

UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

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 30/09/2016	9 months to 30/09/2015 (Restated)*	Change	3 months to 30/09/2016	3 months to 30/09/2015 (Restated)*	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	405,140	489,217	(17.2)	143,851	173,154	(16.9)
Cost of sales	(367,549)	(437,179)	(15.9)	(126,641)	(155,361)	(18.5)
Gross profit	37,591	52,038	(27.8)	17,210	17,793	(3.3)
Other operating income	679	1,770	(61.6)	316	625	(49.4)
Administrative expenses	(31,737)	(34,833)	(8.9)	(11,396)	(12,872)	(11.5)
Distribution cost	(16,542)	(18,009)	(8.1)	(5,710)	(5,990)	(4.7)
Other operating (expenses)/ gain	1,483	(2,232)	NM	1,000	175	471.4
Share of profit/(loss) of associates	(11,467)	2,213	NM	(249)	686	NM
Finance costs	(5,908)	(3,482)	69.7	(2,186)	(1,453)	50.4
Foreign currency exchange adjustment gain/(loss)	3,898	(8,074)	NM	446	(2,303)	NM
Net gain/(loss) on financial derivatives	(830)	3,268	NM	(2,240)	1,958	NM
Loss before income tax	(22,833)	(7,341)	211.0	(2,809)	(1,381)	103.4
Income tax expense	1,214	(672)	NM	(312)	359	NM
Loss after income tax	(21,619)	(8,013)	169.8	(3,121)	(1,022)	205.4
Loss attributable to:						
Shareholders of the company	(19,483)	(8,192)	137.8	(2,640)	(1,687)	56.5
Non-controlling interests	(2,136)	179	NM	(481)	665	NM
	(21,619)	(8,013)	169.8	(3,121)	(1,022)	205.4

Notes:

	9 months to 30/09/2016	9 months to 30/09/2015	3 months to 30/09/2016	3 months to 30/09/2015
	S\$'000	S\$'000	S\$'000	S\$'000
(a) Adjusted (loss)/profit before income tax (exclude FX, fair value on consumable biological assets and loss on sale of SIAT Gabon palm oil assets)	(12,222)	1,030	(4,369)	(381)
(b) Other disclosure items included in the above income statement:				
1 Loss on sale of SIAT Gabon palm oil assets	(14,088)	-	-	-
2 Depreciation expenses	(13,626)	(12,554)	(4,871)	(4,748)
3 Interest on borrowings	(5,908)	(3,482)	(2,186)	(1,453)
4 Reversal/ (provision) for stock NRV	2,420	(763)	(2)	(583)
5 Interest income	556	782	224	222
6 Fair value (loss)/ gain on consumable biological assets	(421)	(297)	1,114	1,303
7 Loss on disposal of club memberships	(294)	-	-	-
8 Gain/ (loss) on disposal of property, plant and equipment	(72)	97	9	1
9 Property, plant and equipment written off	(4)	-	-	-
10 Write back of doubtful receivables	-	116	-	2

- (c) NM - not meaningful

*Restated to include FRS 41

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

Group

Loss after income tax
Share of associates' other comprehensive income
Exchange differences on translation of foreign operations
Total comprehensive income, net of tax

9 months to 30/09/2016	9 months to 30/09/2015 restated	3 months to 30/09/2016	3 months to 30/09/2015 restated
(21,619)	(8,013)	(3,121)	(1,022)
(10,293)	-	-	-
(5,949)	(6,034)	1,987	21,481
<u>(37,861)</u>	<u>(14,047)</u>	<u>(1,134)</u>	<u>20,459</u>

Total comprehensive income attributable to:

Shareholders of the company
Non-controlling interests

(35,332)	(13,966)	(642)	18,533
(2,529)	(81)	(492)	1,926
<u>(37,861)</u>	<u>(14,047)</u>	<u>(1,134)</u>	<u>20,459</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	
	30/09/2016	31/12/2015	30/09/2016	31/12/2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	49,042	40,198	9,915	1,490
Pledged fixed deposits	5,510	4,563	-	-
Trade receivables	34,835	32,798	-	-
Other receivables	61,041	69,368	148,308	140,365
Current portion of loan receivables	5,318	5,413	8,139	8,357
Derivative financial instruments	195	149	-	149
Consumable biological assets	453	159	-	-
Inventories	82,922	79,195	-	-
Total current assets	239,316	231,843	166,362	150,361
Non-current assets				
Investment in subsidiaries	-	-	355,135	355,135
Goodwill	11,096	11,124	-	-
Investments in associates	275,373	299,480	317,480	317,480
Investments –Available-for-sale	232	232	-	-
Plantation assets	343,397	328,002	-	-
Property, plant and equipment	116,613	117,648	2,705	2,991
Investment properties	15,045	15,229	-	-
Other receivables	4,633	4,716	11,570	11,789
Club memberships	130	555	130	555
Deferred tax assets	7,708	6,884	-	-
Total non-current assets	774,227	783,870	687,020	687,950
Total assets	1,013,543	1,015,713	853,382	838,311
LIABILITIES AND EQUITY				
Current liabilities				
Short term loans	107,363	133,880	24,383	19,575
Trade payables	16,828	23,340	-	-
Other payables	19,277	21,378	169,276	193,608
Current portion of long term loans	14,350	2,011	13,516	-
Current portion of finance leases	49	105	38	38
Derivative financial instruments	1,216	790	-	428
Income tax payable	2,727	2,072	6	6
Total current liabilities	161,810	183,576	207,219	213,655

	Group		Company	
	30/09/2016	31/12/2015	30/09/2016	31/12/2015
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities				
Long term loans	134,559	74,433	21,401	-
Finance leases	41	76	35	63
Deferred tax liabilities	7,669	9,165	1,001	2,139
Total non-current liabilities	142,269	83,674	22,437	2,202
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	5,374	5,374	-	-
Currency translation reserve	(102,560)	(86,711)	-	-
Retained earnings	168,113	187,596	14,391	13,119
Equity attributable to owners of the company	680,262	715,594	623,726	622,454
Non-controlling interests	29,202	32,869	-	-
Total equity	709,464	748,463	623,726	622,454
Total liabilities and equity	1,013,543	1,015,713	853,382	838,311

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

Amount repayable in one year or less, or on demand

As at 30/09/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,272	119,490	2,116	133,880

Amount repayable after one year

As at 30/09/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,708	132,892	2,366	72,143

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 \$196,000 as at 30 September 2016 (31 December 2015: \$289,000). 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 30/09/2016	9 months to 30/09/2015 restated	3 months to 30/09/2016	3 months to 30/09/2015 restated
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Loss before income tax	(22,833)	(7,341)	(2,809)	(1,381)
Adjustments for:				
Share of (profit)/loss of associates	11,467	(2,213)	249	(686)
Depreciation expenses	13,626	12,554	4,871	4,748
Fair value loss/ (gain) on consumable biological assets	421	297	(1,114)	(1,303)
Loss on disposal of club membership	294	-	-	-
(Write back)/Allowance for doubtful receivables	-	(116)	-	(2)
Fair value loss/(gain) of financial derivatives	756	(528)	1,524	(536)
Interest income	(556)	(782)	(224)	(222)
Interest expense	5,908	3,482	2,186	1,453
(reversal)/ Provision for stock NRV	(2,420)	763	2	583
Property, plant and equipment written off	4	-	-	-
Gain/ (loss) on disposal of property, plant and equipment	72	(97)	(9)	(1)
Operating cash flows before movements in working capital	6,739	6,019	4,676	2,653
Trade receivables	(2,037)	6,126	(9,728)	483
Other receivables	8,456	(12,872)	6,563	(2,266)
Inventories	(6,233)	4,910	(1,531)	(5,483)
Trade payables	(5,907)	6,643	853	7,355
Other payables	(4,331)	(15,342)	(2,596)	(9,219)
Cash flows from operations	(3,313)	(4,516)	(1,763)	(6,477)
Interest income received	556	782	224	222
Interest paid	(3,990)	(2,971)	(2,878)	(1,730)
Income tax received/ (paid)	(445)	(1,153)	(760)	(463)
Net cash generated from operating activities	(7,192)	(7,858)	(5,177)	(8,448)
Investing activities				
Proceeds from sale of property, plant and equipment	119	293	7	10
Net proceeds from sale of club membership	130	-	-	-
Purchase of plantation assets, property, plant and equipment	(33,007)	(39,366)	(10,410)	(20,685)
Net cash used in investing activities	(32,758)	(39,073)	(10,403)	(20,675)



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 to non-controlling interest of subsidiary
- 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 30/09/2016	9 months to 30/09/2015 restated	3 months to 30/09/2016	3 months to 30/09/2015 restated
S\$'000	S\$'000	S\$'000	S\$'000
81,781	36,405	6,855	19,222
(7,430)	(2,883)	(4,081)	(1,550)
92,498	118,531	20,063	22,159
(114,357)	(93,077)	(7,458)	(14,241)
(91)	(235)	(24)	(34)
(1,138)	(1,078)	-	-
217	2,960	162	(102)
51,480	60,623	15,517	25,454
11,530	13,692	(63)	(3,669)
39,033	41,161	49,586	51,740
(1,521)	7,188	(481)	13,970
49,042	62,041	49,042	62,041

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
48,503	64,147	48,503	64,147
12,676	13,663	12,676	13,663
(5,510)	(4,629)	(5,510)	(4,629)
(6,627)	(11,140)	(6,627)	(11,140)
49,042	62,041	49,042	62,041

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 2016	611,330	(1,995)	5,374	(86,711)	187,596	715,594	32,869	748,463
Loss for the year	-	-	-	-	(19,483)	(19,483)	(2,136)	(21,619)
Other comprehensive loss	-	-	-	(15,849)	-	(15,849)	(393)	(16,242)
Total comprehensive losses for the period	-	-	-	(15,849)	(19,483)	(35,332)	(2,529)	(37,861)
Dividend paid	-	-	-	-	-	-	(1,138)	(1,138)
Balance at 30 September 2016	611,330	(1,995)	5,374	(102,560)	168,113	680,262	29,202	709,464
Balance at 1 January 2015 (as restated)	611,330	(1,995)	9,238	(66,413)	205,892	758,052	39,126	797,178
Effects of adopting amendments to FRS 41	-	-	-	-	(298)	(298)	1	(297)
Total comprehensive losses for the period	-	-	-	(5,774)	(7,894)	(13,668)	(82)	(13,750)
Dividend paid	-	-	-	-	-	-	(1,078)	(1,078)
Balance at 30 September 2015 (restated)	611,330	(1,995)	9,238	(72,187)	197,700	744,086	37,967	782,053

Group

Balance at 1 July 2016

Loss for the period

Other comprehensive income

Total comprehensive income for the period

Balance at 30 September 2016

Balance at 1 July 2015 (as restated)

Effects of adopting amendments to FRS 41

Total comprehensive income for the period

Balance at 30 September 2015 (restated)

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)	5,374	(104,558)	170,753	680,904	29,694	710,598
-	-	-	-	(2,640)	(2,640)	(481)	(3,121)
-	-	-	1,998	-	1,998	(11)	1,987
-	-	-	1,998	(2,640)	(642)	(492)	(1,134)
611,330	(1,995)	5,374	(102,560)	168,113	680,262	29,202	709,464
611,330	(1,995)	9,238	(92,407)	199,387	725,553	36,041	761,594
-	-	-	-	1,040	1,040	263	1,303
-	-	-	20,220	(2,727)	17,493	1,663	19,156
611,330	(1,995)	9,238	(72,187)	197,700	744,086	37,967	782,053

Company

Balance at 1 January 2016
Total comprehensive income for the period
Balance at 30 September 2016

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

Share capital	Treasury shares	Retained Earnings	Total
S\$'000	S\$'000	S\$'000	S\$'000
611,330	(1,995)	13,119	622,454
-	-	1,272	1,272
611,330	(1,995)	14,391	623,726
611,330	(1,995)	3,627	612,962
-	-	17,581	17,581
611,330	(1,995)	21,208	630,543

Company

Balance at 1 July 2016
Total comprehensive income for the period
Balance at 30 September 2016

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

Share capital	Treasury shares	Retained Earnings	Total
S\$'000	S\$'000	S\$'000	S\$'000
611,330	(1,995)	13,299	622,634
-	-	1,092	1,092
611,330	(1,995)	14,391	623,726
611,330	(1,995)	1,861	611,196
-	-	19,347	19,347
611,330	(1,995)	21,208	630,543

- 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.

There has been no change in the Company's issued share capital.

	Group		Company	
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
Total number of issued shares including treasury shares	767,584,636	767,584,636	767,584,636	767,584,636
Total number of treasury shares	1,565,000	1,565,000	1,565,000	1,565,000

- (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	
	30/09/2016	31/12/2015	30/09/2016	31/12/2015
Total number of issued shares excluding treasury shares	766,019,636	766,019,636	766,019,636	766,019,636

- (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
	30/09/2016	30/09/2015
Total number of treasury shares at the beginning and end of the period	1,565,000	1,565,000

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

The Q3 figures 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 2015 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 30/09/2016	9 months to 30/09/2015 (Restated)	3 months to 30/09/2016	3 months to 30/09/2015 (Restated)
Earnings per ordinary share:				
- Based on the weighted average number of ordinary shares in issue	(2.54) cents	(1.07) cents	(0.34) cents	(0.22) cents
- On a fully diluted basis	(2.54) cents	(1.07) cents	(0.34) cents	(0.22) cents
Weighted average number of ordinary shares in issue	766,019,636	766,019,636	766,019,636	766,019,636

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	
	30/09/2016	31/12/2015	30/09/2016	31/12/2015
Net asset value per ordinary share based on issued share capital	88.80 cents	93.42 cents	81.42 cents	81.26 cents
Equity attributable to owners of the company (S\$'000)	680,262	715,594	623,726	622,454
Total number of issued shares excluding treasury shares	766,019,636	766,019,636	766,019,636	766,019,636

The net asset per ordinary share is computed based on equity attributable to owners of the company divided by the issued and paid-up capital of 766,019,636 ordinary shares as at 30 September 2016 (766,019,636 at 31 December 2015).

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 quarter 3 months ("Q3 2016") and 9 months ("9M 2016") ended 30 September 2016**

The Group incurred net loss after tax of S\$21.6 mil (S\$7.5 mil if loss of disposal of SIAT palm oil assets is excluded) in 9M 2016, as compared to a net loss after tax of S\$8.0 mil during the 9 months ended 30 September 2015 ("9M 2015"). The 9M 2015 results were restated to reflect the effects of adopting amendments to FRS 41. There was a fair valuation loss of S\$0.3 mil in 9M 2015 (S\$0.4 mil in 9M 2016) for consumable biological assets, due to falling cuplumps prices and lower inventory levels at the end of September 2015 compared to Dec 2014.

For Q3 2016, there was a S\$1.1 mil fair valuation gain on FRS 41 due to higher cuplumps prices and higher inventory levels from our plantations at the end of September 2016 compared to June 2016.

Revenue

Revenue for Q3 2016 was S\$143.8 mil (76,426 tons sold), a decrease of S\$29.4 mil compared with S\$173.2 mil (81,751 tons sold) for Q3 2015.

	Q1 2016	Q2 2016	Q3 2016	9M 2016	Q1 2015	Q2 2015	Q3 2015	9M 2015
Turnover (S\$ mil)	124.2	137.1	143.8	405.1	150.8	165.3	173.2	489.2

Tonnage sold (MT)	75,248	75,840	76,426	227,514	73,860	84,140	81,751	239,751
Average selling price/ton (S\$/MT)	1,650	1,807	1,882	1,781	2,041	1,965	2,118	2,040
Average exchange rate US\$ to S\$	1.4054	1.3589	1.3513	1.3719	1.3481	1.3392	1.3822	1.3565

The decrease in revenue was due to the lower rubber selling prices which declined from S\$2,040 per ton in 9M 2015 to S\$1,781 per ton in 9M 2016. The decrease was partially offset by the favourable exchange translation rate. Foreign currency translation favourably impacted sales due to appreciation of US\$ against S\$ (Group's reporting currency) during the period from 9M 2015 US\$/ S\$ rate of 1.3565 to 9M 2016 US\$/ S\$ rate of 1.3719.

Cost of sales

Cost of sales for Q3 2016 was S\$126.6 mil (76,426 tons sold) compared with S\$155.4 mil for Q3 2015 (81,751 tons sold).

Cost of sales for 9M 2016 was S\$367.5 mil (227,514 tons sold) compared with S\$437.2 mil for 9M 2015 (239,751 tons sold).

The decrease in cost 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 15.9% compared with 9M 2015.

Gross profit

The gross profit margin was lower at 9.3% in 9M 2016 as compared with 10.6% in 9M 2015. This is due to lower selling prices in 2016 which had impacted the gross profit margin for 9M 2016. Gross profit margin was at 12.0% in Q3 2016 as compared to 10.3% in Q3 2015 as selling prices improved by S\$75 per ton quarter on quarter.

Other operating income

Other operating income decreased to S\$0.7 mil in 9M 2016 from S\$1.8 mil in 9M 2015 mainly due to lower interest income earned in 9M 2016, no receipt of insurance subsidy from Thailand government and less proceeds from sale of plantation spare parts and materials in 9M 2015.

Administrative expenses

The decrease in administrative expenses from S\$34.8 mil in 9M 2015 to S\$31.7 mil in 9M 2016 was mainly due to the ongoing cost control measures.

Distribution expenses

Distribution expenses of S\$16.5 mil in 9M 2016 was marginally lower compared with S\$18.0 mil in 9M 2015 reflecting lower tonnage sold in this period.

Other operating (expenses)/ gain

Other operating gain was S\$1.5 mil in 9M 2016 compared to a loss of S\$2.2 mil in 9M 2015, mainly due to fair valuation of consumable biological assets and reversal of provision for stock NRV.

A S\$0.4 mil loss in fair valuation was recorded for 9M 2016 due to low produce from our plantations at end of September 2016 compared to end of December 2015. A S\$1.1 mil gain in fair valuation was recorded for Q3 2016 mainly due to higher price of cuplumps and higher closing inventory levels at the end of September 2016 compared to end of June 2016.

There was a reversal of S\$2.4 mil in provision for stock NRV in YTD 2016 compared to a provision of S\$0.8 mil expense in YTD 2015.

Share of associates' profit/ (loss)

There was a loss of S\$14.1 mil on the sale of SIAT Gabon palm oil assets during Q2 2016. Excluding the loss on disposal, the share of profit of associates in 9M 2016 was S\$2.6 mil profit compared with a profit of S\$2.2 mil in 9M 2015.

The share of profit of associates in Q3 2016 was S\$0.2 mil loss compared with a profit of S\$0.7 mil in Q3 2015.

Finance costs

Finance costs in 9M 2016 were S\$5.9 mil compared with S\$3.5 mil in 9M 2015. The increase in finance costs was due to higher bank borrowings from long term loans undertaken to finance new plantations and operations.

Foreign Exchange Gain/(Loss)

	Q1 2016	Q2 2016	Q3 2016	9M 2016	Q1 2015	Q2 2015	Q3 2015	9M 2015
	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil
Realised exchange (loss)/ gain	(2.0)	1.7	(0.5)	(0.8)	3.1	(1.6)	(0.1)	1.4
Unrealised exchange (loss)/ gain	3.9	(0.1)	0.9	4.7	(4.9)	(2.4)	(2.2)	(9.5)
Total	1.9	1.6	0.4	3.9	(1.8)	(4.0)	(2.3)	(8.1)

Exchange rates*	As at Dec 2014	As at Mar 2015	As at Jun 2015	As at Sep 2015	As at Dec 2015	As at Mar 2016	As at Jun 2016	As at Sep 2016
USD/IDR	12,442	12,940	13,345	14,728	13,796	13,255	13,280	13,105
Euro/USD	1.2184	1.0937	1.1229	1.1181	1.0926	1.1159	1.1316	1.1204
USD/SGD	1.3189	1.3613	1.3384	1.4228	1.4155	1.3710	1.3433	1.3562
SGD/Baht	0.04067	0.0423	0.0423	0.0393	0.0392	0.03876	0.03827	0.03922

*Based on the Group's in-house rate according to Bloomberg.

The Group registered an unrealised foreign exchange gain of S\$4.7 mil in 9M 2016 mainly from Euro balances in sales advances given and bank balances and USD bank loans. Outstanding sale advances given to subsidiaries were mainly Euro denominated while bank loans undertaken by Group were USD denominated.

Net gain on financial derivatives

	Q1 2016	Q2 2016	Q3 2016	9M 2016	Q1 2015	Q2 2015	Q3 2015	9M 2015
	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil
Realised derivatives (loss)/ gain	0.6	0	(0.7)	(0.1)	2.5	(1.2)	1.4	2.7
Unrealised derivatives (loss)/ gain	0.9	(0.1)	(1.5)	(0.7)	(0.3)	0.3	0.5	0.5
Total	1.5	(0.1)	(2.2)	(0.8)	2.2	(0.9)	1.9	3.2

Realised gain/(loss) from rubber hedging and foreign exchange hedging amounted to (S\$0.4) mil and S\$0.3 mil respectively in 9M 2016. Unrealised loss from rubber hedging amounted to S\$1.2 mil in 9M2016, with unrealised foreign exchange hedging gain of S\$0.5 mil. Both rubber and foreign exchange hedging are undertaken to manage against volatility and fluctuations of natural rubber prices and foreign currencies.

Depreciation expenses

Depreciation expenses for 9M 2016 were S\$ 13.6 mil compared with S\$12.6 mil in 9M 2015. The increase in depreciation was mainly due to plantations in Africa and machineries capital expenditure in our Thai subsidiary.

Income tax (expense)/ credits

Income tax credits in 9M 2016 was S\$1.2 mil compared with income tax expense S\$0.7 mil in 9M 2015 mainly due to deferred tax assets accrued in 9M 2016.

8.2 Commentary on Cash Flow Statement

For 9M 2016, the Group recorded a negative operating cash outflow of S\$7.2 mil compared to negative operating cash outflow of S\$ 7.9 mil in 9M 2015.

The Group recorded a cash outflow from investing activities of S\$32.8 mil in 9M 2016 mainly due to continued investment and expansion of the Group's plantation areas.



Financing activities recorded a cash inflow of S\$51.5 mil during 9M 2016 compared to cash inflow of S\$60.6 mil in 9M 2015. Higher long term bank borrowings were undertaken in 9M 2016 to finance working capital and new plantations.

8.3 Commentary on Balance Sheet as at 30 September 2016

Assets

The Group's total assets had decreased by S\$2.2 mil from S\$1,015.7 mil as at 31 December 2015 to S\$1,013.5 mil as at 30 September 2016. The decrease was mainly due to a loss on sale of SIAT Gabon palm oil assets in Q2 2016 of S\$14.1 mil.

Trade receivables increased by S\$2.0 mil to S\$34.8 mil in line with higher revenue as a result of higher selling prices in Q3 2016.

Other receivables decreased by S\$8.3 mil to S\$61.0 mil mainly due to VAT refunds received by our African operations.

Liabilities

The Group's total liabilities had increased by S\$36.8 mil from S\$267.3 mil as at 31 December 2015 to S\$304.1 mil as at 30 September 2016. The increase was mainly due to additional borrowings for working capital purposes and capital expenditure for plantation investments.

Equity

Equity attributable to owners of the Company as at 30 September 2016 was S\$680.3 mil as compared to S\$715.6 mil as at 31 December 2015. The decrease was largely due to the loss in foreign currency translation reserve arising from the weakening of USD, Euro and CFA Francs against the Singapore dollar and share of associates' foreign currency translation reserve.

As a result of higher loss in currency translation reserve, the Group's net asset value per share has decreased from 93.42 cents per share as at 31 December 2015 to 88.80 cents as at 30 September 2016.

The financial position of the Group as at 30 September 2016 is summarized below:

	30 September 2016	31 December 2015
Net asset per share	88.80 cents	93.42 cents
Total loans	S\$256.4 mil	S\$210.5 mil
Equity attributable to the owners of the company	S\$680.3 mil	S\$715.6 mil
Debt: Equity ratio	0.38	0.29

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

Nil.

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 and climatic conditions and the changes in foreign currencies namely Euro, United States Dollars, Thai Baht and Indonesia. Barring unforeseen circumstances, we expect rubber prices for 2016 to remain range-bound at current levels which was US\$1,391 per ton(S\$1,886 per ton) at end September 2016.

We continue to focus on increasing sales volume and sales premium, managing costs and improving on productivity to improve performance. At the same time, the Group continues to strengthen and enhance risk management in order to manage the exposure to foreign exchange and commodity price risks.

On 23 August 2016, Deutsche Bank AG, Singapore Branch ("Deutsche Bank") had announced, for and on behalf of Halycon Agri Corporation Limited (the "Offeror"), the Offeror's firm intention to make a voluntary conditional offer (the "GMG VGO") for all the issued and paid-up ordinary shares in the capital of GMG (the "GMG Shares"), other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it.

The GMG VGO was declared unconditional in all respects on 9 September 2016, and the closing date of the GMG VGO was extended to 5.30 p.m. (Singapore time) on 8 November 2016 (or such later date(s) as may be announced from time to time by or on behalf of the Offeror).

On 21 October 2016, Deutsche Bank had, for and on behalf of the Offeror, announced that as at 5.00 p.m. (Singapore time) on 21 October 2016 the total number of (i) GMG Shares owned, controlled or agreed to be acquired by the Offeror and (ii) valid acceptances to the GMG VGO, amount to an aggregate of 689,460,749 GMG Shares, representing approximately 90.01% of the total issued GMG



Shares (the "Level of Acceptances Announcement"). Further to that, GMG announced on 24 October 2016 that the requirement under Rule 723 of the listing manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") for GMG to ensure that at least 10% of the total number of issued GMG Shares (excluding GMG Shares held in treasury) is at all times held by the public is not satisfied as at 21 October 2016. As stated in the Level of Acceptances Announcement, the Offeror has no intention to support any action or take any steps to maintain the listing status of GMG on the SGX-ST.

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
	30/09/2016	30/09/2015	30/09/2016	30/09/2015	30/09/2016	30/09/2015	30/09/2016	30/09/2015
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Sinochem Group</u>								
<u>(A) Sinochem International (Overseas) Pte Ltd</u>								
Sale of Goods	-	-	-	-	28,928	167,787	7,236	42,151
<u>(B) Sinochem Plastics Co., Ltd</u>								
Sale of Goods	-	-	-	-	-	524	-	-
<u>(C) Euroma Rubber Ind. Sdn Bhd</u>								
Sale of Goods	-	-	-	-	1,590	2,848	(28)*	1,120
<u>(D) Centrotrade Deutschland GmbH</u>								
Sale of Goods	-	-	-	-	550	-	550	-
<u>(E) Shanghai Sinochem Intertrans Co Ltd</u>								
Warehouse and handling services	-	-	-	-	83	-	10	-
<u>PT Asuransi Rama Satria Wibawa</u>								
Insurance expense	41	49	13	38	-	-	-	-

* due to USD/SGD translation- actual transactions were transacted in USD.

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 period ended 30 September 2016 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

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

Yes

BY ORDER OF THE BOARD

Alan Wong
Chief Financial Officer
28 October 2016