



GMG GLOBAL LTD

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GMG boosts Gross Profit by 25.4% for 9M2015

- *Profit margin increased from previous of 6.7% to 10.6% from higher sales premium, better raw material procurement and processing cost management*
- *Profit of \$1 million from Operations' turnaround (excluding FOREX adjustment loss)*

Financial Highlights	9 months ended 30 September 15 (9M2015)	9 months ended 30 September 14 (9M2014)	Change
	<i>S\$mil</i>	<i>S\$mil</i>	<i>%</i>
Revenue	489.2	623.6	(21.5)
Gross Profit	52.0	41.5	25.4
Gross Profit Margin (%)	10.6	6.7	3.9pp
Share of profit/(loss) of associates	2.2	(6.4)	n.m.
Income /(loss) before tax (excluding FOREX adjustment loss)	1.0	(21.8)	n.m.
FOREX adjustment loss	(8.1)	(1.0)	687.7
Net loss attributable to shareholders	(7.9)	(19.6)	(59.8)

n.m. – not meaningful

pp – percentage points

SINGAPORE – 30 October 2015 – 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 25.4% rise in gross profit to S\$52.0 million for 9M2015. In the same period last year (9M2014), the Group’s gross profit was S\$41.5 million.

GMG GLOBAL LTD

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Gross profit margin which rose to 10.6% in 9M2015 (as compared to 6.7% in 9M2014) was the result of improvements in the operations of most of the Group's factories. In the period under review, the Group was able to achieve higher sales premium; better raw material procurement; and processing cost management. The Group also managed to trim operating costs by about 7.0% to S\$54.7 million, from \$59.0 million previously.

On the back of better performing palm oil and rubber segments, the Group's 35%-owned associate, SIAT SA, made a profit of S\$2.2 million for the period under review compared to a loss of S\$6.4 million a year ago.

Consequently, at the pre-tax level (excluding foreign currency exchange adjustment loss), the Group made a strong turnaround and posted an operating profit of S\$1.0 million versus a loss of S\$21.8 million for 9M2014.

The FOREX loss of S\$9.5 million in 9M2015 was mainly due to unrealized losses from depreciation of Euro receivables as well as the appreciation of US\$ denominated bank loans within the Group. The loss attributable to shareholders showed a sharp decline of almost 60% to S\$7.9 million (from the previous year's figure of S\$19.6).

"We are very encouraged by this set of results which affirmed the successful implementation of our management initiatives and efforts to increase efficiency and cost savings. And we strive to do better." said Mr Li Xuetao (李雪涛), GMG's Chief Executive Officer.

Steady Financial Position

As at 30 September 2015, the Group's total assets increased by 4.1% to S\$1,076.8 million, with plantation assets increasing by 8.5% to S\$315.7 million. During this period, the Group's African plantations added 1286 hectares of replanting and 1884 hectares of new planting.

The Group's balance sheet remained healthy with a low gearing ratio of 0.29 times.



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Business Outlook

Looking ahead, GMG expects the operating environment to remain challenging in view of the prevailing price of natural rubber and reduced demand for natural rubber. The price of rubber was averaging S\$1,692 per ton in September 2015, and is expected to stay range-bound at current levels for the rest of 2015.

Mr Li said, "We will continue to focus on increasing sales, managing our costs and optimising our production to improve our performance. At the same time, we will also strengthen and enhance our risk management to minimise the foreign exchange and commodity price risks. The rubber business is a cyclical business, and we are in this for the long term, so we remain committed to building and strengthening the fundamentals of GMG and to value creation for all our stakeholders."

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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.*