

UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 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)		
	6 months to 30/06/2015	6 months to 30/06/2014 (Restated)*	Change	3 months to 30/06/2015	3 months to 30/06/2014 (Restated)*	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	316,063	442,173	(28.5)	165,327	217,246	(23.9)
Cost of sales	(281,818)	(415,283)	(32.1)	(148,291)	(209,988)	(29.4)
Gross profit	34,245	26,890	27.4	17,036	7,258	134.7
Other operating income	1,145	2,358	(51.4)	314	1,770	(82.3)
Administrative expenses	(21,961)	(24,110)	(8.9)	(11,477)	(13,209)	(13.1)
Distribution cost	(12,019)	(13,623)	(11.8)	(6,401)	(7,836)	(18.3)
Other operating expenses	(807)	(1,882)	(57.1)	(602)	(588)	2.4
Share of profit/(loss) of associates	1,527	(5,592)	N.M.	2,044	(1,940)	N.M.
Finance costs	(2,029)	(2,092)	(3.0)	(858)	(969)	(11.5)
Foreign currency exchange adjustment loss	(5,771)	(485)	N.M.	(3,971)	(3,640)	9.1
Net gain/(loss) on financial derivatives	1,310	1,915	(31.6)	(946)	(1,597)	(40.8)
Loss before income tax	(4,360)	(16,621)	(73.8)	(4,861)	(20,751)	(76.6)
Income tax expense	(1,031)	(1,530)	(32.6)	(545)	(425)	28.2
Loss after income tax	(5,391)	(18,151)	(70.3)	(5,406)	(21,176)	(74.5)
Loss attributable to:						
Shareholders of the company	(5,167)	(14,767)	(65.0)	(5,329)	(17,367)	(69.3)
Non-controlling interests	(224)	(3,384)	(93.4)	(77)	(3,809)	(98.0)
	(5,391)	(18,151)	(70.3)	(5,406)	(21,176)	(74.5)

*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:

	6 months to 30/06/2015	6 months to 30/06/2014	3 months to 30/06/2015	3 months to 30/06/2014
	S\$'000	S\$'000	S\$'000	S\$'000
(a) Other disclosure items included in the above income statement:				
1 Interest income	560	655	330	326
2 Interest on borrowings	(2,029)	(2,092)	(858)	(969)
3 Depreciation expenses	(7,806)	(8,765)	(3,317)	(4,625)
4 Gain on disposal of property, plant and equipment	96	48	101	8
5 Write back for inventories obsolescences	-	16	-	277
6 Inventories written down	(180)	-	3	-
7 Write back of doubtful receivables	114	2	(2)	-
8 Bad debt written off	-	(10)	-	(10)

- (b) 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

6 months to 30/06/2015	6 months to 30/06/2014	3 months to 30/06/2015	3 months to 30/06/2014
(5,391)	(18,151)	(5,406)	(21,176)
(27,515)	(21,941)	1,188	(18,378)
(32,906)	(40,092)	(4,218)	(39,554)

Total comprehensive income attributable to:

Shareholders of the company
Non-controlling interests

(31,161)	(35,523)	(4,399)	(34,838)
(1,745)	(4,569)	181	(4,716)
(32,906)	(40,092)	(4,218)	(39,554)

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	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	51,740	41,161	2,462	1,372
Pledged fixed deposits	4,527	7,589	-	-
Trade receivables	54,845	60,374	-	-
Other receivables	73,919	62,437	140,945	138,298
Current portion of loan receivables	5,260	5,624	8,044	5,624
Derivative financial instruments	2,755	3,824	2,495	3,774
Inventories	86,951	95,600	-	-
Total current assets	279,997	276,609	153,946	149,068
Non-current assets				
Investment in subsidiaries	-	-	356,896	356,896
Goodwill	11,273	11,464	-	-
Investments in associates	297,883	305,371	317,480	317,480
Investments –Available-for-sale	241	244	-	-
Plantation assets	292,168	291,025	-	-
Property, plant and equipment	117,092	122,897	3,979	4,153
Investment properties	16,035	16,514	-	-
Other receivables	4,582	4,900	11,456	14,992
Club memberships	640	640	640	640
Deferred tax assets	4,929	4,670	-	-
Total non-current assets	744,843	757,725	690,451	694,161
Total assets	1,024,840	1,034,334	844,397	843,229
LIABILITIES AND EQUITY				
Current liabilities				
Short term loans	118,929	100,028	16,074	13,189
Trade payables	22,805	24,122	-	-
Other payables	51,628	53,979	212,126	209,866
Current portion of long term loans	2,843	2,913	-	-
Current portion of finance leases	139	179	38	80
Derivative financial instruments	2,736	6,500	2,736	4,773
Income tax payable	2,050	1,702	6	6
Total current liabilities	201,130	189,423	230,980	227,914

Non-current liabilities

Long term loans

Finance leases

Deferred tax liabilities

Total non-current liabilities
Capital, reserves and non-controlling interests

Share capital

Treasury shares

Capital reserves

Currency translation reserve

Retained earnings

Equity attributable to owners of the company

Non-controlling interests

Total equity
Total liabilities and equity

Group		Company	
30/06/2015	31/12/2014	30/06/2015	31/12/2014
S\$'000	S\$'000	S\$'000	S\$'000
55,677	42,622	-	-
113	278	82	214
9,204	9,311	2,139	2,139
64,994	52,211	2,221	2,353
611,330	611,330	611,330	611,330
(1,995)	(1,995)	(1,995)	(1,995)
9,238	9,238	-	-
(92,407)	(66,413)	-	-
196,681	201,848	1,861	3,627
722,847	754,008	611,196	612,962
35,869	38,692	-	-
758,716	792,700	611,196	612,962
1,024,840	1,034,334	844,397	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 30/06/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,982	118,929	3,092	100,028

Amount repayable after one year

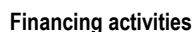
As at 30/06/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,840	52,950	4,747	38,153

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 \$377,000 as at 30 June 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	
	6 months to 30/06/2015	6 months to 30/06/2014	3 months to 30/06/2015	3 months to 30/06/2014
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Operating activities</u>				
Loss before income tax	(4,360)	(16,621)	(4,861)	(20,751)
Adjustments for:				
Share of (profit)/loss of associates	(1,527)	5,592	(2,044)	1,940
Depreciation expenses	7,806	8,765	3,317	4,625
Bad debt written off	-	10	-	10
Write back for inventories obsolescences	-	(16)	-	(277)
(Write back)/Allowance for doubtful receivables	(114)	(2)	2	-
Fair value loss/(gain) of financial derivatives	8	738	(326)	(746)
Interest income	(560)	(655)	(330)	(326)
Interest expense	2,029	2,092	858	969
Inventories written down	180	-	(3)	-
Gain on disposal of property, plant and equipment	(96)	(48)	(101)	(8)
Operating cash flows before movements in working capital	3,366	(145)	(3,488)	(14,564)
Trade receivables	5,643	4,425	7,976	3,199
Other receivables	(10,606)	(10,323)	(6,628)	(42)
Inventories	10,393	44,395	34,916	43,071
Trade payables	(712)	(10,410)	5,295	243
Other payables	(6,123)	(2,026)	675	1,850
Cash flows from operations	1,961	25,916	38,746	33,757
Interest income	560	655	330	326
Interest paid	(1,241)	(1,902)	(264)	(615)
Income tax paid	(690)	(1,889)	(434)	(896)
Net cash generated from operating activities	590	22,780	38,378	32,572
<u>Investing activities</u>				
Proceeds from sale of property, plant and equipment	283	74	243	6
Purchase of plantation assets, property, plant and equipment	(18,681)	(32,848)	(6,632)	(20,821)
Net cash used in investing activities	(18,398)	(32,774)	(6,389)	(20,815)



- 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
- Movements in pledged fixed deposits

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

Note:

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

S\$'000	S\$'000	S\$'000	S\$'000
53,916	81,614	53,916	81,614
10,762	28,568	10,762	28,568
(4,527)	(7,697)	(4,527)	(7,697)
(8,411)	(3,915)	(8,411)	(3,915)
51,740	98,570	51,740	98,570

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 2015
Total comprehensive income for the period
Dividend paid

Balance at 30 June 2015

Balance at 1 January 2014
Total comprehensive income for the period
Dividend paid
Issue of shares to non-controlling interests of a subsidiary
Balance at 30 June 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	(66,413)	201,848	754,008	38,692	792,700
-	-	-	(25,994)	(5,167)	(31,161)	(1,745)	(32,906)
-	-	-	-	-	-	(1,078)	(1,078)
611,330	(1,995)	9,238	(92,407)	196,681	722,847	35,869	758,716
611,330	(1,995)	9,238	(25,669)	244,570	837,474	52,739	890,213
-	-	-	(20,756)	(14,767)	(35,523)	(4,569)	(40,092)
-	-	-	-	(7,660)	(7,660)	(1,251)	(8,911)
-	-	-	-	-	-	2,655	2,655
611,330	(1,995)	9,238	(46,425)	222,143	794,291	49,574	843,865

Group

Balance at 1 April 2015

Total comprehensive income for the period

Dividend paid

Balance at 30 June 2015

Balance at 1 April 2014

Total comprehensive income for the period

Dividend paid

Balance at 30 June 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	(93,337)	202,010	727,246	36,766	764,012
-	-	-	930	(5,329)	(4,399)	181	(4,218)
-	-	-	-	-	-	(1,078)	(1,078)
611,330	(1,995)	9,238	(92,407)	196,681	722,847	35,869	758,716
611,330	(1,995)	9,238	(28,954)	247,170	836,789	55,541	892,330
-	-	-	(17,471)	(17,367)	(34,838)	(4,716)	(39,554)
-	-	-	-	(7,660)	(7,660)	(1,251)	(8,911)
611,330	(1,995)	9,238	(46,425)	222,143	794,291	49,574	843,865

Company

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

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

Share capital	Treasury shares	Retained Earnings	Total
S\$'000	S\$'000	S\$'000	S\$'000
611,330	(1,995)	3,627	612,962
-	-	(1,766)	(1,766)
611,330	(1,995)	1,861	611,196
611,330	(1,995)	12,206	621,541
-	-	(701)	(701)
-	-	(7,660)	(7,660)
611,330	(1,995)	3,845	613,180

Company

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

Balance at 1 April 2014
Total comprehensive income for the period
Dividend paid
Balance at 30 June 2014

Share capital	Treasury shares	Retained Earnings	Total
S\$'000	S\$'000	S\$'000	S\$'000
611,330	(1,995)	6,102	615,437
-	-	(4,241)	(4,241)
611,330	(1,995)	1,861	611,196
611,330	(1,995)	13,310	622,645
-	-	(1,805)	(1,805)
-	-	(7,660)	(7,660)
611,330	(1,995)	3,845	613,180

- 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	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
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	
	30/06/2015	31/12/2014	30/06/2015	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
	30/06/2015	30/06/2014
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			
	6 months to 30/06/2015	6 months to 30/06/2014	3 months to 30/06/2015	3 months to 30/06/2014
Earnings per ordinary share:				
- Based on the weighted average number of ordinary shares in issue	(0.67 cents)	(1.93 cents)	(0.70 cents)	(2.27 cents)
- On a fully diluted basis	(0.67 cents)	(1.93 cents)	(0.70 cents)	(2.27 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	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Net asset value per ordinary share based on issued share capital	94.36 cents	98.43 cents	79.79 cents	80.02 cents
Equity attributable to owners of the company (S\$'000)	722,847	754,008	611,196	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 6 months ended 30 June 2015 ("H1 2015")

The Group registered a net loss of S\$5.4 million in H1 2015, as compared to a loss of S\$18.2 million for the half year ended 30 June 2014 ("H1 2014"). The decrease in net loss was primarily due to higher gross profit as a result of better raw material procurement planning and production cost management. Share of profit of associate, SIAT SA, also contributed to the improvement in the Group's results.

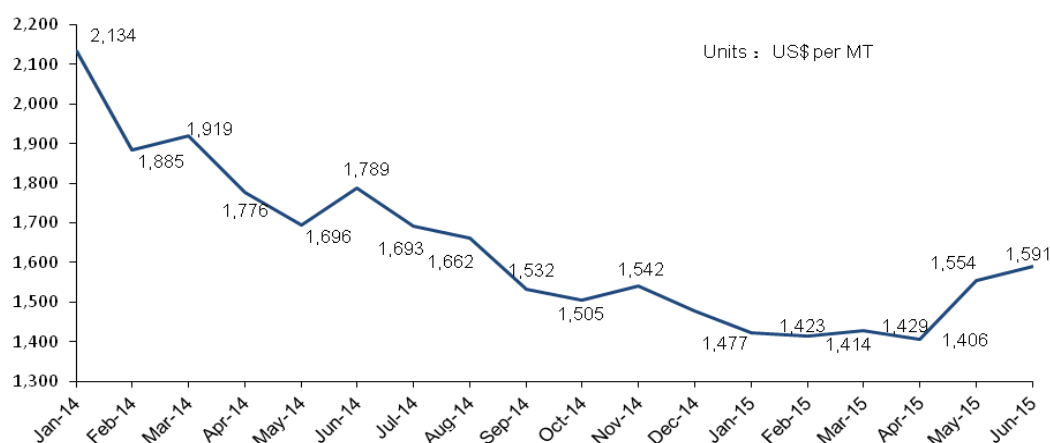
(a) Revenue

Revenue for the quarter ended 30 June 2015 ("Q2 2015") was S\$165.3 million (84,140 tons sold), a decrease of S\$51.9 million compared with S\$217.2 mil (90,286 tons sold) for the corresponding quarter ended 30 June 2014 ("Q2 2014").

For H1 2015, revenue was S\$316.1 million with 158,000 tons sold compared with S\$442.2 million with 168,959 tons sold for H1 2014.

	<u>Q1 2015</u>	<u>Q2 2015</u>	<u>H1 2015</u>	<u>Q1 2014</u> <u>(Restated)</u>	<u>Q2 2014</u> <u>(Restated)</u>	<u>H1 2014</u>
Turnover (S\$ million)	150.8	165.3	316.1	225.0	217.2	442.2
Tonnage sold (MT)	73,860	84,140	158,000	78,673	90,286	168,959
Average selling price/ton (S\$/MT)	2,041	1,965	2,000	2,860	2,406	2,617

SICOM TSR20 Price Trend



The decrease in revenue was mainly due to lower rubber selling prices which declined from S\$2,617 per ton in H1 2014 to S\$2,000 per ton in H1 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 favourable 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 Q2 2015 was S\$148.3 mil (84,140 tons sold) compared with S\$210.0 mil for Q2 2014 (90,286 tons sold).

For H1 2015, cost of sales was S\$281.8 million (158,000 tons sold) compared with S\$415.3 million for H1 2014 (168,959 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 24% compared with H1 2014.

(c) Gross profit

Although lower revenue was recorded, the gross profit margin was higher at 10.8% in H1 2015 as compared with 6.1% in H1 2014 mainly due to better raw material procurement planning and production cost management as well as favourable margin impact of weakening Singapore dollars (Group's reporting currency) against the United States Dollar.

(d) Other operating income

Other operating income decreased from S\$2.4 million in H1 2014 to S\$1.1 million in H1 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\$24.1 million in H1 2014 to S\$22.0 million in H1 2015 was mainly due to the result of more strict cost control measures introduced from the beginning of the year.

(f) **Distribution expenses**

Distribution expense for H1 2015 was S\$12.0 million compared with S\$13.6 million for H1 2014, a decrease of S\$1.6 million. This was mainly due to the lower freight costs as a result of lower rubber tonnage sold.

(g) **Other operating expenses**

The decrease in other operating expenses from S\$1.9 million in H1 2014 to S\$0.8 million in H1 2015 was 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) **Depreciation expenses**

Depreciation expense for H1 2015 was S\$7.8 million compared with S\$8.8 million for H1 2014, a decrease of S\$1.0 million. In the current year, CFA Francs weakened against the Singapore dollar (the Group's reporting currency) of about 13% as compared with the previous corresponding period. This resulted a favourable exchange translation rates from African subsidiaries whose reporting currency is denominated in CFA Francs.

(i) **Share of associates' profit**

Share of profit of associates in H1 2015 was S\$1.5 million compared with a loss of S\$5.6 million in H1 2014. One of the associates, SIAT SA achieved better results as compared to the previous period due to better performance in both palm oil and rubber segments.

(j) **Foreign Exchange Gain/(Loss)**

	<u>Q1 2015</u>	<u>Q2 2015</u>	<u>H1 2015</u>	<u>Q1 2014</u>	<u>Q2 2014</u>	<u>H1 2014</u>
	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil
Realised exchange (loss)/ gain	3.1	(1.6)	1.5	(2.1)	(1.6)	(3.7)
Unrealised exchange (loss)/ gain	(4.9)	(2.4)	(7.3)	5.2	(2.0)	3.2
Total	(1.8)	(4.0)	(5.8)	3.1	(3.6)	(0.5)
Exchange rates*						
USD/IDR	12,940	13,345		11,357	12,027	
Euro/ USD	1.0937	1.1229		1.3837	1.3603	
USD/SGD	1.3613	1.3384		1.2585	1.2356	
SGD/Baht	0.0423	0.0423		0.03911	0.03854	

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

The Group registered a higher unrealised foreign exchange loss of S\$7.3million in H1 2015 mainly due to depreciation of EURO against USD and SGD currency (the holding companies' functional currencies) in the current period for the shareholder loans and advances granted to its subsidiaries.

Net gain on financial derivatives

	<u>Q1 2015</u>	<u>Q2 2015</u>	<u>H1 2015</u>	<u>Q1 2014</u>	<u>Q2 2014</u>	<u>H1 2014</u>
	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil	S\$ mil
Realised derivatives (loss)/ gain	2.5	(1.2)	1.3	5.0	(2.4)	2.6
Unrealised derivatives (loss)/ gain	(0.3)	0.3	0	(1.5)	0.8	(0.7)
Total	2.2	(0.9)	1.3	3.5	(1.6)	1.9

Realised gain from rubber and forex hedging amounted to S\$0.3 million and S\$1.0 million respectively in H1 2015. Unrealised gain from rubber hedging amounted to S\$0.3 million, with an unrealised forex hedging loss of S\$0.3 million. Both rubber and forex hedging are undertaken to hedge against volatility and fluctuations of natural rubber prices and foreign currencies.

(k) **Income tax expense**

Income tax expense for H1 2015 was S\$1.0 million compared with S\$1.5 million in H1 2014. In H1 2014, there was an adjustment of under provision of tax liabilities for one of the subsidiaries in prior years.

8.2 Commentary on Cash Flow Statement

In H1 2015, the Group recorded a positive operating cash inflow of S\$0.6 million mainly due to lower inventory on hand.

In Q2 2015, the Group recorded a positive operating cash inflow of S\$38.4 million as compared to cash outflow of S\$37.8 million in Q1 2015, mainly due to lower inventory on hand.

The Group recorded a cash outflow from investing activities of S\$18.4 million in H1 2015 mainly due to continued investment and expansion of the Group's processing capacity and plantation areas.

Financing activities recorded a cash inflow of S\$35.2 million during H1 2015 due to higher bank borrowings undertaken to finance its new plantations, capacity expansion and working capital.

8.3 Commentary on Balance Sheet as at 30 June 2015

Assets

The Group's total assets decreased by S\$9.5 million from S\$1,034.3 million as at 31 December 2014 to S\$1,024.8 million as at 30 June 2015. The decrease was mainly contributed by decreases in inventories, property plant and equipment and investment in associates, partially offset by increase in cash and cash equivalents and other receivables.

Inventories decreased by S\$8.6 million to S\$87.0 million as at 30 June 2015 due lower stock on hand and lower unit purchase costs.

Property, plant and equipment decreased by S\$5.8 million mainly due depreciation of assets and foreign currency revaluation loss as a result of depreciation of CFA Francs against the Singapore dollar. The decrease was partially offset by capital expenditure for capacity expansion and plantation investments.

Investment in associates decreased by S\$7.5 million to S\$297.9 million as at 30 June 2015 mainly due to foreign currency revaluation loss as a result of depreciation of EURO against SGD currency, partially offset by share of profit from SIAT SA in H1 2015.

Cash and cash equivalents increased by S\$10.6 million to S\$51.7 million mainly due to higher bank borrowings undertaken for working capital requirements and capital expenditure for plantation investments.

Other receivables increased by S\$11.5 million to S\$73.9 million mainly due to advances given to suppliers to purchase raw materials and spare parts.

Liabilities

The Group's total liabilities increased by S\$24.5 million from S\$241.6 million as at 31 December 2014 to S\$266.1 million as at 30 June 2015. 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 2015 was S\$722.8 million as compared to S\$754.0 million as at 31 December 2014. 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.

As a result of higher loss in currency translation reserve, the Group's net asset value per share has decreased slightly from 98.43 cents per share as at 31 December 2014 to 94.36 cents as at 30 June 2015.

The working capital of the Group was S\$78.9 million as at 30 June 2015, S\$8.3 million lower than working capital registered as at 31 December 2014, primarily due to an increase in short term bank borrowings and lower inventories, offset by increase in cash and cash equivalents and other receivables.

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\$1,591 per ton (S\$2,129 per ton) in June 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 oversupply of natural rubber.

We will continue to focus on developing our market presence, 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)			
	6 months ended	6 months ended	3 months ended	3 months ended	6 months ended	6 months ended	3 months ended	3 months ended
	30/06/2015	30/06/2014	30/06/2015	30/06/2014	30/06/2015	30/06/2014	30/06/2015	30/06/2014
<u>Sinochem Group</u>	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>(A) Sinochem International (Overseas) Pte Ltd</u>								
Sale of Goods	-	-	-	-	125,636	186,474	64,452	89,148
<u>(B) Sinochem Plastics Co., Ltd</u>								
Sale of Goods	-	-	-	-	524	7,171	-	5,960
<u>(C) Euroma Rubber Ind. Sdn Bhd</u>								
Sale of Goods	-	-	-	-	1,728	-	1,235	-
<u>PT Asuransi Rama Satria Wibawa</u>								
Insurance expense	33	74	16	30	-	-	-	-



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 second quarter ended 30 June 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

Zhou Laichun
Chief Financial Officer
31 July 2015