H2 and FY 2022 Results Presentation

28 February 2023

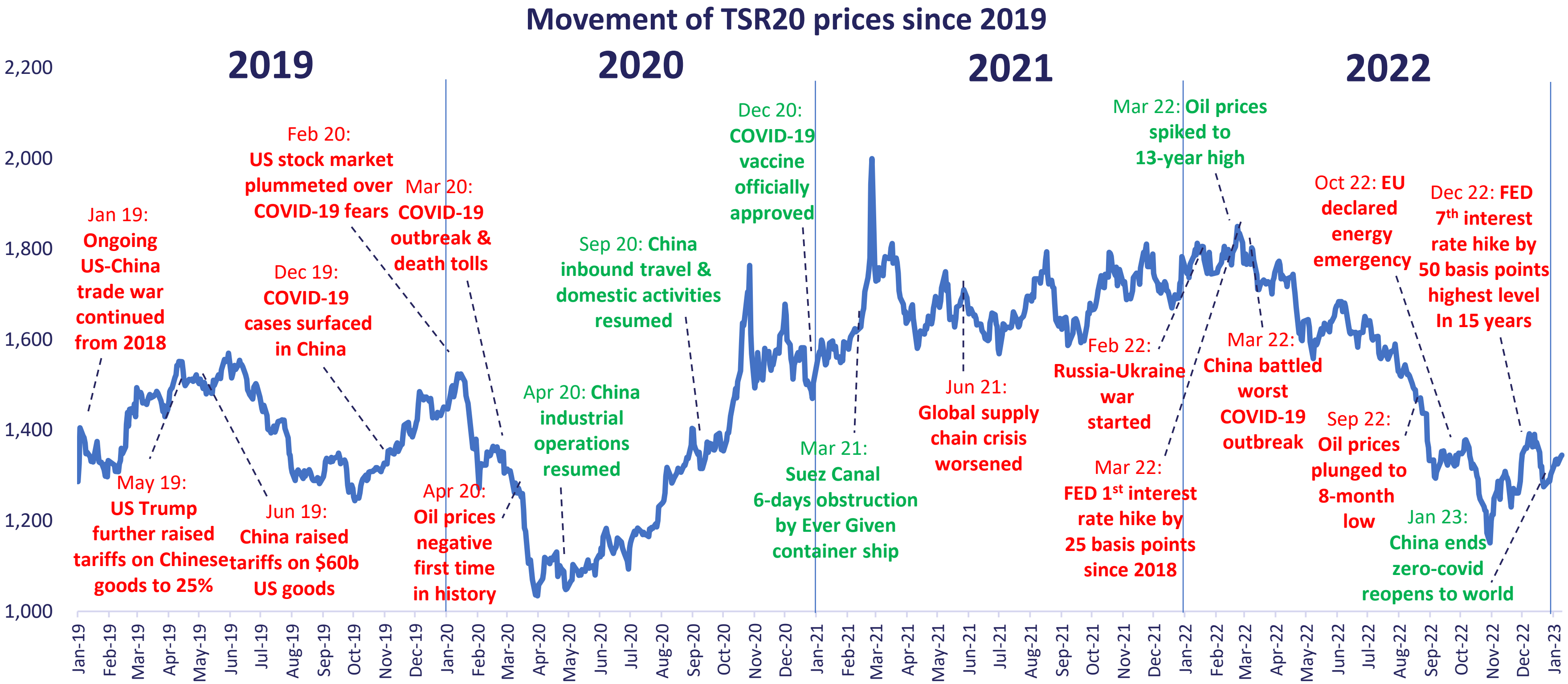
Important Notice

This presentation has been prepared by Halcyon Agri Corporation Limited ("Company") for informational purposes, and may contain projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the Company's assumptions are correct.

The information is current only as of the date of this presentation and shall not, under any circumstances, create any implication that the information is correct as of any time subsequent to the date of this presentation or that there has been no change in the financial condition or affairs of the Company since such date. Opinions expressed in this presentation reflect the judgement of the Company as of the date of this presentation and may be subject to change. This presentation may be updated from time to time and there is no undertaking by the Company to post any such amendments or supplements on this presentation.

The Company will not be responsible for any consequences resulting from the use of this presentation as well as the reliance upon any opinion or statement contained within this presentation or for any omission.

Natural rubber market situation since 2019



Tug-of-war between superpowers
- Spillover effects of US-China Trade War started in 2018.
- Tyremakers destocking, demand plunged. The Group rightsized its stockholding.

COVID-19 outbreak
- The market recovery since Q4 2019 was nullified by the outbreak of COVID-19. China reopening drove the H2 2020 price rally.
- H1 loss; H2 profit.

Supply chain crisis
- Strong demand caused container shortage. Freight rates skyrocket.
- Scale and service quality facilitates capturing of margins, best FY since 2017.

Warfare and rates hike
- The escalation of Russia-Ukraine conflict and Fed rates hike affected macro sentiment. Rubber px ↓.
- Profitable despite negative sentiments.

Financial Highlights

FY2022 key financial highlights

(Year-on-year comparison against FY2021)

Volume	Average selling price	Gross profit
1,436,012 mT +9.4%	**US$1,875** Maintained ASP uptrend	**US$170.8m** +4.8%
	Pre-tax profit **US$7.1m** Maintained profitability amid challenging macroeconomic environment	
Term debt to equity[2] **0.69x** As at 31 December 2022	**EBITDA** **US$67.4m** +5.0%	**Operating profit** **US$41.1m** +13.8%

[1] *Term debt to equity = Term debts divided by total equity*

FY2022 results review – maintained profitability

	For the full year ended 31 December			
	FY2022	FY2021	▲%	Factors
Sales volume (mT)	1,436,012	1,313,193	▲ 9.4%	• Volumes continued its steady momentum, on the back of increasing downstream demand
Average selling price (US$/mT)	1,875	1,873	▲ 0.1%	• In line with the uptrend in its ASP over past periods
Gross profit (GP)	170.8	162.9	▲ 4.8%	• Increase driven by higher volumes, and the Group's effective supply chain strategy maintains amidst the effect of volatile market prices under the challenging macro environment
- GP per mT (US$/mT)	*119*	*124*	▼ *-4.1%*	
Operating profit	41.1	36.1	▲ 13.9%	• In line with gross profit expansion • Continued realisation of non-core assets at a gain to deleverage
EBITDA	67.4	64.2	▲ 5.0%	• In line with gross profit expansion
Profit before taxation	7.1	16.3	▼ n.m	• Maintained profitability despite the effect of higher interest costs
Term debt to equity	0.69x	0.67x	n.m	• Maintained its level

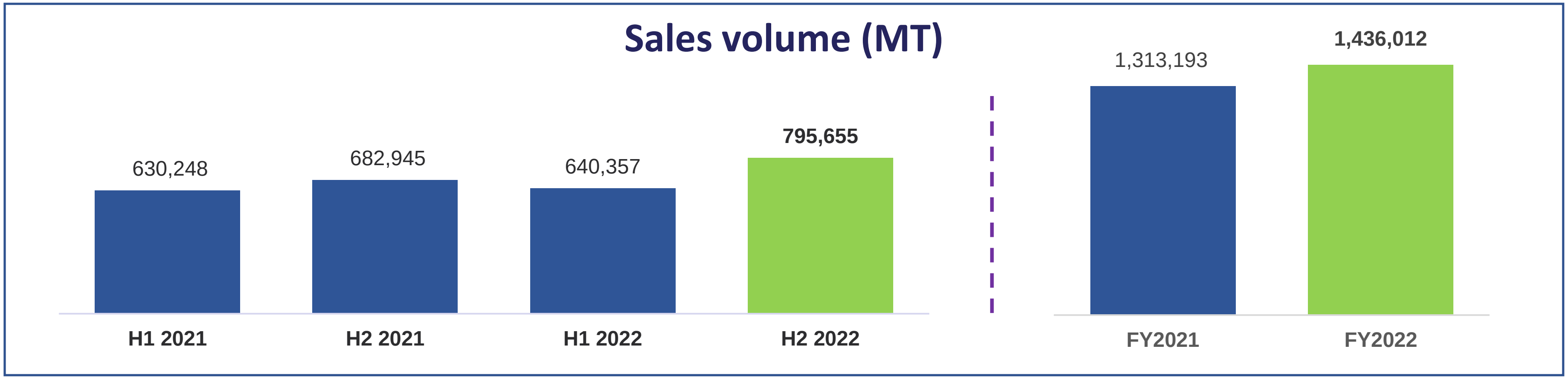
Note: In US$ million unless otherwise stated

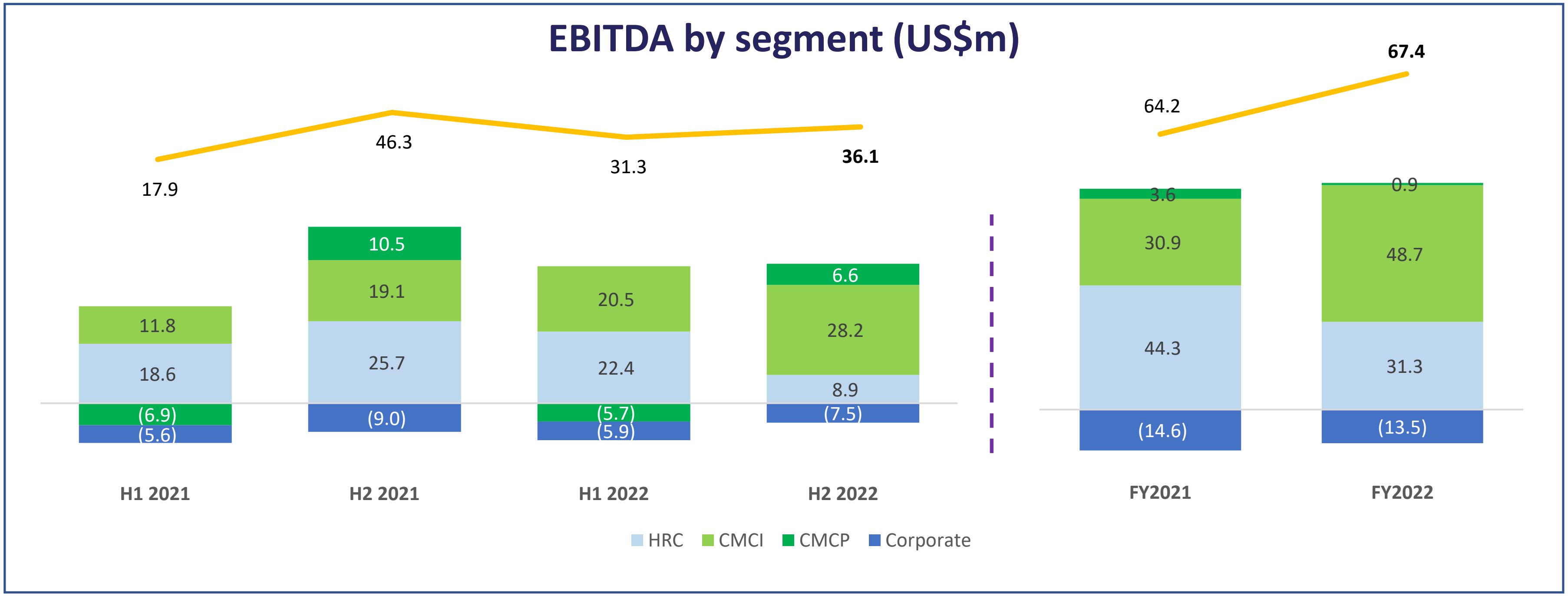
H2 2022 results review – continued momentum

	For the half year ended 30 June			
	H2 2022	H2 2021	▲%	Factors
Sales volume (mT)	795,655	682,945	▲ 16.5%	• The Group's sales volume improved due to quicker realisation of contractual volumes, as part of our working capital management strategy
Average selling price (US$/mT)	1,761	1,915	▼ n.m	• In line with trajectory of natural rubber price
Gross profit (GP)	84.9	89.8	▼ -5.5%	• The Group has utilised our scale advantage to reduce the impact of market price volatility in H2 2022
- GP per mT (US$/mT)	*107*	*131*	▼ *n.m*	
Operating profit	14.4	27.3	▼ -47.3%	• In line with gross profit movements and incurrence of one-off costs set off by the effects of deleverage
EBITDA	36.1	46.3	▼ -22.0%	• In line with gross profit movements and incurrence of one-off costs
(Loss)/Profit before taxation	(4.9)	16.1	▼ n.m	• The effect of higher interest costs

Note: In US$ million unless otherwise stated

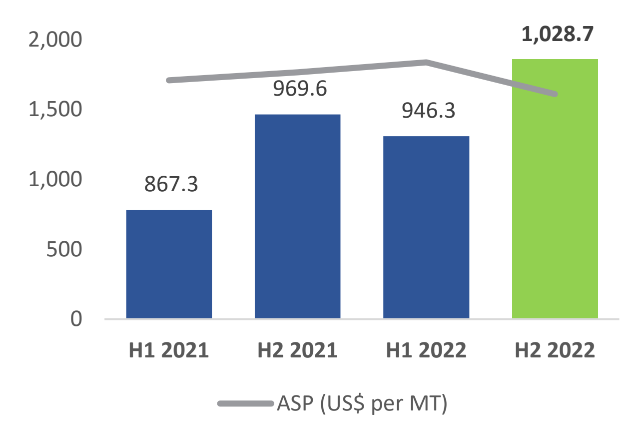
Overview of Group's performance



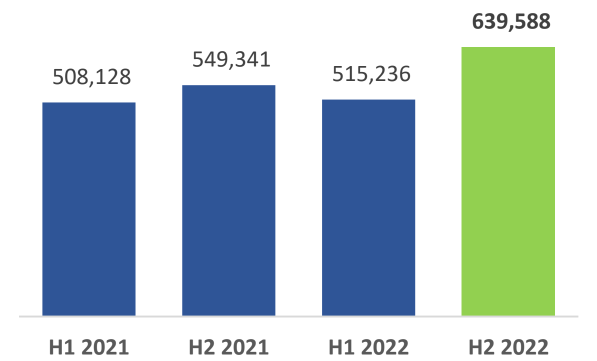


Halcyon Rubber Company (HRC)

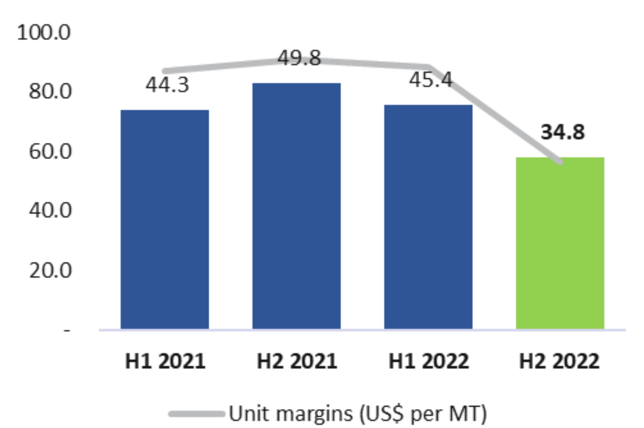
Revenue (US$m)[1]



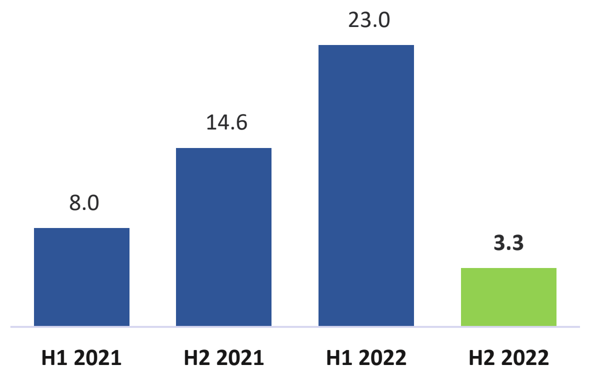
Sales Volume (mT)[1]



Gross Profit (US$m)



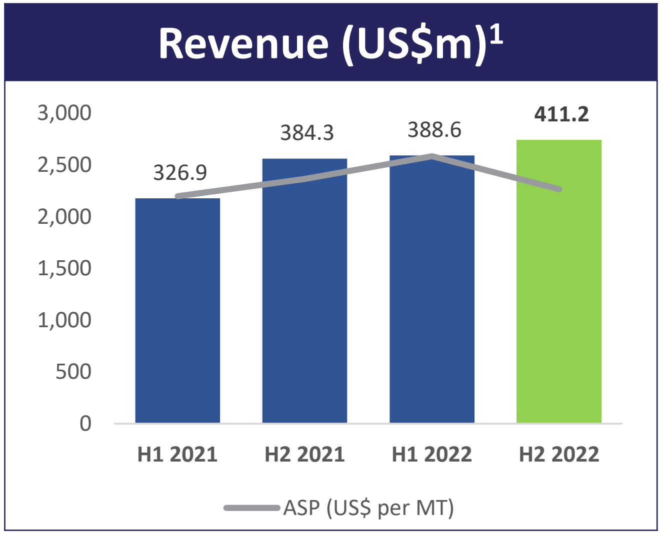
Op. Profit[2] (US$m)

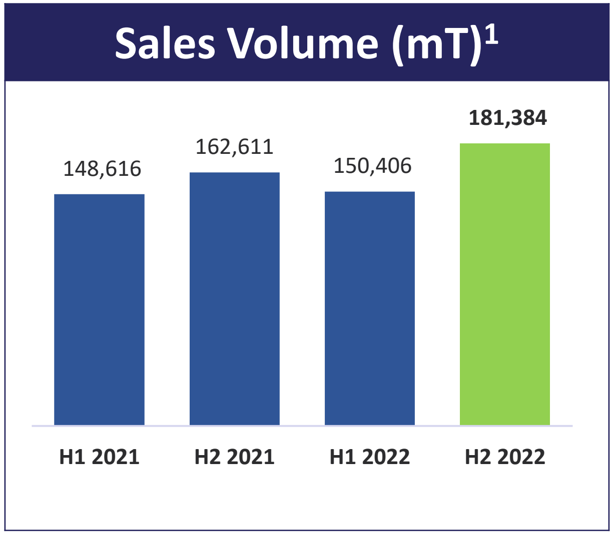


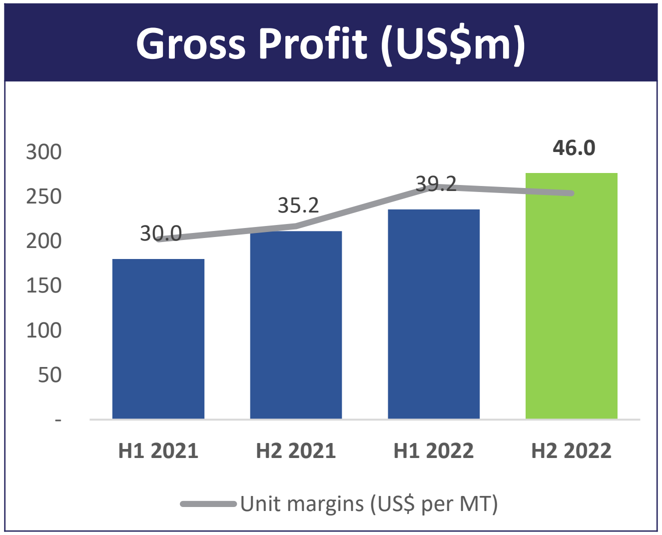
- As the preferred supplier, HRC steady sales volume in H2 2022 reflected the Group's sturdy customer base.
- Amid macro uncertainty, HRC is combating the effects of scarcity-driven margin compression and declining rubber prices.
- It responds by actively stepping up the disposal of non-core assets at favourable prices, to generate a combined gains of US$15.3 million in FY2022.

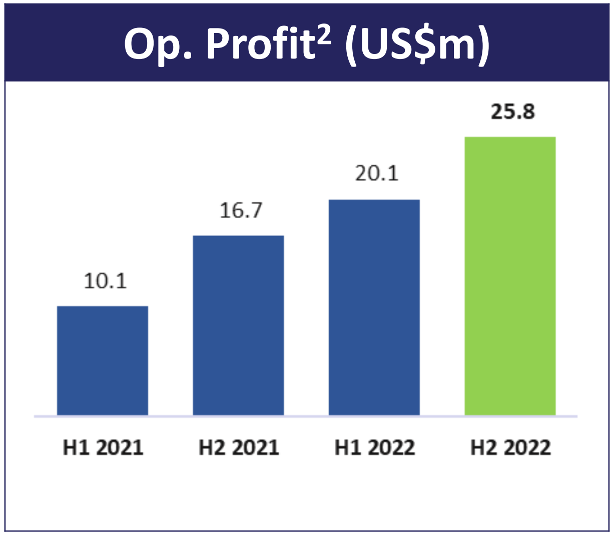
[1] Includes intersegment figures
[2] Excludes fair value gain on IP and management fees

CMC International (CMCI)







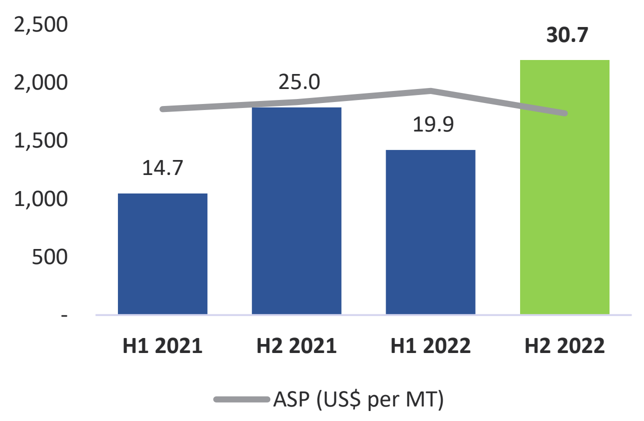


- Our market leadership and global connectivity enabled us to serve our customers closely, providing them value-added product services.

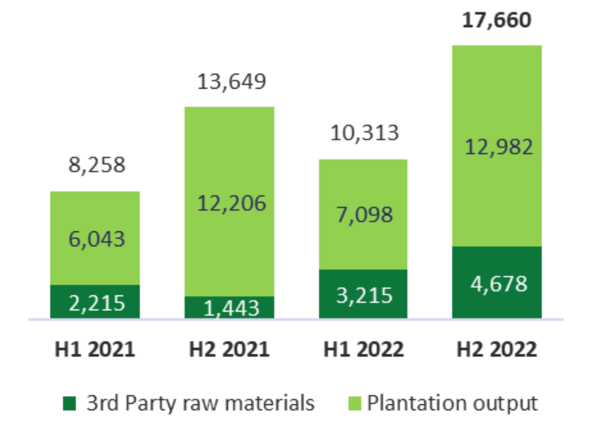
[1] Includes intersegment figures
[2] Excludes management fees

CMC Plantations (CMCP)

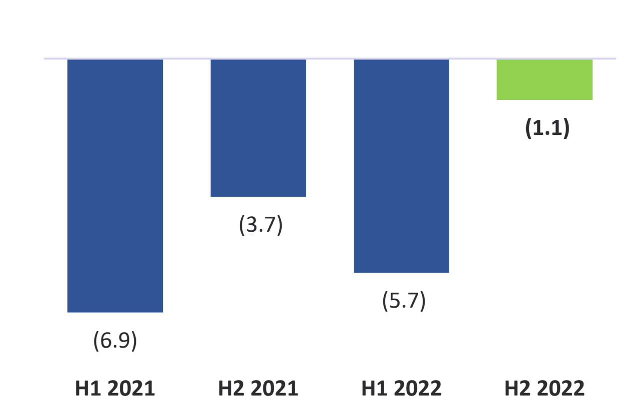
Revenue (US$m)[1]



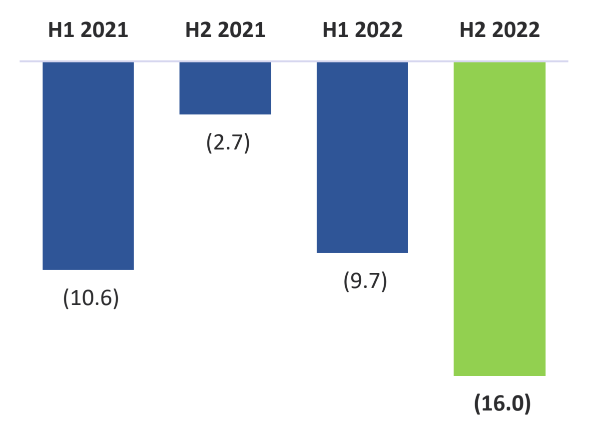
Sales Volume (mT)[1]



EBITDA[2] (US$m)



Op. Profit/(Loss)[2] (US$m)



- CMCP's H2 2022 volume largely improved, mainly attributed to its tappings in new matured areas.
- Excluding the effect of US$12.1m from various one-off charges, the operating loss stood at US$3.9m.

[1] Includes intersegment figures
[2] Excludes fair value gains on biological assets and management fees

Balance sheet overview

US$ in millions	31-Dec-22	30-Jun-22	31-Dec-21
Assets partially funded by debt			
Total net working capital employed	740.2	774.8	724.1
Net working capital assets	*555.7*	*664.7*	*627.2*
Cash and cash equivalents	*118.7*	*49.9*	*33.4*
Loans receivable	*64.4*	*60.2*	*63.5*
Working capital loans	679.1	657.4	601.8
% Efficiency in working capital funding	**91.8%**	**84.8%**	**83.1%**
Operational long term assets	1,022.7	1,009.8	1,055.7
Non-core assets	40.7	40.1	42.2
Term loans	464.4	482.8	495.9
% Fixed asset gearing	**43.7%**	**46.0%**	**45.2%**
Total equity (excludes Perpetual Securities)	**468.9**	**491.9**	**531.6**
Perpetual Securities	192.6	192.6	192.6
Total equity	**660.0**	**684.5**	**724.2**
Net asset value per share (US cents)	*41.4*	*42.9*	*45.4*
Net asset value per share (SG cents)	*55.6*	*59.6*	*61.4*
Working capital Days			
Accounts receivable days	*21*	*23*	*24*
Accounts payable days	*5*	*6*	*9*
Inventory days	*66*	*74*	*71*
Cash conversion days	*81*	*91*	*86*
Term debt to equity ratio	**0.69x**	**0.69x**	**0.67x**

Note 1: Please refer to the announcement for the definition of the captions in the tables displayed above.
Note 2: Translated at the closing exchange rates for each respective period.
Note 3: Cash Conversion days = Accounts receivable days + Inventory days – Accounts payable days

- Increase in working capital funding efficiency was mainly due to progressive deployment of additional working capital loan during H2 2022 to fund working capital investments, due to matching financing tenors.
- Cash conversion days have decreased to 81 days as at 31 December 2022.
- The Group’s fixed asset gearing maintained its level.

Cash flow

US$m	Half year ended 31 Dec		Full year ended 31 Dec	
	2022	2021	2022	2021
Operating cash flows before working capital changes	27.5	19.7	56.0	40.8
Changes in working capital	58.4	(43.5)	9.2	(73.6)
Interest received	0.9	0.3	0.9	0.8
Tax payment	(1.9)	(0.8)	(4.7)	(1.6)
Net cash flow from operating activities	**84.9**	**(24.3)**	**61.4**	**(33.6)**
Net cash flow from investing activities	(3.9)	(6.8)	5.4	(18.7)
Net cash flow from financing activities	(12.2)	30.5	20.4	41.8
Net changes in cash and cash equivalents	**68.8**	**(0.6)**	**87.2**	**(10.5)**

- The Group has significantly improved its operating cash flow position; from US$33.6 million outflow in FY2021 to US$61.4 million inflow in 2022. This is testament to the Group's working capital management strategy, also reflected in the reduction in working capital turnover days.

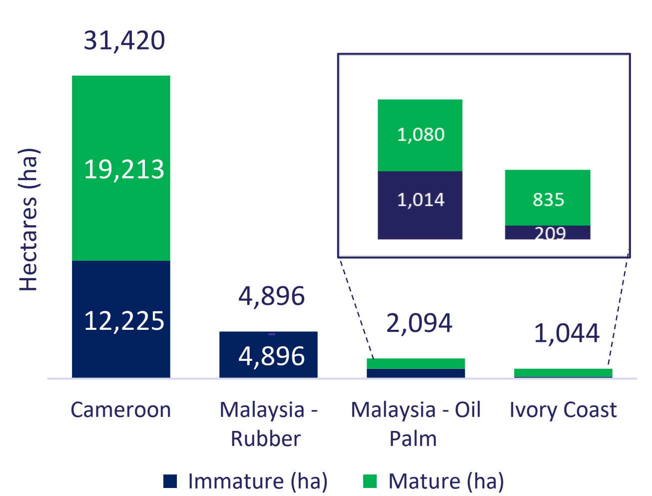
- Net cash generated from investing activities of US$5.4 million; generated by the proceeds from non-core assets disposal that set off the capital expenditures during FY2022. The fresh funds were recycled into working capital usage.

- Net cash generated from financing activities was US$20.4 million, mainly funds generated from the drawdown of the new term loans to balance the financing tenor of the whole Group.

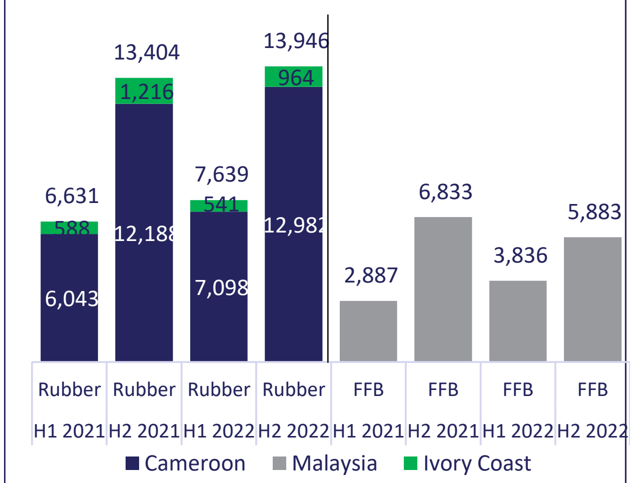
Business and Strategic Highlights

Plantations business – H2 2022 highlights

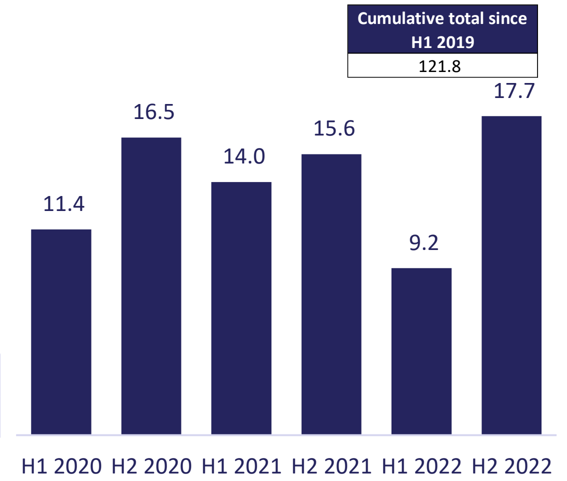
Group Plantation Profile[1] (ha)



Plantation yields[2] (mT)



Plantation Capex[3] (US$m)



[1] As of 31 December 2022. Cameroon and Ivory Coast consist solely of rubber plantations.
[2] Malaysia's rubber plantation is expected to commence production in 2023.
[3] Includes capitalised interest costs.
Note: FFB stands for Fresh Fruit Bunch (oil palm). Cameroon and Malaysia plantations are grouped under CMCP while Ivory Coast plantation is part of HRC.
** Excludes 7,300 ha of very old trees earmarked for replanting*

- As of 31 December 2022, 47% of the Group's plantations remain immature.
- Due to seasonal wintering happening in 1st half of every year (around March/April), the yields in the second half year will be substantially higher.
- The Group continues to optimise its cost structure for the maintenance of its mature trees, which is the main reason of the reduction in plantation start-up losses, and the per unit costs will continue to reduce as we plan to open up c. 2,700 ha in 2023 and commence the replanting programme of 7,300 ha old trees.

Strategic development overview in FY2022

1

Strengthened our industry leadership in ESG

- We have **defined our Sustainability Performance Targets for HRC Group**, surrounding energy and water usage intensity, as well as 100% traceability.
- Secured **syndicated Sustainability-Linked Loan** amounting up to US$300m.
- Completed Carbon Footprint Project.
- Launched Traceability and Transparency Project jointly with Sumitomo at Jambi, Indonesia.

2

Creation of fully independent natural rubber digital platform

- Following a series of corporate exercise with Agridence Rubber (formerly HeveaConnect) in 2022, HAC's stake in Agridence Rubber falls below 30%.
- Ramped up onboarding of new customers and suppliers a testament to **this strategic direction** to create a fully independent natural rubber digital platform.

3

Actively mitigating the impact of high interest rates

- In view of rising interest rates during 2022, the Group has taken proactive actions to reduce its impact:
  - Completed **disposal of 77.4 hectares of lands** in TRCI and **generated a gain of US$15.4m**, raising fresh funds for operational use.
  - Tightened working capital management – cash conversion days further **reduced from 86 days in 2021 to 81 days in 2022**.

Strategic entry of Hainan Rubber

Mandatory General Cash Offer (“MGO”)

Formal MGO launched on 3 February 2023

- In February 2023, China Rubber Investment Group Company Limited, a direct wholly-owned subsidiary of **China Hainan Rubber Industry Group Co., Ltd (“Hainan Rubber”) completed its acquisition of 36.00% stake (574,204,299 ordinary shares: US$0.315 per share) in Halcyon Agri** from Sinochem International (Overseas) Pte. Ltd.
- Hainan Rubber further **launched a MGO to acquire all the issued and paid-up ordinary shares of Halcyon Agri** it does not own **at S$0.413 per share in cash**.
- The formal offer is dependent on shareholders’ acceptance condition.
- The Group will make further announcement as and when there is material development.
- The **Offer Document has been despatched electronically** on **24 February 2023**.

Industry Outlook

NR Industry Outlook: Underlying Supply & Demand Dynamics

Positive Factors

- The reopening of China's economy with positive cross-border spillovers.
- Global mobility demand is expected to rise with increasing demand of OEM tyres and the surge in demand for electric vehicles (IHS Markit[1]: global tyre production estimated to rise from c.1.86 billion in 2021 to c.2.4 billion units by 2030). NR industry is slated to benefit from the growth in global miles travelled, as well as global vehicle-in-use and production.
- Renewed focus on sustainability-linked finance opportunities.
- Lack of new planting since 2012 may aggravate supply limitations in origins = rubber prices up

Counteracting Factors

- Interest rates hikes, recession concerns, inflationary environment and geopolitical tensions with downside risks may limit the anticipated rubber demand.

Other observations:

- Despite market volatility, the downstream demand remains sturdy, and we remain cautiously optimistic that this key factor will underpin the industry's long-term growth

[1] *IHS Markit, "The Future of Cars 2040: Miles Travelled Will Soar While Sales of New Vehicles Will Slow"*

Thank you!

Follow us on social media!

Linkedin: Halcyon Agri
Twitter: @HalcyonAgri
Wechat: HalcyonAgri

Visit us: www.halcyonagri.com
Email us: investor@halcyonagri.com