

GMG GLOBAL LTD
Incorporated in Singapore
Reg. No. 199904244E

UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group (Unaudited)			Group (Unaudited)		
	9 months to 30/09/2015	9 months to 30/09/2014 (Restated)*	Change	3 months to 30/09/2015	3 months to 30/09/2014 (Restated)*	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	489,217	623,594	(21.5)	173,154	181,421	(4.6)
Cost of sales	(437,179)	(582,107)	(24.9)	(155,361)	(166,823)	(6.9)
Gross profit	52,038	41,487	25.4	17,793	14,598	21.9
Gross profit margin %	10.6	6.7	3.9	10.3	8.1	2.2
Other operating income	1,770	3,512	(49.6)	625	1,154	(45.8)
Administrative expenses	(34,833)	(36,433)	(4.4)	(12,872)	(12,323)	4.4
Distribution cost	(18,009)	(20,014)	(10.0)	(5,990)	(6,391)	(6.3)
Other operating expenses	(1,935)	(2,576)	(24.9)	(1,128)	(695)	62.3
Share of profit/(loss) of associates	2,213	(6,435)	NM	686	(843)	NM
Finance costs	(3,482)	(3,108)	12.0	(1,453)	(1,016)	43.0
Foreign currency exchange adjustment loss	(8,074)	(1,025)	687.7	(2,303)	(540)	326.5
Net gain/(loss) on financial derivatives	3,268	1,723	89.7	1,958	(192)	NM
Loss before income tax	(7,044)	(22,869)	(69.2)	(2,684)	(6,248)	(57.1)
Income tax expense	(672)	(2,083)	(67.7)	359	(553)	NM
Loss after income tax	(7,716)	(24,952)	(69.1)	(2,325)	(6,801)	(65.8)
Loss attributable to:						
Shareholders of the company	(7,894)	(19,626)	(59.8)	(2,727)	(4,859)	(43.9)
Non-controlling interests	178	(5,326)	NM	402	(1,942)	NM
	(7,716)	(24,952)	(69.1)	(2,325)	(6,801)	(65.8)

*Reclassifications between administrative and other operating expenses have been made to the prior year's income statement to enhance compatibility with the current year's income statement.

Notes:

	9 months to 30/09/2015	9 months to 30/09/2014	3 months to 30/09/2015	3 months to 30/09/2014
	S\$'000	S\$'000	S\$'000	S\$'000
(a) <u>Adjusted loss before income tax (exclude FX)</u>	1,030	(21,844)	(381)	(5,708)
(b) <u>Other disclosure items included in the above income statement:</u>				
1 Interest income	782	744	222	89
2 Interest on borrowings	(3,482)	(3,108)	(1,453)	(1,016)
3 Depreciation	(12,554)	(13,231)	(4,748)	(4,466)
4 Write back for doubtful receivables	116	19	2	17
5 Gain on disposal of property, plant and equipment	97	54	1	6
6 Allowance for inventories obsolescences	(763)	(162)	(583)	(178)
7 Inventories written off	-	-	-	-
8 Bad debt written off	-	(10)	-	-
9 Property, plant and equipment written off	-	(16)	-	(16)
10 Gain on disposal of investment properties	-	-	-	-

- (c) NM - not meaningful



STATEMENTS OF COMPREHENSIVE INCOME
(in S\$'000)

Group

Loss after income tax
Exchange differences on translation of foreign operations
Total comprehensive income, net of tax

9 months to 30/09/2015	9 months to 30/09/2014	3 months to 30/09/2015	3 months to 30/09/2014
(7,716)	(24,952)	(2,325)	(6,801)
(6,034)	(35,870)	21,481	(13,929)
<u>(13,750)</u>	<u>(60,822)</u>	<u>19,156</u>	<u>(20,730)</u>

Total comprehensive income attributable to:

Shareholders of the company
Non-controlling interests

(13,668)	(53,434)	17,493	(17,911)
(82)	(7,388)	1,663	(2,819)
<u>(13,750)</u>	<u>(60,822)</u>	<u>19,156</u>	<u>(20,730)</u>

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/09/2015	31/12/2014	30/09/2015	31/12/2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	62,041	41,161	2,746	1,372
Pledged fixed deposits	4,629	7,589	-	-
Trade receivables	54,248	60,374	-	-
Other receivables	79,236	62,437	141,508	138,298
Current portion of loan receivables	5,568	5,624	8,527	5,624
Derivative financial instruments	1,750	3,824	904	3,774
Inventories	90,202	95,600	-	-
Total current assets	297,674	276,609	153,685	149,068
Non-current assets				
Investment in subsidiaries	-	-	356,896	356,896
Goodwill	11,176	11,464	-	-
Investments in associates	306,113	305,371	317,480	317,480
Investments –Available-for-sale	235	244	-	-
Plantation assets	315,691	291,025	-	-
Property, plant and equipment	119,581	122,897	3,867	4,153
Investment properties	14,946	16,514	-	-
Other receivables	4,850	4,900	12,127	14,992
Club memberships	640	640	640	640
Deferred tax assets	5,906	4,670	-	-
Total non-current assets	779,138	757,725	691,010	694,161
Total assets	1,076,812	1,034,334	844,695	843,229
LIABILITIES AND EQUITY				
Current liabilities				
Short term loans	133,234	100,028	19,648	13,189
Trade payables	31,321	24,122	-	-
Other payables	43,286	53,979	191,600	209,866
Current portion of long term loans	2,069	2,913	-	-
Current portion of finance leases	167	179	80	80
Derivative financial instruments	1,004	6,500	648	4,773
Income tax payable	2,251	1,702	6	6
Total current liabilities	213,332	189,423	211,982	227,914

	Group		Company	
	30/09/2015	31/12/2014	30/09/2015	31/12/2014
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities				
Long term loans	76,508	42,622	-	-
Finance leases	47	278	31	214
Deferred tax liabilities	9,053	9,311	2,139	2,139
Total non-current liabilities	85,608	52,211	2,170	2,353
Capital, reserves and non-controlling interests				
Share capital	611,330	611,330	611,330	611,330
Treasury shares	(1,995)	(1,995)	(1,995)	(1,995)
Capital reserves	9,238	9,238	-	-
Currency translation reserve	(72,187)	(66,413)	-	-
Retained earnings	193,954	201,848	21,208	3,627
Equity attributable to owners of the company	740,340	754,008	630,543	612,962
Non-controlling interests	37,532	38,692	-	-
Total equity	777,872	792,700	611,196	612,962
Total liabilities and equity	1,076,812	1,034,334	844,695	843,229

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/09/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,236	133,234	3,092	100,028

Amount repayable after one year

As at 30/09/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,402	74,153	4,747	38,153

Details of any collateral

The secured facilities of the Group, comprise term loans and finance leases. The finance leases are secured by certain fixed assets of subsidiaries and the Company with a carrying amount of \$327,000 as at 30 September 2015 (31 December 2014: \$564,000). The term loans are secured by assets of two of the subsidiaries.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	9 months to 30/09/2015	9 months to 30/09/2014	3 months to 30/09/2015	3 months to 30/09/2014
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Operating activities</u>				
Loss before income tax	(7,044)	(22,869)	(2,684)	(6,248)
Adjustments for:				
Depreciation expenses	12,554	13,231	4,748	4,466
Fair value loss/(gain) of financial derivatives	(528)	178	(536)	(560)
Interest income	(782)	(744)	(222)	(89)
Interest expense	3,482	3,108	1,453	347
Allowance for inventories	763	162	583	178
Write back for doubtful receivables	(116)	(19)	(2)	(17)
Bad debt written off	-	10	-	-
Gain on disposal of property, plant and equipment	(97)	(54)	(1)	(6)
Property, plant and equipment written off		16		16
Share of loss/(profit) of associates	(2,213)	6,435	(686)	843
Operating cash flows before movements in working capital	6,019	(546)	2,653	(1,070)
Trade receivables	6,126	13,758	483	9,333
Other receivables	(12,872)	(7,874)	(2,266)	2,449
Inventories	4,910	30,497	(5,483)	(13,898)
Trade payables	6,643	(11,748)	7,355	(1,338)
Other payables	(15,342)	82	(9,219)	2,108
Cash flows from operations	(4,516)	24,169	(6,477)	(2,416)
Interest income	782	744	222	89
Interest paid	(2,971)	(2,688)	(1,730)	(117)
Income tax paid	(1,153)	(1,798)	(463)	91
Net cash generated from operating activities	(7,858)	20,427	(8,448)	(2,353)
<u>Investing activities</u>				
Loan to an associate	-	(5,815)	-	(5,815)
Proceeds from sale of property, plant and equipment	293	85	10	11
Purchase of plantation assets, property, plant and equipment	(39,366)	(48,808)	(20,685)	(15,960)
Net cash used in investing activities	(39,073)	(54,538)	(20,675)	(21,764)

Financing activities

- Proceeds from long term bank loans
- Repayment of long-term bank loans
- Proceeds from short term loans
- Repayment of short term loans
- Repayment of finance leases
- Dividends paid
- Dividends paid to non-controlling interest of subsidiary
- Capital contribution by non-controlling interest
- Movements in pledged fixed deposits

Net cash generated from/(used in) financing activities

Net increase/(decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of period

Effect of exchange rate changes on the balance sheet of cash and cash equivalent held in foreign currencies

Cash and cash equivalents at the end of period

Group		Group	
9 months to 30/09/2015	9 months to 30/09/2014	3 months to 30/09/2015	3 months to 30/09/2014
S\$'000	S\$'000	S\$'000	S\$'000
36,405	18,540	19,222	5,730
(2,883)	(4,100)	(1,550)	(1,932)
118,531	43,960	22,159	3,929
(93,077)	-	(14,241)	-
(235)	(149)	(34)	(34)
-	(7,660)	-	-
(1,078)	(1,251)	-	-
-	2,655	-	2,655
2,960	(262)	(102)	146
60,623	51,733	25,454	10,494
13,692	17,622	(3,669)	(13,623)
41,161	69,664	51,740	98,570
7,188	(2,446)	13,970	(107)
62,041	84,840	62,041	84,840

Note:

Cash and cash equivalents consist of:

Cash and bank balances
Fixed deposits
Less: pledged deposits
Bank Overdrafts

S\$'000	S\$'000	S\$'000	S\$'000
64,147	76,686	64,147	76,686
13,663	23,032	13,663	23,032
(4,629)	(7,552)	(4,629)	(7,552)
(11,140)	(7,326)	(11,140)	(7,326)
62,041	84,840	62,041	84,840

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or(ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Share capital S\$'000	Treasury shares S\$'000	Capital reserves S\$'000	Currency translation reserve S\$'000	Retained Earnings S\$'000	Attributable to owners of the company S\$'000	Non-controlling interests S\$'000	Total Equity S\$'000
Balance at 1 January 2015	611,330	(1,995)	9,238	(66,413)	201,848	754,008	38,692	792,700
Total comprehensive income for the period	-	-	-	(5,774)	(7,894)	(13,668)	(82)	(13,750)
Dividend paid	-	-	-	-	-	-	(1,078)	(1,078)
Balance at 30 September 2015	611,330	(1,995)	9,238	(72,187)	193,954	740,340	37,532	777,872
Balance at 1 January 2014	611,330	(1,995)	9,238	(25,669)	244,570	837,474	52,739	890,213
Total comprehensive income for the period	-	-	-	(33,808)	(19,626)	(53,434)	(7,388)	(60,822)
Dividend paid	-	-	-	-	(7,660)	(7,660)	(1,251)	(8,911)
Issue of shares to non-controlling interests of a subsidiary	-	-	-	-	-	-	2,655	2,655
Balance at 30 September 2014	611,330	(1,995)	9,238	(59,477)	217,284	776,380	46,755	823,135

Group

Balance at 1 July 2015

Total comprehensive income for the period

Dividend paid

Balance at 30 September 2015

Balance at 1 July 2014

Total comprehensive income for the period

Balance at 30 September 2014

Share capital	Treasury shares	Capital reserves	Currency translation reserve	Retained Earnings	Attributable to owners of the company	Non-controlling interests	Total Equity
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
611,330	(1,995)	9,238	(92,407)	196,681	722,847	35,869	758,716
-	-	-	20,220	(2,727)	17,493	1,663	19,156
-	-	-	-	-	-	-	-
611,330	(1,995)	9,238	(72,187)	193,954	740,340	37,532	777,872
611,330	(1,995)	9,238	(46,425)	222,143	794,291	49,574	843,865
-	-	-	(13,052)	(4,859)	(17,911)	(2,819)	(20,730)
611,330	(1,995)	9,238	(59,477)	217,284	776,380	46,755	823,135



Company

Balance at 1 January 2015
Total comprehensive income for the period
Balance at 30 September 2015

Balance at 1 January 2014
Total comprehensive income for the period
Dividend paid
Balance at 30 September 2014

Share capital	Treasury shares	Retained Earnings	Total
S\$'000	S\$'000	S\$'000	S\$'000
611,330	(1,995)	3,627	612,962
-	-	17,581	17,581
611,330	(1,995)	21,208	630,543
611,330	(1,995)	12,206	621,541
-	-	(1,897)	(1,897)
-	-	(7,660)	(7,660)
611,330	(1,995)	2,649	611,984

Company

Balance at 1 July 2015
Total comprehensive income for the period
Balance at 30 September 2015

Balance at 1 July 2014
Total comprehensive income for the period
Balance at 30 September 2014

Share capital	Treasury shares	Retained Earnings	Total
S\$'000	S\$'000	S\$'000	S\$'000
611,330	(1,995)	1,861	611,196
-	-	19,347	19,347
611,330	(1,995)	21,208	630,543
611,330	(1,995)	3,845	613,180
-	-	(1,196)	(1,196)
611,330	(1,995)	2,649	611,984



- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Group		Company	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Total number of issued shares including treasury shares	767,584,877	7,675,848,772	767,584,877	7,675,848,772
Total number of treasury shares	1,565,000	15,650,000	1,565,000	15,650,000

The Company proposed a share consolidation of every ten existing issued ordinary shares into one consolidated share which was approved by the Shareholders at the Annual General Meeting on 23 April 2015, and the share consolidation became effective on 18 May 2015.

- (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Group		Company	
	30/09/2015	31/12/2014	30/09/2015	31/12/2014
Total number of issued shares excluding treasury shares	766,019,877	7,660,198,772	766,019,877	7,660,198,772

The Company proposed a share consolidation of every ten existing issued ordinary shares into one consolidated share which was approved by the Shareholders at the Annual General Meeting on 23 April 2015, and the share consolidation became effective on 18 May 2015.

- (d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

	Group	Company
	30/09/2015	30/09/2014
Total number of treasury shares at the beginning and end of the period	1,565,000	15,650,000

The Company proposed a share consolidation of every ten existing issued ordinary shares into one consolidated share which was approved by the Shareholders at the Annual General Meeting on 23 April 2015, and the share consolidation became effective on 18 May 2015.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures presented above have not been audited or reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation as in the Group and Company's audited financial statements for the year ended 31 December 2014 have been applied.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group			
	9 months to 30/09/2015	9 months to 30/09/2014	3 months to 30/09/2015	3 months to 30/09/2014
Earnings per ordinary share:				
- Based on the weighted average number of ordinary shares in issue	(1.03) cents	(2.56) cents	(0.36) cents	(0.63) cents
- On a fully diluted basis	(1.03) cents	(2.56) cents	(0.36) cents	(0.63) cents
Weighted average number of ordinary shares in issue	766,019,877	766,019,877	766,019,877	766,019,877

The Company proposed a share consolidation of every ten existing issued ordinary shares into one consolidated share which was approved by the Shareholders at the Annual General Meeting on 23 April 2015, and the share consolidation became effective on 18 May 2015. The weighted number of ordinary shares used for the calculation of earnings per share for the comparatives had been adjusted for the effect of the share consolidation.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30/09/2015	31/12/2014	30/09/2015	31/12/2014
Net asset value per ordinary share based on issued share capital	96.65 cents	98.43 cents	82.31 cents	80.02 cents
Equity attributable to owners of the company (S\$'000)	740,340	754,008	630,543	612,962
Total number of issued shares excluding treasury shares	766,019,877	766,019,877	766,019,877	766,019,877

The Company proposed a share consolidation of every ten existing issued ordinary shares into one consolidated share which was approved by the Shareholders at the Annual General Meeting on 23 April 2015, and the share consolidation became effective on 18 May 2015. The number of issued shares used for the calculation of net asset value per ordinary share as at the end of the immediately preceding financial year had been adjusted for the effect of the share consolidation.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

8.1 Commentary on income statement for the 9 months ended 30 September 2015 ("9M 2015")

The Group registered a net loss of S\$7.9 million in 9M 2015, as compared to a loss of S\$19.6 million for the nine months ended 30 September 2014 ("9M 2014"). The decrease in net loss was primarily due to higher gross profit as a result of higher sales premium, better raw material procurement and processing cost management. Profit from an associate, SIAT SA, also contributed to the improvement in the Group's results.

(a) Revenue

	Q1 2015	Q2 2015	Q3 2015	9M 2015	Q1 2014 (Restated)	Q2 2014 (Restated)	Q3 2014	9M 2014
Turnover (S\$ million)	150.8	165.3	173.2	489.2	225.0	217.2	181.4	623.6
Tonnage sold (MT)	73,860	84,140	81,751	239,751	78,673	90,286	82,959	251,918
Average selling price/ton (S\$/MT)	2,041	1,965	2,118	2041	2,860	2,406	2,187	2,475

Revenue for the quarter ended 30 September 2015 ("Q3 2015") was S\$173.2 mil (81,751 tons), a decrease of S\$8.3 million compared with S\$181.4 mil (82,959 tons) for the corresponding quarter ended 30 September 2014 ("Q3 2014"). For 9M 2015, revenue was S\$489.2 million with 239,751 tons sold compared with S\$623.6 million with 251,918 tons sold for 9M 2014.

The decrease in revenue was mainly due to lower rubber selling prices which declined from S\$2,475 per ton in 9M 2014 to S\$2,041 per ton in 9M 2015. Lower sales tonnage also contributed to the decrease in revenue due to challenging operating environment. The decrease was partially offset by the favourable exchange translation rate. Foreign currency translation favourably impacted sales due to the appreciation of United States Dollars against Singapore Dollars (Group's reporting currency) during the period.

(b) Cost of sales

Cost of sales for Q3 2015 was S\$155.4 mil (81,751 tons sold) compared with S\$166.8 mil for Q3 2014 (82,959 tons sold).

For 9M 2015, cost of sales was S\$437.2 mil (239,751 tons sold) compared with S\$582.1 mil for 9M 2014 (251,918 tons sold).

The decrease in costs of sales was due largely to the lower prices paid for external purchases of raw materials which moved in tandem with selling prices which had decreased by approximately 25% compared with 9M 2014.

(c) Gross profit margin

Although lower revenue was recorded, the gross profit margin had improved and was higher at 10.6% in 9M 2015 as compared with 6.7% in 9M 2014. The group's factories were generating improved gross profit margin mainly due higher sales premium, better raw material procurement and processing cost management. Additional, there was a favourable margin impact from weakening Singapore dollars (Group's reporting currency) against the United States Dollar.

(d) Other operating income

Other operating income decreased from S\$3.5 million in 9M 2014 to S\$1.8 million in 9M 2015 due to the decrease in interest income and lower sales in unused spare parts and waste materials.

(e) Administrative expenses

The decrease in administrative expenses from S\$36.4 million in 9M 2014 to S\$34.8 million in 9M 2015 was mainly due to the result of stricter cost control measures introduced from the beginning of the year. Major expense reductions include decreased rental expenses of machineries and transport for plantations by S\$1.2mil and reduced bank charges by \$0.4mil.

(f) Distribution expenses

Distribution expense for 9M 2015 was S\$18.0 million compared with S\$20.0 million for 9M 2014, a decrease of S\$2.0 million. This was mainly due to the lower sales tonnage sold.

(g) Other operating expenses

The decrease in other operating expenses from S\$2.6 million in 9M 2014 to S\$1.9 million in 9M 2015 was largely due to the decrease in export tax incurred by the Group's Cote D'Ivoire subsidiaries as a result of the falling natural rubber prices.

(h) Share of associates' profit

Share of profit of associates in 9M 2015 was S\$2.2 million compared with a loss of S\$6.4 million in 9M 2014. SIAT SA achieved better results as compared to the previous period due to better performance in both palm oil and rubber segments.

(i) Foreign Exchange Gain/(Loss)

	Q1 2015	Q2 2015	Q3 2015	9M 2015	Q1 2014	Q2 2014	Q3 2014	9M 2014
	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$	S\$ mil
Realised exchange (loss)/ gain	3.1	(1.6)	(0.1)	1.4	(2.1)	(1.6)	(1.9)	(5.6)
Unrealised exchange (loss)/ gain	(4.9)	(2.4)	(2.2)	(9.5)	5.2	(2.0)	1.4	4.6
Total	(1.8)	(4.0)	(2.3)	(8.1)	3.1	(3.6)	(0.5)	(1.0)

Exchange rates*	As at 31 Dec 2014	As at 31 Mar 2015	As at 30 Jun 2015	As at 30 Sep 2015	As at 31 Dec 2013	As at 31 Mar 2014	As at 30 Jun 2014	As at 30 Sep 2014
USD/IDR	12,442	12,940	13,345	14,728	12,194	11,357	12,027	11,960
Euro/ USD	1.2184	1.0937	1.1229	1.1181	1.3809	1.3837	1.3603	1.2778
USD/SGD	1.3189	1.3613	1.3384	1.4228	1.2743	1.2585	1.2356	1.2691
SGD/Baht	0.04067	0.0423	0.0423	0.0393	0.03865	0.03911	0.03854	0.03929

*Based on the Group's in-house rate according to Bank of China

The Group registered a higher unrealised foreign exchange loss of S\$9.5million in 9M 2015 mainly due to depreciation of Euro denominated receivables as well as the appreciation of USD denominated bank loans within the Group from the start of 2015 Q1 to Q3. Outstanding sale advances given to subsidiaries are mainly in Euro which generated an unrealized loss for 9M 2015. USD denominated bank loans and Thai baht denominated advance given within the Group had greatly contributed to the loss.

Net gain on financial derivatives

	Q1 2015	Q2 2015	Q3 2015	9M 2015	Q1 2014	Q2 2014	Q3 2014	9M 2014
	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil
Realised derivatives (loss)/ gain	2.5	(1.2)	1.4	2.7	5.0	(2.4)	(0.7)	1.9
Unrealised derivatives (loss)/ gain	(0.3)	0.3	0.5	0.5	(1.5)	0.8	0.5	(0.2)
Total	2.2	(0.9)	1.9	3.2	3.5	(1.6)	(0.2)	1.7

Realised gain from rubber and forex hedging amounted to S\$0.9 million and S\$1.8 million respectively in 9M 2015. Unrealised gain from rubber hedging amounted to S\$0.6 million, with an unrealised forex hedging loss of S\$0.03 million. Both rubber and forex hedging are undertaken to hedge against volatility and fluctuations of natural rubber prices and foreign currencies.

(j) Income tax expense

Income tax expense for 9M 2015 was S\$0.7 million compared with S\$2.1 million in 9M 2014. Deferred tax credits were recognized for loss making subsidiaries in 9M 2015. In 9M 2014, there was also an adjustment of under provision of tax liabilities for one of the subsidiaries in prior years.

8.2 Commentary on Cash Flow Statement

In 9M 2015, the Group recorded a negative operating cash outflow of S\$7.9 million mainly due to lower sales advances received from customers at September 2015. In 9M 2014, the Group had a positive operating cash inflow of S\$20.4 million due to lower inventory on hand.

In Q3 2015, the Group recorded a negative operating cash outflow of S\$8.4 million as compared to cash outflow of S\$2.4 million in Q3 2014, mainly due to lower sales advances received from customers and higher interest expense paid in Q3 2015.

The Group recorded a cash outflow from investing activities of S\$39.1 million in 9M 2015 mainly due to continued investment and expansion of the Group's plantation areas.

Financing activities recorded a cash inflow of S\$60.6 million during 9M 2015 due to higher bank borrowings undertaken to finance its new plantations and working capital.



8.3 **Commentary on Balance Sheet as at 30 September 2015**

Assets

The Group's total assets had increased by S\$42.5 million from S\$1,034.3 million as at 31 December 2014 to S\$1,076.8 million as at 30 September 2015. The increase was mainly contributed by cash and cash equivalents, plantation assets and other receivables offset by decreases in inventories and trade receivables.

Inventories decreased by S\$5.4 million to S\$90.2 million as at 30 September 2015 due lower stock on hand and lower unit purchase costs.

Investment in associates increased by S\$0.7 million to S\$306.1 million as at 30 September 2015 mainly due share of profit from SIAT SA which was partially offset by foreign currency revaluation loss as a result of depreciation of EURO against SGD currency.

Cash and cash equivalents increased by S\$20.8 million to S\$62.0 million mainly due to higher bank borrowings undertaken for working capital requirements and capital expenditure for plantation investments.

Other receivables and prepayments increased by S\$16.8 million to S\$79.2 million mainly due to advances given to suppliers to purchase raw materials, machinery equipment and spare parts.

Liabilities

The Group's total liabilities had increased by S\$57.3 million from S\$241.6 million as at 31 December 2014 to S\$298.9 million as at 30 September 2015. The increase was mainly due to additional borrowings for working capital purposes and capital expenditure for plantation investments.

The financial position of the Group as at 30 September 2015 is summarized below:

	30 September 2015	31 December 2014
Net asset per share	96.65 cents	98.43 cents
Total loans	S\$212.0 mil	S\$146.0 mil
Equity attributable to the owners of the company	S\$740.3 mil	S\$754.0 mil
Debt: Equity ratio	0.29	0.19

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group's performance is highly dependent on the price of natural rubber which was averaging US\$1,247.20 per ton (S\$1,691.83 per ton) in September 2015 and the fluctuations of foreign currencies namely Euro, United States Dollars, Thai Baht and Indonesia Rupiah. Barring unforeseen circumstances, we expect rubber prices for the rest of 2015 to remain range-bound at current levels.

The operating environment of the Group's business remains challenging in view of the prevailing price and reduced demand of natural rubber.

We will continue to focus on increasing sales, managing our operating costs and optimising our production to improve our operating performance. At the same time, the Group continues to strengthen and enhance risk management in order to minimise the exposure of foreign exchange and commodity price risk.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?



None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared/recommended for the current financial quarter.

13. INTERESTED PERSON TRANSACTIONS

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)				Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)			
	9 months ended	9 months ended	3 months ended	3 months ended	9 months ended	9 months ended	3 months ended	3 months ended
	30/09/2015	30/09/2014	30/09/2015	30/09/2014	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sinochem Group								
(A) Sinochem International (Overseas) Pte Ltd								
Sale of Goods	-	-	-	-	167,787	249,938	42,151	63,465
(B) Sinochem Plastics Co., Ltd								
Sale of Goods	-	-	-	-	524	10,344	-	3,173
(C) Euroma Rubber Ind. Sdn Bhd								
Sale of Goods	-	-	-	-	2,848	-	1,120	-
PT Asuransi Rama Satria Wibawa								
Insurance expense	49	109	38	35	-	-	-	-

14. Use of proceeds

Not applicable.

15. Negative Assurance Confirmation

Confirmation By Directors Pursuant to Rule 705(5) of the Listing Manual of SGX-ST

We, Qin Hengde and Li Xuetao, being two Directors of GMG Global Limited (the "Company"), confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render these interim financial statements for the third quarter ended 30 September 2015 to be false or misleading in any material aspect.



For and on behalf of the Board of Directors of

GMG Global Limited

Qin Hengde
Director

Li Xuetao
Director

BY ORDER OF THE BOARD

Alan Wong
Chief Financial Officer
30 October 2015