

FOR IMMEDIATE RELEASE

Halcyon Agri reports full-year financial results

SINGAPORE, 29 February 2024 – Halcyon Agri Corporation Limited (“**Halcyon Agri**”, the “**Company**” and together with its subsidiaries, the “**Group**”) today announced its full-year financial results for the financial year 2023 (“**FY2023**”).

Throughout FY2023, the global macroeconomic conditions continued to be mired by uncertainties – Persistent geopolitical tensions in Eastern Europe and the Middle East, coupled with additional interest rate hikes by the Federal Reserve and overarching inflationary pressures, have led certain economies into recession. Despite the challenging circumstances, the Group continues to realise the synergies from being part of Hainan Rubber Group, with an enlarged domestic presence within onshore China.

As a result, the Group’s total sales volume in FY2023 has increased 33.7% from FY2022, to achieve 1,920,064 metric tonnes, while the Group’s revenue has increased in tandem by 7.7% from US\$2.7 billion in FY2022 to US\$2.9 billion in FY2023. Despite the increase in revenue, the gross profit was reduced by 14.4% to US\$146.2 million in FY2023 due to the margin compressions within the plantations segment, driven by declining selling prices that have moved further away from unit break-even costs.

FY2023 EBITDA for the Group is US\$29.7 million, which decreased in tandem with the gross profits. Taking into account the effects of one-off costs due to challenging macroeconomic conditions, as well as the increase in net financing costs, the Group reported a full-year loss after tax position.

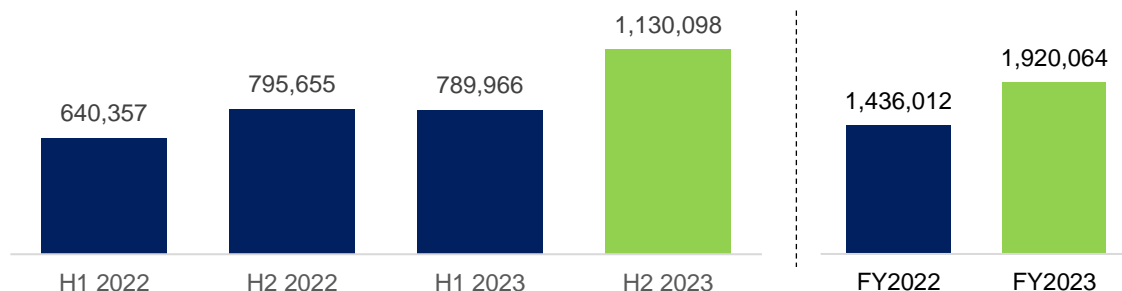
CEO’s Remarks

Commenting on the Group’s FY2023 results, **Mr Li Xuetao (李雪涛), Chief Executive Officer** said, *“We’ve made good progress on our integration with Hainan Rubber Group during the inaugural year of our merger. As we move into 2024, our focus will shift towards deepening our mutual understanding and unlocking additional synergies to enhance value for all stakeholders.”*

Mr Li added, *“Despite the overall macroeconomic headwinds in recent months, the rubber prices have remained sturdy, which reflects the strong underlying demand support. We believe that in 2024, the overall operating conditions will remain challenging, and we will need to continue focusing on enhancing our market and cost competitiveness. This is especially important with the new EU Deforestation Regulation (EUDR) and Forest Stewardship Council (FSC) raising the bar for sustainability standards, an area in which the Group has invested in the past, and is now ready to capitalise on such opportunities. In closing, notwithstanding the external challenges, we remain cautiously optimistic about Halcyon Agri’s future prospects. With the collective strength of our team and our major shareholders, we are confident in our ability to overcome these challenges.”*

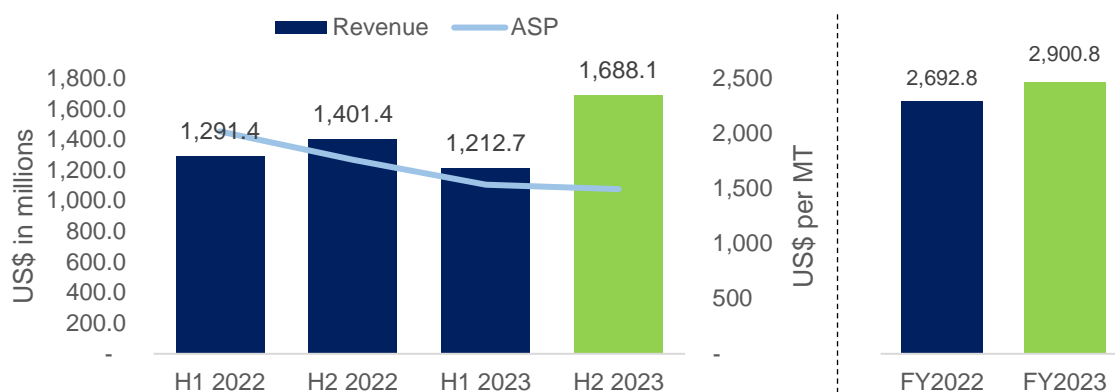
Financial Performance Summary

Sales volume (metric tonnes)



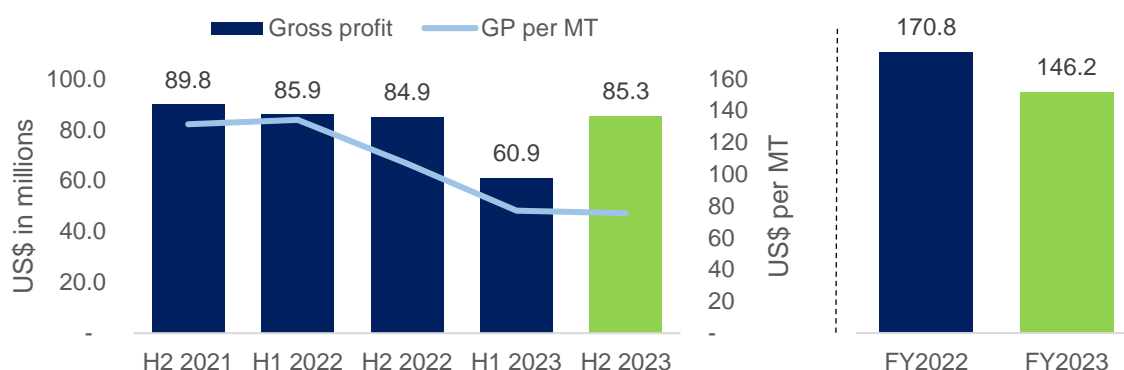
The Group continues to capture the positive effect of its initial integration with Hainan Rubber Group, particularly in China's domestic market, evidenced by a record-high sales volume in H2 2023 and FY2023.

Revenue and average selling prices



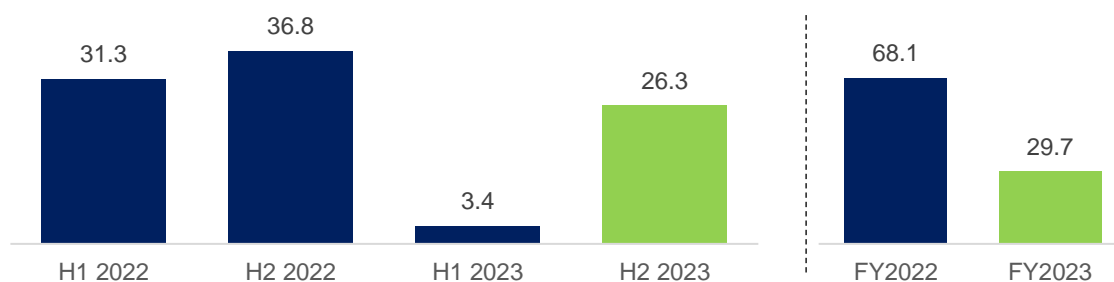
The Group registered an increase in revenue in FY2023, driven by the higher sales volume. This was, however, set off by lower average selling prices, in tandem with the market prices movement (Average SICOM TSR20 in 2023: US\$1,391 per MT; 2022: US\$1,525 per MT).

Gross profit



The Group's overall gross profit has declined in FY2023. However, there was improvement in H2 2023 which is driven by higher sales volume, it is insufficient to make up for the shortfall in H1 2023. Unit margins remained compressed in line with the prevailing market price trend.

EBITDA (US\$ in millions)



Despite having recorded an improvement in H2 2023, the full year EBITDA remains behind FY2022.

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About Halcyon Agri

Halcyon Agri is a leading supply chain franchise of natural rubber with global presence. Headquartered in Singapore and listed on the Mainboard of Singapore Exchange (SGX: 5VJ), the Group owns and operates significant assets along the natural rubber value chain, and distributes a range of natural rubber grades, latex and specialised rubber for the tyre and non-tyre industries. It has 37 processing factories in most major rubber producing origins with production capacity of 1.4 million mT per annum, and is one of the largest owners of commercially operated rubber plantation globally.

Halcyon Agri comprises two major business units:

- **Halcyon Rubber Company (HRC)** is the pre-eminent supplier of natural rubber to the global tyre fraternity. HRC Group owns and operates 35 factories with wide-ranging approvals from the tyre majors. The factories, compliant to stringent manufacturing standards, are located across the key rubber origins, including Indonesia, Malaysia, China, Thailand and Ivory Coast.
- **Corrie MacColl (CMC)** is a leading provider of specialist polymers for industrial and non-tyre applications. It comprises of two units: **CMC Plantations (CMCP)**, which owns one of the largest commercially owned and operated plantations globally and **CMC International (CMCI)**, a commercial and distribution platform with global third-party procurement capability, which supports the customers' requirements by providing full suite of logistic and technical services.

With a multinational workforce of more than 15,000 employees in over 100 locations globally, Halcyon Agri embraces sustainability as its core business tenet, and has stringent standards in place to ensure its products are sustainably sourced and responsibly produced.

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