeveCam

17 Dec

Halcyon and DBS Bank announced HeveaConnect partnership

March 2019

7 Mar

ITOCHU Corporation completed investment into HeveaConnect

11 Mar

Announced redemption of US\$150 million 4.5% Senior Perpetual Securities on 26 April 2019

February 2018

26 Feb

Acquisition of Corrie MacColl Trading Limited subsequently renamed as Corrie MacColl Limited

26 Feb

Announced cash dividend of 2 SG cents

August 2018

29 Aug

Incorporation of HeveaConnect, a digital marketplace for sustainably processed natural rubber

November 2018

19 Nov

Sustainable Natural Rubber Supply Chain Policy launched

19 Nov

Sustainability Council for Cameroonian operations announced

February 2019

10 Feb

Launch of Open Day for Sports for the Disabled in Ipoh

22 Feb

PT. Aneka Bumi Pratama of Indonesia and Von Bundit Co., Ltd of Thailand announced adoption of HEVEAPRO adding potential volume of 1 million mT to HeveaConnect

MILESTONES – GROUP

AWARDED

Most Transparent Company
in Manufacturing by
SIAS Investor's Choice Awards

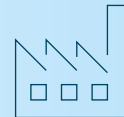


Issued Sustainable Natural
Rubber Supply Chain Policy



15%

SIR Market Share,
Leading Exporter and Producer with
19 Indonesian Factories



Set up **Sustainability Council**
for Cameroonian Operations



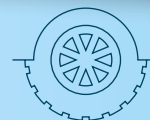
1.4 Million mT

World's Leading Supplier of
Natural Rubber and Latex



11%

Market Share of NR supplied
to Worldwide Tyre Production



Launched **HeveaConnect** for
Sustainably Processed Natural Rubber



10%

Global Market Share
Natural Rubber & Latex



CSR Partnership with BSF Asia on
Sports for the Disabled

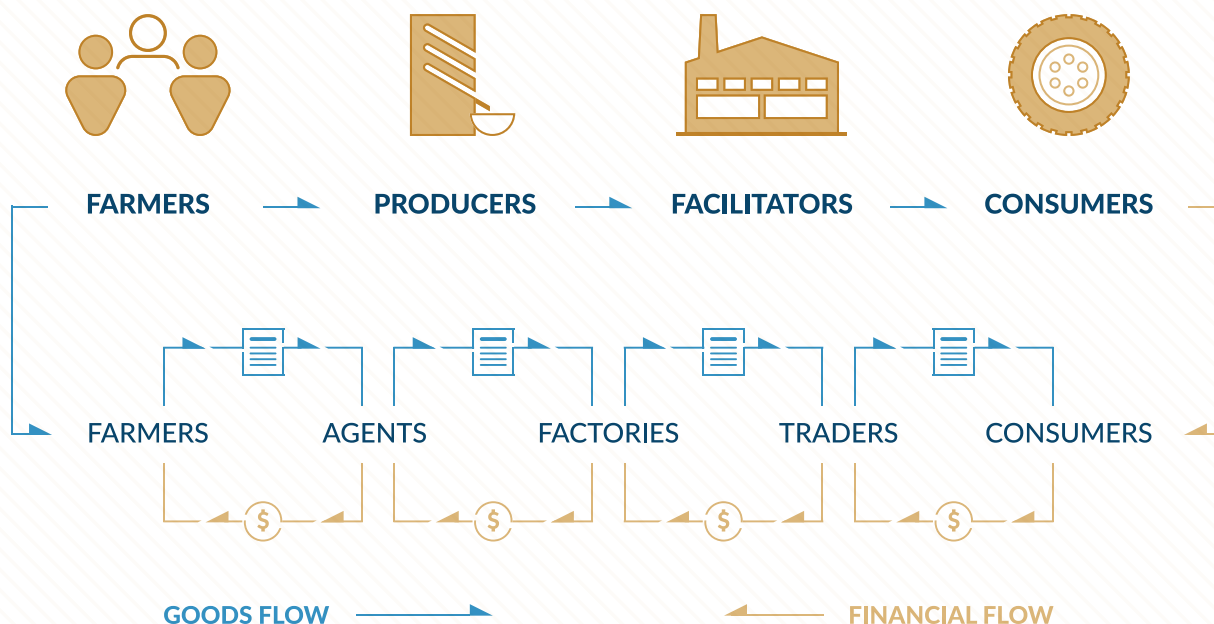


All figures above are based on Halcyon's analysis of sales and customer information and IRSG data.

MILESTONES – HEVEACONNECT



We launched HeveaConnect, a digital marketplace for sustainably-processed natural rubber with backing from DBS Bank Ltd and ITOCHU Corporation. HeveaConnect intends to set the industry standard in natural rubber supply chain from tree to customer – HEVEAPRO at the factory level, HEVEAGROW at the farmer level and HEVEATRACE which will map the source of the raw material used in the production of HEVEAPRO. HeveaConnect is a platform where all natural rubber stakeholders, be it farmers, producers or consumers, can benefit.



MILESTONES – CORRIE MACCOLL

At Corrie MacColl, we take a modern approach to fair and sustainable value creation in the origination and distribution of the vital material that is natural rubber. As a sustainable model corporate citizen, we are extensively invested in ecological conservation, economic growth and social development. Our rubber is grown, sourced and produced to the highest quality, matching supply and demand and delivered to over 1,000 customers in 350 cities through our logistical assets, flanked by our dedicated technical advisory and support unit.

1

Our plantations drive positive change through third-party certified, all-encompassing social and environmental standards, securing rural development and ecological conservation

2

Outgrower programme targeting in excess of 10,000 smallholders, preserving and improving quality of human life through secured income and food security

3

25,000-hectare biodiversity reserve for ecological conservation

4

Trusted partners in rubber with globally diversified, deep-seated relationships with premium suppliers, fulfilling all footprints of customer requirements

5

Value commitment through extensive midstream investment in technical infrastructure and logistical assets second-to-none in the industry

6

Entrenched position in key distribution markets serving a diversified range of customers with demand for made-to-measure rubber

Company Data



8,000

Dedicated Employees in 19 Cities



1,000

Customers in 350 Cities

Sales And Volume Data



20,000mT

Factory Production



400,000mT

Distribution Volume



9%

Global Latex Market Share



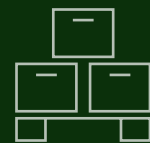
11%

Global Latex Market Share ex China



24%

USA Non-Tyre Market Share



196,000

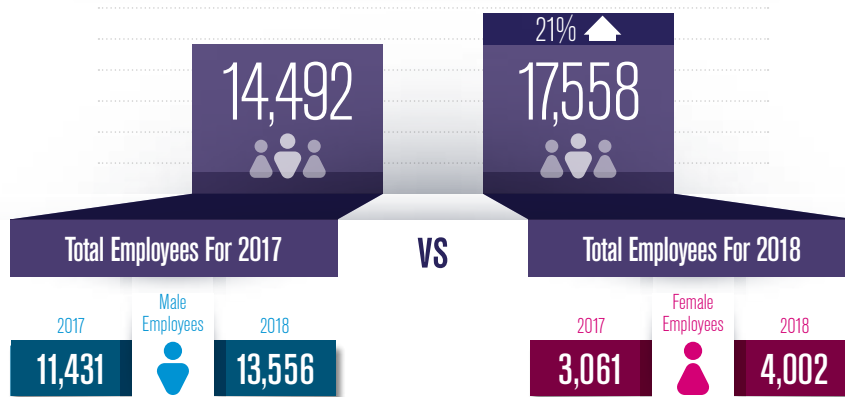
Pallets Shipped

All figures above are based on Corrie MacColl's analysis of sales and customer information and IRSG data.

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MILESTONES – SUSTAINABILITY

Sustainability for us means ensuring our approach to human capital, the environment and our communities meets the material ESG factors. The launch of HeveaConnect, our traceability projects, our sustainable products (HEVEAPRO, HEVEAGROW and HEVEATRACE), our policies, business principles and our conservation efforts underpin our approach for sustainability.



0

Zero cases of

- Grievances
- Whistleblowing
- Corruption
- Non-Compliance
- Workplace Fatalities



Non-Hazardous Waste Recycling Rate



Rubber Processing Sludge Reused



Water Recycling Rate

Material ESG Factors

- 01 Price Visibility & Fair Pricing in Supply Chain
- 02 Responsible & Traceable Supply Chain
- 03 Occupational Health & Safety
- 04 Waste & Effluent Management
- 05 Community Investment & Empowerment
- 06 Biodiversity Protection & Conservation
- 07 Industry Standards for Sustainable Product Offering
- 08 Energy Consumption & Management
- 09 Ethics & Compliance
- 10 Fair, Responsible & Inclusive Employment

FINANCIAL SUMMARY

The Group recorded high sales volume of 1.4 million mT, 16.7% higher than in 2017. Revenue is at US\$2,141.0 million, a drop of 0.8% from US\$2,158.4 million in FY2017. Gross profit is 21.3% lower at US\$118.4 million from US\$150.6 million in FY2017. EBITDA dropped to US\$36.2 million from US\$64.9 million in FY2017.

CHART 1
REVENUE

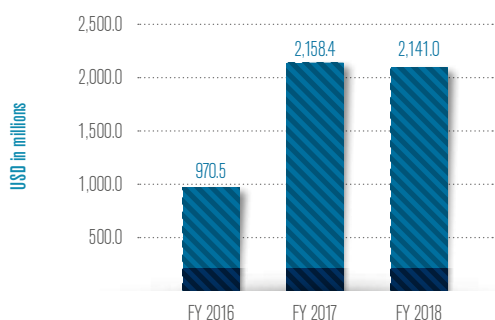


CHART 2
SALES VOLUME

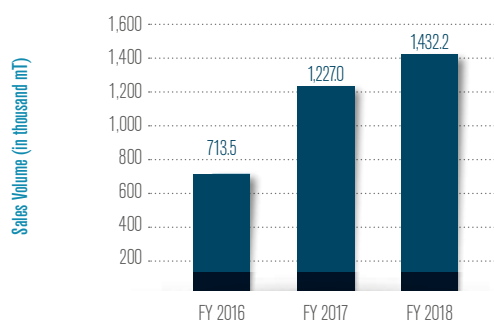


CHART 3
PROFITABILITY

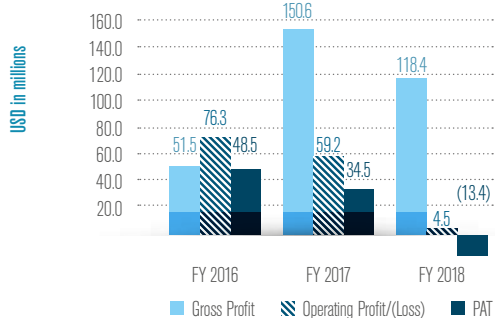
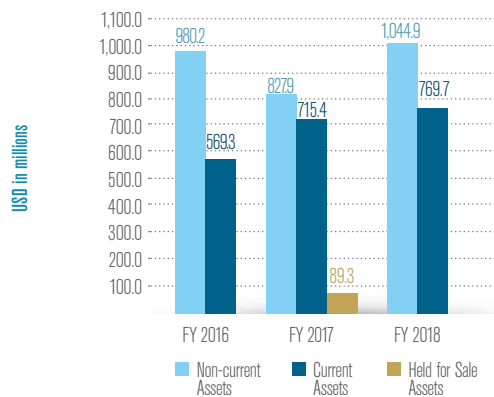


CHART 4
ASSET BASE



	Corrie MacColl		HRC		SINRIO		Total	
USD in Million	2018	2017	2018	2017	2018	2017	2018	2017
Sales Volume (kmT)	388.9	247.7	523.8	626.0	570.7	626.3	1,432.3	1,227.0
Revenue	631.5	421.3	742.9	1,061.0	837.4	1,126.9	2,141.0	2,158.4
Gross Profit	46.3	25.9	18.9	88.7	53.3	36.0	118.4	150.6
Operating Profit/(Loss)	14.2	9.2	(24.6)	45.4	6.9	(10.2)	4.5	59.2
EBITDA	21.1	15.0	(11.4)	57.9	15.2	(1.8)	36.2	64.9

Note: Intragroup elimination column and corporate segment not displayed separately.