



GMG GLOBAL LTD

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GMG reports gross profit of S\$17.2m and improves margins to 12% for 3Q 2016

- *Gross profit margin improves on higher average selling price between quarters*

<i>Financial Highlights for period ended 30 September (S\$ million)</i>	3Q 2016	3Q 2015	Change %	9M 2016	9M 2015	Change %
Revenue	143.9	173.2	(16.9)	405.1	489.2	(17.2)
Gross Profit	17.2	17.8	(3.3)	37.6	52.0	(27.8)
Share of profit/(loss) of associates	(0.2)	0.7	N.M.	(11.5)	2.2	N.M.
FOREX adjustment gain/(loss)	0.4	(2.3)	N.M.	3.9	(8.1)	N.M.
Net Loss attributable to shareholders	(2.6)	(1.7)	56.5	(19.5)	(8.2)	137.8

n.m. – not meaningful

SINGAPORE – 28 October 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, today announced its third quarter results for the three months ended 30 September 2016 (“**3Q 2016**”).

Higher selling prices (3Q2016: S\$1,882/ton; 2Q2016: S\$1,807/ton), stemming from higher sales premiums boosted Group’s revenue by 5% in 3Q 2016, compared to 2Q 2016. The Group was also able to increase tonnage sold to 76,426 tons in 3Q 2016, against 75,840 tons in 2Q 2016. As such, gross margin improved from 10% in 2Q 2016 to 12% in 3Q 2016.

Even though the Group registered a lower revenue of S\$143.9 million compared to S\$173.2 million in the same period last year (“**3Q 2015**”) mainly because of lower tonnage sold overall, this was partially offset by favourable exchange gain from Euro balances in sales advances and bank balances as well as US Dollar loans.

GMG GLOBAL LTD

(subsidiary of Sinochem International)

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Mr Li Xuetao (李雪涛), GMG's Chief Executive Officer, said, "We are pleased to have been able to continually increase our gross margin for the last two quarters which reflects the efficacy of our strategy to increase sales premiums by pushing for more quality certifications from our customers, while effectively managing our cost."

In spite of the challenging industry conditions, the Group remained profitable at gross level, posting a gross profit of S\$17.2 million in 3Q 2016 (3Q 2015: S\$17.8 million).

SIAT-SA, the Group's 35%-owned associate, on the other hand, recorded a loss of S\$0.2 million in 3Q 2016 due to disruption in production in Gabon.

Consequently, the Group posted a net attributable loss of S\$2.6 million in 3Q 2016 versus a net attributable loss of S\$1.7 million for 3Q 2015.

Business Outlook

In September 2016, rubber price was averaging US\$1,391 per ton. Barring unforeseen circumstances, GMG expects prices to remain range-bound at current levels.

"Our Group's performance is highly dependent on natural rubber prices, climate changes, global economic conditions as well as FOREX fluctuations. To effectively manage our exposure to foreign exchange and commodity price risks, we will continue to enhance and strengthen our risk management processes. At the same time, we will be relentless in our efforts to increase sales and improve productivity," added Mr Li.

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 10 tyre manufacturers who use the Group's primary tyre-grade rubber to produce tyres for industrial vehicles. With values firmly rooted in sustainability practices and corporate citizenship, the Group is committed to constant engagement with stakeholders to create mutually beneficial relationships.

Notifications

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.

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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.

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