



GMG GLOBAL LTD

FOR IMMEDIATE RELEASE

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GMG achieves 19.7% boost in gross profit

- *Profit margin increased to 9.5% from 6.4% previously due to higher sales premium, better raw material procurement and overall cost management*
- *Associate SIAT's turnaround profit of S\$3.1 million contributed to the overall financial improvement*

Financial Highlights	12 months ended 31 Dec 15 (FY2015)	12 months ended 31 Dec 14 (FY2014) Restated	Change
	<i>S\$mil</i>	<i>S\$mil</i>	<i>%</i>
Revenue	647.0	806.3	(19.8)
Gross Profit	61.3	51.3	19.7
Gross Profit Margin (%)	9.5	6.4	3.1pp
Share of profit/(loss) of associates	3.1	(5.2)	n.m.
Net loss attributable to shareholders	(19.0)	(40.6)	(53.2)

n.m. – not meaningful

pp – percentage points

SINGAPORE – 26 February 2016 – Mainboard-listed **GMG Global Ltd** (“**GMG**” or “**the Group**”), a vertically-integrated producer of natural rubber engaged in the planting, cultivating, tapping, processing, marketing and exporting of natural rubber, achieved a significant growth in gross profit of 19.7% to S\$61.3 million for the full year ended 31 December 2015 (“FY2015”). Comparatively, it posted gross profit of S\$51.3 million in the preceding year (“FY2014”).

GMG GLOBAL LTD

(subsidiary of Sinochem International)
Reg No.:199904244E

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Tel: (65) 6220 8638 | Fax: (65) 6323 0737 | Website: www.gmg.sg

Gross profit margin rose to 9.5% in FY2015, against 6.4% in FY2014, resulting from higher sales premium, better raw material procurement, lower processing cost and improved overall cost management.

Revenue in FY2015 was lower at \$647.0 million, from S\$806.3 million in FY2014, due mainly to lower rubber selling prices which fell 16.7% to S\$1,987 per ton year-on-year. Tonnage sold in FY2015 was 325,639 tons against 337,959 tons in FY2014.

In view of stronger performance by its palm oil and rubber segments, the Group's share of profits from 35%-owned associate, SIAT SA, was S\$3.1 million for the period under review compared to a loss of S\$5.2 million a year ago.

Consequently, the Group narrowed its losses by 53.2% to S\$19.0 in FY2015 from S\$40.6 million in FY2014.

Commenting on the latest set of results, Mr Li Xuetao (李雪涛), GMG's Chief Executive Officer said, "We are very encouraged by this set of results which shows that our efforts to control costs and increase efficiency have paid off. Our sales premium has also increased as we have received more quality certifications from our clients. Going forward, we will continue to increase the value-add of our product offerings so that we can receive more quality certifications from our clients, as well as manage operating costs and optimise production to improve our operating performance. As an integrated operator, we will also continue to invest in our plantation assets and we had done so in FY 2015 with 4,201 hectares of new plantings and replantings."

Financial Position

As at 31 December 2015, the Group has cash and cash equivalents of S\$39.3 million and the Group's gearing ratio remained low at 0.29 times.

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Business Outlook

The Group's performance is highly dependent on the price of natural rubber which was averaging S\$1,659 per ton in December 2015. For 2016, barring unforeseen circumstances, rubber prices are expected to remain range-bound at current levels.

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ABOUT GMG GLOBAL LTD

Listed on the Mainboard of the Singapore Exchange, GMG focuses primarily on the production and supply of premium natural rubber to the European, American and Asian markets. Through its various subsidiaries and associates, GMG currently manages more than 78,000 hectares of rubber plantations located across Africa and Asia; and operates 12 rubber processing plants located in Thailand, Indonesia, Cameroon, Gabon and Cote d'Ivoire with a total annual capacity of 527,000 tons. GMG's customers include some of the world's top tyre manufacturers who use the Group's primary tyre-grade rubber for production of industrial vehicles. With values firmly rooted in sustainability practices and corporate citizenship, we are committed to constant engagement with stakeholders to create mutually beneficial relationships.

GMG is a subsidiary of China's Sinochem International Corporation ("Sinochem International") which is listed on the Shanghai Stock Exchange. Sinochem International is a diversified international conglomerate which specialises in trading, manufacturing and transportation of chemicals (including agricultural and horticultural), plastics, rubber, and metallurgy products. Sinochem International is the top distributor and one of the largest producers of natural rubber in China. *For more information please visit GMG's website at: www.gmg.sg.*

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