

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 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)		
	6 months to 30/06/2016	6 months to 30/06/2015 (Restated)*	Change	3 months to 30/06/2016	3 months to 30/06/2015 (Restated)*	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	261,289	316,063	(17.3)	137,131	165,327	(17.1)
Cost of sales	(240,908)	(281,818)	(14.5)	(123,506)	(148,291)	(16.7)
Gross profit	20,381	34,245	(40.5)	13,625	17,036	(20.0)
Other operating income	363	1,145	(68.3)	183	314	(41.7)
Administrative expenses	(20,341)	(21,961)	(7.4)	(10,531)	(11,477)	(8.2)
Distribution cost	(10,832)	(12,019)	(9.9)	(5,106)	(6,401)	(20.2)
Other operating (expenses)/ gain	483	(2,407)	NM	702	(4,942)	NM
Share of profit/(loss) of associates	(11,218)	1,527	NM	(11,711)	2,044	NM
Finance costs	(3,722)	(2,029)	83.4	(1,925)	(858)	124.4
Foreign currency exchange adjustment gain/(loss)	3,452	(5,771)	NM	1,531	(3,971)	NM
Net gain/(loss) on financial derivatives	1,410	1,310	7.6	(53)	(946)	(94.4)
Loss before income tax	(20,024)	(5,960)	236.0	(13,285)	(9,201)	44.4
Income tax expense	1,525	(1,031)	NM	413	(545)	NM
Loss after income tax	(18,499)	(6,991)	164.6	(12,872)	(9,746)	32.1
Loss attributable to:						
Shareholders of the company	(16,843)	(6,505)	158.9	(13,306)	(9,160)	45.3
Non-controlling interests	(1,656)	(486)	240.7	434	(586)	NM
	(18,499)	(6,991)	164.6	(12,872)	(9,746)	32.1

Notes:

	6 months to 30/06/2016	6 months to 30/06/2015	3 months to 30/06/2016	3 months to 30/06/2015
	S\$'000	S\$'000	S\$'000	S\$'000
(a) <u>Adjusted (loss)/profit before income tax (exclude FX, fair value on consumable biological assets and loss on sale of SIAT Gabon palm oil assets)</u>	(7,853)	1,411	(1,163)	(890)
(b) <u>Other disclosure items included in the above income statement:</u>				
1 Loss on sale of SIAT Gabon palm oil assets	(14,088)	-	(14,088)	-
2 Depreciation expenses	(8,755)	(7,806)	(4,800)	(3,317)
3 Interest on borrowings	(3,722)	(2,029)	(1,925)	(858)
4 Fair value (loss)/ gain on consumable biological assets	(1,535)	(1,600)	435	(4,340)
5 Reversal/ (provision) for stock NRV	2,422	(180)	509	3
6 Interest income	332	560	190	330
7 Loss on disposal of club memberships	(294)	-	(294)	-
8 Gain/ (loss) on disposal of property, plant and equipment	(81)	96	(82)	101
9 Property, plant and equipment written off	(4)	-	(4)	-
10 Write back of doubtful receivables	-	114	-	(2)

(b) 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

6 months to 30/06/2016	6 months to 30/06/2015 restated	3 months to 30/06/2016	3 months to 30/06/2015 restated
(18,499)	(6,991)	(12,872)	(9,746)
(10,293)	-	(10,293)	-
(7,935)	(27,515)	(3,108)	1,188
<u>(36,727)</u>	<u>(34,506)</u>	<u>(26,273)</u>	<u>(8,558)</u>

Total comprehensive income attributable to:

Shareholders of the company
Non-controlling interests

(34,690)	(32,499)	(26,567)	(8,230)
(2,037)	(2,007)	294	(328)
<u>(36,727)</u>	<u>(34,506)</u>	<u>(26,273)</u>	<u>(8,558)</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	
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	49,586	39,033	3,447	1,490
Pledged fixed deposits	5,674	5,728	-	-
Trade receivables	23,914	32,798	-	-
Other receivables	66,026	69,368	144,396	140,365
Current portion of loan receivables	5,320	5,413	8,114	8,357
Derivative financial instruments	1,039	149	-	149
Consumable biological assets	124	159	-	-
Inventories	80,042	79,195	-	-
Total current assets	231,725	231,843	155,957	150,361
Non-current assets				
Investment in subsidiaries	-	-	355,135	355,135
Goodwill	10,915	11,124	-	-
Investments in associates	275,633	299,480	317,480	317,480
Investments –Available-for-sale	227	232	-	-
Plantation assets	338,824	328,002	-	-
Property, plant and equipment	114,652	117,648	2,795	2,991
Investment properties	14,746	15,229	-	-
Other receivables	4,635	4,716	11,579	11,789
Club memberships	130	555	130	555
Deferred tax assets	7,581	6,884	-	-
Total non-current assets	767,343	783,870	687,119	687,950
Total assets	999,068	1,015,713	843,076	838,311
LIABILITIES AND EQUITY				
Current liabilities				
Short term loans	93,035	133,880	18,853	19,575
Trade payables	15,872	23,340	-	-
Other payables	21,854	21,378	161,988	193,608
Current portion of long term loans	13,152	2,011	12,644	-
Current portion of finance leases	62	105	38	38
Derivative financial instruments	578	790	578	428
Income tax payable	2,713	2,072	6	6
Total current liabilities	147,266	183,576	194,107	213,655

	Group		Company	
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities				
Long term loans	133,578	74,433	25,289	-
Finance leases	51	76	44	63
Deferred tax liabilities	7,575	9,165	1,002	2,139
Total non-current liabilities	141,204	83,674	26,335	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	(104,558)	(86,711)	-	-
Retained earnings	170,753	187,596	13,299	13,119
Equity attributable to owners of the company	680,904	715,594	622,634	622,454
Non-controlling interests	29,694	32,869	-	-
Total equity	710,598	748,463	622,634	622,454
Total liabilities and equity	999,068	1,015,713	843,076	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 30/06/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
570	105,679	2,116	133,880

Amount repayable after one year

As at 30/06/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,652	130,977	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 \$205,000 as at 30 June 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	
	6 months to 30/06/2016	6 months to 30/06/2015 restated	3 months to 30/06/2016	3 months to 30/06/2015 restated
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Loss before income tax	(20,024)	(5,960)	(13,285)	(9,201)
Adjustments for:				
Share of (profit)/loss of associates	11,218	(1,527)	11,711	(2,044)
Depreciation expenses	8,755	7,806	4,800	3,317
Fair value loss/ (gain) on consumable biological assets	1,535	1,600	(435)	4,340
Loss on disposal of club membership	294	-	294	
(Write back)/Allowance for doubtful receivables	-	(114)	-	2
Fair value loss/(gain) of financial derivatives	(768)	8	68	(326)
Interest income	(332)	(560)	(190)	(330)
Interest expense	3,722	2,029	1,925	858
(reversal)/ Provision for stock NRV	(2,422)	180	(509)	(3)
Property, plant and equipment written off	4		4	
Gain/ (loss) on disposal of property, plant and equipment	81	(96)	82	(101)
Operating cash flows before movements in working capital	2,063	3,366	4,465	(3,488)
Trade receivables	7,691	5,643	4,118	7,976
Other receivables	1,893	(10,606)	9,322	(6,628)
Inventories	(4,702)	10,393	18,802	34,916
Trade payables	(6,760)	(712)	(14,605)	5,295
Other payables	(1,735)	(6,123)	(4,706)	675
Cash flows from operations	(1,550)	1,961	17,396	38,746
Interest income received	332	560	190	330
Interest paid	(1,112)	(1,241)	(228)	(264)
Income tax received/ (paid)	315	(690)	536	(434)
Net cash generated from operating activities	(2,015)	590	17,894	38,378
Investing activities				
Proceeds from sale of property, plant and equipment	112	283	98	243
Net proceeds from sale of club membership	130	-	156	-
Purchase of plantation assets, property, plant and equipment	(22,597)	(18,681)	(10,315)	(6,632)
Net cash used in investing activities	(22,355)	(18,398)	(10,061)	(6,389)



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	
6 months to 30/06/2016	6 months to 30/06/2015 restated	3 months to 30/06/2016	3 months to 30/06/2015 restated
S\$'000	S\$'000	S\$'000	S\$'000
74,926	17,183	51,602	5,833
(3,349)	(1,333)	(2,129)	3,230
72,435	96,372	1,293	12,586
(106,899)	(78,836)	(45,204)	(55,764)
(67)	(201)	(31)	(155)
(1,138)	(1,078)	(1,138)	(1,078)
55	3,062	(33)	175
35,963	35,169	4,360	(35,173)
11,593	17,361	12,193	(3,184)
39,033	41,161	36,797	59,048
(1,040)	(6,782)	596	(4,124)
49,586	51,740	49,586	51,740

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
50,606	53,916	50,606	53,916
11,679	10,762	11,679	10,762
(5,674)	(4,527)	(5,674)	(4,527)
(7,025)	(8,411)	(7,025)	(8,411)
49,586	51,740	49,586	51,740

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

Balance at 1 January 2016

Loss for the year

Other comprehensive loss

Total comprehensive losses for the period

Dividend paid

Balance at 30 June 2016

Balance at 1 January 2015 (as restated)

Effects of adopting amendments to FRS 41

Total comprehensive losses for the period

Dividend paid

Balance at 30 June 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	(86,711)	187,596	715,594	32,869	748,463
-	-	-	-	(16,843)	(16,843)	(1,656)	(18,499)
-	-	-	(17,847)	-	(17,847)	(381)	(18,228)
-	-	-	(17,847)	(16,843)	(34,690)	(2,037)	(36,727)
-	-	-	-	-	-	(1,138)	(1,138)
611,330	(1,995)	5,374	(104,558)	170,753	680,904	29,694	710,598
611,330	(1,995)	9,238	(66,413)	205,892	758,052	39,126	797,178
-	-	-	-	(1,338)	(1,338)	(262)	(1,600)
-	-	-	(25,994)	(5,167)	(31,161)	(1,745)	(32,906)
-	-	-	-	-	-	(1,078)	(1,078)
611,330	(1,995)	9,238	(92,407)	199,387	725,553	36,041	761,594

Group

Balance at 1 April 2016

Loss for the period

Other comprehensive income

Total comprehensive income for the period

Dividend paid

Balance at 30 June 2016

Balance at 1 April 2015 (as restated)

Effects of adopting amendments to FRS 41

Total comprehensive income for the period

Dividend paid

Balance at 30 June 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	(91,297)	184,059	707,471	30,538	738,009
-	-	-	-	(13,306)	(13,306)	434	(12,872)
-	-	-	(13,261)	-	(13,261)	(140)	(13,401)
-	-	-	(13,261)	(13,306)	(26,567)	294	(26,273)
-	-	-	-	-	-	(1,138)	(1,138)
611,330	(1,995)	5,374	(104,558)	170,753	680,904	29,694	710,598
611,330	(1,995)	9,238	(93,337)	208,547	733,783	37,447	771,230
-	-	-	-	(3,831)	(3,831)	(509)	(4,340)
-	-	-	930	(5,329)	(4,399)	181	(4,218)
-	-	-	-	-	-	(1,078)	(1,078)
611,330	(1,995)	9,238	(92,407)	199,387	725,553	36,041	761,594

Company

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

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

Share capital	Treasury shares	Retained Earnings	Total
S\$'000	S\$'000	S\$'000	S\$'000
611,330	(1,995)	13,119	622,454
-	-	180	180
611,330	(1,995)	13,299	622,634
611,330	(1,995)	3,627	612,962
-	-	(1,766)	(1,766)
611,330	(1,995)	1,861	611,196

Company

Balance at 1 April 2016
Total comprehensive income for the period
Balance at 30 June 2016

Balance at 1 April 2015
Total comprehensive income for the period
Balance at 30 June 2015

Share capital	Treasury shares	Retained Earnings	Total
S\$'000	S\$'000	S\$'000	S\$'000
611,330	(1,995)	13,541	622,876
-	-	(242)	(242)
611,330	(1,995)	13,299	622,634
611,330	(1,995)	6,102	615,437
-	-	(4,241)	(4,241)
611,330	(1,995)	1,861	611,196

- 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	
	30/06/2016	30/06/2015	30/06/2016	30/06/2015
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	
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
Total number of issued shares excluding treasury shares	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.

- (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
	30/06/2016	30/06/2015
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 figures have not been audited but have been reviewed by the auditors in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

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

The figures have been reviewed and please see attached review report.

4. Whether the same accounting policies and methods of computation okas 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			
	6 months to 30/06/2016	6 months to 30/06/2015 (Restated)	3 months to 30/06/2016	3 months to 30/06/2015 (Restated)
Earnings per ordinary share:				
- Based on the weighted average number of ordinary shares in issue	(2.20) cents	(0.84) cents	(1.74) cents	(1.20) cents
- On a fully diluted basis	(2.20) cents	(0.84) cents	(1.74) cents	(1.20) 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	
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
Net asset value per ordinary share based on issued share capital	88.89 cents	93.42 cents	81.28 cents	81.26 cents
Equity attributable to owners of the company (S\$'000)	680,904	715,594	622,634	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 June 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 6 months ended 30 June 2016 ("1H 2016")

The Group incurred net loss after tax of S\$18.5 mil in 1H 2016, as compared to a net loss after tax of S\$7.0 mil during the 6 months ended 30 June 2015 ("1H 2015"). The 1H 2015 results were restated to reflect the effects of adopting amendments to FRS 41. There was a fair valuation loss of S\$ 1.6mil in 1H 2015 (S\$ 1.5 mil in 1H 2016) for consumable biological assets, due to falling cuplumps prices and lower inventory levels at the end of June 2015.

For 2Q 2016, there was a S\$0.4 mil fair valuation gain on FRS 41 due to higher cuplumps prices and higher inventory levels from our plantations at the end of June 2016 compared to March 2016.

Revenue

Revenue for 2Q 2016 was S\$137.1 mil (75,840 tons sold), a decrease of S\$28.2 mil compared with S\$165.3 mil (84,140 tons sold) for 2Q 2015.

	Q1 2016	Q2 2016	1H 2016	Q1 2015	Q2 2015	1H 2015
Turnover (S\$ mil)	124.2	137.1	261.3	150.8	165.3	316.1

Tonnage sold (MT)	75,248	75,840	151,088	73,860	84,140	158,000
Average selling price/ton (S\$/MT)	1,650	1,807	1,729	2,041	1,965	2,000
Average exchange rate US\$ to S\$	1.4054	1.3589	1.3822	1.3481	1.3392	1.3437

The decrease in revenue was due to the lower rubber selling prices which declined from S\$2,000 per ton in 1H 2015 to S\$1,729 per ton in 1H 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 1H 2015 US\$/ S\$ rate of 1.3437 to 1H 2016 US\$/ S\$ rate of 1.3822.

Cost of sales

Cost of sales for 2Q 2016 was S\$123.5 mil (75,840 tons sold) compared with S\$148.3 mil for 2Q 2015 (84,140 tons sold).

Cost of sales for 1H 2016 was S\$240.9 mil (151,088 tons sold) compared with S\$281.8 mil for 1H 2015 (158,000 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 13.6% compared with 1H 2015.

Gross profit

The gross profit margin was lower at 7.8% in 1H 2016 as compared with 10.8% in 1H 2015. This is due to lower selling prices during 1Q 2016 which had impacted the gross profit margin for 1H 2016. Gross profit margin was at 9.9% in 2Q 2016 as compared to 5.4% in 1Q 2016 as selling prices improved by S\$157 per ton quarter on quarter.

Other operating income

Other operating income decreased to S\$0.4 mil in 1H 2016 from S\$1.1 mil in 1H 2015 mainly due to lower interest income earned in 1H 2016, no receipt of insurance subsidy from Thailand government and less proceeds from sale of plantation spare parts and materials in 1H 2015.

Administrative expenses

The decrease in administrative expenses from S\$22.0 mil in 1H 2015 to S\$20.3 mil in 1H 2016 was mainly due to the ongoing cost control measures.

Distribution expenses

Distribution expenses of S\$10.8 mil in 1H 2016 was marginally lower compared with S\$12.0 mil in 1H 2015 reflecting lower tonnage sold in this period.

Other operating (expenses)/ gain

Other operating gain was S\$0.4 mil in 1H 2016 compared to a loss of S\$2.4 mil in 1H 2015, mainly due to fair valuation of consumable biological assets and reversal of provision for stock NRV.

A S\$1.5 mil loss in fair valuation was recorded for 1H 2016 due to low produce from our plantations at end of June 2016 compared to end of December 2015. A S\$0.4 mil gain in fair valuation was recorded for 2Q 2016 mainly due to higher price of cuplumps and higher closing inventory levels at the end of June 2016 compared to end of March 2016.

There was a reversal of S\$2.4 mil in provision for stock NRV in 1H 2016 compared to a provision of S\$0.2 mil expense in 1H 2015.

Share of associates' profit/ (loss)

There was a loss in 2Q 2016 of S\$14.1mil on the sale of SIAT Gabon palm oil assets. Excluding the loss on disposal, the share of profit of associates in 1H 2016 was S\$2.9 mil profit compared with a profit of S\$1.5 mil in 1H 2015.

Finance costs

Finance costs in 1H 2016 were S\$3.7 mil compared with S\$2.0mil in 1H 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	1H 2016	Q1 2015	Q2 2015	1H 2015
	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil
Realised exchange (loss)/ gain	(2.0)	1.7	(0.3)	3.1	(1.6)	1.5
Unrealised exchange (loss)/ gain	3.9	(0.1)	3.8	(4.9)	(2.4)	(7.3)
Total	1.9	1.6	3.5	(1.8)	(4.0)	(5.8)

Exchange rates*	As at Dec 2015	As at Mar 2015	As at Jun 2015	As at Mar 2016	As at Jun 2016
USD/IDR	13,796	12,940	13,345	13,255	13,280
Euro/USD	1.0926	1.0937	1.1229	1.1159	1.1316
USD/SGD	1.4155	1.3613	1.3384	1.3710	1.3433
SGD/Baht	0.0392	0.0423	0.0423	0.03876	0.03827

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

The Group registered a foreign exchange gain of S\$3.5 mil in 1H 2016 mainly from 1Q 2016 unrealised gain of S\$3.9 mil, 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

	1Q 2016	2Q 2016	1H 2016	1Q 2015	2Q 2015	1H 2015
	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil
Realised derivatives (loss)/ gain	0.6	0	0.6	2.5	(1.2)	1.3
Unrealised derivatives (loss)/ gain	0.9	(0.1)	0.8	(0.3)	0.3	0
Total	1.5	(0.1)	1.4	2.2	(0.9)	1.3

Realised gain/(loss) from rubber hedging and foreign exchange hedging amounted to (S\$0.3) mil and S\$0.9mil respectively in 1H 2016. Unrealised gain from rubber hedging amounted to S\$1.0 mil in 1H2016, with unrealised foreign exchange hedging loss of S\$0.2mil. 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 H1 2016 were S\$ 8.8mil compared with S\$7.8 mil in H1 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 1H 2016 was S\$1.5 mil compared with income tax expense S\$1.0 mil in 1H 2015 mainly due to deferred tax assets accrued in 1H 2016.

8.2 Commentary on Cash Flow Statement

For H1 2016, the Group recorded a negative operating cash outflow of S\$2.0 mil compared to positive operating cash inflow of S\$ 0.6 mil in H1 2015.

The Group recorded a cash outflow from investing activities of S\$22.4 mil in 1H 2016 mainly due to continued investment and expansion of the Group's plantation areas.

Financing activities recorded a cash inflow of S\$36.0 mil during 1H 2016 compared to cash inflow of S\$35.2 mil in 1H 2015. Higher bank borrowings were undertaken in 1H 2016 to finance working capital and new plantations.

8.3 Commentary on Balance Sheet as at 30 June 2016

Assets

The Group's total assets had decreased by S\$16.6 mil from S\$1,015.7 mil as at 31 December 2015 to S\$999.1 mil as at 30 June 2016. The decrease was mainly contributed by decrease in investment in associates. This was due mainly to a loss on sale of SIAT Gabon palm oil assets in 2Q 2016 of S\$14.1 mil.

Trade receivables decreased by S\$8.9 mil to S\$23.9 mil in line with lower revenue as a result of lower selling prices.

Other receivables decreased by S\$3.3 mil to S\$66.0 mil mainly due to VAT refunds received for our African operations.

Liabilities

The Group's total liabilities had increased by S\$21.2 mil from S\$267.3 mil as at 31 December 2015 to S\$288.5 mil as at 30 June 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 June 2016 was S\$680.9 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 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 88.89 cents as at 30 June 2016.

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

	30 June 2016	31 December 2015
Net asset per share	88.89 cents	93.42 cents
Total loans	S\$239.9 mil	S\$210.5 mil
Equity attributable to the owners of the company	S\$680.9 mil	S\$715.6 mil
Debt: Equity ratio	0.35	0.29

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

A SGX announcement on profit guidance was made on 13 July 2016, on the sale of SIAT Gabon palm oil assets.

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 averaging US\$1,278 per ton (S\$1,717 per ton) in June 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 28 March 2016, Deutsche Bank AG, Singapore Branch had, for and on behalf of Halycon Agri Corporation Limited (the "Offeror") announced that, subject to the fulfilment or waiver of certain pre-conditions, the Offeror will make a voluntary conditional offer (the "Pre-Conditional VGO") for all the issued and paid-up ordinary shares in the capital of the Company, other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it.

The Board of Directors of the Company will, in due course, appoint an independent financial adviser to advise the directors who are considered independent for the purposes of the Pre-Conditional VGO (the "Independent Directors"). If and when the Offeror announces a formal offer for the Company (after fulfilment or waiver of the pre-conditions to the Pre-Conditional VGO), a circular containing the advice of the independent financial adviser and the recommendation of the Independent Directors will be despatched to the shareholders of the Company.

The unaudited consolidated financial information of the Group for the second quarter ended 30 June 2016 have been reported on in accordance with the Singapore Code on Take-overs and Mergers.

Deloitte & Touche LLP has given and has not withdrawn its consent to the reproduction in its entirety of their report on the review of the unaudited consolidated financial information of the Group for the second quarter ended 30 June 2016 ("2QFY2016 Results") in this announcement of the 2QFY2016 Results.

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)			
	6 months ended	6 months ended	3 months ended	3 months ended	6 months ended	6 months ended	3 months ended	3 months ended
	30/06/2016	30/06/2015	30/06/2016	30/06/2015	30/06/2016	30/06/2015	30/06/2016	30/06/2015
	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	-	-	-	-	21,692	125,636	5,392	64,452
<u>(B) Sinochem Plastics Co., Ltd</u>								
Sale of Goods	-	-	-	-	-	524	-	-
<u>(C) Euroma Rubber Ind. Sdn Bhd</u>								
Sale of Goods	-	-	-	-	1,618	1,728	684	1,235
<u>(D) Shanghai Sinochem Intertrans Co Ltd</u>								
Warehouse and handling services	-	-	-	-	73	-	73	-
<u>PT Asuransi Rama Satria Wibawa</u>								
Insurance expense	28	33	16	16	-	-	-	-

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 June 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
29 July 2016