

FOR IMMEDIATE RELEASE

## **SGX takes up stake in HeveaConnect, digital marketplace for sustainable natural rubber**

**SINGAPORE**, 3 March 2021 – Halcyon Agri Corporation Limited (“**Halcyon**”, the “**Company**” and together with its subsidiaries, the “**Group**”), announces that Singapore Exchange Ltd (“**SGX**”), through its wholly owned subsidiary, Asian Gateway Investments Pte. Ltd. invested US\$1.5 million in HeveaConnect Pte. Ltd. (“**HeveaConnect**”), in return for a 9.09% stake.

HeveaConnect was incorporated on 28 August 2018 with the ambition to digitalise the traditional natural rubber supply chain and fulfil the growing demand from consumers for sustainably sourced and responsibly produced natural rubber. Its platform today pioneers a sustainability dashboard, providing global market participants with vital integrated supply chain, traceability and sustainability data. SGX’s investment in HeveaConnect aims to bolster HeveaConnect’s capability as the preferred price discovery platform for sustainable rubber. This will in turn promote best practices along the natural rubber supply chain.

### ***Accelerating industry adoption for an independent platform***

Since the launch of the platform in April 2019, HeveaConnect has successfully matched over 250,000 metric tonnes of physical natural rubber for global tyre majors including some of our key customers, with gross sales value exceeding US\$325 million. As a yardstick, annual global consumption of natural rubber on tyre and tyre products for 2021 is estimated to be 9.4 million metric tonnes<sup>1</sup>, suggesting huge growth potential for HeveaConnect once the platform receives industry-wide adoption.

SGX’s investment into HeveaConnect will play an integral role to boost industry-wide adoption as market participants require an independent platform. With the above in mind, and as part of the Group’s continued commitment towards sustainability, the Company has transferred 14.73% of its shares in HeveaConnect to HeveaConnect Equity Trust. Such shares will be administered by an independent trustee, to be eventually distributed to eligible organisations involved in promoting the sustainability agenda in the natural rubber industry.

Upon the completion of the above transactions, Halcyon will relinquish its controlling stake in HeveaConnect, with its shareholding reduced to 49.91%. ITOCHU and DBS’s shareholding will also stand at 17.27% and 9.00% respectively subsequent to the transactions.

### ***Taking HeveaConnect to the next stage of growth***

Ng Eng Kiat, Managing Director of Halcyon’s global tyre sector platform commented, “*Since the inception of HeveaConnect, both Halcyon and ITOCHU have been using the platform to market our products to some of our customers. With the ever-increasing emphasis on traceability and sustainability, which are driven by demands from the automakers – the customers of our customers, we aim to continue providing quality products, and excelling at the most stringent and rigorous requirements.*”

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<sup>1</sup> World Rubber Industry Outlook issued on December 2020 by International Rubber Study Group

*“We believe that HeveaConnect is an excellent platform for natural rubber producers and consumers alike, as well as other market participants that share the same vision to create a fair and equitable supply chain for natural rubber. The digital transformation of the natural rubber industry is long overdue, seeing the rapid technological developments in other facets of human lives, and we sincerely hope that HeveaConnect will be the key catalyst for Industry 4.0 of natural rubber.”*

*“We wish continued success for HeveaConnect in its next stage of growth, and we would like to extend our deepest gratitude to various stakeholders that have been involved since the start of the journey.”*

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### **About Halcyon Agri**

Halcyon Agri (SGX: 5VJ) is a leading supply chain franchise of natural rubber with a production capacity of 1.6 million metric tonnes per annum. The Group owns 38 processing factories in most major rubber producing origins and produces sustainable natural rubber under the audited HEVEAPRO brand. The Group leverages its extensive network of warehouses, terminals, laboratories and sales offices across the world to distribute a range of natural rubber grades, latex and specialised rubber for the tyre and non-tyre industries. Halcyon Agri is headquartered in Singapore and has about 15,000 employees in over 50 locations.

Please visit us at [www.halcyonagri.com](http://www.halcyonagri.com)

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