

HeveaConnect, Digital Marketplace for Sustainable Natural Rubber welcomes investment from Singapore Exchange

SINGAPORE, 03 Mar 2021 - HeveaConnect Pte Ltd ("HC") announced today that Singapore Exchange ("SGX") has taken a minority stake in HC with a view to accelerate the digitalisation of the natural rubber industry. SGX joins Halcyon Agri Corporation Limited ("HAC"), ITOCHU Corporation and DBS Bank Ltd as shareholders in HC.

With over 100 years of trading heritage, Singapore is the hub and the heart of the global natural rubber trade. SGX's SICOM market is widely recognised as the world's price discovery centre for natural rubber, and its indices are the global pricing benchmark for participants along the natural rubber value chain.

SGX plays a central role in supporting the global rubber community with its SICOM global price benchmark, arbitration services, and suite of derivative risk management solutions. As the world moves towards ubiquitous connectivity, there is an increasing need for digitalisation in the traditional rubber industry. HeveaConnect, the digital marketplace for sustainably produced natural rubber, is the ideal platform to address these market needs.

HC's mission is to be the data backbone of the industry's efforts to develop a sustainable supply of 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 HC aims to bolster HeveaConnect's capability as the price discovery platform for sustainable natural rubber. This will in turn promote best practices across the natural rubber value chain.

As part of the investment, SICOM futures prices will be made available on HeveaConnect's platform, to facilitate physical rubber spot and long-term price discovery against SICOM benchmarks.

Lee Beng Hong, Senior Managing Director, Head of Fixed Income, Currencies and Commodities, SGX said, *"The rubber industry's march towards digitalisation of the value chain and shift towards sustainable rubber are key objectives that we are excited to support. As the leading global pricing benchmark for natural rubber, we look forward to lending our expertise in further developing efficient and transparent price formation in physical rubber trade, to be supported by a data framework and infrastructure that is both secure and independent."*



Ray Ferguson, Independent Chairman of HeveaConnect said, *"HeveaConnect's key objective from the outset is to build a disruptive business that improves the price discovery process and facilitate collaboration on sustainability. With the support of the founding shareholders, HeveaConnect was able to develop and refine a trading platform that is ready for wider industry adoption. We are now delighted to welcome SGX as well as other future partners to further enhance the ecosystem for all."*

HeveaConnect as an Independent Platform to Encourage Industry Participation

As a gesture in welcoming industry participation into HC, **HAC** will relinquish its position as the controlling shareholder in HC, by allocating 59,962 shares (representing 14.73% stake in the enlarged shareholding base) from its existing shareholding in HC to an independent trustee, to be distributed to eligible organisations involved in promoting the sustainability agenda in the natural rubber industry. With an increased involvement from different interest groups, HC's role as an independent common platform will be elevated and gain more traction with the natural rubber producers and customers.

Andrew Trevatt, Director in HeveaConnect, representing HAC said, *"The investment by SGX is a remarkable milestone for HC, as it continues on its path to be the frontier in the digitalisation of the natural rubber industry. We recognise that industry support and participation is paramount in propelling HC to its next stage of growth. Our commitment in HC has been, and will remain steadfast, and this resonates well with our initial intention to establish a fair and equitable common physical platform for all of the natural rubber supply chain participants."*

Preferred Price Discovery Marketplace for Physical Rubber Trade

Since its inception in April 2019, **HeveaConnect** has successfully matched over 250,000 metric tonnes of physical natural rubber for global tyre majors including **Michelin** and **Bridgestone**, with gross sales value exceeding USD \$325 million.

Gerald Tan, Chief Executive of HeveaConnect, said, *"We are digitalising the entire natural rubber supply chain – from farmer to producer, from consumer to facilitator – in a data-enriched ecosystem. Our custom-built platform has streamlined order-to-fulfilment workflow to enhance decision-making and risk management. We also offer digital tools to collect valuable supply chain data on the ground. Conforming to strict procurement policies, these services address the critical sustainability and traceability needs of our customers, financiers, and NGOs."*



Segsarn Trai-Ukos, Managing Director of SMPT (Michelin) added, *"We have been using the HC platform for 22 months and can see the benefits of a digital platform. We are pleased to see SGX joining HC as a shareholder. It is now important for HC to increase the number of participants and ensure broad market adoption across the full supply chain."*

Brian Miller, Chairman of the Singapore International Chamber of Commerce Rubber Association notes, *"Digitalisation and sustainability in the rubber supply chain are important market developments and we are glad to see many great initiatives in recent months that focus on these key areas."*

Open to all credible rubber market users, **HeveaConnect** solves for supply chain efficiencies, enhances bilateral trade and will next develop a multilateral trading process. Its innovations include **HeveaConnect** Platform, HeveaPro, HeveaTrace and HeveaGrow which tackle challenges across the supply chain. **HeveaConnect** promotes sustainable and auditable rubber production techniques, advocates traceable data-backed rubber, and provides superior price discovery for Sustainable Natural Rubber.

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About HeveaConnect

Singapore founded and based **HeveaConnect** brings you the future of commodities trading. We are at the forefront of digitalising the natural rubber supply chain across the globe to create a data-enriched, technology-powered ecosystem. This digital transformation enables deeper analysis of the supply chain to uncover environmental, social and financial risks allowing targeted interventions.

At HeveaConnect, we use technology to enable data transparency and strengthen trust. We provide industry intelligence and insights to empower our customers to make smarter decisions. We strive to identify issues and deliver solutions that will redefine how commodities are produced and traded.

For more information, please visit www.heveaconnect.com.

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