

APPENDIX DATED 9 APRIL 2024

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Appendix is issued by Halcyon Agri Corporation Limited (the “Company” and together with its subsidiaries, the “Group”) together with the Company’s annual report for the financial year ended 31 December 2023 (“Annual Report 2023”). If you are in any doubt as to the course of action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company (the “Shares”) held through The Central Depository (Pte) Limited (“CDP”), you need not forward the Annual Report 2023 (and the accompanying appendices (including this Appendix), the Notice of Annual General Meeting (the “Notice of AGM”) and the Proxy Form to the purchaser or the transferee as arrangements will be made by CDP for a separate Annual Report 2023 (and the accompanying appendices (including this Appendix), the Notice of AGM and the Proxy Form to be sent to the purchaser or the transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward the Annual Report 2023 (and the accompanying appendices (including this Appendix), the Notice of AGM and the Proxy Form to the purchaser or transferee, or to the stockbroker or to the bank or to the agent through whom you effected the sale for onward transmission to the purchaser or the transferee.

Capitalised terms appearing on the cover of this Appendix have the same meanings as defined herein. The Singapore Exchange Securities Trading Limited (the “SGX-ST”) assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

The Annual Report 2023 (and the accompanying appendices (including this Appendix), the Notice of AGM and the Proxy Form) has been made available on the SGXNet and the Company’s website at <https://www.halcyonagri.com/investors-media/agm-egm-announcements>. Printed copies of the Annual Report 2023 (and the accompanying appendices (including this Appendix) will not be despatched to Shareholders (as defined herein). Printed copies of the Notice of AGM and Proxy Form will be despatched to Shareholders.



HALCYON AGRICULTURE CORPORATION LIMITED

(Company Registration No. 200504595D)
(Incorporated in the Republic of Singapore)

**APPENDIX TO THE ANNUAL REPORT 2023
IN RELATION TO
THE PROPOSED RENEWAL OF
THE INTERESTED PERSON TRANSACTIONS GENERAL MANDATE**

This page has been intentionally left blank.

CONTENTS

| | |
|---|----|
| 1. INTRODUCTION | 6 |
| 2. THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE | 6 |
| 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST IN THE COMPANY | 15 |
| 4. ABSTENTION FROM VOTING | 16 |
| 5. DIRECTORS' RECOMMENDATIONS | 16 |
| 6. ANNUAL GENERAL MEETING | 16 |
| 7. ACTION TO BE TAKEN BY SHAREHOLDERS | 16 |
| 8. DIRECTORS' RESPONSIBILITY STATEMENT | 17 |
| 9. DOCUMENTS AVAILABLE FOR INSPECTION | 17 |

DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

| | | |
|---|---|--|
| “AGM” | : | An annual general meeting of the Company |
| “Associate” | : | (a) in relation to any Director, CEO, substantial shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more |
| “Audit Committee” | : | The Audit Committee of the Company for the time being, comprises Eddie Chan Yean Hoe, Latha Eapen K Mathew, Huang Xuhua, Liu Yongsheng and Fan Xiaohong |
| “Board” | : | The board of Directors of the Company for the time being |
| “CDP” | : | The Central Depository (Pte) Limited |
| “Chief Executive Officer” or “CEO” | : | The chief executive officer of the Group |
| “Chief Financial Officer” | : | The chief financial officer of the Group |
| “Companies Act” | : | The Companies Act 1967, as amended, varied or supplemented from time to time |
| “Company” | : | Halcyon Agri Corporation Limited |

DEFINITIONS

| | | |
|---|---|---|
| “Controlling Shareholder” | : | A person who: (a) holds, directly or indirectly, 15% or more of the total number of voting Shares (excluding treasury shares) in the Company; or (b) in fact exercises control over the Company |
| “Constitution” | : | The constitution of the Company |
| “CRIG” | : | China Rubber Investment Group Company Limited |
| “Director” | : | A director of the Company for the time being |
| “FY” | : | Financial year ended, or as the case may be, ending 31 December |
| “FY2023” | : | Financial year ended 31 December 2023 |
| “Group” | : | The Company and its subsidiaries |
| “HRG” | : | China Hainan Rubber Industry Group Co., Ltd. |
| “HRG Group” | : | HRG and its subsidiaries, as further described in paragraph 2.5 of this Appendix |
| “Interested Person Transactions” or “IPTs” | : | Transactions between the Group and an Interested Person |
| “Interested Person(s)” | : | Interested person(s) (as defined under Chapter 9 of the Listing Manual) meaning a Director, CEO or Controlling Shareholder of the Company or an associate of such Director, CEO or Controlling Shareholder |
| “Latest Practicable Date” | : | 20 March 2024 being the latest practicable date for the purposes of this Appendix |
| “Listing Manual” | : | The Listing Manual of the SGX-ST, as amended, varied or supplemented from time to time |
| “Mandated Persons” | : | The Interested Persons specifically named in the Proposed IPT General Mandate as set out in paragraph 2.5.1 of this Appendix |
| “Minority Shareholders” | : | The minority Shareholders of the Company |

DEFINITIONS

| | | |
|--------------------------------------|---|---|
| “Non-Interested Directors” | : | The Directors who are deemed to be independent for the purposes of making a recommendation on the Proposed IPT General Mandate, namely, Eddie Chan Yean Hoe, Huang Xuhua, Latha Eapen K Mathew, Liu Yongsheng and Xu Xingbin |
| “Non-Interested Shareholders” | : | Shareholders who do not have to abstain from voting in the AGM |
| “NTA” | : | Net tangible assets |
| “PRC” | : | The People’s Republic of China |
| “IPT General Mandate” | : | A general mandate given by Shareholders pursuant to Rule 920 of the Listing Manual to authorise the Group in its ordinary course of business to enter into the Recurrent IPTs with the Mandated Persons, provided that such transactions are entered into on an arm’s length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its Minority Shareholders |
| “Purchase Factors” | : | Pertinent factors the Group may take into consideration when determining the most competitive purchase price in relation to the Recurrent IPTs, details of which are set out in paragraph 2.5.4.1 of this Appendix |
| “Recurrent IPTs” | : | The categories of Interested Person Transactions to be entered into between the Group and the Mandated Persons within the scope of the Proposed IPT General Mandate |
| “Rubber Products” | : | Rubber and rubber-related products including, inter alia, natural rubber, latex, synthetic rubber, specialised rubber and other related products and/or derivatives |
| “Sale Factors” | : | Pertinent factors the Group may consider when determining the most competitive sale price in relation to the Recurrent IPTs, details of which are set out in paragraph 2.5.4.1 of this Appendix |
| “SGX-ST” | : | Singapore Exchange Securities Trading Limited |
| “SGXNet” | : | Singapore Exchange Network, a web-based secure platform to enable SGX-ST listed issuers to upload announcement relating to such issuers’ developments, news and corporate actions |

DEFINITIONS

| | | |
|----------------------------------|---|--|
| “Shareholders” | : | Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the persons to whose securities accounts maintained with CDP are credited with the Shares |
| “Shares” | : | Ordinary shares in the capital of the Company |
| “Sinochem” | : | Sinochem International (Overseas) Pte Ltd |
| “Substantial Shareholder” | : | A substantial shareholder of the Company as defined under Section 2(6) of the Securities and Futures Act |
| “Validity Period” | : | The period during which the Shareholders’ approval is valid for the Proposed IPT General Mandate as further described in paragraph 2.5.8 of this Appendix |
| “S\$” and “cents” | : | Singapore dollars and cents, the lawful currency of the Republic of Singapore |
| “%” and “percent” | : | Percentage or per centum |

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The terms **“associated company”**, **“holding company”** and **“subsidiary”** shall have the same meaning ascribed to it under the Listing Manual and Companies Act as the case may be.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

References to persons shall include corporations.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Companies incorporated in the PRC do not have official English names and the English names indicated after the Chinese names are translated by the Company for reference only.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Appendix shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Appendix is made by reference to Singapore time unless otherwise stated.

Any discrepancies in figures included in this Appendix between the sum of listed amounts and the totals thereof shown are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures which precedes them.

LETTER TO SHAREHOLDERS

HALCYON AGRI CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Registration No. 200504595D)

Directors:

Sun Weiliang (Executive Director and Chief Executive Officer)
Zhang Daqiang (Executive Director and Chief Strategy Officer)
Eddie Chan Yean Hoe (Independent Director)
Huang Xuhua (Independent Director)
Latha Eapen K Mathew (Independent Director)
Liu Yongsheng (Non-executive Director)
Xu Xingbin (Non-executive Director)
Fan Xiaohong (Non-executive Director)

Registered Office:

180 Clemenceau Avenue
#05-02 Haw Par Centre
Singapore 239922

9 April 2024

To: The Shareholders of Halcyon Agri Corporation Limited

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE INTERESTED PERSON TRANSACTIONS GENERAL MANDATE

1. INTRODUCTION

- 1.1 Halcyon Agri Corporation Limited (the “**Company**”) intends to seek approval of Shareholders at the AGM to be held on 24 April 2024 in relation to the proposed renewal of the IPT General Mandate (“**Resolution 9**”) as set out in the Notice of AGM.
- 1.2 The purpose of this Appendix is to provide Shareholders with information in respect of the matter set out in paragraph 1.1 above.
- 1.3 Shareholders are advised that the SGX-ST assumes no responsibility for contents of this Appendix, including the accuracy of any of the statements or opinions made or reports contained in this Appendix.

2. THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE

2.1 Background

On 30 November 2023, Shareholders had approved, *inter alia*, the adoption of IPT General Mandate, to enable the Company and its subsidiaries and Associated Companies which are considered to be “Entities at Risk” to enter into certain Interested Person Transactions with the Mandated Interested Persons named in the IPT General Mandate. Particulars of the IPT General Mandate were set out in Section 5 of the Company’s Circular to Shareholders dated 15 November 2023.

LETTER TO SHAREHOLDERS

The IPT General Mandate was expressed to be effective (unless revoked or varied by the Company in general meeting) from the approval of the IPT General Mandate on 30 November 2023 until the conclusion of the next AGM of the Company. As such, the IPT General Mandate will expire on 24 April 2024, being the date of the forthcoming AGM. Accordingly, the Directors propose that the IPT General Mandate to be renewed at the forthcoming AGM and to take effect until the next AGM of the Company is held or required by law to be held.

2.2 Particulars of the IPT General Mandate to be Renewed

Details of the IPT General Mandate, including the rationale for, and the benefits to, the Company, the review procedures for determining transaction prices with the Mandated Interested Persons and other general information relating to Chapter 9 of the Listing Manual, are set out in paragraph 2.5 of this Appendix. All the activities in respect of which the IPT General Mandate is sought to be renewed, as set out in paragraph 2.5 of this Appendix, remain unchanged.

2.3 Audit Committee's Confirmation

The Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices under the IPT General Mandate have not changed since the last Shareholders' approval on 30 November 2023; and
- (b) the methods or procedures referred to in paragraph 2.5.4 of this Appendix are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

2.4 Chapter 9 of the Listing Manual

2.4.1 Chapter 9 of the Listing Manual governs transactions in which a listed company or any of its subsidiaries or associated companies (known as an **"entity at risk"**) enters into or proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that interested person could influence the listed company, its subsidiaries or associated companies to enter into transactions with it that may adversely affect the interests of the listed company or its shareholders.

2.4.2 For the purposes of Chapter 9 of the Listing Manual:

- (a) an **"approved exchange"** means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;
- (b) an **"associate"** in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means his immediate family (i.e. spouse, children, adopted children, step-children, siblings and parents), the trustees of any trusts of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. An "associate" in relation to a substantial

LETTER TO SHAREHOLDERS

shareholder or controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

- (c) an “**associated company**” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;
- (d) a “**chief executive officer**” means the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the listed company;
- (e) a “**controlling shareholder**” is a person who holds directly or indirectly 15% or more of the nominal amount of all voting shares in the listed company (unless otherwise excepted by the SGX-ST) or in fact exercises control over a company;
- (f) an “**entity at risk**” means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;
- (g) an “**interested person**” shall mean a director, chief executive officer or controlling shareholder of the listed company, or an associate of such director, chief executive officer or controlling shareholder; and
- (h) an “**interested person transaction**” means a transaction between an entity at risk and an interested person, and a “**transaction**” includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business and whether or not entered into directly or indirectly.

2.4.3 An immediate announcement and/or shareholders’ approval would be required in respect of transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds.

In particular, an immediate announcement is required where:

- (a) the value of the proposed transaction is equal to or more than 3% of the latest audited net tangible asset (“**NTA**”) of the listed group; or
- (b) the aggregate value of all transactions (including the subject transaction) entered into with the same interested person during the same financial year is equal to or more than 3% of the latest audited NTA of the listed group.

LETTER TO SHAREHOLDERS

In addition to an immediate announcement, shareholders' approval is required where:

- (a) the value of the proposed transaction is equal to or more than 5% of the latest audited NTA of the listed group; or
- (b) the aggregate value of all transactions (including the subject transaction) entered into with the same interested person during the same financial year, is equal to or more than 5% of the latest audited NTA of the listed group.

In interpreting the term "same interested person" for the purpose of aggregation, the following applies:

- (a) transactions between (i) an entity at risk and a primary interested person; and (ii) an entity at risk and an associate of that primary interested person, are deemed to be transactions between an entity at risk with the same interested person. Transactions between (X) an entity at risk and a primary interested person; and (Y) an entity at risk and another primary interested person, are deemed to be transactions between an entity at risk with the same interested person if the primary interested person is also an associate of the other primary interested person;
- (b) transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person; and
- (c) if an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and their associates and have audit and risk committees whose members are completely different.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S\$100,000 and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence excluded from the ambit of Chapter 9 of the Listing Manual. However, while such transactions below S\$100,000 are not normally aggregated under Chapter 9 of the Listing Manual, the SGX-ST may aggregate any such transactions entered into during the same financial year and treat them as if they were one transaction in accordance with Chapter 9 of the Listing Manual.

LETTER TO SHAREHOLDERS

2.5 The IPT General Mandate

2.5.1 The Mandated Persons

Details of the Mandated Persons under the Proposed IPT General Mandate are set out in the table below:

| Name of Mandated Persons (and interested person relationship) | Country of incorporation/ Principal activities |
|--|---|
| R1 International Pte. Ltd. (88.86%-owned subsidiary of HRG) | Singapore/Rubber trading |
| 青岛龙胶国际贸易有限公司 R1 International Trading (Qingdao) Co., Ltd. (wholly-owned subsidiary of HRG) | PRC/Rubber trading |
| 云南海胶橡胶产业有限公司 Yunnan Haijiao Rubber Industry Co., Ltd. (wholly-owned subsidiary of HRG) | PRC/Rubber processing |
| 上海龙橡国际贸易有限公司 Shanghai Longking International Trade Co., Ltd. (wholly-owned subsidiary of HRG) | PRC/Rubber trading |
| 海南天然橡胶产业集团金橡有限公司 China Hainan Rubber Industry Group Golden Rubber Co., Ltd. (wholly-owned subsidiary of HRG) | PRC/Rubber processing |
| 海南金橡晨星塑料有限公司 Hainan Jinxiang Chenxing Plastics Co., Ltd. (wholly-owned subsidiary of HRG) | PRC/Rubber processing |
| 江苏爱德福乳胶制品有限公司 Jiangsu Aidefu Latex Products Co., Ltd. (80%-owned subsidiary of HRG) | PRC/Rubber processing |
| 中橡资源(海南)股份有限公司 SINO Rubber Resources (Hainan) Co., Ltd. (wholly-owned subsidiary of HRG) | PRC/Rubber processing |

All of the above Mandated Persons are subsidiaries of HRG, which is a Controlling Shareholder of the Company.

2.5.2 Categories of Recurrent IPTs

The transactions covered under the Proposed IPT General Mandate are the sale and purchase of rubber and rubber-related products including, inter alia, natural rubber, latex, synthetic rubber, specialised rubber and other related products and/or derivatives (collectively, the **“Rubber Products”**) between the Group and the Mandated Persons.

LETTER TO SHAREHOLDERS

2.5.3 Rationale for, and Benefits of the Proposed IPT General Mandate

- 2.5.3.1 The Group envisages that the Recurrent IPTs will continue in the ordinary course of its business and, going forward, it will enter into transactions for the sale and purchase of Rubber Products with certain entities within the HRG Group, namely the Mandated Persons set out in paragraph 2.5.1 above. The Proposed IPT General Mandate will eliminate the need for the Company to announce and convene separate general meetings on such occasion to seek Shareholders' prior approval for the entry by the member in the Group into Recurrent IPTs. This will substantially reduce the expenses associated with the convening of general meetings (including the engagement of external advisers and preparation of documents) on an ad hoc basis, which will improve administrative efficacy considerably, and will allow manpower resources and time to be channelled towards attaining other business objectives of the Group.
- 2.5.3.2 In view of the time-sensitive nature of commercial transactions, the renewal of the IPT General Mandate is intended to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the Mandated Persons, provided that they are carried out at arm's length and on normal commercial terms and are not prejudicial to the interests of the Company and its Minority Shareholders.

2.5.4 Methods and Procedures for the Recurrent IPTs

The Company has established the following methods and procedures to ensure that the Recurrent IPTs are and will be undertaken on an arm's length basis and on normal commercial terms, consistent with the usual business practices and policies of the Group which are generally no more favourable to the Mandated Persons than those extended to or by unrelated third parties and are not prejudicial to the interests of the Company and its Minority Shareholders.

2.5.4.1 Trading of Rubber Products between the Group and the Mandated Persons

- (a) all contracts entered into with the Mandated Persons shall be based on the usual contract entered into with unrelated third parties and in accordance with applicable industry norms;
- (b) when purchasing Rubber Products from the Mandated Persons, the Group shall take into account the prices and terms of at least two (2) recently completed purchases of similar Rubber Products from unrelated third party suppliers. The purchase price paid by the Group to the Mandated Persons shall not be higher than the most competitive purchase price of the two (2) comparative prices paid by the Group to unrelated third party suppliers;
- (c) in determining the most competitive purchase price, the Group may take into consideration all pertinent factors, including but not limited to, the historical track records of the suppliers in particular, quality, the delivery lead time, credit terms, availability of the Rubber Product, and any relevant track record (the "**Purchase Factors**");

LETTER TO SHAREHOLDERS

- (d) in the rare occasion where recent unrelated third party purchase transactions are not available for comparison, the Group's key management personnel¹ (who must have no interest, direct or indirect in the Mandated Persons and/or the Recurrent IPTs) will assess the purchase price to be paid to the Mandated Persons based on the publicly available commodity prices of natural rubber, which is the closest benchmark prices of the Rubber Products. When assessing the purchase price to be paid to the Mandated Persons, the Group's key management personnel (who must have no interest, direct or indirect in the Mandated Persons and/or the Recurrent IPTs) will also take into account the Purchase Factors and ensure that the margin to be made by the Group on the on-sale of such Rubber Products are within the usual margins and on similar commercial terms for transactions of such nature;
- (e) when selling Rubber Products to Mandated Persons, the Group shall take into account the prices and terms of at least two (2) recently completed sale of similar Rubber Products to unrelated third party customers. The sale price charged by the Group to the Mandated Persons shall not be lower than the most competitive sale price of the two (2) comparative prices charged by the Group to unrelated third party customers;
- (f) in determining the most competitive sale price, the Group may take into consideration all pertinent factors, including but not limited to, the historical track records of the customers in particular, the availability of the Rubber Products required by the Mandated Persons, the production capacity of the Group, the cost of the Group (including cost of production and shipment), the credit worthiness, the credit terms given, the payment track record, and any relevant track record (the "**Sale Factors**");
- (g) in the rare occasion where recent unrelated third party sale transactions are not available for comparison, the Group's key management personnel¹ (who must have no interest, direct or indirect in the Mandated Persons and/or the Recurrent IPTs) will assess the sale price to be charged to the Mandated Persons based on the publicly available commodity prices of natural rubber, which is the closest benchmark prices of the Rubber Products. When assessing the sale price to be charged to the Mandated Persons, the Group's key management personnel (who must have no interest, direct or indirect in the Mandated Persons and/or the Recurrent IPTs) will also take into account the Sale Factors and ensure that the Group will always yield a positive gross profit margin from the transaction with the Mandated Persons; and

¹ "key management personnel" shall refer to chief executive officer and other persons having authority and responsibility for planning, directing and controlling the activities of the Company, as defined in the Code of Corporate Governance 2018. As at the date of this Appendix, the key management personnel of the Group comprised the Chief Executive Officer, the Chief Strategy Officer, the Chief Financial Officer, the Chief Commercial Officer of Corrie MacColl Group and the Managing Director of Halcyon Rubber Company. For avoidance of doubt, the current Chief Executive Officer and the current Chief Strategy Officer of the Company are Mr. Sun Weiliang and Mr. Zhang Daqiang, respectively, and they are nominee Directors of HRG. Accordingly, Mr. Sun Weiliang and Mr. Zhang Daqiang will not be participating in the approval process under the Proposed IPT General Mandate.

LETTER TO SHAREHOLDERS

- (h) in the rare occasion where the Group has to offer a discount to the Mandated Person or a significantly lower sale price for the sale of Rubber Products to the Mandated Persons, for example, due to an unusually high volume transaction, such discount will be documented and submitted to the Audit Committee for approval prior to entering into the transaction. The discount, which will generally be based on discounts extended to unrelated third party customers for similar high volume transactions, shall be determined by the head of the respective commercial teams or chief executive officer/general manager of the respective subsidiaries who must have no interest, direct or indirect, in the Recurrent IPTs. The Audit Committee shall have the absolute discretion to approve such discount in the best interest of the Group.

2.5.5 Approval thresholds

- (a) the approval thresholds for the Recurrent IPTs are as follows:

| Value of Recurrent IPTs | Approving authority who must have <u>no interest, direct or indirect</u>, in the Recurrent IPTs |
|--|---|
| All Recurrent IPTs | Head of the respective commercial teams or chief executive officer/general manager of the respective subsidiaries |
| Any single Recurrent IPT with a value equal to or above 1% of the then latest audited NTA of the Group | Additional approval from Chief Financial Officer or any of the key management personnel of the Group (excluding nominees (including nominee directors) of HRG who are also key management personnel of the Group) |
| Any single Recurrent IPT with a value equal to or above 3% of the then latest audited NTA of the Group | Approval from two key management personnel of the Group (excluding nominees (including nominee directors) of HRG who are also key management personnel of the Group) |
| Any single Recurrent IPT with a value equal to or above 5% of the then latest audited NTA of the Group | Additional approval from the Audit Committee |

- (b) the Group will also submit the IPT Register to the Audit Committee for review and approval if the cumulative value of the Recurrent IPTs for the quarter exceeds 5% of the then latest audited NTA of the Group prior to the end of the quarter.

LETTER TO SHAREHOLDERS

2.5.6 Additional Guidelines and Procedures for all IPTs

2.5.6.1 The Group also observed the following additional guidelines and procedures for all IPTs:

- (a) the Group shall maintain a register to record all Interested Persons so that the respective departments and subsidiaries are aware of the Group's Interested Persons and can adopt the relevant procedures to transact with the Interested Person, including where applicable, the comparison of the quote obtained from or given to the Interested Persons with recent comparable transactions with unrelated third parties;
- (b) the Group shall maintain a register to record all IPTs which are entered into by the Group, including any quotations obtained from unrelated parties to support the terms of the interested person transactions;
- (c) the Chief Financial Officer will review the register of IPTs on a monthly basis;
- (d) the Audit Committee will review the register of IPTs on a quarterly basis;
- (e) the annual internal audit plan will incorporate a review of the Recurrent IPTs entered into, pursuant to the Proposed IPT General Mandate to ensure that the methods and procedures in respect of the Recurrent IPTs have been adhered to and the report shall be submitted to the Audit Committee for its review;
- (f) if during these periodic reviews, the Audit Committee believes that the methods and procedures for the Recurrent IPTs are no longer appropriate and sufficient to ensure that the Recurrent IPTs will be entered into on normal commercial terms and are not prejudicial to the interests of the Company and its Minority Shareholders, the Group will obtain a fresh mandate for the Recurrent IPTs;
- (g) the Audit Committee shall have the right to require the appointment of auditors or any independent professionals to review all matters relating to the Recurrent IPTs as it deems fit; and
- (h) the Board will ensure that all disclosure requirements on IPTs under the Listing Manual are complied with.

2.5.7 Disclosure

The Company will announce the aggregate value of transactions conducted with the Mandated Persons pursuant to the IPT General Mandate for the relevant financial periods which the Company is required to report on pursuant to Rule 705 of the Listing Manual and within the time required for the announcement of such reports.

Disclosure will also be made in the Company's annual report of the aggregate value of transactions conducted with the Mandated Persons pursuant to the IPT General Mandate during the current financial year, and in the annual reports for subsequent financial years that the IPT General Mandate continues to be in force, in accordance with the requirements of Chapter 9 of the Listing Manual.

LETTER TO SHAREHOLDERS

The names of the Mandated Persons and the corresponding aggregate value of the Recurrent IPTs will be presented in the following format:

| Name of Mandated Persons | Nature of Relationship | Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the Proposed IPT General Mandate) | Aggregate value of all Interested Person Transactions conducted under the Proposed IPT General Mandate |
|--------------------------|------------------------|--|--|
|--------------------------|------------------------|--|--|

2.5.8 Validity Period of the IPT General Mandate

If approved at the forthcoming AGM, the renewed IPT General Mandate will take effect from the date of the passing of the ordinary resolution to be proposed at the AGM and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the next AGM of the Company is held or is required by law to be held, whichever is the earlier (the “**Validity Period**”). The Company will seek the approval of Shareholders for the renewal of the Proposed IPT General Mandate at each subsequent AGM. The renewal of the Proposed IPT General Mandate shall be subject to the satisfactory review by the Audit Committee of the continued need for the Proposed IPT General Mandate and the adequacy of the review procedures for the IPTs.

3. DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTEREST IN THE COMPANY

3.1 Based on the register of Directors’ shareholdings as at the Latest Practicable Date, the Directors do not own any interests, directly or indirectly in the Shares.

3.2 The interests of the Substantial Shareholders in the share capital of the Company as at the Latest Practicable Date are, as follows:

| Substantial Shareholders | Direct interest (No. of Shares) | % | Deemed interest (No. of Shares) | % | Total interest (No. of Shares) | % |
|--|------------------------------------|------|------------------------------------|------|-----------------------------------|------|
| CRIG | 1,086,256,025 | 68.1 | – | – | 1,086,256,025 | 68.1 |
| HRG ⁽¹⁾ | – | – | 1,086,256,025 | 68.1 | 1,086,256,025 | 68.1 |
| Hainan Province Agribusiness Investment Holding Group Co., Ltd. ⁽¹⁾ | – | – | 1,086,256,025 | 68.1 | 1,086,256,025 | 68.1 |
| Sinochem | 465,716,356 | 29.2 | – | – | 465,716,356 | 29.2 |
| Sinochem International Corporation Ltd. ⁽²⁾ | – | – | 465,716,356 | 29.2 | 465,716,356 | 29.2 |
| Sinochem Holdings Corporation Ltd. ⁽²⁾ | – | – | 465,716,356 | 29.2 | 465,716,356 | 29.2 |

LETTER TO SHAREHOLDERS

Notes:

- (1) Each of HRG and Hainan Province Agribusiness Investment Holding Group Co., Ltd. is deemed interested in the Shares held by CRIG, by virtue of its controlling interest in CRIG.
- (2) Each of Sinochem International Corporation Ltd. and Sinochem Holdings Corporation Ltd. is deemed interested in the Shares held by Sinochem, by virtue of its controlling interest in Sinochem.

4. ABSTENTION FROM VOTING

Rule 919 of the Listing Manual provides that interested persons and their associates must not vote on any shareholders' resolutions approving any transaction, mandate or renewal thereof in respect of any interested person transaction under Chapter 9 of the Listing Manual, nor accept appointments as proxies unless specific instructions as to voting are given.

Accordingly, CRIG will abstain from voting its shareholding, and undertakes to ensure its Associates (including HRG) will abstain from voting on the Resolution 9 relating to the proposed renewal of the IPT General Mandate. Further, CRIG shall undertake to decline and shall ensure that its Associates (including HRG and Directors nominated by HRG) shall decline to accept appointment as proxies to vote at and attend the AGM in respect of the Resolution 9 unless the Shareholder concerned shall have given specific instructions as to the manner in which his/its votes are to be cast at the AGM.

5. DIRECTORS' RECOMMENDATIONS

Mr. Sun Weiliang, Mr. Zhang Daqiang and Ms. Fan Xiaohong, who are nominee Directors of HRG, have abstained from making recommendations to the Shareholders in relation to the proposed renewal of the IPT General Mandate.

Having considered, inter alia, rationale and benefits of the proposed renewal of the IPT General Mandate, the methods and procedures of the IPT General Mandate, the Non-Interested Directors are of the view that the proposed renewal of the IPT General Mandate is in the interests of the Company and, accordingly, recommend that the Non-Interested Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the IPT General Mandate as set out in the Notice of AGM.

6. ANNUAL GENERAL MEETING

The AGM, notice of which is contained in the Annual Report 2023, will be held on 24 April 2024 at 3.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications the resolutions set out therein.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the Proxy Form appended to the Annual Report 2023 in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's registered office at 180 Clemenceau Avenue #05-02, Haw Par Centre, Singapore 239922 not less than seventy-two (72) hours before the time fixed for the AGM. The completion and lodgement of the Proxy Form by a Shareholder will not prevent him from attending and voting at the AGM in person if he subsequently wishes to do so.

LETTER TO SHAREHOLDERS

A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register at least seventy-two (72) hours before the AGM.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the IPT General Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 180 Clemenceau Avenue #05-02, Haw Par Centre, Singapore 239922, during normal business hours from the date hereof up to and including the date of the AGM:

- (a) the Constitution of the Company; and
- (b) the annual report of the Company for FY2023.

Yours faithfully
For and on behalf of the Board
Halcyon Agri Corporation Limited

Eddie Chan Yean Hoe
Independent Director

