



8 Marina View, Asia Square Tower 1,  
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***A Growing Natural Rubber Play***

**FOR IMMEDIATE RELEASE**

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## **GMG achieves robust 27.4% increase in GP in H1 2015**

*Improved financial performance in spite of approx. 24% decrease in rubber prices in H1 2015 compared to H1 2014*

| <b><i>Financial Highlights</i></b>           | <b>6 months ended<br/>30 June 15</b> | <b>6 months ended<br/>30 June 14</b> | <b>Change</b> |
|----------------------------------------------|--------------------------------------|--------------------------------------|---------------|
|                                              | <i>S\$mil</i>                        | <i>S\$mil</i>                        | <i>%</i>      |
| <b>Revenue</b>                               | 316.1                                | 442.2                                | (28.5)        |
| <b>Gross Profit</b>                          | 34.2                                 | 26.9                                 | 27.4          |
| <b>Gross Profit Margin (%)</b>               | 10.8                                 | 6.1                                  |               |
| <b>Share of profit/(loss) of associates</b>  | 1.5                                  | (5.6)                                | n.m.          |
| <b>Net loss attributable to shareholders</b> | 5.2                                  | 14.8                                 | (65.0)        |
| <b>EPS (cents)</b>                           | (0.67)                               | (1.93)                               | -             |

*n.m. – not meaningful*

**SINGAPORE – 31 July 2015** – Mainboard-listed **GMG Global Ltd** (“**GMG**” or “**the Group**”), a vertically-integrated producer of natural rubber engaged in the planting, cultivating, tapping, processing, marketing and exporting of natural rubber, achieved an improved financial performance in the first half ended 30 June 2015 (“**H1 2015**”).

Gross profit grew 27.4% to S\$34.2 million from S\$26.9 million in the same period last year (“**H1 2014**”) in spite of lower average selling prices of natural rubber which declined to S\$2,000 per ton from S\$2,617 per ton in H1 2014. This was mainly due to the Group’s ability to achieve greater efficiency in the procurement of raw materials and improved management of production cost.



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In addition, the Group also managed to trim its operating costs across the board by 12.2% to S\$34.8 million in H1 2015.

The Group did however register a higher unrealised FOREX loss of S\$7.3 million in H1 2015 (mainly due to currency depreciation in respect of shareholder loans and advances granted to its subsidiaries) compared to H1 2014 which was a profit of S\$3.2 million. The foregoing contributed to a 65% reduction in the Group's loss for H1 2014 to a H1 2015 figure of S\$5.2 million.

"This affirms the successful implementation of our management initiatives and efforts to increase efficiency and cost savings. With our strong fundamentals and healthy balance sheet, we are well-positioned to ride on the market upturn when it happens," said Mr Li Xuetao 李雪涛, GMG's Chief Executive Officer.

### **Steady Financial Position**

As at 30 June 2015, the Group's balance sheet remained healthy with a low net gearing ratio of 0.25 times, and net asset value per share of 94.36 cents.

### **Business Outlook**

On prospects for the rest of the year, the Group's performance remains highly dependent on the price of natural rubber and foreign exchange fluctuations.

Mr Li said, "Prices of natural rubber seem to be creeping up, from an average of S\$1,886 per ton in the first four months of 2015, to S\$2,129 per ton<sup>1</sup> in June. However, we remain cautious as the industry is still experiencing a supply overhang. Notwithstanding, we are in this business for the long term, and will remain focused on building our capabilities and continually improving our operational efficiency. We are also on track in our planting and re-planting programmes in the African plantations, while at the same time exploring new opportunities in the Greater Mekong Sub-region and other parts of South East Asia."

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<sup>1</sup> SICOM TSR20



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Barring adverse global developments, GMG expects natural rubber market prices to fluctuate near current levels for the second half of FY2015.

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#### **ABOUT GMG GLOBAL LTD**

Listed on the Mainboard of the Singapore Exchange, GMG focuses primarily on the production and supply of premium natural rubber to the European, American and Asian markets.

Through its various subsidiaries and associates, GMG currently manages more than 78,000 hectares of rubber plantations located across Africa and Asia; and operates 12 rubber processing plants located in Thailand, Indonesia, Cameroon, Gabon and Cote d'Ivoire with a total annual capacity of 527,000 tons.

GMG's customers include some of the world's top tyre manufacturers who use the Group's primary tyre-grade rubber for production of industrial vehicles.

With values firmly rooted in sustainability practices and corporate citizenship, we are committed to constant engagement with stakeholders to create mutually beneficial relationships.

GMG is a subsidiary of China's Sinochem International Corporation ("Sinochem International") which is listed on the Shanghai Stock Exchange. Sinochem International is a diversified international conglomerate which specialises in trading, manufacturing and transportation of chemicals (including agricultural and horticultural), plastics, rubber, and metallurgy products. Sinochem International is the top distributor and one of the largest producers of natural rubber in China.

*For more information please visit GMG's website at: [www.gmg.sg](http://www.gmg.sg)*

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