

CIRCULAR DATED 23 SEPTEMBER 2016

THIS CIRCULAR (AS DEFINED HEREIN) IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF RHB SECURITIES SINGAPORE PTE. LTD.. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by GMG Global Ltd. If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your GMG Shares (as defined herein), you should immediately hand this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained, opinions expressed or advice given in this Circular.



GMG GLOBAL LTD

GMG GLOBAL LTD

(Incorporated in the Republic of Singapore)
(Company Registration No. 199904244E)

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL GENERAL OFFER

by

DEUTSCHE BANK AG, SINGAPORE BRANCH

for and on behalf of

HALCYON AGRI CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200504595D)

Independent Financial Adviser to the Independent Directors



RHB Securities Singapore Pte Ltd

RHB SECURITIES SINGAPORE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 198701140E)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER WILL CLOSE AT 5.30 P.M. (SINGAPORE TIME) ON 21 OCTOBER 2016 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR (AS DEFINED HEREIN).

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

GENERAL

“1H2016”	:	The second financial quarter of 2016 ended 30 June 2016
“1H2016 Results”	:	Unaudited consolidated financial statements of the GMG Group for 1H2016
“AIP”	:	Shall have the meaning ascribed to it in Section 2.5 of this Circular
“Articles”	:	The articles of association comprising part of the constitution of the Company
“Board”	:	The board of Directors of the Company
“Business Day”	:	A day other than Saturday, Sunday or a public holiday on which banks are open for business in Singapore
“Businesses”	:	The businesses of certain subsidiaries and an associate of the GMG Group as defined in the Valuation Report
“Circular”	:	This circular to Shareholders enclosing, <i>inter alia</i> , the IFA Letter
“Closing Date”	:	5.30 p.m. (Singapore time) on 21 October 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	The Companies Act (Chapter 50 of Singapore)
“Company Securities”	:	(a) GMG Shares; (b) any other securities which carry voting rights in the Company; and (c) any other convertible securities, warrants, options or derivatives in respect of the GMG Shares or other securities which carry voting rights in the Company
“Consideration Shares”	:	Shall have the meaning ascribed to it in Section 2.2 of this Circular
“CPF Agent Banks”	:	Agent banks included under the CPFIS
“CPFIS”	:	Central Provident Fund Investment Scheme
“CPFIS Investors”	:	Investors who have purchased GMG Shares using their CPF contributions pursuant to the CPFIS
“Despatch Date”	:	9 September 2016, being the date of despatch of the Offer Document
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“Distribution”	:	Any dividend, right and/or distribution

“Enlarged HAC Group”	:	The existing HAC Group, enlarged to include the GMG Group and the NR Assets as a result of the Offer and the NR Assets Acquisition
“Formal Offer Announcement”	:	The formal offer announcement on 23 August 2016 made by Deutsche Bank, for and on behalf of the Offeror of its firm intention to undertake the Offer
“Formal Offer Announcement Date”	:	23 August 2016, being the date of the Formal Offer Announcement
“FY”	:	Financial year ended or ending, as the case may be, 31 December
“GMG Shares”	:	Ordinary shares in the capital of GMG
“HAC MGO”	:	The mandatory general offer made by or on behalf of SIO on 25 July 2016 for all the HAC Shares other than those already owned, controlled or agreed to be acquired by SIO and parties acting in concert with SIO, in accordance with Rule 14 of the Code, which was completed on 22 August 2016
“HAC Shares”	:	The ordinary shares in the total issued and paid-up share capital of the Offeror
“IFA Letter”	:	The letter dated 23 September 2016 from RHBSEC to the Independent Directors in respect of the Offer as set out in <u>Appendix I</u> to this Circular
“Implementation Agreement”	:	The implementation agreement dated 28 March 2016 entered into between the Offeror and SIO, pursuant to which (a) SIO undertook the HAC MGO upon completion under the Vendor SPAs in accordance with the Code; (b) HAC undertakes the Offer upon completion of the HAC MGO in accordance with the Code; and (c) SIO will accept the Offer in respect of all its GMG Shares
“Independent Directors”	:	The Directors who are considered independent for the purposes of the Offer, namely, Mr Tay Puan Siong, Mr Ong Kian Min and Mr Jeffrey Gondobintoro
“Interested Person”	:	As defined in the Note on Rule 23.12 of the Code, an interested person, in relation to a company, is: <ul style="list-style-type: none"> (a) a director, chief executive officer, or substantial shareholder of the company; (b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company; (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary; (d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;

		(e)	any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or
		(f)	any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more
“Latest Practicable Date”	:		14 September 2016, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:		The Listing Manual of the SGX-ST, as may be amended, modified or supplemented from time to time
“Market Day”	:		A day on which the SGX-ST is open for the trading of securities
“Minimum Acceptance Condition”	:		Shall have the meaning ascribed to it in Section 2.4 of this Circular
“NR Assets”	:		The natural rubber processing facilities and trading businesses to be acquired by the Offeror from SIO
“NR Assets Acquisition”	:		The acquisition of the NR Assets through acquiring 100% of the shares in the issued and paid-up share capital of Sinochem International Natural Rubber Investment (Overseas) Pte. Ltd., the holding company of the NR Assets
“Offer” or “GMG VGO”	:		The voluntary conditional general offer made by Deutsche Bank, for and on behalf of the Offeror, for all the GMG Shares other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror, on the terms set out in the Implementation Agreement and in accordance with Rule 15 of the Code
“Offer Consideration”	:		The consideration for each GMG Share which will be satisfied by the allotment and issuance of the Consideration Shares
“Offer Document”	:		The offer document dated 9 September 2016 and any other document(s) which may be issued by or on behalf of the Offeror to amend, revise, supplement or update the offer document from time to time
“Offer Unconditional Announcement”	:		Shall have the meaning ascribed to it in Section 2.4 of this Circular
“Offer Unconditional Date”	:		9 September 2016, the date on which the Offer was declared to be unconditional in all respects in accordance with its terms pursuant to the Offer Unconditional Announcement
“Offeror Securities”	:	(a)	HAC Shares;
		(b)	securities which carry substantially the same rights as any HAC Shares or Consideration Shares; and
		(c)	convertible securities, warrants, options or derivatives in respect of any such HAC Shares in (a) or such securities in (b)

“Official List”	:	The list of issuers maintained by the SGX-ST in relation to the Mainboard of the SGX-ST
“Overseas Shareholders”	:	Shareholders whose addresses as shown in the Register or in the records of CDP (as the case may be) are outside Singapore
“Pre-Conditional Offer Announcement”	:	The announcement made by Deutsche Bank on 28 March 2016, for and on behalf of the Offeror of its possible voluntary general offer for the GMG Shares
“Pre-Conditional Offer Announcement Date”	:	28 March 2016, being the date of the Pre-Conditional Offer Announcement
“Register”	:	The register of Shareholders, as maintained by the Share Registrar
“S\$” and “cents”	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
“SFA”	:	The Securities and Futures Act (Chapter 289 of Singapore)
“Shareholders”	:	The registered holders of GMG Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such GMG Shares, mean the depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with those GMG Shares
“SRS”	:	Supplementary Retirement Scheme
“SRS Agent Banks”	:	Agent banks included under the SRS
“SRS Investors”	:	Investors who have purchased GMG Shares pursuant to the SRS
“Transactions Announcement”	:	The announcement by the Offeror dated 28 March 2016 in relation to, <i>inter alia</i> , the Offer and the NR Assets Acquisition
“Valuation Report”	:	The report dated 31 August 2016 issued by the Valuer in respect of the Businesses in connection with the Offer as set out in <u>Appendix VII</u> to this Circular
“Vendor Shareholders”	:	The following shareholders of the Offeror: <ul style="list-style-type: none"> (a) Angsana Capital Ltd.; (b) Mr Pascal Demierre, an Executive Director of the Offeror; (c) Clear Tower Investments Limited, a substantial shareholder of the Offeror; (d) Mr Andrew Trevatt; and (e) Mr Leonard Beschizza
“Vendor SPAs”	:	The sale and purchase agreements dated 28 March 2016 entered into between each of the Vendor Shareholders and SIO for the purchase by SIO of a total of 180,439,576 HAC Shares from the Vendor Shareholders
“%” or “per cent.”	:	Per centum or percentage

COMPANIES / ORGANISATIONS / PERSONS

“CDP”	:	The Central Depository (Pte) Limited
“CPF”	:	Central Provident Fund
“Deutsche Bank”	:	Deutsche Bank AG, Singapore Branch
“GMG” or the “Company”	:	GMG Global Ltd
“GMG Group”	:	The Company, its subsidiaries and associates
“HAC” or the “Offeror”	:	Halcyon Agri Corporation Limited
“HAC Group”	:	The Offeror and its subsidiaries
“RHBSEC”	:	RHB Securities Singapore Pte. Ltd., being the independent financial adviser to the Independent Directors in respect of the Offer
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd., the share registrar of the Company
“SIC”	:	Securities Industry Council of Singapore
“Sinochem”	:	Sinochem International Corporation
“Sinochem Group”	:	Sinochem and its subsidiaries
“SIO”	:	Sinochem International (Overseas) Pte. Ltd.
“Valuer”	:	Société Générale, the independent valuer appointed by the Independent Directors for the purposes of carrying out the valuation of the Businesses in connection with the Offer

Unless otherwise defined, the term “**acting in concert**” shall have the meaning ascribed to it in the Code.

The terms “**depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Section 5 and Section 6 of the Companies Act.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one gender shall, where applicable, include the other or neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment or statutory provision is a reference to that enactment or statutory provision for the time being amended or re-enacted. Any word defined in the Companies Act, the SFA, the Listing Manual or the Code or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual or the Code or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date respectively, unless otherwise stated.

Any discrepancies in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Statements which are reproduced in their entirety from the Offer Document, the IFA Letter, the Valuation Report and the Articles are set out in this Circular within quotes and in italics and capitalised terms used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter, the Valuation Report and the Articles respectively.

In this Circular, any reference to the total number of issued GMG Shares is a reference to 766,019,636 GMG Shares (excluding 1,565,000 GMG Shares held in treasury) as at the Latest Practicable Date.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “aim”, “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders of the Company should not place undue reliance on such forward-looking statements, and neither the Company nor RHBSEC guarantees any future performance or event or assumes any obligation to update publicly or revise any forward-looking statement.

SUMMARY TIMETABLE

Despatch Date	:	9 September 2016
Acceptance of the Offer by SIO for its 51.12% stake in the Company, upon which the Offer had become unconditional as to acceptances	:	9 September 2016
Closing Date (in respect of the Offer) ⁽¹⁾⁽²⁾	:	5.30 p.m. (Singapore time) on 21 October 2016, or such later date(s) as may be announced from time to time by or on behalf of the Offeror
Date of settlement of the Offer ⁽¹⁾	:	<p>In respect of valid and complete acceptances received on or before the Offer Unconditional Date, within seven (7) Business Days after the Offer Unconditional Date</p> <p>In respect of valid and complete acceptances received after the Offer Unconditional Date but on or before the Closing Date, within seven (7) Business Days after the date of receipt of each such acceptance</p>

Notes:

- (1) Please also refer to Appendix A to the Offer Document for further details.
- (2) Pursuant to the Offer Unconditional Announcement, Deutsche Bank had announced, for and on behalf of the Offeror, that the Offer had become unconditional in all respects on the Offer Unconditional Date and accordingly the Closing Date of the Offer was extended to 21 October 2016 (or such later date(s) as may be announced from time to time by or on behalf of the Offeror).

GMG GLOBAL LTD

(Incorporated in the Republic of Singapore)
(Company Registration No. 199904244E)

LETTER FROM THE BOARD OF DIRECTORS

Board of Directors:

Mr Qin Hengde (Non-Executive Director and Chairman)
Mr Li Xuetao (Executive Director and Chief Executive Officer)
Mr Mou Xiangfeng (Non-Executive Director)
Mr Li Dajun (Non-Executive Director)
Mr Jeffrey Gondobintoro (Non-Executive Director)
Mr Tay Puan Siong (Independent Non-Executive Director)
Mr Ong Kian Min (Independent Non-Executive Director)

Registered Office:

8 Marina View
#34-05
Asia Square Tower 1
Singapore 018960

23 September 2016

To : The Shareholders of the Company

Dear Sir/Madam

VOLUNTARY CONDITIONAL GENERAL OFFER BY DEUTSCHE BANK, FOR AND ON BEHALF OF THE OFFEROR, FOR THE GMG SHARES

1. BACKGROUND

1.1 Formal Offer Announcement

On 28 March 2016, Deutsche Bank announced, for and on behalf of the Offeror, that subject to the fulfilment or waiver of the pre-conditions as stipulated under the Implementation Agreement, the Offeror would make the Offer.

On 23 August 2016, Deutsche Bank announced, for and on behalf of the Offeror:

- (a) that all of the pre-conditions to the Implementation Agreement had been fulfilled and satisfied; and
- (b) the Offeror's firm intention to make the Offer.

A copy of the Formal Offer Announcement is available on the website of the SGX-ST at www.sgx.com.

1.2 Offer Document

Shareholders should have by now received a copy of the Offer Document setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Section 2 of the Letter to Shareholders in the Offer Document. **Shareholders are urged to read the terms and conditions of the Offer contained in the Offer Document carefully.**

A copy of the Offer Document is available on the website of the SGX-ST at www.sgx.com.

1.3 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendation of the Independent Directors and the advice of RHBSEC to the Independent Directors in respect of the Offer.

Shareholders should consider carefully the recommendation of the Independent Directors and the advice of RHBSEC to the Independent Directors in respect of the Offer before deciding whether to accept or reject the Offer.

2. THE OFFER

2.1 Offer

Based on the information set out in the Offer Document, Deutsche Bank has, for and on behalf of the Offeror, made the Offer, in accordance with Rule 15 of the Code and subject to the terms and conditions set out in the Offer Document.

Section 2.1 of the Letter to Shareholders in the Offer Document states that the Offer will be extended to all the GMG Shares, other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror.

2.2 Offer Consideration

Section 2.2 of the Letter to Shareholders in the Offer Document states that the consideration for the Offer will be satisfied by the allotment and issuance of the Consideration Shares on the following basis:

For every one (1) GMG Share: 0.9333 new fully paid-up ordinary shares in the issued and paid-up capital of the Offeror (the “Consideration Shares”).

Any fractional entitlements to such Consideration Shares will be rounded down to the nearest whole HAC Share. Such Consideration Shares when issued as fully paid, shall rank *pari passu* in all respects with existing HAC Shares save that they will not rank for any dividend, rights, allotments or other Distributions, the record date of which falls on or before the date of completion of the allotment and issuance.

The Offeror does not intend to increase the Offer Consideration. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed subsequently to amend the Offer Consideration in any way.

2.3 No Encumbrances

Section 2.3 of the Letter to Shareholders in the Offer Document states that the GMG Shares will be acquired:

- (a) properly and validly issued and fully paid-up;
- (b) free from any mortgage, assignment, debenture, lien, hypothecation, charge, pledge, adverse claim, rent-charge, title retention, claim, equity, option, pre-emption right (other than those which appear in the Articles), right to acquire, security agreement and security interest or other right of whatever nature; and
- (c) together with all rights, benefits and entitlements attached thereto (including the right to receive and retain all Distributions declared, paid or made by GMG) on or after the Formal Offer Announcement Date.

If any Distribution is declared, paid or made by GMG on or after the Formal Offer Announcement Date, the Offeror reserves the right to reduce the Offer Consideration payable to such accepting Shareholder by an amount equivalent to such Distribution.

2.4 Minimum Acceptance Condition

As stated in Section 2.4 of the Letter to Shareholders in the Offer Document, the Offer is conditional upon the Offeror receiving valid acceptances in respect of such number of GMG Shares which, when taken together with the GMG Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), would result in the Offeror holding such number of GMG Shares carrying more than 50% of the voting rights attributable to the total issued and paid-up share capital of GMG (excluding treasury shares), by the Closing Date of the Offer (the “**Minimum Acceptance Condition**”).

As set out in Section 2.4 of the Letter to Shareholders in the Offer Document, the Offeror had procured an irrevocable undertaking from SIO to accept the Offer for all its 51.12% interest in the Company. Please refer to Section 3 of the Letter to Shareholders in the Offer Document for further details of this undertaking from SIO.

On the Offer Unconditional Date, Deutsche Bank announced, for and on behalf of the Offeror, that the Offeror had on the same date received valid acceptances in respect of such number of GMG Shares which, when taken together with the GMG Shares owned, controlled or agreed to be acquired by the Offeror before or during the Offer, results in the Offeror holding more than 50% of the total number of issued GMG Shares as at the date of the Offer (the "**Offer Unconditional Announcement**").

Accordingly, the Minimum Acceptance Condition was met and the Offer was declared unconditional in all respects on the Offer Unconditional Date.

A copy of the Offer Unconditional Announcement is available on the website of the SGX-ST at www.sgx.com.

2.5 Listing and Quotation of Consideration Shares

As stated in Section 2.7 of the Letter to Shareholders in the Offer Document, the Offeror made an application to the SGX-ST and had, on 12 May 2016, received the approval in-principle (the "**AIP**") from the SGX-ST for the dealing in, listing of and quotation of the Consideration Shares to be issued in connection with the Offer on the Official List of the SGX-ST.

The AIP is not to be taken as an indication of the merits of the proposed transactions¹, the Consideration Shares, the Company, the NR Assets, the Offeror and/or its subsidiaries.

3. OTHER TERMS OF THE OFFER

3.1 Closing Date

As stated in the Offer Unconditional Announcement, the Offer became unconditional as to acceptances on the Offer Unconditional Date and pursuant to Rule 22.6 of the Code, the Offer must remain open for acceptance for not less than 14 days after the date on which the Offer would otherwise have closed.

Accordingly, Shareholders should note that the Offer will remain open for acceptance until 5.30 p.m. (Singapore time) on 21 October 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

3.2 Further Details of the Offer

The Offer is made in accordance with the principal terms and conditions as set out in the Offer Document. Appendix A to the Offer Document sets out further details on (a) the duration of the Offer; (b) the settlement of the consideration for the Offer; (c) the requirements relating to the announcement of the level of acceptances of the Offer; and (d) the right of withdrawal of acceptances of the Offer.

3.3 Procedures for Acceptance

Section 2.6 of the Letter to Shareholders in the Offer Document states that Appendix B to the Offer Document sets out the procedures for acceptance of the Offer.

¹ Being the transactions contemplated under the agreements entered into between the Offeror, certain shareholders of the Offeror and SIO, for the combination of highly complementary natural rubber assets of Sinochem and the HAC Group under the Offeror, to create a world leading natural rubber supply chain manager. The details of the transactions are set out in the Transactions Announcement.

4. INFORMATION ON THE OFFEROR

Details on the Offeror is set out in Section 4 of the Letter to Shareholders in the Offer Document which is reproduced in italics below:

“4. INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in Singapore and listed on the Mainboard of the SGX-ST. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$210,039,652.40 comprising 600,092,000 ordinary shares (referred to in this Offer Document as the “HAC Shares”), and there has not been any change to the number of HAC Shares since the end of FY2015. The Offeror does not hold any HAC Shares in treasury.

The principal activity of the Offeror is that of an investment holding company, and the HAC Group is primarily involved in the origination, production and distribution of natural rubber.

Following the completion of the HAC MGO on 22 August 2016, HAC became a subsidiary of SIO and an indirect subsidiary of Sinochem.

Appendix C to this Offer Document sets out additional information on the Offeror. Additional information on the Offeror is also available on its website at <http://www.halcyonagri.com/>. Additional information on Sinochem is also available on its website at <http://www.sinochemintl.com/>.”

Additional information on the Offeror is set out in Appendix C to the Offer Document.

5. OFFEROR’S RATIONALE AND INTENTIONS

5.1 Rationale for the Offer

The rationale for the Offer is set out in Section 6 of the Letter to Shareholders in the Offer Document which is reproduced in italics below:

“6. RATIONALE FOR THE OFFER

6.1 The Offer provides an opportunity for Shareholders to swap their GMG Shares for HAC Shares to participate in the benefits of the Enlarged HAC Group

The Offer provides an opportunity for Shareholders to swap their GMG Shares for HAC Shares, whereupon they shall become shareholders of the Offeror, which would be one of the world’s leading and most comprehensive natural rubber supply chain managers upon the completion of the Offer and the NR Assets Acquisition. Further details of the NR Assets Acquisition are set out in the Transactions Announcement dated 28 March 2016.

Benefits to the Enlarged HAC Group as follows:

- (a) **Strong industrial logic for the merger:** *Combination of highly complementary assets.*
- (b) **Scale benefits:** *Enlarged HAC Group better equipped to compete in the global natural rubber industry.*
- (c) **Attractive investment profile:** *The Offeror will be the largest natural rubber company listed on the SGX-ST by market capitalisation³.*
- (d) **Financially compelling:** *Synergy benefits may significantly enhance shareholder value.*

The Implied Offer Price of S\$0.695 represents:

- (a) *a premium of 30.0% over the last transacted price per GMG Share on the Latest Practicable Date;*
- (b) *a premium of 13.6% over the VWAP per GMG Share on the Last Trading Day;*

³ Market capitalisation based on 1,595,018,126 HAC Shares, assuming the acceptance level of the Offer is 100%, and last transacted price per HAC Share on 30 August 2016, being the Latest Practicable Date.”

- (c) a premium of 131.8% over the last transacted price per GMG Share on the Last Undisturbed Trading Day; and
- (d) a premium of 121.4%, 95.1% and 85.6% over the VWAP per GMG Share for the one (1)-month, three (3)-month and six (6)-month period prior to the Last Undisturbed Trading Day respectively.

There is no guarantee that GMG Shares will remain traded at the last transacted price of S\$0.535 per GMG Share on the Latest Practicable Date and at the VWAP of S\$0.589 since 28 March 2016 up to the Latest Practicable Date, which are 42.8% and 57.1% respectively higher than the VWAP per GMG Share for the six (6)-month period prior to the Last Undisturbed Trading Day.



Notes:

- (1) Based on data extracted from Bloomberg L.P.
- (2) As of 30 August 2016, being the Latest Practicable Date.

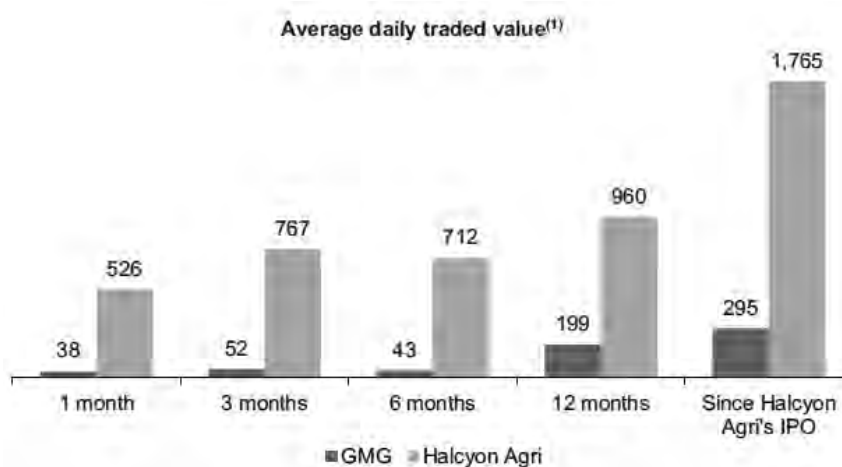
The Offeror has a proven track record of shareholder value creation. Share price per HAC Share has increased by 76.4% since the initial public offering of the Offeror in February 2013. In contrast, the share price per GMG Share declined by 78.7% over the same time period, after adjusting for dividends and stock consolidation.



Notes:

- (1) Based on data up to the Last Undisturbed Trading Day extracted from Bloomberg L.P. which shows the share price of GMG Shares adjusted for dividends and stock consolidation. The share price of HAC Shares is rebased to the share price of GMG Shares.
- (2) Based on the Offeror's initial public offering share price of S\$0.36.

Moreover, the GMG Shares have historically had relatively low trading liquidity which may be further impacted post Offer. The average daily traded value of the GMG Shares and HAC Shares are as follows:



Note:

(1) Amount in S\$'000. Based on the average daily traded value up to the Last Undisturbed Trading Day extracted from Bloomberg L.P.

6.2 Consistent with the Offeror's business strategy of establishing itself as a leading global natural rubber supply chain manager

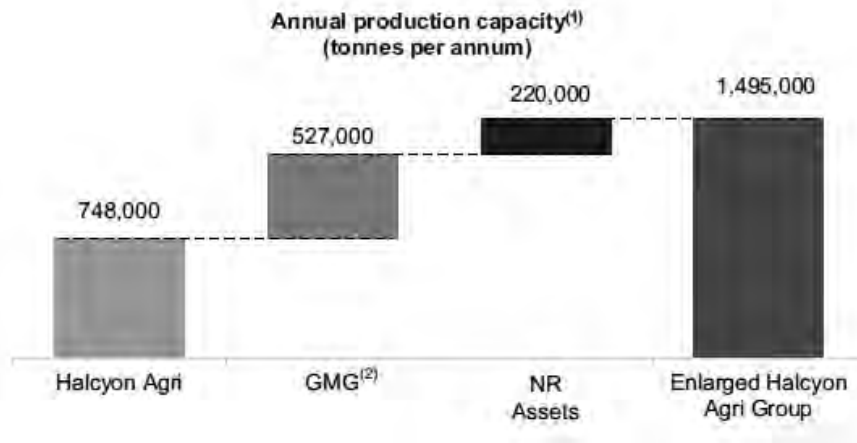
The Offeror's strategy to establish itself as a world leading natural rubber supply chain manager is based upon having the scale, scope and reach to provide customers with the natural rubber they need, whenever and wherever they need it. Completion of the Offer and the NR Assets Acquisition will significantly enhance the Offeror's capabilities in every aspect of this strategy, increasing the scale of the Offeror's activities substantially, broadening the scope of the business by adding operations in new geographies and extending its reach by adding new customers and markets. Following completion of the Offer and the NR Assets Acquisition, the Enlarged HAC Group would be a world's leading and most comprehensive natural rubber supply chain manager.

6.3 Significantly enhance the scale and market position of the Offeror in each segment of the natural rubber supply chain

Completion of the Offer and the NR Assets Acquisition significantly increases the scale of the Offeror's operations in each segment of the natural rubber supply chain. In the upstream/plantations segment, completion of the Offer and the NR Assets Acquisition will increase the total rubber plantation land held by the HAC Group by more than 26 times to in excess of 193,000 hectares⁴ and significantly increase the total rubber planted area held by the HAC Group to in excess of 54,000 hectares³. In the midstream/processing segment, completion of the Offer and the NR Assets Acquisition will increase the total processing capacity of the HAC Group by about 100% to approximately 1.5 million tonnes per annum³, making the Enlarged HAC Group the world's leading producer of TSR in terms of production capacity.

Please note that footnote 3 referred to in Section 6.3 of the Letter to Shareholders in the Offer Document was not sighted in the Offer Document.

⁴⁴ Includes GMG's associate, SIAT S.A."

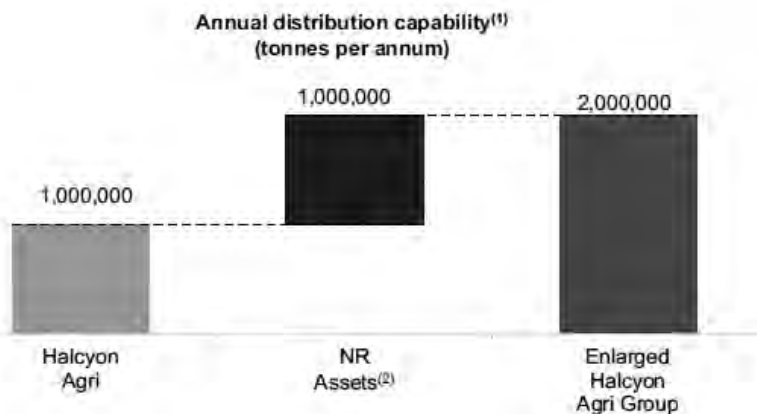


Notes:

(1) Based on the latest available information as of the Latest Practicable Date.

(2) Metrics include GMG's associate, SIAT S.A.

In the downstream/distribution segment, completion of the Offer and the NR Assets Acquisition would increase the HAC Group's annual distribution capability by approximately 100% to 2.0 million tonnes per annum.



Notes:

(1) Based on the latest available information as of the Latest Practicable Date.

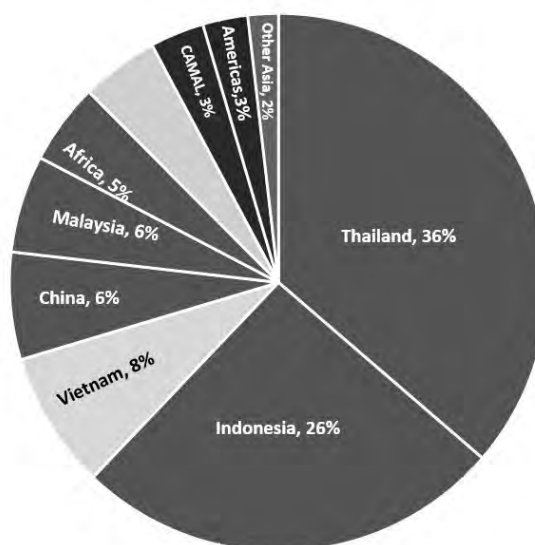
(2) Includes GMG's distribution through the rubber trading business division of SIO (which is part of the NR Assets).

6.4 **Broaden the geographic scope of the Offeror's operations and product offering**

The Offeror currently produces TSR of Indonesian and Malaysian origin for sale to its customers. Completion of the Offer and the NR Assets Acquisition would broaden the Offeror's operations and product offering significantly by adding the production of TSR of Chinese, Thai and African origins, as well as increasing the number of grades of natural rubber that the Offeror can produce. As a result, following completion of the Offer and the NR Assets Acquisition, the Enlarged HAC Group's operations would cover the vast majority of rubber producing regions in the world and give it a comprehensive product suite to offer its customers.

The Enlarged HAC Group's assets will span natural rubber producing areas representing 79% of global production.

2015 world natural rubber production



Note:

(1) Source: International Rubber Study Group — “The World Rubber Industry Outlook” dated June 2016.

6.5 **Extend the distribution reach of the Offeror into the PRC**

The PRC is the world’s largest consumer of natural rubber, accounting for approximately 4,820,000 tonnes of natural rubber consumption in 2015, which is approximately 39.0% of the world consumption. To date, a relatively small portion of the Offeror’s total sales volume has been to PRC customers. Completion of the Offer and the NR Assets Acquisition would combine the Offeror’s distribution strength in Europe, the United States and South East Asia with Sinochem’s distribution reach into the PRC, providing a comprehensive network of sales offices, logistics assets and an extensive customer base.

6.6 **Potential synergies between the principal business activities of the Offeror, GMG and the NR Assets**

GMG and the NR Assets have business operations that are complementary to the Offeror, being the management of rubber plantations, operating rubber processing facilities and distributing natural rubber to customers. It is expected that, over time, there will be synergy opportunities for the Enlarged HAC Group as follows:

- (a) **Network benefits:** Connecting multiple production facilities with distribution reach to meet global customer demand.
- (b) **Targeting to be the lowest cost / highest quality producer:** Leveraging best practices across extensive asset base to target becoming a lowest cost producer of the highest quality products.
- (c) **Corporate & administrative cost savings:** Common corporate and administrative infrastructure and economies of scale.
- (d) **Financing costs:** Leveraging the expanded scale of the Enlarged HAC Group’s operations to access more efficient financing.”

5.2 Offeror's Intentions for the Company

The Offeror's intentions for the Company is set out in Section 7 of the Letter to Shareholders in the Offer Document which is reproduced in italics below:

"7. THE OFFEROR'S INTENTIONS FOR GMG

*In the event the Offeror receives acceptances for the Offer such that less than 10% of the total number of issued GMG Shares (excluding any shares held by GMG as treasury shares) are held in public hands, the SGX-ST may suspend trading of GMG Shares at the close of the Offer. **The Offeror presently has no intention to support any action or take any steps to maintain the listing status of GMG on the SGX-ST.** The Offeror will comply with all applicable rules of the Listing Manual in such an event, including Rules 1307 and 1309 of the Listing Manual, should the Offeror seek a delisting of GMG.*

Upon completion of the Offer, the Offeror may undertake a strategic and operational review of the organisation, business and operations of the GMG Group with a view to realise synergies and growth potential. It is the intention of the Offeror to ensure continuity of the GMG Group's operations and to lead the GMG Group to further growth and development.

The Offeror presently has no intention to introduce any major changes to the existing business of the GMG Group, or to discontinue the employment of any of the existing employees of the GMG Group or re-deploy any of the fixed assets of the GMG Group, other than in the ordinary course of business.

7.1 Listing Status

Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total number of issued GMG Shares (excluding treasury shares), the SGX-ST may suspend the trading of the GMG Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued GMG Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued GMG Shares (excluding treasury shares), thus causing the percentage of the total number of issued GMG Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the GMG Shares only at the Closing Date.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued GMG Shares (excluding treasury shares) held in public hands falls below 10%, GMG must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the GMG Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow GMG a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of GMG Shares (excluding treasury shares) in public hands to at least 10%, failing which GMG may be removed from the Official List of the SGX-ST.

7.2 Compulsory Acquisition

*Pursuant to Section 215(1) of the Act, in the event that the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires GMG Shares during the period when the Offer is open for acceptance) in respect of not less than 90% of the total number of issued GMG Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any GMG Shares held GMG as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the GMG Shares of the Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") at a price equal to the Offer Consideration.*

In addition, Dissenting Shareholders have the right under and subject to Section 215(3) of the Act, to require the Offeror to acquire their GMG Shares at a price equal to the Offer Consideration in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer such number of GMG Shares which, together with the GMG Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued GMG Shares (excluding any GMG Shares held by GMG as treasury shares). Dissenting Shareholders who wish to exercise such rights are advised to seek their own independent legal advice.”

6. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Company Securities and the Offeror Securities as at the Latest Practicable Date are set out in Appendix II to this Circular.

7. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

7.1 Appointment of Independent Financial Adviser

RHBSEC has been appointed as the independent financial adviser to the Independent Directors in respect of the Offer.

7.2 Independent Directors

The Independent Directors, Mr Tay Puan Siong, Mr Ong Kian Min and Mr Jeffrey Gondobintoro, are required to make a recommendation to Shareholders in respect of the Offer.

Pursuant to rulings given by the SIC, the following Directors mentioned in sub-sections (a) to (d) below will be exempted from the requirement of making a recommendation to Shareholders for the reasons set out below:

- (a) Mr Qin Hengde is currently an Executive Director and the Chief Executive Officer of Sinochem and he had previously served as Executive Vice President and Chief Financial Officer of Sinochem;
- (b) from August 2011 to February 2015, Mr Li Xuetao held various positions in Sinochem, including Vice President, General Manager of Trading and Distribution Business Division, Chairman of Committee of Risk Management and Company's General Counsel;
- (c) Mr Mou Xiangfeng is currently a Senior Expert of Sinochem and has held various executive positions in the Sinochem Group such as director and General President of Sinochem Zhuhai Petrochemical Terminal Co., Ltd and Vice President of Sinochem;
- (d) Mr Li Dajun is a director of Sinochem International Crop Care (Overseas) Pte. Ltd. and SIO. He is currently the Deputy General Manager of Sinochem. He has held various executive positions in the Sinochem Group such as General Manager (Agrochemical Business Division) of Sinochem, General Manager of Sinochem International Crop Care Co., Ltd., and General Manager of Sinochem Agro Co., Ltd.; and
- (e) each of Mr Qin Hengde, Mr Li Xuetao, Mr Mou Xiangfeng and Mr Li Dajun are nominees of SIO on the Board.

Accordingly, in view of their past and present association with the Sinochem Group, each of Mr Qin Hengde, Mr Li Xuetao, Mr Mou Xiangfeng and Mr Li Dajun is a party presumed to be acting in concert with the Offeror under the Code and would face, or may reasonably be perceived to face, a conflict of interest, that would render each of them inappropriate to join the remainder of the Directors in making a recommendation on the Offer.

Nonetheless, all the Directors are jointly and severally responsible for the accuracy of facts stated in announcements and documents issued by or on behalf of the Company in connection with the Offer.

7.3 RHBSEC's Advice to the Independent Directors

The advice of RHBSEC to the Independent Directors in respect of the Offer is set out in the IFA Letter annexed as Appendix I to this Circular.

The conclusion and recommendation of RHBSEC in respect of the Offer has been extracted from the IFA Letter and is reproduced in italics below:

"8. OUR RECOMMENDATION

In arriving at our recommendation in respect of the GMG VGO, we have taken into account the factors which we consider to have a significant bearing on our assessment which includes our analyses as outlined under paragraph 7.1 to 7.10.

In evaluating and assessing the financial terms of the GMG VGO, we have given due consideration to the following:-

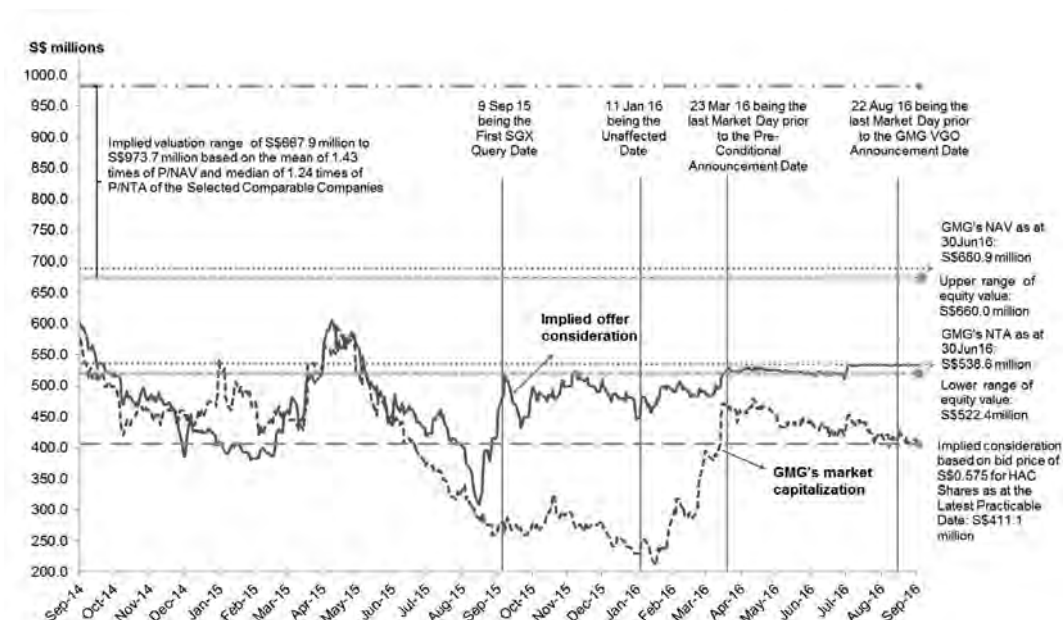
- **Comparison of implied GMG VGO offer price with HAC MGO offer price and NR Assets Acquisition consideration**

We note that GMG implied P/NAV ratio is the lowest compared to HAC and NR Assets while having the highest NAV and NTA compared to HAC and NR Assets. In addition, we note that HAC was in a net tangible liabilities position as at 31 December 2015 and 30 June 2016.

- **Financial Effects of the Proposed Transactions**

We note that the Proposed Transactions are accretive to EPS but dilutive in terms of NTA and NAV per share based on the 31 December 2015 financials for Shareholders. We also note that both GMG and HAC have reported losses attributable to shareholders of S\$16.8 million and US\$14.6 million respectively in their unaudited first half financial statements for the period under 30 June 2016 and there is no public information on the first half financial statements of NR Assets. As such, there is no certainty that the Enlarged HAC Group would remain profitable.

- **The Offer Consideration compared to the GMG Group's NAV, NTA and the Equity Value Range**



We note from the above that the implied Offer Consideration is below the NAV of the GMG Group's NAV as at 30 June 2016 and generally had been below the GMG Group's NTA as at 30 June 2016.

When compared with the Equity Valuation Range, the implied Offer Consideration is below the upper range and for the period prior to the Pre-Conditional Offer Announcement Date the implied Offer Consideration is generally been below the lower range of the Equity Valuation. It would appear that the market price of HAC Shares and accordingly the Offer Consideration may be supported by HAC's announcement on 9 September 2015 where it stated that it was in confidential discussions with certain parties regarding a potential strategic transaction, 15 January 2016 where it announced the Proposed Transactions and on 28 March 2016 where it announced the HAC and GMG Pre-Conditional Offer.

We further note that since the close of the HAC MGO on 22 August 2016 and up to the Latest Practicable Date, there have been no trades for the HAC Shares. As at the Latest Practicable Date, we note that the bid/ask price for the HAC Shares was S\$0.575 and S\$0.740 respectively. The implied consideration based on the bid price of S\$0.575 is below the GMG Group's NAV per Share, the GMG Group's NTA per Share and the Equity Valuation Range.

- **Liquidity of HAC Shares**

We note that the average daily traded value of HAC Shares for the past 12 months prior to the First SGX Query Date was within the range of and above the mean and median of the comparable companies by market capitalisation and commodities companies. HAC Shares are also relatively more liquid than GMG Shares for most of the periods in our analysis.

However, Shareholders should note that HAC had on 23 August 2016 announced that following the settlement of acceptances under the HAC MGO, HAC will not meet the Free Float Requirement. HAC may satisfy the Free Float Requirement in the event that a sufficient number GMG Shareholders validly tender their shares in acceptance of the GMG VGO as the payment of the GMG VGO will be satisfied by the issuance of new HAC Shares. We also note that SIO intends to undertake or support any action as may be necessary for any such trading suspension of HAC by the SGX-ST to be lifted.

- **Performance of HAC Shares**

We note that, on a normalised basis, for the 12-month period prior to the First SGX Query Date, performance of HAC Shares and GMG Shares were quite similar and both had generally under-performed the FSSTI. For the period after the First SGX Query and up to the Latest Practicable Date, HAC had marginally out-performed the FSSTI while GMG had under underperformed both the FSSTI and HAC.

- **Comparison with recent takeovers**

We note that the premium implied by GMG VGO Swap Ratio is within the range of the premia for the Selected Comparable Transactions for the selected periods prior to the GMG Pre-Conditional Offer Announcement.

- **Market position, scale of operations and synergies of the Enlarged HAC Group**

We note the various potential synergies between the principal activities of the Offeror, GMG and the NR Assets. According to the Offeror, upon completion of the Proposed Transactions, the Enlarged HAC Group would be a world's leading and most comprehensive natural rubber supply chain manager. Its geographical reach and product range will be enhanced significantly as compared to the GMG Group on a standalone basis.

Having carefully considered all of the above, we are of the opinion that as at the Latest Practicable Date, on balance, the terms of the Offer are NOT FAIR but REASONABLE.

We are of the opinion that the terms of the Offer are NOT FAIR, mainly due to:

- **the GMG implied P/NAV ratio based on the Offer Consideration is the lowest compared to HAC's and NR Assets' while having the highest NAV and NTA compared to HAC and NR Assets. The GMG implied P/NAV ratio ranges from 0.45x to 0.89x while the P/NAV ratio of HAC MGO Offer Price and implied NR Assets Consideration are 3.54x and 1.64x respectively;**

- *the Proposed Transactions are dilutive in terms of NTA and NAV per share based on the 31 December 2015 financials for Shareholders. NTA per share of GMG will decrease from 74.52 cents to 38.91 cents and NAV per share of GMG will decrease from 93.42 cents to 66.46 cents. In addition, there is no certainty that the Enlarged HAC Group would remain profitable; and*
- *the Offer Consideration is generally below the GMG Group's NAV and NTA and at best at the lower range of the Equity Value Range.*

We are of the opinion that the terms of the Offer are REASONABLE taking into the following considerations:

- *the opportunity for Shareholders to participate in the prospect and future growth of the Enlarged HAC Group which is expected to offer significant enhancement to market position and scale of operation as compared to the GMG Group on a standalone basis;*
- *the premium implied by GMG VGO Swap Ratio being within the range, and above the mean and median over the VWAP for the 3-month and 6-month period prior to offer announcement for the Selected Comparable Transactions; and*
- *HAC Shares are also relatively more liquid than GMG Shares for most of the periods in our analysis.*

Accordingly, we advise the Independent Directors to recommend Shareholders to ACCEPT the Offer if Shareholders believe in the competitive strengths of the Enlarged HAC Group in allowing the Offeror to successfully implement its business strategy and taking into consideration the factors mentioned above. Otherwise, we advise the Independent Directors to recommend Shareholders to REJECT the Offer as on balance, the Offer is not fair from a financial point of view.

Directors and Shareholders should note that the trading of the GMG Shares is subject to, inter alia, the performance and prospects of the GMG Group, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, our advice on the GMG VGO does not and cannot take into account future trading activities or patterns or price levels that may be established for the GMG Shares after the Latest Practicable Date since these are governed by factors beyond the ambit of our review and also, such advice, if given, would not fall within our terms of reference in connection with the GMG VGO.

Our recommendation is addressed to the Independent Directors for their benefit in connection with and for the purposes of their consideration of the GMG VGO. Any recommendation made by the Independent Directors in respect of the GMG VGO shall remain their responsibility."

Shareholders should read and consider carefully all the considerations relied upon by RHBSEC, in arriving at its advice to the Independent Directors, in conjunction with and in the context of the full text of the IFA Letter.

7.4 Recommendation of the Independent Directors

The Independent Directors, having considered carefully the terms of the Offer and the advice given by RHBSEC to the Independent Directors in the IFA Letter, have set out their recommendation on the Offer below:

The Independent Directors concur with RHBSEC's assessment of the Offer and its recommendation thereon, as set out in Section 7.3 of this Circular and in the IFA Letter. **Accordingly, the Independent Directors recommend Shareholders to ACCEPT the Offer if Shareholders believe in the competitive strengths of the Enlarged HAC Group in allowing the Offeror to successfully implement its business strategy and taking into consideration the factors mentioned in paragraph 8 of the IFA Letter. Otherwise, the Independent Directors recommend Shareholders to REJECT the Offer as on balance, the Offer is not fair from a financial point of view.**

In making the above recommendation, the Independent Directors have not had regard to the general or specific investment objectives, financial situations, risk profiles, tax positions and/or particular needs and constraints of any specific Shareholder. As different Shareholders would have different investment profiles and objectives, the Independent Directors recommend that any specific Shareholder who may require specific advice in relation to his GMG Shares should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

Shareholders should read and consider carefully the recommendation of the Independent Directors and the advice of RHBSEC to the Independent Directors in respect of the Offer in their entirety before deciding whether to accept or reject the Offer. Shareholders are also urged to read the Offer Document carefully.

8. OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to Section 9 of the Letter to Shareholders in the Offer Document which is reproduced in italics below:

“9. OVERSEAS SHAREHOLDERS

9.1 Overseas Shareholders

*The availability of the Offer to Overseas Shareholders may be affected by laws and regulations of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about and observe any applicable legal requirements. Where there are potential restrictions on sending this Offer Document, the FAA and/or the FAT to any overseas jurisdiction, each of the Offeror and Deutsche Bank reserves the right not to send these documents to any overseas jurisdiction. For the avoidance of doubt, the Offer is made to all Shareholders holding GMG Shares, including to those to whom this Offer Document, the FAA and/or the FAT have not been or will not be sent. Copies of this Offer Document and any other formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a “**Restricted Jurisdiction**”) and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.*

9.2 Overseas Jurisdictions

It is the responsibility of any Overseas Shareholder who wishes to accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities and legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholders shall be liable for any such taxes, imposts, duties or other requisite payments payable, and the Offeror and any person acting on its behalf (including Deutsche Bank, CDP and the Share Registrar) shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments that may be required to be paid. In accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror and Deutsche Bank that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities and legal requirements.

9.3 **Copies of the Offer Document**

Overseas Shareholders may obtain copies of this Offer Document, the Relevant Acceptance Forms and any related documents during normal business hours and up to the Closing Date from the Share Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or from CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588. Copies of this Offer Document, the Relevant Acceptance Forms and any related documents are also available on the SGX-ST's website at www.sgx.com. Alternatively, Overseas Shareholders may write to the Offeror at Halcyon Agri Corporation Limited at 250 North Bridge Road, #12-01 Raffles City Tower, Singapore 179101 to request for this Offer Document, the Relevant Acceptance Forms and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to three (3) Market Days prior to the Closing Date.

9.4 **Notice**

The Offeror and Deutsche Bank each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Overseas Shareholders or whom the Offeror or Deutsche Bank knows to be custodians, nominees or trustees for such persons by announcement or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement and all references in this Offer Document to notice in writing by or on behalf of the Offeror shall be construed accordingly.

9.5 **Other Provisions**

The attention of Overseas Shareholders is also drawn to Section 5 of Appendix A to this Offer Document.”

9. **INFORMATION PERTAINING TO CPFIS AND SRS INVESTORS**

As stated in Section 10.2 of the Letter to Shareholders in the Offer Document, CPFIS Investors will receive further information on how to accept the Offer from their respective CPF Agent Banks directly. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice. CPFIS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks.

SRS Investors should note that they will receive further information on how to accept the Offer from their respective SRS Agent Banks directly. SRS Investors are advised to consult their respective SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice. SRS Investors who wish to accept the Offer are to reply to their respective SRS Agent Banks by the deadline stated in the letter from their respective SRS Agent Banks.

10. **ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. (Singapore time) on 21 October 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror. Please refer to Section 3.3 above for the procedure for acceptances.

Shareholders who do not wish to accept the Offer need not take further action in respect of the Offer Document which has been sent to them.

11. **DIRECTORS' RESPONSIBILITY STATEMENT**

The recommendation of the Independent Directors to Shareholders set out in Section 7.4 of this Circular is the sole responsibility of the Independent Directors. Save for the foregoing, the Directors (including any Director who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Circular (other

than those relating to the Offeror, parties acting in concert or deemed to be acting in concert with the Offeror, the Offer, the IFA Letter, the Valuation Report and the letters issued by the auditors of the Company and RHBSEC concerning the 1H2016 Results) are fair and accurate and that there are no other material facts not contained in this Circular, the omission of which would make any statement in this Circular misleading.

In respect of the IFA Letter, the Valuation Report and the letters issued by the auditors of the Company and RHBSEC concerning the 1H2016 Results, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the GMG Group are, to the best of their knowledge and belief, fair and accurate in all material respects.

Where any information in this Circular has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Pre-Conditional Offer Announcement, the Formal Offer Announcement, the Offer Document, the Offer Unconditional Announcement, the Transactions Announcement, the IFA Letter, the Valuation Report and the letters issued by the auditors of the Company and RHBSEC concerning the 1H2016 Results) or obtained from the Offeror, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources, or as the case may be, accurately reflected or reproduced in this Circular.

The Directors jointly and severally accept full responsibility accordingly.

Yours faithfully
For and on behalf of the Board

Mr Tay Puan Siong
Independent Non-Executive Director

**LETTER FROM RHB SECURITIES SINGAPORE PTE. LTD. TO THE
INDEPENDENT DIRECTORS (AS DEFINED HEREIN) OF GMG GLOBAL LTD**

23 September 2016

The Independent Directors
GMG Global Ltd
8 Marina View,
#34-05 Asia Square Tower 1
Singapore 018960

Dear Sirs,

VOLUNTARY CONDITIONAL GENERAL OFFER BY DEUTSCHE BANK AG, SINGAPORE BRANCH (“DEUTSCHE BANK”) FOR AND ON BEHALF OF HALCYON AGRI CORPORATION LIMITED (“OFFEROR”), TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF GMG GLOBAL LTD (“COMPANY”), OTHER THAN THOSE ALREADY HELD BY THE COMPANY AS TREASURY SHARES AND THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH THE OFFEROR

Unless otherwise defined or the context otherwise requires, all terms defined in the Circular, dated 23 September 2016 to shareholders of GMG Global Ltd, shall have the same meaning herein.

1. INTRODUCTION

On 28 March 2016, Deutsche Bank announced, for and on behalf of the Offeror, that subject to the fulfilment or waiver of the conditions precedent to the Implementation Agreement, the Offeror would make the GMG VGO.

On 23 August 2016, Deutsche Bank announced, for and on behalf of the Offeror, that all of the conditions precedent to the Implementation Agreement had been fulfilled and accordingly, the Offeror's firm intention to make the GMG VGO.

A copy of the Formal Offer Announcement is available on the website of the SGX-ST at www.sgx.com.

RHB Securities Singapore Pte. Ltd. (“**RHBSEC**”) has been appointed by the Company to advise the Directors in respect of the GMG VGO who are considered independent for the purposes of making a recommendation to Shareholders in respect of the GMG VGO (the “**Independent Directors**”).

This letter sets out our evaluation and assessment of the financial terms of the GMG and our recommendations to the Independent Directors. This letter will form part of the Circular dated 23 September 2016 to be issued by the Company providing details and the recommendation of the Independent Directors to Shareholders with regards to the GMG VGO.

2. TERMS OF REFERENCE

RHBSEC has been appointed by the Company to provide an opinion regarding the GMG VGO to the Independent Directors in compliance with the provisions of The Singapore Code on Take-overs and Mergers (the “**Code**”). We have confined our evaluation and assessment to the financial terms of the GMG VGO.

RHBSEC is not a party to the negotiations or discussions relating to the GMG VGO. Our terms of reference do not require us to evaluate, comment, advise or form a view on the rationale, and/or merits of the GMG VGO or the listing status of the Company or future prospects of the GMG Group. We have not been instructed or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the GMG Shares. Accordingly, we do not compare nor express any opinion on the relative merits of the GMG VGO vis-à-vis any alternative transactions previously considered by the Company or that may otherwise be available to the Company in the future.

In evaluating the financial terms of the GMG VGO, we have held discussions with the Directors and management of the Company and have examined and relied on publicly available information collated by us as well as information provided and representations made, both written and verbal, by the Directors and the management of the Company. We have not independently verified such information or representations, whether written or verbal, and therefore cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. However, we have made reasonable enquiries and exercised our judgement on the reasonable use of such information and found no reason to doubt the accuracy or reliability of such information.

We have relied upon the assurances of the Directors and the management of the Company that after making all reasonable enquiries that, to the best of their knowledge and belief, all material information relating to the GMG Group has been disclosed to us, that such information constitutes full and true disclosure of all material facts about the GMG Group in the context of the GMG VGO and the Directors and the management of the Company are not aware of any material facts the omission of which would make any statement in the Circular (other than those relating to the Offeror, parties acting in concert with the Offeror, the Offer, the IFA Letter, the Valuation Report and the letters issued by the auditors of the Company and RHBSEC concerning the 1H2016 Results) misleading in any material respect. The Directors have jointly and severally accepted such responsibility accordingly.

In evaluating the financial terms of the GMG VGO and in arriving at our opinion thereon, we have not relied upon any financial projections or forecasts in respect of the Company and/or the GMG Group. We are not required to express and we do not express any view on the growth prospects and earnings potential of the Company and/or the GMG Group in connection with our opinion herein. Accordingly, we are not expressing any view herein as to the prices at which the Shares may trade in the absence of the GMG VGO or if the GMG VGO was not effected.

We have not made any independent evaluation or appraisal of the assets and liabilities of the Company or the GMG Group (including without limitation, investment properties, property, plant and equipment and plantation assets) and we have not been furnished with any such evaluation or appraisal, except for the Valuation Report, which is reproduced in Appendix VII to the Circular. With respect to such Valuation Report, we are not experts in the evaluation or appraisal of the key operating subsidiaries and associate concerned and we have place sole reliance on the Valuation Report for the appraisal of the relevant entities.

Our opinion as set out herein is based upon market, economic, industry, monetary and other conditions prevailing on, and the information provided to us as of 14 September 2016, being the latest practicable date prior to the printing of the Circular (the “**Latest Practicable Date**”). Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcements relevant to their consideration of the GMG VGO which may be released by the Company and/or the Offeror after the Latest Practicable Date.

In rendering our opinion, we have not considered the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment profiles and objectives, we recommend that any individual Shareholder who may require specific advice in relation to his/her investment portfolio or objectives should consult his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this letter and Appendix VI to the Circular). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this letter, sections 4.7, 4.8, 4.9 and 4.10 of Appendix II, and Appendix VI to the Circular). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter, sections 4.7, 4.8, 4.9 and 4.10 of Appendix II, and Appendix VI to the Circular).

Our advice in relation to the Offer should be considered in the context of the entirety of this letter and the Circular.

3. TERMS AND CONDITIONS OF THE OFFER

Shareholders should have received a copy of the Offer Document, setting out, *inter alia*, the terms and conditions of the Offer. The terms and conditions of the Offer are set out in section 2 of the Letter to Shareholders in the Offer Document. **Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.**

Based on the information set out in the Offer Document, Deutsche Bank has, for and on behalf of the Offeror, made the Offer to acquire all the GMG Shares, other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror, in accordance with Rule 15 of the Code and subject to the terms and conditions set out in the Offer Document. The principal terms of the Offer, as extracted from the Offer Document is set out below:

3.1 Offer Consideration

Consideration for the Offer will be satisfied by the allotment and issuance of Consideration Shares (as defined below) on the following basis:

For every one (1) GMG Share: 0.9333 new fully paid-up ordinary shares (the “GMG VGO Swap Ratio”) in the issued and paid-up capital of the Offeror (the “Consideration Shares”).

Any fractional entitlements to such Consideration Shares will be rounded down to the nearest whole HAC Share.

Such Consideration Shares when issued as fully paid, shall rank, *pari passu* in all respects with existing HAC Shares save that they will not rank for any dividend, rights, allotments and/or distributions (“**Distributions**”), the record date of which falls on or before the date of completion of the allotment and issuance.

The Offeror does not intend to increase the Offer Consideration. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed subsequently to amend the Offer Consideration in any way.

3.2 No Encumbrances

The GMG Shares will be acquired:

- (a) properly and validly issued and fully paid-up;
- (b) free from any mortgage, assignment, debenture, lien, hypothecation, charge, pledge, adverse claim, rent-charge, title retention, claim, equity, option, pre-emption right (other than those which appear in GMG’s constitution), right to acquire, security agreement and security interest or other right of whatever nature; and
- (c) together with all rights, benefits and entitlements attached thereto (including the right to receive and retain all Distributions declared, paid or made by GMG) on or after the Formal Offer Announcement Date.

If any Distribution is declared, paid or made by GMG on or after the Formal Offer Announcement Date, the Offeror reserves the right to reduce the Offer Consideration payable to such accepting Shareholder by an amount equivalent to such Distribution.

3.3 Minimum Acceptance Condition Offer

The Offer is conditional upon the Offeror receiving, valid acceptances in respect of such number of GMG Shares which, when taken together with the GMG Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), would result in the Offeror holding such number of GMG Shares carrying more than 50% of the voting rights attributable to the total issued and paid-up share capital of GMG (excluding treasury shares), by the Closing Date of the Offer.

Pursuant to the irrevocable undertaking from SIO, SIO has accepted the Offer in respect of all of its 51.12% interest in GMG, comprising 391,593,237 GMG Shares, on 9 September 2016. As a result, the Offeror has on 9 September 2016 received valid acceptances in respect of such number of GMG Shares which, when taken together with the GMG Shares owned, controlled or agreed to

be acquired by the Offeror before or during the Offer, results in the Offeror holding more than 50% of the total number of issued GMG Shares as at the date of the Offer.

Accordingly, the minimum acceptance condition has been met and the Offer has become unconditional in all respect on 9 September 2016.

3.4 Listing and Quotation of Consideration Shares

The Offeror made an application to the SGX-ST and had, on 12 May 2016, received the approval in-principle (the “AIP”) from the SGX-ST for the dealing in, listing of and quotation of the Consideration Shares to be issued in connection with the Offer on the Official List of the SGX-ST.

The AIP is not to be taken as an indication of the merits of the proposed transactions¹, the Consideration Shares, GMG, the NR Assets, the Offeror and/or its subsidiaries.

3.5 Other terms of the Offer

Information on the (i) the duration of the Offer; (ii) the settlement of the consideration for the Offer; (iii) the requirements relating to the announcement of the level of acceptances of the Offer; and (iv) the right of withdrawal of acceptances of the Offer are set out in Appendix A of the Offer Document.

The procedures for the acceptance of the Offer are set out in Appendix B of the Offer Document.

4. INFORMATION ON THE OFFEROR

Information on the Offeror, as set out in section 4 of the Letter to Shareholders in the Offer Document is reproduced below:

“The Offeror is a company incorporated in Singapore and listed on the Mainboard of the SGX-ST. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$210,039,652.40 comprising 600,092,000 ordinary shares (referred to in this Offer Document as the “HAC Shares”), and there has not been any change to the number of HAC Shares since the end of FY2015. The Offeror does not hold any HAC Shares in treasury.

The principal activity of the Offeror is that of an investment holding company, and the HAC Group is primarily involved in the origination, production and distribution of natural rubber.

Following the completion of the HAC MGO on 22 August 2016, HAC became a subsidiary of SIO and an indirect subsidiary of Sinochem.

Appendix C to this Offer Document sets out additional information on the Offeror. Additional information on the Offeror is also available on its website at <http://www.halcyonagri.com/>. Additional information on Sinochem is also available on its website at <http://www.sinochemintl.com/>.”

5. RATIONALE FOR THE OFFER

The rationale for the Offer, as set out in section 6 the Letter to Shareholders in of the Offer Document, is reproduced below:

“6. RATIONALE FOR THE OFFER

6.1 The Offer provides an opportunity for Shareholders to swap their GMG Shares for HAC Shares to participate in the benefits of the Enlarged HAC Group

The Offer provides an opportunity for Shareholders to swap their GMG Shares for HAC Shares, whereupon they shall become shareholders of the Offeror, which would be one of the world’s leading and most comprehensive natural rubber supply chain managers upon the completion of the Offer and the NR Assets Acquisition. Further details of the NR Assets Acquisition are set out in the Transactions Announcement dated 28 March 2016.

¹ Being the transactions contemplated under the agreements entered into between the Offeror, certain Shareholders of the Offeror and SIO, for the combination of highly complementary natural rubber assets of Sinochem and the HAC Group under the Offeror, to create a world leading natural rubber supply chain manager. The details of the transaction are set out in the announcement by the Offeror dated 28 March 2016 in relation to, *inter alia*, the GMG VGO and the NR Assets Acquisition.

Benefits to the Enlarged HAC Group as follows:

- (a) **Strong industrial logic for the merger:** Combination of highly complementary assets.
- (b) **Scale benefits:** Enlarged HAC Group better equipped to compete in the global natural rubber industry.
- (c) **Attractive investment profile:** The Offeror will be the largest natural rubber company listed on the SGX-ST by market capitalisation³.
- (d) **Financially compelling:** Synergy benefits may significantly enhance shareholder value.

The Implied Offer Price of S\$0.695 represents:

- (a) a premium of 30.0% over the last transacted price per GMG Share on the Latest Practicable Date;
- (b) a premium of 13.6% over the VWAP per GMG Share on the Last Trading Day;
- (c) a premium of 131.8% over the last transacted price per GMG Share on the Last Undisturbed Trading Day; and
- (d) a premium of 121.4%, 95.1% and 85.6% over the VWAP per GMG Share for the one (1)-month, three (3)-month and six (6)-month period prior to the Last Undisturbed Trading Day respectively.

There is no guarantee that GMG Shares will remain traded at the last transacted price of S\$0.535 per GMG Share on the Latest Practicable Date and at the VWAP of S\$0.589 since 28 March 2016 up to the Latest Practicable Date, which are 42.8% and 57.1% respectively higher than the VWAP per GMG Share for the six (6)-month period prior to the Last Undisturbed Trading Day.



Notes:

- (1) Based on data extracted from Bloomberg L.P.
- (2) As of 30 August 2016, being the Latest Practicable Date.

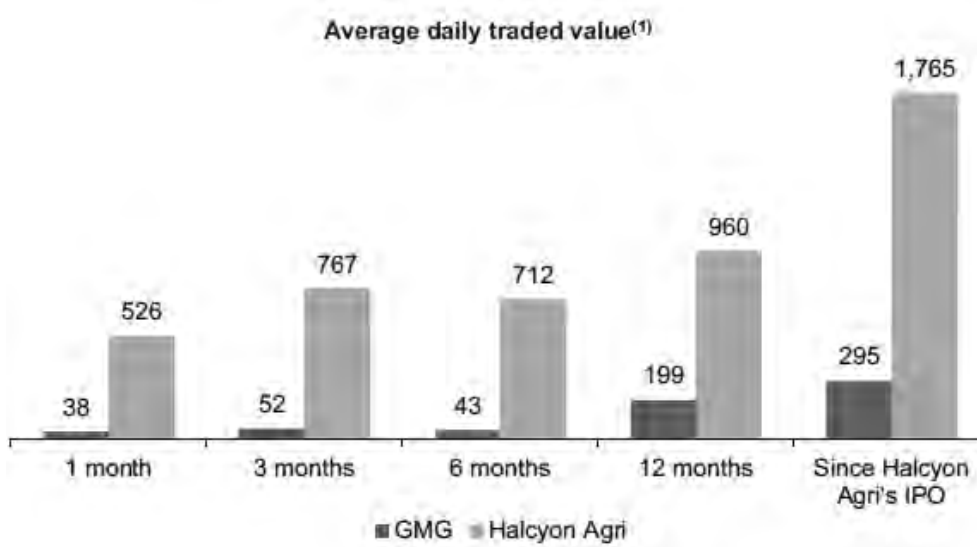
The Offeror has a proven track record of shareholder value creation. Share price per HAC Share has increased by 76.4% since the initial public offering of the Offeror in February 2013. In contrast, the share price per GMG Share declined by 78.7% over the same time period, after adjusting for dividends and stock consolidation.



Notes:

- (1) Based on data up to the Last Undisturbed Trading Day extracted from Bloomberg L.P. which shows the share price of GMG Shares adjusted for dividends and stock consolidation. The share price of HAC Shares is rebased to the share price of GMG Shares.
- (2) Based on the Offeror's initial public offering share price of S\$0.36.

Moreover, the GMG Shares have historically had relatively low trading liquidity which may be further impacted post Offer. The average daily traded value of the GMG Shares and HAC Shares are as follows:



Note:

- (1) Amount in S\$'000. Based on the average daily traded value up to the Last Undisturbed Trading Day extracted from Bloomberg L.P.

6.2 Consistent with the Offeror's business strategy of establishing itself as a leading global natural rubber supply chain manager

The Offeror's strategy to establish itself as a world leading natural rubber supply chain manager is based upon having the scale, scope and reach to provide customers with the natural rubber they need, whenever and wherever they need it.

Completion of the Offer and the NR Assets Acquisition will significantly enhance the Offeror's capabilities in every aspect of this strategy, increasing the scale of the Offeror's activities substantially, broadening the scope of the business by adding operations in new geographies and extending its reach by adding new customers and markets. Following

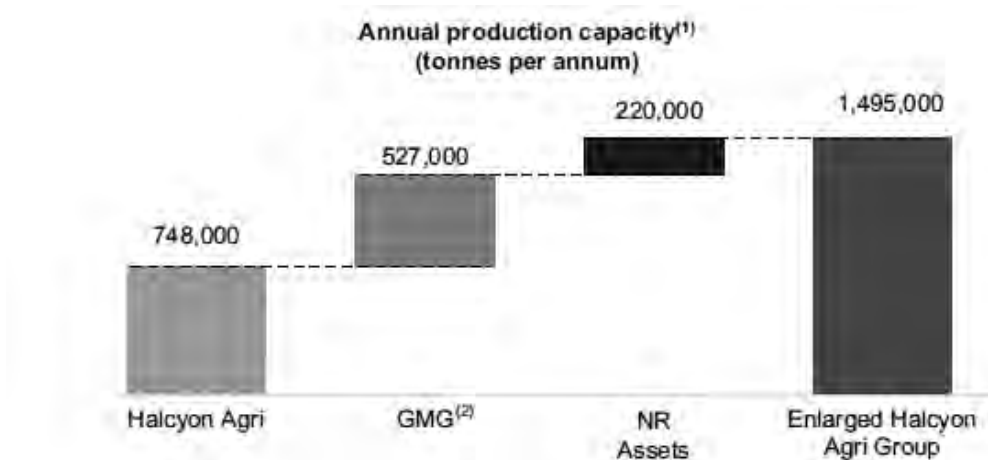
completion of the Offer and the NR Assets Acquisition, the Enlarged HAC Group would be a world's leading and most comprehensive natural rubber supply chain manager.

6.3 Significantly enhance the scale and market position of the Offeror in each segment of the natural rubber supply chain

Completion of the Offer and the NR Assets Acquisition significantly increases the scale of the Offeror's operations in each segment of the natural rubber supply chain.

In the upstream/plantations segment, completion of the Offer and the NR Assets Acquisition will increase the total rubber plantation land held by the HAC Group by more than 26 times to in excess of 193,000 hectares⁴ and significantly increase the total rubber planted area held by the HAC Group to in excess of 54,000 hectares³.

In the midstream/processing segment, completion of the Offer and the NR Assets Acquisition will increase the total processing capacity of the HAC Group by about 100% to approximately 1.5 million tonnes per annum³, making the Enlarged HAC Group the world's leading producer of TSR in terms of production capacity.

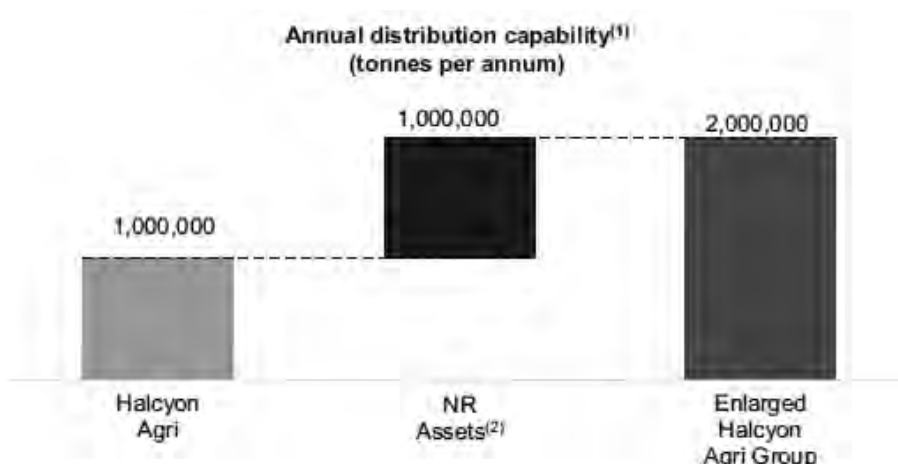


Notes:

(1) Based on the latest available information as of the Latest Practicable Date.

(2) Metrics include GMG's associate, SIAT S.A..

In the downstream/distribution segment, completion of the Offer and the NR Assets Acquisition would increase the HAC Group's annual distribution capability by approximately 100% to 2.0 million tonnes per annum.



Notes:

(1) Based on the latest available information as of the Latest Practicable Date.

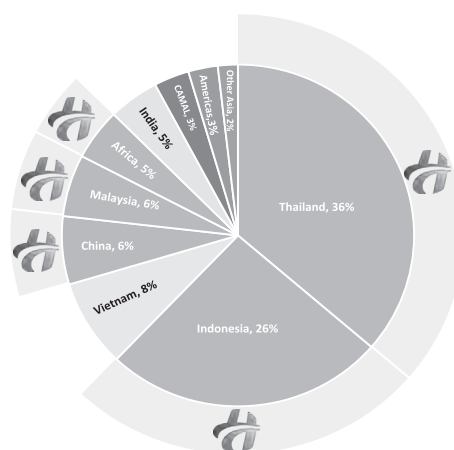
(2) Includes GMG's distribution through the rubber trading business division of SIO (which is part of the NR Assets).

6.4 Broaden the geographic scope of the Offeror's operations and product offering

The Offeror currently produces TSR of Indonesian and Malaysian origin for sale to its customers. Completion of the Offer and the NR Assets Acquisition would broaden the Offeror's operations and product offering significantly by adding the production of TSR of Chinese, Thai and African origins, as well as increasing the number of grades of natural rubber that the Offeror can produce. As a result, following completion of the Offer and the NR Assets Acquisition, the Enlarged HAC Group's operations would cover the vast majority of rubber producing regions in the world and give it a comprehensive product suite to offer its customers.

The Enlarged HAC Group's assets will span natural rubber producing areas representing 79% of global production.

2015 world natural rubber production



Notes:

(1) Source: International Rubber Study Group – "The World Rubber Industry Outlook" dated June 2016.

6.5 Extend the distribution reach of the Offeror into the PRC

The PRC is the world's largest consumer of natural rubber, accounting for approximately 4,820,000 tonnes of natural rubber consumption in 2015, which is approximately 39.0% of the world consumption. To date, a relatively small portion of the Offeror's total sales volume has been to PRC customers. Completion of the Offer and the NR Assets Acquisition would combine the Offeror's distribution strength in Europe, the United States and South East Asia with Sinochem's distribution reach into the PRC, providing a comprehensive network of sales offices, logistics assets and an extensive customer base.

6.6 Potential synergies between the principal business activities of the Offeror, GMG and the NR Assets

GMG and the NR Assets have business operations that are complementary to the Offeror, being the management of rubber plantations, operating rubber processing facilities and distributing natural rubber to customers. It is expected that, over time, there will be synergy opportunities for the Enlarged HAC Group as follows:

- (a) **Network benefits:** Connecting multiple production facilities with distribution reach to meet global customer demand.
- (b) **Targeting to be the lowest cost / highest quality producer:** Leveraging best practices across extensive asset base to target becoming a lowest cost producer of the highest quality products.
- (c) **Corporate & administrative cost savings:** Common corporate and administrative infrastructure and economies of scale.
- (d) **Financing costs:** Leveraging the expanded scale of the Enlarged HAC Group's operations to access more efficient financing.

6. OFFEROR'S INTENTIONS FOR THE GMG GROUP

The Offeror's intention for the Company, the listing status of the Company and the Offeror's rights of compulsory acquisition as set out in Section 7 of the Letter to Shareholders in the Offer Document, are reproduced below:

“7. THE OFFEROR'S INTENTIONS FOR GMG

*In the event the Offeror receives acceptances for the Offer such that less than 10% of the total number of issued GMG Shares (excluding any shares held by GMG as treasury shares) are held in public hands, the SGX-ST may suspend trading of GMG Shares at the close of the Offer. **The Offeror presently has no intention to support any action or take any steps to maintain the listing status of GMG on the SGX-ST.** The Offeror will comply with all applicable rules of the Listing Manual in such an event, including Rules 1307 and 1309 of the Listing Manual, should the Offeror seek a delisting of GMG.*

Upon completion of the Offer, the Offeror may undertake a strategic and operational review of the organisation, business and operations of the GMG Group with a view to realise synergies and growth potential. It is the intention of the Offeror to ensure continuity of the GMG Group's operations and to lead the GMG Group to further growth and development.

The Offeror presently has no intention to introduce any major changes to the existing business of the GMG Group, or to discontinue the employment of any of the existing employees of the GMG Group or re-deploy any of the fixed assets of the GMG Group, other than in the ordinary course of business.

7.1 Listing Status

Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total number of issued GMG Shares (excluding treasury shares), the SGX-ST may suspend the trading of the GMG Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued GMG Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued GMG Shares (excluding treasury shares), thus causing the percentage of the total number of issued GMG Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the GMG Shares only at the Closing Date.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued GMG Shares (excluding treasury shares) held in public hands falls below 10%, GMG must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the GMG Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow GMG a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of GMG Shares (excluding treasury shares) in public hands to at least 10%, failing which GMG may be removed from the Official List of the SGX-ST.

7.2 Compulsory Acquisition

*Pursuant to Section 215(1) of the Act, in the event that the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires GMG Shares during the period when the Offer is open for acceptance) in respect of not less than 90% of the total number of issued GMG Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any GMG Shares held GMG as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the GMG Shares of the Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”) at a price equal to the Offer Consideration.*

In addition, Dissenting Shareholders have the right under and subject to Section 215(3) of the Act, to require the Offeror to acquire their GMG Shares at a price equal to the Offer Consideration in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer such number of GMG Shares which, together with the GMG Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued GMG Shares (excluding any GMG Shares held by GMG as treasury shares). Dissenting Shareholders who wish to exercise such rights are advised to seek their own independent legal advice.”

7. ASSESSMENT OF THE FINANCIAL TERMS OF THE GMG VGO

As the Offer Consideration for the GMG VGO will be satisfied by the allotment and issuance of Consideration Shares which does not involve cash, the implied offer price for the GMG Shares will change from time to time according to the fluctuations in the price of HAC Shares. It is uncertain whether the market prices of HAC Shares would rise or fall and consequently, whether the implied offer price for GMG Shares under the GMG VGO would represent a discount or premium to its market prices. We have accordingly considered a price range for HAC Shares based on selected reference periods.

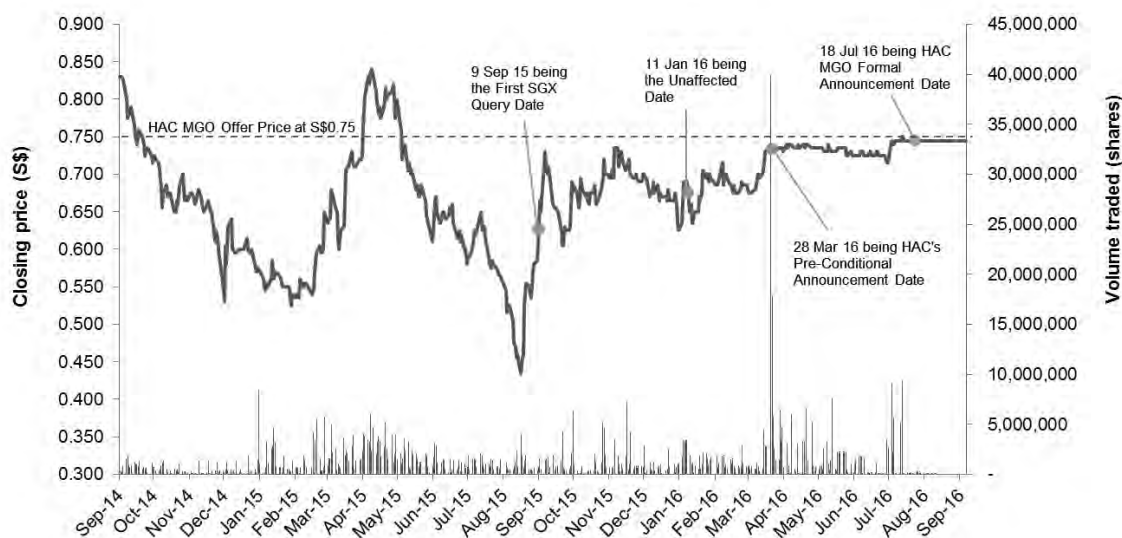
In evaluating and assessing the financial terms of the GMG VGO, we have given due consideration to the following:-

- (a) market prices and trading activity of HAC Shares;
- (b) market prices and trading activity of GMG Shares;
- (c) GMG and HAC historical share price performance relative to the FTSE Straits Times Index (“**FSSTI**”);
- (d) NTA-based valuation of the GMG Group;
- (e) Equity value analysis of the GMG Group;
- (f) comparison with financial valuation ratios of selected listed companies considered to be comparable to GMG Group and HAC Group;
- (g) comparison with recent takeovers of companies listed on the SGX-ST;
- (h) comparison of implied GMG VGO offer price with HAC MGO offer price and NR Assets Acquisition consideration;
- (i) financial effects of the GMG VGO and the NR Assets Acquisition (collectively the “**Proposed Transactions**”); and
- (j) other considerations in relation to the GMG VGO which have a significant bearing on our assessment.

7.1 Market prices and trading activity of HAC Shares

As the Offer Consideration will be satisfied by HAC Shares, we have accordingly considered the current and historical price performance of HAC Shares from the 12-month period prior to 9 September 2015, being the date on which the SGX-ST queried on HAC’s trading activities and which HAC responded that it was in confidential discussions with certain parties regarding a potential strategic transaction (“**First SGX Query Date**”) and up to the Latest Practicable Date.

We set out below a chart showing the daily closing prices and trading volume of the HAC Shares for the period between 12-month prior to the First SGX Query Date and up to the Latest Practicable Date.



Source: Bloomberg L.P.

A summary of the salient announcements made by HAC during the 12-month period prior to the First SGX Query Date and up to the Latest Practicable date is set out below:

No	Date of Announcement	Event
1	25 Sep 14	HAC announced that it has on 25 September 2014, entered into a sale and purchase agreement with Mr Oei Hong Bie @ Ng Kim Tjing @ Hadi Widjaja and Hong Wan Company Limited for the acquisition of 41,000,000 ordinary shares (the “ Sale Shares ”) representing the entire issued and paid up share capital of New Continent Enterprises (Private) Limited.
2	31 Oct 14	HAC announced that it has on 21 October 2014, entered into an exclusivity agreement with Raiffeisen Centrobank AG (“ RCB ”), for RCB to provide an exclusivity undertaking to the HAC Group in relation to the sale of entire shares in, or business undertakings and properties of its wholly owned subsidiary, Centrotrade Holding AG.
3	5 Dec 15	HAC announced its unaudited third quarter and nine months financial statements for the period ended 30 September 2014, reporting a 26.5% increase in revenue to US\$191.6 million and a loss after tax of US\$15.7 million as compared to a profit of US\$7.7 million in the previous corresponding nine months period.
4	26 Jan 15	HAC announced that it entered into a share purchase agreement with Centrotrade Holding AG for the acquisition by Hevea International, of 100% of the issued and paid up share capital of Centrotrade Deutschland GmbH, Centrotrade Commodities Malaysia Sdn. Bhd., Centrotrade Singapore Pte Ltd and Centrotrade Minerals & Metals, Inc. (collectively the “ Centro Rubber Group ”).
5	16 Feb 15	HAC announced its unaudited full year financial statements for the year ended 31 December 2014, reporting a 133.8% year-on-year increase in revenue to US\$479.2 million but a loss after tax of US\$12.9 million as compared to a profit of US\$9.1 million in the previous financial year.
6	15 May 15	HAC announced its unaudited first quarter financial statements for the period ended 31 March 2015, reporting a 411.1% increase in revenue to US\$7.4 million and a profit after tax of US\$2.2 million as compared to a profit of US\$333,000 in the previous corresponding quarter.

No	Date of Announcement	Event
7	25 May 15	HAC announced it had received the approval in principle from the SGX-ST on 22 May 2015 for the transfer of the listing of HAC from the Catalist sponsored regime to the Mainboard of the SGX-ST.
8	30 Jun 15	HAC announced that it had executed a closing memorandum and concluded the acquisition of the Centro Rubber Group.
9	1 Jul 15	HAC announced that that it has successfully completed a refinancing of up to US\$413 million, replacing existing debts with a mix of term loan and working capital facilities.
10	5 Aug 15	HAC announced its unaudited second quarter and first half financial statements for the period ended 30 June 2015, reporting a 549.9% increase in revenue to US\$506.7 million and a profit after tax of US\$5.8 million as compared to a profit of US\$938,000 in the previous corresponding half year period.
11	9 Sep 15	HAC responded to SGX queries on the trading activities of its shares, stating that it is currently in confidential discussions with certain parties regarding a potential strategic transaction. However, no agreement has been reached and there can be no assurance that an agreement will be concluded.
12	4 Nov 15	HAC announced its unaudited third quarter and nine months financial statements for the period ended 30 September 2015, reporting a 307.7% increase in revenue to US\$781.3 million and a profit after tax of US\$6.3 million as compared to a loss of US\$15.7 million in the previous corresponding nine months period.
13	13 Nov 15	HAC responded to SGX queries on the trading activities of its shares, stating that it is currently in confidential discussions with certain parties regarding a potential strategic transaction. However, no agreement has been reached and there can be no assurance that an agreement will be concluded.
14	26 Nov 15	HAC announced that Angsana Capital Ltd. had on 26 November 2015 accepted HAC's offer (" Exchange Offer ") made on 1 September 2015 for the exchange of 75,000,000 HRC preference shares (being all the outstanding HRC Preference Shares in issue) (" HRC Preference Shares ") held by Angsana into new fully paid-up ordinary shares in the capital of HAC (" New HAC Shares ").
15	30 Nov 15	HAC announced that it had issued 179,092,000 New HAC Shares to Angsana Capital Ltd. at the exchange price of S\$0.5027 per New HAC Share, in exchange for the 75,000,000 HRC Preference Shares. With the completion of the Exchange Offer, Halcyon Rubber Company Pte. Ltd. has become a wholly-owned subsidiary of the Company.
16	12 Jan 16	SGX queried HAC on the trading activities of its shares. HAC subsequently requested for a trading halt pending release of an announcement.
17	15 Jan 16	HAC announced that it's board confirms that it is in discussions with Sinochem with the possibility of a potential strategic transaction involving the combination of the HAC Group and Sinochem's interests in GMG Global Ltd and certain rubber-related assets of Sinochem, and the possibility of Sinochem purchasing a controlling interest in the Company (the " Proposed Potential Transactions ").
18	26 Feb 16	HAC announced its unaudited full year financial statements for the year ended 31 December 2015, reporting a 107.6% year-on-year increase in revenue to US\$994.7 million and a profit after tax of US\$6.3 million as compared to a loss of US\$12.9 million in the previous financial year.
19	28 Mar 16	Australia and New Zealand Banking Group Limited, Singapore Branch (" ANZ "), acting for and on behalf of Sinochem International (Overseas) Pte. Ltd. announced the HAC Pre-Conditional Offer in respect the HAC MGO (" HAC Pre-conditional Offer Announcement ").

No	Date of Announcement	Event
20	25 Apr 16	HAC announced that the pre-condition in relation to the waivers being obtained from bondholders in respect of the HAC MTN Programme had been fulfilled.
21	26 Apr 16	HAC announced that the lenders consent pre-condition had been fulfilled on 26 April 2016.
22	14 May 16	HAC announced its unaudited first quarter financial statements for the period ended 31 March 2015, reporting a 12.1% decrease in revenue to US\$183.2 million and a loss after tax of US\$6.5 million as compared to a profit of US\$2.2 million in the previous corresponding quarter.
23	2 Jun 16	HAC announced that approval of HAC Shareholders for the GMG VGO and NR Assets Acquisition has been obtained today. Accordingly, the HAC Shareholders Approval Pre-Condition has been fulfilled on 2 June 2016.
24	9 Jul 16	HAC announced the fulfilment of all condition precedents to the Vendors SPA.
25	18 Jul 16	HAC announced that ANZ for and on behalf of Sinochem International (Overseas) Pte. Ltd. had announced the HAC MGO (" HAC MGO Formal Offer Announcement ").
26	11 Aug 16	HAC announced that Sinochem and Sinochem International (Overseas) Pte. Ltd have entered into a conditional exchangeable bonds subscription agreement with China-Africa Development Fund and its investment entity (the " Investor ") whereby the Investor will, subject to receipt of all regulatory approvals, conditions, clearances, filings and/or rulings being obtained and complied with, subscribe for exchangeable bonds in the Offeror in respect of an aggregate amount of US\$90,000,000 (" Exchangeable Bonds ").
		Upon closing of the GMG VGO or completion of the NR Assets Acquisition, whichever is later (or such other date as may be agreed between the parties), Sinochem and Sinochem International (Overseas) Pte. Ltd will transfer Shares amounting to US\$90,000,000 to the Investor at the exchange price of S\$0.75 per Share (which is equivalent to the Offer Price) by directing the Company to issue such Shares (comprising part of the consideration to be received by Sinochem and Sinochem International (Overseas) Pte. Ltd in connection with the GMG VGO and NR Assets Acquisition) to the Investor.
27	22 Aug 16	HAC announced the close of the HAC MGO.
28	23 Aug 16	HAC announced the GMG VGO.
29	23 Aug 16	HAC announced that it is envisaged that following the settlement of acceptances under the HAC MGO, HAC will not meet the requirement under Rule 723 of the Listing Manual of the SGX-ST which requires at least 10% of the total shares of the company to be held by the public, being persons other than directors of the company, the chief executive officer, other substantial shareholders, or controlling shareholders of the company or its subsidiary companies, and each of their associates (the " Free Float Requirement ").

HAC may satisfy the Free Float Requirement in the event that a sufficient number of GMG shareholders validly tender their shares in acceptance of the GMG VGO as the payment of the GMG VGO will be satisfied by the issuance of new HAC Shares.

HAC will submit an application to the SGX-ST to seek an extension of time of at least three (3) months for HAC to comply with the Free Float Requirement.

No	Date of Announcement	Event
30	29 Aug 16	<p>HAC announced on 29 August 2016 (the “29 August Announcement”) that as at 25 August 2016, the current free float of HAC is 5.77%.</p> <p>The GMG VGO will be open for acceptance upon despatch by HAC of the offer document in relation thereto, which is expected to take place on or around 9th September 2016. SIO has undertaken to the Company to tender all its GMG shares (comprising 391,593,237 GMG shares representing 51.12% of GMG’s entire issued and paid up share capital) upon the GMG VGO becoming open for acceptance ie. on 9th September 2016. Accordingly, once SIO tenders its GMG shares in acceptance of the Offer, the GMG VGO will turn unconditional and all other valid acceptances will be settled. Consideration for the GMG VGO will be in the form of issuing new fully paid-up ordinary shares in the capital of the Company (the “Settlement”).</p> <p>Upon Settlement for GMG VGO in respect of the acceptance by SIO, the Company will issue 365,485,716 new shares to SIO. The Company’s total issued and paid-up share capital will increase from its current 600,092,000 shares to 965,577,716 shares, and the public float is expected to increase from its current level of 5.77% to 7.73%.</p> <p>The public float of the Company will increase when the Settlement has taken place for any acceptances by GMG shareholders under the GMG VGO. Accordingly, the Company expects to satisfy the Free Float Requirement in the course of the GMG VGO.</p> <p>While the current free float of HAC is below 10%, the Board notes that the Company has a large number of shares in issue, and a substantial market capitalisation and after taking into account the distribution and number of the Company’s issued shares held by shareholders who comprise the public float, it is of the view that the likelihood of disorderly trading in the Company’s shares is limited. However, HAC will monitor trading activity in the its shares closely and will immediately request a trading halt from the SGX should any such trading activity indicate that there has been disorderly trading in HAC shares.</p>
31	9 Sep 16	<p>HAC announced that the SGX-ST had on 8 September 2016, informed them that the SGX-ST will grant HAC up to 2 months from 25 August 2016 until 25 October 2016 to raise the Free Float Requirement to at least 10%.</p>
32	9 Sep 16	<p>HAC announced that pursuant to the irrevocable undertaking from SIO, SIO has accepted the Offer in respect of its 51.12% interest in GMG and accordingly, the minimum acceptance condition was met and the GMG VGO was declared unconditional in all respects.</p> <p>In addition, the Closing Date of the GMG VGO was extended from 7 October 2016 to 21 October 2016 (or such later date(s) as may be announced from time to time by or on behalf of the Offeror).</p>

Source: SGX-ST announcements made by HAC

We set out below the volume weighted average price (“VWAP”) or the closing price of the HAC Shares for the selected reference periods prior to First SGX Query Date and up to the Latest Practicable Date as set out in the table below.

Reference periods	Highest closing price of HAC Shares (S\$)	Lowest closing price of HAC Shares (S\$)	VWAP ⁽¹⁾ or last closing price of HAC Shares (S\$)
Periods prior to the First SGX Query Date			
Last 12 months	0.840	0.435	0.671
Last 6 months	0.840	0.435	0.694
Last 3 months	0.670	0.435	0.584
Last 1 month	0.605	0.435	0.494
Last Market Day on which HAC Shares were traded prior to the First SGX Query Date	N.A.	N.A.	0.605 ⁽²⁾
Periods prior to the Unaffected Date⁽³⁾			
Last 12 months	0.840	0.435	0.674
Last 6 months	0.735	0.435	0.643
Last 3 months	0.735	0.625	0.696
Last 1 month	0.695	0.625	0.670
Unaffected Date	N.A.	N.A.	0.685 ⁽³⁾
Period after the Unaffected Date up to 22 March 2016			
Between the Market Day immediately after the Unaffected Date ⁽³⁾ up to 22 March 2016, being the last full Market Day prior to the HAC Pre-Conditional Offer Announcement Date (both dates inclusive)	0.715	0.635	0.685
Last full Market Day on which HAC Shares were traded prior to the HAC Pre-Conditional Offer Announcement Date	N.A.	N.A.	0.715 ⁽⁴⁾
Period after the HAC Pre-Conditional Offer Announcement up to 14 July 2016			
Between the Market Day immediately after the HAC Pre-Conditional Offer Announcement Date up to 14 July 2016, being the last Market Day on which HAC Shares were traded prior to the HAC MGO Formal Offer Announcement (both dates inclusive)	0.745	0.715	0.736
Last Market Day on which HAC Shares were traded prior to the HAC MGO Formal Offer Announcement	N.A.	N.A.	0.745 ⁽⁵⁾

Reference periods	Highest closing price of HAC Shares (\$\$)	Lowest closing price of HAC Shares (\$\$)	VWAP ⁽¹⁾ or last closing price of HAC Shares (\$\$)
Period after the close of the HAC MGO up to the Latest Practicable Date			
Between the Market Day immediately after the close of the HAC MGO up to the Latest Practicable Date (both dates inclusive)	N.A. ⁽⁶⁾	N.A. ⁽⁶⁾	0.745 ⁽⁷⁾
As at the Latest Practicable Date	-	-	0.745 ⁽⁷⁾

Source: Bloomberg L.P.

Notes:

- (1) The VWAP is weighted based on the volume of HAC Shares traded and transacted prices of HAC Shares for the Market Days in the respective periods.
- (2) This is the closing price of the HAC Shares as at 8 September 2015, being the last full Market Day on which the Shares were traded prior to the First SGX Query Date.
- (3) This is the closing price of HAC Shares as at 11 January 2016, being the last full Market Day on which the HAC Shares were traded prior to the HAC's announcement on 15 January 2016 on the Proposed Potential Transactions (the "Unaffected Date").
- (4) This is the closing price of HAC Shares as at 22 March 2016, being the last full Market Day on which HAC Shares were traded prior to the HAC Pre-Conditional Offer Announcement.
- (5) This is the closing price of HAC Shares as at 14 July 2016, being the last full Market Day on which the HAC Shares were traded prior to the HAC MGO Formal Offer Announcement.
- (6) Denotes not applicable as there were no trades done for HAC Shares for the period after the close of the HAC MGO and up to the Latest Practicable Date.
- (7) This is the closing price of HAC Shares for the period after the close of the HAC MGO and up to the Latest Practicable Date.

The key observations in respect of the above analysis are highlighted below:

- (a) Over the 12-month periods prior to the First SGX Query Date and the Unaffected Date, the HAC Shares have closed between a low of S\$0.435 and a high of S\$0.84;
- (b) For period after the Unaffected Date and up to 22 March 2016 being the last full Market Day on which HAC Shares were traded prior to the HAC Pre-Conditional Offer Announcement Date, HAC Shares have closed between a low of S\$0.635 and a high of S\$0.715;
- (c) For period after the HAC Pre-Conditional Offer Announcement and up to 14 July 2016 being the last full Market Day on which HAC Shares were traded prior to the HAC MGO Formal Announcement, HAC Shares have closed between a low of S\$0.715 and a high of S\$0.745;
- (d) There were no trades done for HAC Shares for period after the close of the HAC MGO and up to the Latest Practicable Date; and
- (e) The closing price for HAC Shares was S\$0.745 as at the Latest Practicable Date.

Based on the above observations, it would appear that the trading activity and market price of HAC Shares since the Unaffected Date up to the last Market Day on which HAC Shares were traded prior to the HAC MGO may be supported by HAC's announcement on 15 January 2016 on the Proposed Potential Transactions and the HAC MGO offer price of S\$0.75.

We further note that since the close of the HAC MGO up to the Latest Practicable Date, there have been no trades for the HAC Shares. The bid/ask price for HAC Shares as at Latest Practicable Date is S\$0.575 and S\$0.740 respectively.

In evaluating the Offer Consideration, we have also considered the relative liquidity of HAC Shares in comparison with (i) companies listed on the SGX-ST with market capitalisation comparable to HAC as at Latest Practicable Date and (ii) commodity companies that are traded on the SGX-ST, for the 12-month period prior to the First SGX Query Date.

Company	Market Capitalisation ⁽¹⁾ (S\$ millions)	Average daily traded value for the past 12 months prior to the First SGX Query Date ⁽²⁾ (S\$'000)	Average daily traded volume for the past 12 months prior to the First SGX Query Date ⁽³⁾ (thousand shares)	Average daily value as % of market capitalisation ⁽¹⁾ (%)	Average daily volume as % of free float ⁽⁴⁾ (%)
Comparable companies by market capitalisation					
China New Town Development	590.8	513.4	6,896.1	0.087	0.229
NSL Ltd	519.2	62.3	39.3	0.012	0.056
Bund Center Investment Ltd	512.2	25.1	31.0	0.005	0.026
VICOM Ltd	510.6	84.1	13.7	0.016	0.048
Bonvests Holdings Ltd	492.5	26.9	20.0	0.005	0.030
Aspial Corp Ltd	483.2	69.0	175.1	0.014	0.052
Hour Glass Ltd	479.4	91.4	123.9	0.019	0.047
Duty Free International Ltd	465.8	20.1	67.9	0.004	0.024
IREIT Global	450.8	148.5	207.8	0.033	0.145
K1 Ventures Ltd	420.1	224.1	226.9	0.053	0.139
MM2 Asia Ltd	411.5	229.7	992.7	0.056	0.531
Boustead Singapore Ltd	409.9	421.7	272.6	0.103	0.101
Low Keng Huat Singapore Ltd	406.3	140.4	198.5	0.035	0.085
Stamford Land Corp Ltd	401.7	172.8	308.6	0.043	0.058
Hyflux Ltd	396.6	773.9	869.4	0.195	0.174
Chip Eng Seng Corp Ltd	391.2	1121.3	1,276.5	0.287	0.301
Sabana Shariah Comp Ind REIT	379.9	803.5	894.3	0.211	0.152
Midas Holdings Ltd	369.5	2135.8	6,525.9	0.578	0.458
Ying Li International	350.3	544.7	2,312.5	0.156	0.244
Hi-P International Ltd	345.9	317.6	484.0	0.092	0.349
Sino Grandness Food Industry	313.1	1744.1	4,334.8	0.557	1.447
Max	590.8	2135.8	6,896.1	0.578	1.447
Mean	433.4	460.5	1251.0	0.122	0.224
Median	411.5	224.1	272.6	0.053	0.139
Min	313.1	20.1	13.7	0.004	0.024

Company	Market Capitalisation ⁽¹⁾ (S\$ millions)	Average daily traded value for the past 12 months prior to the First SGX Query Date ⁽²⁾ (S\$'000)	Average daily traded volume for the past 12 months prior to the First SGX Query Date ⁽³⁾ (thousand shares)	Average daily value as % of market capitalisation ⁽¹⁾ (%)	Average daily volume as % of free float ⁽⁴⁾ (%)
Commodity companies					
Wilmar International Ltd	19,894.7	18,532.8	5,843.4	0.093	0.343
Olam International Ltd	5,641.8	2,852.6	1,352.1	0.051	0.270
Golden Agri-resources Ltd	4,584.5	13,006.6	30,763.5	0.284	0.487
First Resources Ltd	2,843.4	3,626.0	1,901.9	0.128	0.395
Bumitama Agri Ltd	1,263.8	458.8	462.0	0.036	0.157
Indofood Agri Resources Ltd	621.2	796.2	1,069.3	0.128	0.301
Sri Trang Agro-Industry	563.2	18.6	36.5	0.003	0.003
GMG Global Ltd	413.7	215.9	324.2	0.052	0.116
Kencana Agri Ltd	117.7	17.2	23.1	0.015	0.032
Max	19,894.7	18,532.8	30,763.5	0.284	0.487
Mean	3,993.8	4,391.6	4,641.8	0.088	0.234
Median	1,263.8	796.2	1,069.3	0.052	0.270
Min	117.7	17.2	23.1	0.003	0.003
HAC	447.1	0.851	1.280	0.190	0.520⁽⁵⁾

Source: Bloomberg L.P.

Notes:

- (1) Based on the market capitalisation of the respective companies as at the Latest Practicable Date.
- (2) Based on the total value of shares traded over the 12-month period prior to the First SGX Query Date, divided by the number of Market Days.
- (3) Based on the total volume traded over the 12-month period prior to the First SGX Query Date, divided by the number of Market Days.
- (4) Based on the respective free float of the comparable companies as at Latest Practicable Date.
- (5) Based on HAC's free float as at 21 March 2016, as disclosed in the HAC's 2015 Annual Report.

We note that HAC Shares have been relatively liquid in the 12 months prior to the First SGX Query Date with an average daily traded volume of approximately 1.3 million shares.

When calculated as a percentage of HAC's market capitalisation as at the Latest Practicable Date, the average daily traded value of HAC Shares was 0.19% which was within the range and above the mean and median of the comparable companies by market capitalisation and the commodity companies.

When calculated as a percentage of HAC's free float, the average daily volume of HAC Shares was 0.520% which was within the range and above the mean and median of the comparable companies by market capitalisation and above the range of the commodity companies.

Shareholders should note that HAC had on 23 August 2016 announced that following the settlement of acceptances under the HAC MGO, HAC will not meet the Free Float Requirement. HAC may satisfy the Free Float Requirement in the event that a sufficient number GMG Shareholders validly tender their shares in acceptance of the GMG VGO as the payment of the GMG VGO will be satisfied by the issuance of new HAC Shares.

Please refer to the announcements by HAC dated 29 August 2016 and 9 September 2016 for further details on HAC's Free Float Requirement. Please note that the SGX-ST had on 8 September 2016, informed the Offeror that the SGX-ST will grant the Offeror up to 2 months from 25 August 2016 until 25 October 2016 to raise the Free Float Requirement to at least 10%.

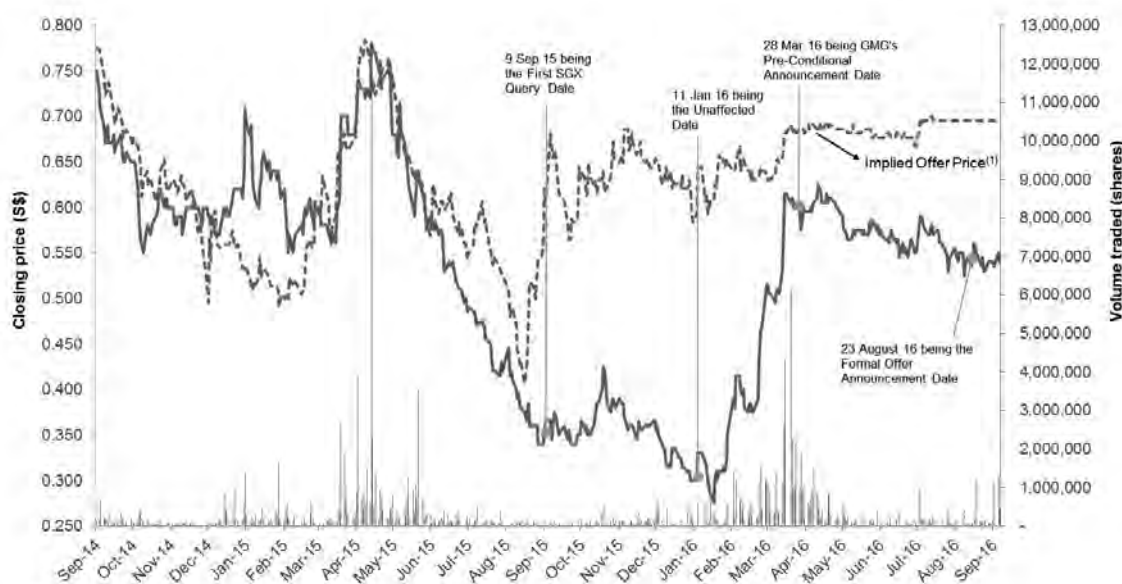
Please note that as disclosed in the HAC MGO Offer Document, it is the intention of SIO to maintain the listing status of HAC on the SGX-ST following completion of the HAC MGO. In the event that the trading of HAC Shares is suspended pursuant to Rule 724 or Rule 1105 of the Listing Manual, SIO intends to undertake or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted.

We wish to highlight that the above analysis of the trading performance of the HAC Shares serves only as an illustrative guide and is not an indication of the future trading performance of the HAC Shares.

7.2 Market prices and trading activity of GMG Shares

We have compared the implied GMG VGO offer price against the historical market closing price of GMG Shares.

We set out below a chart showing the implied GMG VGO offer price, based on the historical share price of HAC multiplied by the GMG VGO Swap Ratio, relative to the daily closing prices and trading volume of the GMG Shares for the period between 12-month prior to the First SGX Query Date and up to the Latest Practicable Date.



Note:

- (1) Implied GMG VGO offer price is computed as HAC historical daily VWAP multiplied by the GMG VGO Swap Ratio.

A summary of the salient announcements made by GMG during the 12-month period prior to the First SGX Query Date and up to the Latest Practicable date is set out below:

No	Date of Announcement	Event
1	13 Oct 14	The Company announced a profit warning on the GMG Group's financial results for the third quarter ended 30 September 2014. The expected loss is attributed to lower average selling price of natural rubber in the third quarter.
2	24 Oct 14	The Company announced its unaudited third quarter and nine months financial statements for the period ended 30 September 2014, reporting a 14.8% decrease in revenue to S\$623.6 million and a loss after tax of S\$24.9 million as compared to a profit of S\$11.8 million in the previous corresponding nine months period.
3	9 Feb 15	The Company announced a profit warning on the GMG Group's financial results for the full year ended 31 December 2014. The expected net loss for the full year FY2014 is mainly attributable to the decline in the average selling price of natural rubber and share of loss of associate.
4	13 Feb 15	The Company announced its unaudited full year financial statements for the year ended 31 December 2014, reporting a 20.2% year-on-year decrease in revenue to S\$806.3 million and a loss after tax of S\$48.2 million as compared to a profit of S\$5.1 million in the previous financial year.
5	17 Mar 15	The Company announced that its proposes to undertake a share consolidation of every ten (10) existing issued ordinary shares in the share capital of the Company into one (1) consolidated share (" Consolidated Share ") to, amongst others, comply with the minimum trading price requirement (" Proposed Share Consolidation "). The proposed share consolidation is subject to shareholders' approval at the Annual General Meeting (" AGM ").
6	23 Apr 15	The Company announced its unaudited first quarter financial statements for the period ended 31 March 2015, reporting a 33.0% decrease in revenue to S\$150.7 million and profit after tax of S\$15,000 as compared to a profit of S\$3.0 million in the previous corresponding quarter. In addition all ordinary resolutions, including the Proposed Share Consolidation, were duly passed at the AGM.
7	31 Jul 15	The Company announced its unaudited second quarter and first half financial statements for the period ended 30 June 2015, reporting a 28.5% decrease in revenue to S\$316.1 million and a loss after tax of S\$5.4 million as compared to a loss of S\$18.1 million in the previous corresponding half year period.
8	30 Oct 15	The Company announced its unaudited third quarter and nine months financial statements for the period ended 30 September 2015, reporting a 21.5% decrease in revenue to S\$489.2 million and a loss after tax of S\$7.7 million as compared to a loss of S\$24.9 million in the previous corresponding nine months period.
9	12 Jan 16	SGX queried the Company on the trading activities of its shares.
10	13 Jan 16	The Company requested for a trading halt in relation to the SGX query on 12 January 2016.
11	15 Jan 16	The Company announced that it had on 15 January 2016 received a letter from its shareholder Sinochem international (Overseas) Pte Ltd. informing that they are currently in discussions with Halcyon Agri on a potential strategic transaction involving the combination of Halcyon Agri and our interests in GMG Global and certain rubber related assets of Sinochem International.
12	26 Feb 16	The Company announced its unaudited full year financial statements for the year ended 31 December 2015, reporting a 19.8% year-on-year decrease in revenue to S\$646.9 million and a loss after tax of S\$22.6 million as compared to a loss of S\$54.3 million in the previous financial year.
13	28 Mar 16	HAC announced the Pre-Conditional Voluntary General Offer for all the issued and paid-up ordinary shares in the Company.
14	28 Apr 16	The Company announced its unaudited first quarter financial statements for the period ended 31 March 2016, reporting a 17.6% decrease in revenue to S\$124.1 million and loss after tax of S\$5.6 million as compared to a profit of S\$2.7 million in the previous corresponding quarter.

No	Date of Announcement	Event
15	13 Jul 16	The Company announced a profit guidance for the second quarter ending 30 June 2015. This was mainly attributable to a loss resulting from the disposal of its palm oil assets by SIAT Gabon, a subsidiary of SIAT SA, an associate of the Company. It is expected that the transaction will enhance the future performance of SIAT.
16	29 Jul 16	The Company announced its unaudited second quarter and first half financial statements for the period ended 30 June 2016, reporting a 17.3% decrease in revenue to S\$261.3 million and a loss after tax of S\$18.5 million as compared to a loss of S\$7.0 million in the previous corresponding half year period.
17	1 Aug 16	The Company announced that it has appointed RHB Securities Singapore Pte. Ltd. as the independent financial adviser to advise the directors of the Company who are considered independent for the purposes of the GMG VGO.
18	23 Aug 16	Deutsche Bank announced, for and on behalf of HAC, the GMG VGO.

Source: SGX-ST announcements made by the Company

We set out below the value of GMG Shares implied by the GMG VGO Swap Ratio and the swap ratios implied by the VWAPs or closing price, as the case maybe, for selected reference periods both prior to the First SGX Query Date and up to the Latest Practicable Date.

Reference periods	Highest closing price of GMG Shares (S\$)	Lowest closing price of GMG Shares (S\$)	GMG VWAP ⁽¹⁾ (S\$)	HAC VWAP ⁽¹⁾ (S\$)	Implied swap ratio ⁽²⁾	Premium/ (Discount) of GMG VGO Swap ratio over implied swap ratio (%)
Periods prior to the First SGX Query Date						
Last 12 months	0.780	0.340	0.666	0.671	0.993	(6.0)
Last 6 months	0.780	0.340	0.681	0.694	0.982	(5.0)
Last 3 months	0.585	0.340	0.483	0.584	0.828	12.7
Last 1 month	0.445	0.340	0.377	0.494	0.762	22.5
Last full Market Day on which GMG Shares were traded prior to the First SGX Query Date	N.A.	N.A.	0.340 ⁽³⁾	0.605 ⁽³⁾	0.562	66.1
Periods prior to the Unaffected Date						
Last 12 months	0.780	0.300	0.631	0.674	0.937	(0.4)
Last 6 months	0.485	0.300	0.375	0.643	0.584	59.7
Last 3 months	0.425	0.300	0.357	0.696	0.513	81.9
Last 1 month	0.340	0.300	0.314	0.670	0.468	99.4
Unaffected Date	N.A.	N.A.	0.300 ⁽⁴⁾	0.685 ⁽⁴⁾	0.438	113.1

Period after the Unaffected Date up to 22 March 2016

Reference periods	Highest closing price of GMG Shares (\$)	Lowest closing price of GMG Shares (\$)	GMG VWAP ⁽¹⁾ (\$)	HAC VWAP ⁽¹⁾ (\$)	Implied swap ratio ⁽²⁾	Premium/ (Discount) of GMG VGO Swap ratio over implied swap ratio (%)
Between the Market Day immediately after the Unaffected Date up to 22 March 2016 being the last full Market Day prior to the GMG Pre-Conditional Offer Announcement Date (both dates inclusive)	0.580	0.275	0.439	0.685	0.640	45.8
Last Market Day on which GMG Shares were traded prior to the GMG Pre-Conditional Offer Announcement Date	N.A.	N.A.	0.580 ⁽⁵⁾	0.730 ⁽⁵⁾	0.795	17.5
Period after the GMG Pre-Conditional Offer Announcement up to 22 August 2016						
Between the Market Day immediately after the GMG Pre-Conditional Offer Announcement Date up to 22 August 2016 being the last full Market Day on which GMG Shares were traded prior to the Formal Offer Announcement (both dates inclusive)	0.625	0.525	0.595	0.736	0.808	15.6
Last full Market Day on which GMG Shares were traded prior to the Formal Offer Announcement	N.A.	N.A.	0.545 ⁽⁶⁾	0.745 ⁽⁸⁾	0.732	27.6
Period after the Formal Offer Announcement up to the Latest Practicable Date						
Between the Market Day immediately after the Formal Offer Announcement up to the Latest Practicable Date (both dates inclusive)	0.560	0.530	0.546	0.745 ⁽⁸⁾	0.733	27.3
As at the Latest Practicable Date	N.A.	N.A.	0.540 ⁽⁷⁾	0.745 ⁽⁸⁾	0.725	28.8

Source: Bloomberg L.P.

Notes:

- (1) The VWAP is weighted based on the volume of GMG Shares and HAC Shares traded and transacted prices of GMG Shares and HAC Shares for the Market Days in the reference periods.
- (2) Implied swap ratio calculated as the ratio of GMG VWAP or closing price to the corresponding HAC VWAP or closing price (as the case may be) for each reference period.
- (3) This is the closing price of the GMG Shares and HAC Shares as at 8 September 2015, being the last full Market Day on which GMG Shares and HAC Shares were traded prior to the First SGX Query Date.
- (4) This is the closing price of the GMG Shares as at 8 January 2015 and HAC Shares as at 11 January 2015 being the last full Market Day on which the respective shares were traded prior to the announcement on the Proposed Potential Transactions.
- (5) This is the closing price of the GMG Shares and HAC Shares as at 22 March 2016, being the last full Market Day on which GMG Shares and HAC Shares were traded prior to the GMG Pre-Conditional Offer Announcement.
- (6) This is the closing price of GMG Shares as at 22 August 2016, being the last full Market Day on which GMG Shares were traded prior to the Formal Offer Announcement.
- (7) This is the closing price of GMG Shares as at 14 September 2016, being the Latest Practicable Date.
- (8) This is the closing price of HAC Shares as at 19 August 2016, being the last transacted price prior to the Latest Practicable Date.

The key observations in respect of the above analysis are highlighted below:

- (a) Over the 12-month period prior to the First SGX Query Date, GMG Shares have closed between a low of S\$0.340 and a high of S\$0.780;
- (b) Over the 12-month period prior to the Unaffected Date, GMG Shares have closed between a low of S\$0.300 and a high of S\$0.780;
- (c) The GMG VGO Swap Ratio represents a discount of 6.0% and 5.0% to the implied swap ratio for the 12-month and 6-month periods prior to the First SGX Query Date and a premium of 12.7% and 22.5% to the implied swap ratio for the 3-month and 1-month periods prior to the First SGX Query Date respectively;
- (d) The GMG VGO Swap Ratio represents a discount of 0.4% to the implied swap ratio for the 12-month period prior to the Unaffected Date and a premium of 59.7%, 81.9% and 99.4% to the implied swap ratio for the 6-month, 3-month and 1-month periods prior to the Unaffected Date respectively;
- (e) The GMG VGO Swap Ratio represents a premium of 45.8% to the implied swap ratio for the period between the Market Day immediately after the Unaffected Date up to 22 March 2016;
- (f) The GMG VGO Swap Ratio represents a premium of 15.6% to the implied swap ratio for the period between the Market Day immediately after the GMG Pre-Conditional Offer Announcement up to 22 August 2016;
- (g) The GMG VGO Swap Ratio represents a premium of 27.3% to the implied swap ratio for the period between the Market Day immediately after the Formal Offer Announcement up to Latest Practicable Date; and
- (h) The GMG VGO Swap Ratio represents a premium of 28.8% to the implied swap ratio as at the Latest Practicable Date.

For illustration purposes only, we set out in the table below the Average Daily Value Traded (“**ADVT**”) of GMG Shares and HAC Shares and the ADVT as a percentage of the respective market capitalisation for GMG and HAC as at the Latest Practicable Date as well as the Average Daily Trading Volume (“**ADTV**”) of GMG Shares and HAC Shares and the ADTV as a percentage of the respective free floats for GMG and HAC.

Reference Periods	GMG's ADVT (S\$'000)	GMG's ADTV ⁽¹⁾ (thousand Shares)	GMG's ADVT as % of its market capitalisation ⁽²⁾ (%)	GMG's ADTV as % of GMG Free Float ⁽²⁾ (%)	HAC's ADVT (S\$'000)	HAC's ADTV ⁽¹⁾ (thousand Shares)	HAC's ADVT as % of its market capitalisation ⁽²⁾ (%)	HAC's ADTV as % of HAC Free Float ⁽²⁾ (%)
Periods prior to the First SGX Query Date								
Last 12 months	215.9	324.2	0.052	0.116	851.5	1,280.3	0.190	0.52
Last 6 months	315.8	463.5	0.076	0.165	1,145.4	1,654.7	0.26	0.67
Last 3 months	59.1	122.4	0.014	0.044	626.1	1,077.0	0.14	0.44
Last 1 month	23.1	61.5	0.006	0.022	503.2	1,023.8	0.11	0.42
Last full Market Day on which the shares were traded prior to the First SGX Query Date ⁽⁴⁾	1.3	3.7	0.000	0.001	429.3	732.4	0.10	0.30
Periods prior to the Unaffected Date								
Last 12 months	197.9	313.9	0.048	0.112	978.5	1,464.6	0.22	0.60
Last 6 months	43.2	115.4	0.010	0.041	730.5	1,147.7	0.16	0.47
Last 3 months	52.5	147.2	0.013	0.053	768.7	1,104.3	0.17	0.45
Last 1 month	42.4	134.9	0.010	0.048	552.2	830.8	0.12	0.34
Unaffected Date ⁽⁵⁾	23.6	85.4	0.006	0.030	1,127.7	1,794.0	0.25	0.73
Period after the Unaffected Date up to 22 March 2016								
Between the Market Day immediately after the Unaffected Date up to 22 March 2016, being the last full Market Day prior to the GMG Pre-Conditional Offer Announcement Date (both dates inclusive)	248.8	563.1	0.060	0.201	807.6	1,176.8	0.18	0.48
Last Market Day on which GMG Shares were traded prior to the GMG Pre-Conditional Offer Announcement Date ⁽⁶⁾	1,488.2	2,648.0	0.360	0.945	3,154.8	4,430.4	0.71	1.80
Period after the GMG Pre-Conditional Offer Announcement up to 22 August 2016								
Between the Market Day immediately after the GMG Pre-Conditional Offer Announcement Date up to 22 August 2016, being the last full Market Day on which GMG Shares were traded prior to the Formal Offer Announcement (both dates inclusive)	215.5	362.4	0.052	0.129	N.M. ⁽⁷⁾	N.M. ⁽⁷⁾	N.M. ⁽⁷⁾	N.M. ⁽⁷⁾
Last Market Day on which GMG Shares were traded prior to the Formal Offer Announcement ⁽⁷⁾	42.0	77.6	0.010	0.028	- ⁽⁸⁾	- ⁽⁸⁾	- ⁽⁸⁾	- ⁽⁸⁾
Period after the Formal Offer Announcement up to the Latest Practicable Date								
Between the Market Day immediately after the Formal Offer Announcement up to the Latest Practicable Date	190.2	348.2	0.046	0.124	- ⁽⁸⁾	- ⁽⁸⁾	- ⁽⁸⁾	- ⁽⁸⁾
As at the Latest Practicable Date	245.6	454.2	0.059	0.162	- ⁽⁸⁾	- ⁽⁸⁾	- ⁽⁸⁾	- ⁽⁸⁾

Source: Bloomberg L.P.

Notes:

- (1) The average daily traded volume is calculated based on the total volume of Shares traded for all the Market Days for the reference periods, divided by the total number of Market Days (including Market Days when no Shares were traded) during the reference periods.
- (2) GMG Free float refers to the number of GMG Shares other than those held by its Directors, substantial Shareholders and their associates (as defined in the Listing Manual) which amounted to 280,135,369 Shares as at the Latest Practicable Date ("**GMG Free Float**"), based on the announcements released by the Company on the SGXNET.
- (3) HAC Free float refers to the number of HAC Shares other than those held by its Directors, substantial Shareholders and their associates (as defined in the Listing Manual) which amounted to 260,841,700 Shares as at the 21 March 2016 and is prior to the HAC MGO ("**HAC Free Float**"), based on the announcements released by HAC on the SGXNET.
- (4) These are the volume of the GMG Shares and HAC Shares traded as at 8 September 2015, being the last full Market Day on which the respective shares were traded prior to the First SGX Query Date.
- (5) These are the volume of the GMG Shares traded as at 8 January 2016 and HAC Shares traded as at 11 January 2016, being the last full Market Days on which the respective shares were traded prior to the announcement of the Proposed Transactions.
- (6) This is the volume of GMG Shares traded as at 22 August 2016, being the last full Market Day on which GMG Shares were traded prior to the GMG VGO.
- (7) NM denotes not meaningful as this period includes the HAC MGO offer period.
- (8) There were no trades done for HAC Shares for the period after the close of the HAC MGO and up to the Latest Practicable Date.

The key observations in respect of the above are highlighted below:

- (a) For the 12-month, 6-month, 3-month and 1-month periods prior to the First SGX Query Date, the ADVT of GMG Shares represents approximately 0.052%, 0.076%, 0.014% and 0.006% of GMG's market capitalisation as at the Latest Practicable Date and the ADTV of GMG Shares represents approximately 0.116%, 0.165%, 0.044% and 0.022% of the GMG Free Float respectively. On the last Market Day on which the Shares were traded prior to the First SGX Query Date the ADVT of GMG Shares represents less than 0.001% of GMG's market capitalisation as at the Latest Practicable Date and the ADTV of GMG Shares represents 0.001% of the GMG Free Float;
- (b) For the 12-month, 6-month, 3-month and 1-month periods prior to the Unaffected Date, the ADVT of GMG Shares represents 0.048%, 0.010%, 0.013% and 0.010% of GMG's market capitalisation as at the Latest Practicable Date and the ADVT of GMG Shares represents approximately 0.112%, 0.041%, 0.053% and 0.048% of the GMG Free Float. On the Unaffected Date, the ADVT of GMG Shares represents 0.006% of GMG's market capitalisation as at the Latest Practicable Date and the ADTV of GMG Shares represents 0.030% of the GMG Free Float;
- (c) For the period between the Market Day immediately after the Unaffected Date and up to the last full Market Day prior to the GMG Pre-Conditional Offer Announcement, the ADVT of GMG Shares represents 0.060% of GMG's market capitalisation as at the Latest Practicable Date and the ADTV of GMG Shares represents 0.201% of the GMG Free Float;
- (d) For the period between the Market Day immediately after the GMG Pre-Conditional Offer Announcement and the last Market Day prior to the Formal Offer Announcement Date, the ADVT of GMG Shares represents 0.052% of GMG's market capitalisation as at the Latest Practicable Date and the ADTV of GMG Shares represents 0.129% of the GMG Free Float;
- (e) For the period between the Market Day immediately after the Formal Offer and the Latest Practicable Date, the ADVT of GMG Shares represents 0.046% of GMG's market capitalisation as at the Latest Practicable Date and the ADTV of GMG Shares represents 0.124% of the GMG Free Float; and
- (f) On the Latest Practicable Date, the ADVT of GMG Shares represents 0.059% of GMG's market capitalisation and the ADTV of GMG Shares represents 0.459% of the GMG Free Float.

Based on the above observations, it would appear that for the periods prior to the GMG Pre-Conditional Offer Announcement, HAC Shares were relatively more liquid than GMG Shares both in terms of ADVT and ADTV.

Shareholders should note that HAC's Free Float is based on the Free Float prior to the HAC MGO for comparatively purposes. HAC had on 23 August 2016 announced that following the settlement of acceptances under the HAC MGO, HAC will not meet the Free Float Requirement. HAC may satisfy the Free Float Requirement in the event that a sufficient number of Shareholders validly tender their shares in acceptance of the GMG VGO.

Please refer to the announcements by HAC dated 29 August 2016 and 9 September 2016 for further details on HAC's Free Float Requirement. Please note that the SGX-ST had on 8 September 2016, informed the Offeror that the SGX-ST will grant the Offeror up to 2 months from 25 August 2016 until 25 October 2016 to raise the Free Float Requirement to at least 10%.

Please note that as disclosed in the HAC MGO Offer Document, it is the intention of SIO to maintain the listing status of HAC on the SGX-ST following completion of the HAC MGO. In the event that the trading of HAC Shares is suspended pursuant to Rule 724 or Rule 1105 of the Listing Manual, SIO intends to undertake or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted.

We wish to highlight that the above analysis of the trading performance of the GMG Shares serves only as an illustrative guide and is not an indication of the future trading performance of the GMG Shares.

7.3 Share price performance relative to the FSSTI

To assess the market price performance of the GMG Shares and HAC Shares vis-à-vis the general price performance of the Singapore equity market, we have compared the respective share price movement against the FSSTI for the 12-month period prior to the First SGX Query Date up to the Latest Practicable Date, as illustrated below.



Source: Bloomberg L.P.

We note that, on a normalised basis, for the 12-month period prior to the First SGX Query Date, performance of HAC Shares and GMG Shares were quite similar and both had generally underperformed the FSSTI. After the First SGX Query up to the Latest Practicable Date, we note the improvement in the performance of HAC Shares while GMG Shares continued to underperform the HAC Shares and the FSSTI.

The movements in the closing prices of the GMG Shares, HAC Shares and the FSSTI between the

last full Market Day prior to the First SGX Query, the Unaffected Date, the last full Market Day prior to the Formal Offer Announcement and up to the Latest Practicable Date are as follows:

	Closing price on the last full Market Day prior to the First SGX Query Date	Closing price on the Unaffected Date	Closing price on the last full Market Day prior to the Formal Offer announcement	Closing price as at the Latest Practicable Date	% change between the last full Market Day prior to the First SGX Query Date and the Latest Practicable Date (%)
GMG	S\$0.340	S\$0.300	S\$0.535	S\$0.540	58.8
HAC	S\$0.605	S\$0.635	S\$0.745	S\$0.745	23.1
FSSTI	2,885	2,709	2,841	2,809	(2.6)

Source: Bloomberg L.P.

Between the last full Market Day prior to the First SGX Query Date and the Latest Practicable Date, the market price of GMG Shares has increased by approximately 58.8% and HAC Shares has increased by approximately 23.1% while the FSSTI decreased by approximately 2.6%.

Based on the above observations, it would appear that the market price of the GMG Shares and HAC Shares since the First SGX Query up to the Latest Practicable Date may be supported by HAC's announcement on 15 January 2016 on the Proposed Potential Transactions, the HAC MGO Offer Price and the GMG VGO. Shareholders should note that the past trading performance of both GMG Shares and HAC Shares should not in any way be relied upon as an indication or a promise of future trading performance.

7.4 NTA-based valuation of the GMG Group

The net tangible asset ("NTA") based valuation provides an estimate of the value of a company assuming the hypothetical sale of all its tangible assets over a reasonable period of time. NTA is computed by deducting the intangible assets from the GMG Group's net asset value.

NTA shows the extent to which the value of the GMG Group is backed by tangible assets. However, it does not take into account the value of any intangible assets such as goodwill, intellectual properties, trademarks and brand names. NTA based valuation is meaningful only in so far as to show the extent to which the value of each Share is backed by tangible assets.

7.4.1 NTA of the GMG Group as at 30 June 2016 against the Offer Consideration

Based on the latest announced unaudited statement of financial position of the Group as at 30 June 2016, the NTA of the GMG Group was approximately S\$538.6 million, equivalent to approximately S\$0.703 per Share.

We have considered the following reference periods and the corresponding HAC Share price in evaluating the implied GMG VGO offer price against the GMG Group's NTA per share

Reference period / price	HAC Share price (S\$)	Implied GMG VGO offer price (S\$)	Premium / (Discount) of the implied GMG VGO offer price to the NTA per Share of the GMG Group (%)
Highest daily VWAP of HAC Shares in the 12-month period prior to the Unaffected Date	0.846	0.790	12.3
Lowest daily VWAP of HAC Shares in the 12-month period prior to the Unaffected Date	0.432	0.403	(42.6)

Reference period / price	HAC Share price (S\$)	Implied GMG VGO offer price (S\$)	Premium / (Discount) of the implied GMG VGO offer price to the NTA per Share of the GMG Group (%)
VWAP of HAC Shares for the 12-month period prior to the Unaffected Date	0.674	0.629	(10.5)
Highest daily VWAP of HAC Shares for the period after the Unaffected Date up to the Latest Practicable Date	0.745	0.695	(1.1)
Lowest daily VWAP of HAC Shares for the period after the Unaffected Date up to the Latest Practicable Date	0.639	0.596	(15.2)
VWAP of HAC Shares for the one (1) month period prior to the HAC Pre-Conditional Offer Announcement Date	0.696	0.650	(7.5)
Closing price of HAC Shares on the last full Market Day on which HAC Shares were traded prior to the HAC Pre-Conditional Offer Announcement Date	0.715	0.667	(5.1)
HAC MGO Offer Price	0.750	0.700	(0.4)

Based on the above observations, it would appear that only the implied GMG VGO offer price of S\$0.790 based on the highest daily VWAP of HAC Shares in the 12-month period prior to the Unaffected Date represents a premium of approximately 12.3% to GMG Group's NTA per Share. The implied GMG VGO offer prices based on the other reference periods were at a discount to the GMG Group's NTA per Share.

We wish to highlight that notwithstanding the above observations GMG Shareholders who choose to accept the GMG VGO may face a decrease in value of the NTA per share on the Enlarged HAC Group basis. Please refer to section 7.9 on the Financial Effects of the Proposed Transactions for further information.

In our evaluation of the financial terms of the GMG VGO, we have considered whether there are any factors which have not been otherwise disclosed in the financial statements of the GMG Group that are likely to have a material impact on the unaudited NTA of the GMG Group as at 30 June 2016.

In this respect, save as disclosed in the unaudited financial statements of the GMG Group as at 30 June 2016, the announcements released by the Company on SGXNET and the Circular, the Directors have confirmed that, to their best knowledge and belief, as at the Latest Practicable Date, there are no additional contingent liabilities which are likely to have a material impact on the NTA of the GMG Group.

We have also reviewed the unaudited statement of financial position of the GMG Group as at 30 June 2016 to determine whether there are any assets that are of an intangible nature and as such, would not appear in a valuation based on NTA per Share as 30 June 2016.

The Directors have confirmed that, to their best knowledge and belief, as at the Latest Practicable Date, save as disclosed in the unaudited financial statements of the GMG Group as at 30 June 2016, the announcements released by the Company on SGXNET and the Circular, there are no additional intangible assets which ought to be disclosed in the statement of financial position of the GMG Group in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the GMG Group.

7.4.2 Adjusted NTA of the GMG Group as at 30 June 2016

In our evaluation of the financial terms of the GMG VGO, we have considered whether there are any material events that impact the unaudited statement of financial position of the GMG Group from 30 June 2016 to the Latest Practicable Date to determine whether adjustments need to be made to the NTA per Share as at 30 June 2016. In this respect, the Directors have confirmed that, to their best knowledge and belief, as at the Latest Practicable Date, save as disclosed in the unaudited financial statements of the GMG Group as at 30 June 2016, the announcements released by the Company on SGXNET and the Circular, there have been no known material events that have or will have material impact to the unaudited statement of financial position of the GMG Group since 30 June 2016.

7.4.3 Revalued NTA of the GMG Group as at 30 June 2016

In our evaluation of the financial terms of the GMG VGO, we have also considered whether there are any tangible assets which should be valued at an amount that is materially different from that which is recorded in the unaudited statement of financial position of the GMG Group as at 30 June 2016.

The Directors have confirmed that, to their best knowledge and belief, as at the Latest Practicable Date, they are of the view that on aggregate basis, save as disclosed in the unaudited financial statements of the GMG Group as at 30 June 2016, the announcements released by the Company on SGXNET and the Circular, there are no material differences between the estimated market value of the assets and their respective book values as at 30 June 2016 which would have a material impact on the revalued NTA of the GMG Group.

7.5 Equity value analysis of the GMG Group

In connection with GMG VGO, the Company has commissioned Société Générale Corporate and Investment Banking, the independent valuer appointed by the Independent Directors for the purposes of carrying out a desktop valuation of the key operating subsidiaries and associate as agreed upon with the Company (the “**Appraised Entities**”). The Valuation Report shows the enterprise value for each of the Company’s key operating subsidiary as at 31 August 2016 namely:-

- 1) Ivoirienne de Traitement du Caoutchouc (“**ITCA**”);
- 2) Tropical Rubber Cote d’Ivoire (“**TRCI**”);
- 3) Hevecam S.A (“**Hevecam**”);
- 4) Sud Cameroun Hevea S.A (“**Sudcam**”);
- 5) P.T. Bumi Jaya (“**PTBJ**”); and
- 6) Teck Bee Hang Co., Ltd (“**TBH**”).

The Valuation Report also shows an equity value for the Company’s associate company, SIAT S.A. (“**SIAT**”) as at 31 August 2016. Please refer to Appendix VII of the Circular for further information on the Valuation Report.

We note that save for the Appraised Entities there are subsidiaries within the GMG Group whose individual financial statements have not been publicly disclosed (“**Remaining Entities**”). We understand from our discussion with the Company’s management that some of these subsidiaries are non-operational or engaged in investment holdings. We have not attempted to estimate the intrinsic value for these entities or revalue any of their underlying assets or liabilities. We have considered the net tangible assets of these Remaining Entities less any investment in subsidiaries and associates, the equity value of these subsidiaries as part of the equity value analysis of the GMG Group.

We have relied on the Valuation Report by the Valuer and historical financials provided by the Company in the equity value analysis of the GMG Group. We have not independently verified (nor have we assumed responsibility or liability for independently verifying) any such information or its accuracy of completeness or adequacy. We have made reasonable enquires and exercised judgement on the reasonable use of such information.

Name	Enterprise value ⁽¹⁾ (S\$ million)		Equity Value ⁽²⁾ (S\$ million)	
	Low	High	Low	High
ITCA	34.0	41.0	18.0	22.2
TRCI	34.0	42.0	12.5	16.6
Hevecam	110.0	150.0	62.1	98.1
Sudcam	60.0	75.0	(2.3)	9.7
PTBJ	26.0	31.0	19.3	24.1
THB	160.0	190.0	56.7 ⁽³⁾	73.2 ⁽³⁾
SIAT S.A.			280.0	340.0
Remaining Entities			76.1	76.1
Valuation of the GMG Group			522.4	660.0

Notes:

- (1) The enterprise value of the respective Appraised Entities are as extracted from the Valuation Report.
- (2) Equity value as extracted from the Valuation Report or derived by excluding the net debt as at 30 June 2016 from each entity multiplied by its respective shareholding percentage held by the Company.
- (3) THB's equity value includes its investment property valued at cost amounting to approximately S\$8.1 million based on the Company's shareholding percentage in THB.

Based on the equity value analysis of the GMG Group, the equity value per share of the GMG Group is between S\$0.682 to S\$0.862 (the "**Equity Value Range**"). We have considered the following reference periods and the corresponding HAC Share price in evaluating the implied GMG VGO offer price against the Equity Value Range of the GMG Group.

Reference period / price	HAC VWAP or closing Share Price (S\$)	Implied GMG VGO offer price (S\$)	Whether the Implied GMG VGO offer price falls within the Equity Value Range
Highest daily VWAP of HAC Shares in the 12-month period prior to the Unaffected Date	0.846	0.790	Yes
Lowest daily VWAP of HAC Shares in the 12-month period prior to the Unaffected Date	0.432	0.403	No, below range
VWAP of HAC Shares for the 12-month period prior to the Unaffected Date	0.674	0.629	No, below range
Highest daily VWAP of HAC Share for the period after the Unaffected Date up to the Latest Practicable Date	0.745	0.695	Yes
Lowest daily VWAP of HAC Shares for the period after the Unaffected Date up to the Latest Practicable Date	0.639	0.596	No, below range

Reference period / price	HAC VWAP or closing Share Price (\$\$)	Implied GMG VGO offer price (\$\$)	Whether the Implied GMG VGO offer price falls within the Equity Value Range
VWAP of HAC Shares for the one (1) month period prior to the HAC Pre-Conditional Offer Announcement Date	0.696	0.650	No, below range
Closing price of HAC Shares on the last full Market Day on which HAC Shares were traded prior to the HAC Pre-Conditional Offer Announcement Date	0.715	0.667	No, below range
HAC MGO Offer Price	0.750	0.700	Yes

The key observations in respect of the above are highlighted below:

- (a) for the 12-month period prior to the Unaffected Date, both the GMG VGO offer prices implied by the lowest daily VWAP and the VWAP for the 12-month period of HAC Shares are below the Equity Value Range, the GMG VGO offer price implied by the highest daily VWAP of HAC Shares is within the Equity Value Range;
- (b) for the period immediately after the Unaffected Date and up to the Latest Practicable Date, the GMG VGO offer price implied by highest daily VWAP of HAC Shares is within but close to the lower end of the Equity Value Range and GMG VGO offer price implied by the lowest daily VWAP of HAC Shares is below the range of the Equity Value Range;
- (c) for the one (1) month period prior to the HAC Pre-Conditional Offer Announcement Date the GMG VGO offer price implied by the one (1) month VWAP of HAC Shares is below the Equity Value Range;
- (d) the GMG VGO offer price implied by the closing price of HAC Shares on the last Market Day on which HAC Shares were traded prior to the HAC Pre-Conditional Offer Announcement Date is below the Equity Value Range; and
- (e) the GMG VGO offer price implied by the HAC MGO Offer Price is within but close to the lower end of the range of the Equity Value Range.

We were informed by the management that the GMG Group has no current plans to dispose of their interest in the Appraised Entities, hence there may not be any potential tax liability arising from the gain in disposal of interest of these Appraised Entities at their respective equity value that may affect our evaluation of the equity value per Share of the GMG Group against the implied GMG VGO offer price.

7.6 Comparison with financial valuation ratios of selected listed companies considered to be comparable to the Company

We wish to highlight that the financial figures used in our financial assessment have been extracted where available and/or applicable, from the Offer Document, the Circular and other publicly available sources. We make no representations or warranties, express or implied, as to the accuracy or completeness of such information.

For the purpose of assessing the Offer Consideration, references were made to listed companies which are engaged in the rubber cultivation and processing industry that are considered comparable to the Company (“**Selected Comparable Companies**”) to give an indication of the current market expectations with regards to the valuation of these businesses, as implied by their respective closing market prices as at the Latest Practicable Date.

The Selected Comparable Companies have been identified through a search on publicly available information. Relevant information has been extracted from the annual reports and/or public announcements of the Selected Comparable Companies. We have had discussions with

the management of the Company about the suitability of the Selected Comparable Companies serving as a basis for comparison with the core businesses of the GMG Group and have obtained confirmations from the management on the appropriateness of the Selected Comparable Companies.

We recognise, however, that our list of Selected Comparable Companies is not exhaustive and there may not be any companies listed on the SGX-ST or other stock exchanges that is directly comparable to the Company in terms of business activities, scale of operations, types of products, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria. As such, any comparison made with respect to the Selected Comparable Companies is therefore intended to serve as an illustrative guide only.

For the purpose of our evaluation and for illustration, we have made comparisons between GMG and the valuation of the Selected Comparable Companies on a historical basis using the following:

Valuation Ratio	General Description
Price-to-Earnings ("P/E")	P/E ratio illustrates the ratio of the market price of a company's shares to its consolidated basic earnings per share attributable to the owners of the company as stated in its financial statements. The P/E ratio is affected by, <i>inter alia</i> , the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets. In our analysis, we used the market price of the shares as of the Latest Practicable Date, divided by the aggregate of the most recent announced four quarters earnings per share.
Enterprise Value-to-Earnings Before Interest, Tax, Depreciation and Amortisation ("EV/EBITDA")	<p>"EV" or "Enterprise Value" is the sum of a company's market capitalisation, preferred equity, independent interests, consolidated short and long term debts, inclusive of finance lease liabilities, less its consolidated cash and cash equivalents.</p> <p>"EBITDA" stands for historical consolidated earnings before interest, tax, depreciation and amortisation expenses, inclusive of share of associates' and joint ventures' income.</p> <p>The EV/EBITDA ratio illustrates the ratio of the enterprise value of a company's business to its historical pre-tax consolidated operating cashflow performance, without regard to its capital structure. In our analysis, we used the Enterprise Value based on the market capitalisation as of the Latest Practicable Date divided by the most recent announced four quarters EBITDA.</p>
Price-to-Net Asset Value ("P/NAV")	"NAV" or "net asset value" is defined as total assets (including intangibles) less total liabilities and excludes where applicable non-controlling interest. P/NAV ratio illustrates the ratio of the market price of a company's share relative to its historical NAV per share as recorded in its financial statements. The NAV figure provides an estimate of the value of a company assuming the sale of all its assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using their NAVs are affected by differences in their respective accounting policies, in particular, their depreciation and asset valuation policies. In our analysis, we used the market price of the shares as of the Latest Practicable Date, divided by the most recently announced NAV per share.

Valuation Ratio	General Description
Price-to-Net Tangible Asset ("P/NTA")	"NTA" or "net tangible asset" is defined to exclude, where applicable, intangible assets of a company. P/NTA ratio illustrates the ratio of the market price of a company's share relative to its historical NTA per share as recorded in its financial statements. The NTA figure provides an estimate of the value of a company assuming the sale of all its tangible assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using their NTAs are affected by differences in their respective accounting policies, in particular, their depreciation and asset valuation policies. In our analysis, we used the market price of the shares as of the Latest Practicable Date, divided by the most recently announced NTA per share.

The statistics for the Selected Comparable Companies are based on their closing prices as at the Latest Practicable Date and the publicly available financial results based on their respective financial periods/year ends.

Comparisons between the GMG Group and the Selected Comparable Companies may be affected, *inter alia*, by differences in their accounting policies. Our analysis has not attempted to adjust for such differences.

In view of the above, it should be noted that any comparison made with respect to the Selected Comparable Companies merely serves as an illustration and that the conclusions drawn from the comparisons may not necessarily reflect the perceived market valuation of the GMG Group as at the Latest Practicable Date.

We set out in the table below the list of Selected Comparable Companies, together with a brief description of their principal activities which are considered to be broadly comparable to the GMG Group.

Selected Comparable Companies	Listing location	Brief business description	Market capitalisation (S\$ million) ⁽¹⁾
Sri Trang Agro-Industry Public Company Limited ("Sri Trang Agro")	Thailand / Singapore	Sri Trang Agro produces and markets smoked sheet rubber. It sells its products to tire manufacturers as primary market, and exports to Japan, China, Korea, and Taiwan as secondary market.	565.6
China Hainan Rubber Industry Group Co.,Ltd. ("China Hainan")	PRC	China Hainan produces, cultivates, process and sales natural rubber. China Hainan's sector also includes E-commerce services, software development, agricultural cultivation, fertilizer sales, land leases, land development, livestock, and aquaculture industries.	4,608.2 ⁽²⁾
Thai Rubber Latex Corporation (Thailand) Public Company Limited ("Thai Rubber")	Thailand	Thai Rubber manufactures latex concentrate and related products used as raw material for producing rubber products such as latex gloves, condoms, rubber thread, balloons, rubber bands, rubber tubes, and belt conveyer.	37.0 ⁽³⁾

Selected Comparable Companies	Listing location	Brief business description	Market capitalisation (\$ million)⁽¹⁾
Societe Internationale de France Plantations d'Heveas SA ("SIPH")	France	SIPH produces rubber, cocoa and coffee, cultivates plants and processes oil. It operates through five subsidiaries and six affiliate companies.	246.2 ⁽⁴⁾

Source: Bloomberg L.P.

Notes:

- (1) Based on the closing price of the respective Selected Comparable Companies as at the Latest Practicable Date.
- (2) Based on the exchange rate of S\$1: RMB4.8967 as at the Latest Practicable Date.
- (3) Based on the exchange rate of S\$1: THB25.5772 as at the Latest Practicable Date.
- (4) Based on the exchange rate of S\$1: EUR0.6519 as at the Latest Practicable Date.

We set out in the table below the financial ratios of the Selected Comparable Companies listed on SGX-ST or other stock exchanges as at the Latest Practicable Date.

Selected Comparable Companies	Historical P/E (times)	Historical EV/EBITDA (times)	Historical P/NAV (times)	Historical P/NTA (times)
Sri Trang Agro	15.41	13.39	0.68	0.69
Hainan Rubber	NM ⁽¹⁾	NM ⁽²⁾	2.91	3.06
Thai Rubber	NM ⁽¹⁾	16.60	0.66	0.66
SIPH	NM ⁽¹⁾	12.97	1.46	1.78

High	15.41	16.60	2.91	3.06
Mean	15.41	14.32	1.43	1.55
Median	15.41	13.39	1.07	1.24
Low	15.41	12.97	0.66	0.66

Source: Bloomberg L.P. and published financial statements of the respective Selected Comparable Companies

Notes:

- (1) Denotes not meaningful as these companies recorded a loss based on the aggregate of the earnings of the latest four quarters prior to 30 June 2016.
- (2) Denotes not meaningful as Hainan Rubber recorded a negative EBITDA based on the aggregate EBITDA for the latest four quarters prior to 30 June 2016.

We have considered the following reference periods and the corresponding implied offer price based on HAC's Share price in evaluating the implied financial ratios of the Company against the Selected Comparable Companies:

Reference period	Implied P/E (times)	Implied EV/EBITDA⁽²⁾ (times)	Implied P/NAV (times)	Implied P/NTA (times)
Highest daily VWAP of HAC Shares in the 12-month period prior to the Unaffected Date	NM ⁽¹⁾	167.76	0.89	1.12
Lowest daily VWAP of HAC Shares in the 12-month period prior to the Unaffected Date	NM ⁽¹⁾	107.13	0.45	0.57
VWAP of HAC Share for the 12-month period prior to the Unaffected Date	NM ⁽¹⁾	142.44	0.71	0.89
Highest daily VWAP of HAC Share for the period after the Unaffected Date up to the Latest Practicable Date	NM ⁽¹⁾	152.95	0.78	0.99
Lowest daily VWAP of HAC Share for the period after the Unaffected Date up to the Latest Practicable Date	NM ⁽¹⁾	137.43	0.67	0.85
VWAP of HAC Share for the one (1) month period prior to the HAC Pre-Conditional Offer Announcement Date	NM ⁽¹⁾	148.51	0.73	0.92
Closing price of HAC Shares on the last full Market Day on which HAC Shares were traded prior to the HAC Pre-Conditional Offer Announcement Date	NM ⁽¹⁾	150.71	0.75	0.95
HAC MGO Offer Price	NM ⁽¹⁾	153.63	0.79	1.00

Notes:

- (1) Denotes not meaningful as GMG recorded a loss based on the aggregate of the earnings of the latest four quarters prior to 30 June 2016.
- (2) GMG's Implied EBITDA has been adjusted for the S\$14.1 million loss of sale of SIAT Gabon palm oil assets.

Based on the above ratio analysis, we noted that:-

- (a) the EV/EBITDA of the GMG Group based on the respective implied GMG VGO offer prices is above the range of the EV/EBITDA of the Selected Comparable Companies for all the reference periods;
- (b) for the 12-month period prior to the Unaffected Date, (i) the P/NAV and P/NTA as implied by the highest daily VWAP and the VWAP for the 12-month period of HAC Shares are within the range but below the mean and median of the P/NAV and P/NTA of the Selected Comparable Companies and (ii) the P/NAV and P/NTA as implied the lowest daily VWAP of HAC Shares are below the range of the P/NAV and P/NTA of the Selected Comparable Companies;
- (c) for the period immediately after the Unaffected Date and up to the Latest Practicable Date, the P/NAV and P/NTA as implied by the highest and lowest daily VWAP of HAC Shares are within the range but below the mean and median of the P/NAV and P/NTA of the Selected Comparable Companies;
- (d) for the one (1) month period prior to the HAC Pre-Conditional Offer Announcement Date the P/NAV and P/NTA as implied by the one (1) month VWAP of HAC Shares are within the range but below the mean and median of the P/NAV and P/NTA of the Selected Comparable Companies;

- (e) the P/NAV and P/NTA as implied by the closing price of HAC Shares on the last full Market Day on which HAC Shares were traded prior to the HAC Pre-Conditional Offer Announcement Date is within the range but below the mean and median of the P/NAV and P/NTA of the Selected Comparable Companies; and
- (f) the P/NAV and P/NTA as implied by the HAC MGO Offer Price is within the range but below the mean and median of the P/NAV and P/NTA of the Selected Comparable Companies.

7.7 Comparison with recent takeovers of other companies listed on the SGX-ST

We note that it is the intention of the Offeror not to maintain the listing status of the Company on the SGX-ST. In assessing the reasonableness of the Offer Consideration, we have compared the financial statistics based on the implied offer prices derived from HAC Share prices with those of recently completed take-overs for companies listed on the SGX-ST which were announced in the 24-month period prior to the GMG Pre-Conditional Offer Announcement, where it was indicated the offeror's intentions not to preserve the listing status of the target companies (collectively, the "**Selected Comparable Transactions**").

We wish to highlight that the list of target companies set out under the Selected Comparable Transactions are not directly comparable with the Company in terms of business activities, market capitalisation, size of operations, accounting policies, financial performance, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits.

We also wish to highlight that the list of Selected Comparable Transactions is by no means exhaustive and has been compiled based on publicly available information as at the Latest Practicable Date.

The premium (if any) that an offeror would pay in respect of any particular takeover depends on various factors, *inter alia*, the offeror's intention with regard to the target company, the potential synergy that the offeror can derive from acquiring the target company, the presence of competing bids for the target company, prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets and existing and desired level of control in the target company. Therefore, the comparison of the GMG VGO with the Selected Comparable Transactions set out below is for illustrative purposes only. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Company.

Selected Comparable Transactions

Companies	Date of announcement	Premium/ (Discount) of offer price ⁽¹⁾ over				P/NAV
		Last transacted market price prior to announcement	VWAP for the 1-month period prior to announcement ⁽²⁾	VWAP for the 3-month period prior to announcement ⁽²⁾	VWAP for the 6-month period prior to announcement ⁽²⁾	
		(%)	(%)	(%)	(%)	(times)
Lee Kim Tah Holdings Limited	25-Sep-14	6.40	11.84	12.34	13.45	1.04
UE E&C Ltd	3-Oct-14	(2.30)	2.70	5.00	(2.90)	1.30
ECS Holdings Limited	14-Nov-14	11.48	8.97	11.48	9.32	0.64
Stats Chippac Ltd	30-Dec-14	13.10	39.10	42.60	47.50	0.90
Popular Holdings Limited	14-Jan-15	39.10	39.70	37.30	32.20	1.15
Keppel land Limited	23-Jan-15	20.00	25.00	28.80	28.20	0.88
Lizhong Wheel Group Ltd	17-Aug-15	96.08	87.27	79.21	92.31	0.60
Chosen Holdings Limited	1-Sep-15	21.20	26.30	27.00	33.30	1.00
Tiger Airways Holdings Limited	6-Nov-15	45.20	48.50	56.30	50.00	5.40

Companies	Date of announcement	Premium/ (Discount) of offer price ⁽¹⁾ over				P/NAV
		Last transacted market price prior to announcement	VWAP for the 1-month period prior to announcement ⁽²⁾	VWAP for the 3-month period prior to announcement ⁽²⁾	VWAP for the 6-month period prior to announcement ⁽²⁾	
		(%)	(%)	(%)	(%)	
Neptune Orient Lines Limited	7-Dec-15	6.10	51.00	32.90	30.70	1.01
Interplex Holdings Ltd	23-Dec-15	15.50	11.10	13.10	16.50	1.70
China Yongsheng Limited	24-Feb-16	52.40	67.40	62.40	56.90	0.68
Xinren Aluminum Holdings Limited	25-Feb-16	31.30	49.60	50.00	48.50	1.80
Osim International Ltd	7-Mar-16	27.00	40.90	42.50	16.70	2.60
China Merchants Holdings (Pacific) Limited	9-May-16	22.90	21.80	25.30	20.20	1.08
High		96.1	87.3	79.2	92.3	5.4
Mean		27.0	35.4	35.1	32.9	1.5
Median		21.2	39.1	32.9	30.7	1.0
Low		(2.3)	2.7	5.0	(2.9)	0.6
GMG⁽²⁾		10.8	25.2	39.9	46.7	0.72 - 0.77⁽³⁾

Source: SGX-ST announcements and circulars to shareholders in relation to the respective transactions.

Notes:

- (1) Offer price is based on the final offer price per share.
- (2) Computed as the GMG VGO Swap Ratio over respective implied swap ratios for the 1, 3 and 6 month periods prior to the GMG Pre-Conditional Offer Announcement and the last Market Day on which the shares were traded prior to the GMG Pre-Conditional Offer Announcement Date.
- (3) P/NAV range implied by the respective HAC VWAP for the 1, 3 and 6 month periods prior to the GMG Pre-Conditional Offer Announcement and the last Market Day on which the shares were traded prior to the GMG Pre-Conditional Offer Announcement Date.

The key observations in respect of the above are highlighted below:

- (a) The premium of 10.8% implied by GMG VGO Swap Ratio over the implied ratio on the last Market Day on 22 August 2016 on which GMG Shares were traded prior to the GMG Pre-Conditional Offer Announcement is within the range, but below the mean and median of the premia for the Selected Comparable Transactions;
- (b) The premium of 25.2% implied by GMG VGO Swap Ratio over the implied ratio for the 1-month VWAP prior to the GMG Pre-Conditional Offer Announcement is within the range but below the mean and median of the premia for the Selected Comparable Transactions;
- (c) The premium of 39.9% implied by GMG VGO Swap Ratio over the implied ratio for the 3-month VWAP prior to the GMG Pre-Conditional Offer Announcement is within the range and above the mean and median of the premia for the Selected Comparable Transactions;
- (d) The premium of 46.7% implied by GMG VGO Swap Ratio over the implied ratio for the 6-month VWAP prior to the GMG Pre-Conditional Offer Announcement is within the range and above the mean and median of the premia for the Selected Comparable Transactions; and

- (d) The implied P/NAV ratio range of 0.72 times to 0.77 times is within the range but below the mean and median of the P/NAV ratios for the Selected Comparable Transactions.

7.8 Comparison of implied GMG VGO offer price with HAC Offer Price and NR Assets Acquisition consideration

As the GMG VGO is part of a three way business alignment between Sinochem International Corp, GMG and HAC, we set out below a table illustrating the key financials and valuation ratios of GMG, HAC and NR Assets:

Company	Consideration (S\$'000)	Payment type	Profit / (loss) (S\$'000)	NAV attributable to the shareholders of the company (S\$'000)	NTA (S\$'000)	P/E (times)	P/NAV (times)	P/NTA (times)
GMG	309,025 - 605,183 ⁽¹⁾	HAC Shares	(14,546) ⁽³⁾⁽⁴⁾	680,904 ⁽⁵⁾	538,627 ⁽⁵⁾	NM ⁽⁷⁾	0.45 – 0.89	0.57 – 1.12
HAC	450,069 ⁽²⁾	Cash	(14,489) ⁽⁴⁾⁽⁹⁾	127,157 ⁽⁵⁾⁽⁹⁾	(146,226) ⁽⁵⁾	NM ⁽⁷⁾	3.54	NM ⁽⁸⁾
NR Assets	210,000	HAC Shares	14,464 ⁽⁶⁾⁽⁹⁾	127,719 ⁽⁶⁾⁽⁹⁾	117,119 ⁽⁶⁾⁽⁹⁾	14.5	1.64	1.79

Notes:

- (1) Computed using highest and lowest daily VWAP of HAC shares for the 12-month period prior to the Unaffected Date and up to the Latest Practicable Date multiplied by GMG Shares outstanding and the GMG VGO Swap Ratio.
- (2) Computed using HAC shares outstanding multiplied by the HAC MGO offer price.
- (3) Adjusted for the S\$14.1 million loss on sale of SIAT Gabon palm oil assets.
- (4) Based on the aggregate of the most recently announced four quarters earnings.
- (5) NAV or NTA attributable to the shareholders of the company as at 30 June 2016.
- (6) Extracted from the Pro Forma Financials of the NR Assets in Appendix D of HAC's circular dated 16 May 2016.
- (7) Denotes not meaningful as GMG and HAC recorded a loss based on the aggregate of the earnings of the latest four quarters prior to 30 June 16.
- (8) Denotes not meaningful as HAC was in a net tangible liabilities position as at 30 June 2016.
- (9) Based on the exchange rate of S\$1:US\$0.7334 as at the Latest Practicable Date.

The key observations in respect of the above are highlighted below:

- (a) Both GMG and HAC are loss making based on the aggregate of the earnings of the latest four quarters prior to 30 June 2016, NR Assets appears to be profitable for FY2015;
- (b) GMG has the highest NAV and NTA compared to HAC and NR Assets; and
- (c) GMG's implied P/NAV ratio based on the Offer Consideration is the lowest compared to HAC's and NR Assets' P/NAV ratio based on their respective offer consideration.

7.9 Financial Effects of the Proposed Transactions

Information on the financial effects of the Proposed Transactions as set out in section 4 of HAC's circular dated 16 May 2016 is reproduced below:

"4. Financial Effects of the Proposed Transactions

The financial effects of the Proposed Transactions on HAC Group as set out below are for illustrative purposes only and do not reflect the actual financial performance or position of the HAC Group after the Proposed Transactions. The financial effects set out below have been prepared based on the latest audited consolidated financial statements of HAC, GMG and NR Assets for the most recently completed financial year, being FY2015 and on the following key assumptions:

- (a) the number of equity securities to be issued by the Company as consideration for (i) for the GMG VGO is 714,926,126 new HAC Shares under the GMG VGO Maximum Scenario; and (ii) for the NR Assets is 280,000,000 new HAC Shares;
- (b) the effect of the transaction on the EPS of the HAC Group shown in Section 4.1 below is based on the assumption that the Proposed Transactions had been effected at the beginning of FY2015; and
- (c) the effect of the transaction on the NTA per share and NAV per share of the HAC Group shown in Section 4.2 below is based on the assumption that the Proposed Transactions had been effected at the end of FY2015.

4.1 EPS

EPS	As at 31 December 2015	After the completion of the Offers	After the completion of the Offers and NR Assets Acquisition
Earnings (US\$'000)	8,467 ⁽¹⁾	(4,804) ⁽²⁾	5,762 ⁽³⁾
Number of issued shares ('000)	600,092	1,315,018	1,595,018
Adjusted EPS (US cents)	1.41	(0.37)	0.36
Adjusted EPS (S\$ cents)	1.95	(0.50)	0.50

Notes:

- (1) The earnings are based on the consolidated profit attributable to the owners of the Company for FY2015.
- (2) Includes the earnings as set out in note (1), the GMG Group's audited net loss attributable to the owners of US\$13.3 million for FY2015, translated at the average exchange rate of US\$1.00:S\$1.3786 (being the HAC Group's average rate of FY2015).
- (3) Includes the earnings as set out in note (2), the aggregate of NR Assets' audited net profit attributable to the owners of US\$10.6 million for FY2015, translated at the average rate of US\$1.00:RMB6.2930 and US\$:MYR3.9406 (being the HAC Group's average exchange rate for FY2015).

4.2 NTA and NAV

NTA / (Net tangible liabilities) ("NTL")	As at 31 December 2015	After the completion of the Offers	After the completion of the Offers and NR Assets Acquisition
Consolidated NTA/(NTL) (US\$'000)	(73,882) ⁽¹⁾	353.085 ⁽²⁾	438,981 ⁽³⁾
Number of issued shares ('000)	600,092	1,315,018	1,595,018
Adjusted NTA/(NTL) per share (US cents)	(12.31)	26.85	27.52
Adjusted NTA/(NTL) per share (S\$ cents)	(17.41)	37.96	38.91

NAV	As at 31 December 2015	After the completion of the Offers	After the completion of the Offers and NR Assets Acquisition
Consolidated net assets (US\$'000)	126,652 ⁽⁴⁾	656,013 ⁽⁵⁾	749,683 ⁽⁶⁾
Number of issued shares ('000)	600,092	1,315,018	1,595,018
Adjusted net assets per share (US cents)	21.11	49.89	47.00
Adjusted net assets per share (S\$ cents) ⁽⁷⁾	29.84	70.53	66.46

Notes:

- (1) Based on the HAC Group's consolidated NTA as at 31 December 2015.
- (2) Includes the NTA as set out in note (1), the GMG Group's audited NTA of US\$427.0 million as at 31 December 2015 which is adjusted to exclude goodwill recognised in GMG's investment in associates of US\$94.5 million, translated at the HAC Group's exchange rate of US\$1.00:S\$1.4139 as at 31 December 2015.
- (3) Includes the NTA as set out in note (2), the aggregate of NR Assets' audited NTA of approximately US\$85.9 million as at 31 December 2015, translated at the HAC Group's exchange rate of US\$1.00:RMB6.4947 and US\$1.00:MYR4.2923.
- (4) Based on the HAC Group's consolidated NAV as at 31 December 2015.
- (5) Includes the NAV as out in note (4), the GMG Group's audited net assets of US\$529.4 million as at 31 December 2015, translated as the HAC Group's exchange rate of US\$1.00:S\$1.4139 as at 31 December 2015.
- (6) Includes the NAV as set out in note (5), the aggregate of NR Assets' audited net assets of US\$93.7 million as at 31 December 2015, translated at the HAC Group's exchange rate of US\$1.00:RMB6.4947 and US\$1.00:MYR4.2923.
- (7) Translated at the HAC Group's exchange rate of US\$1.00:S\$1.4139 as at 31 December 2015.

We set out below a summary of the financial effects of the Proposed Transactions, including the information set out above.

	As at 31 December 2015		6 months ended or as at 30 June 2016
	Enlarged HAC Group	GMG	GMG
EPS/(LPS) (S\$ cents)	0.50	(2.39)	(2.20)
NTA per share (S\$ cents)	38.91	74.52	70.32
NAV per share (S\$ cents)	66.46	93.42	88.89
Gearing ratio⁽¹⁾	0.68	0.23	0.27

Note:

- (1) Gearing ratio is computed as net debt divided by total equity. Based on gross debt, the gearing ratio of the Enlarged HAC Group and GMG as at 31 December 2015 is 0.82 and 0.29 respectively. The gearing ratio based on gross debt for GMG as at 30 June 2016, is 0.35.

Given that HAC will proceed with the Proposed Acquisition of NR Assets following the completion of GMG VGO, the financial effects that may impact on Shareholders who accept the GMG VGO are highlighted below.

As at 31 December 2015, on an Enlarged HAC Group basis,

- (a) the earnings per share of GMG will increase to 0.50 cents from a loss per share of 2.39 cents;
- (b) the NTA per share of GMG will decrease to 38.91 cents from 74.52 cents (30 June 2016: 70.3 cents);
- (c) the NAV per share of GMG will decrease to 66.46 cents from 93.42 cents (30 June 2016: 88.89 cents); and
- (d) the gearing ratio of GMG will increase to 0.68 from 0.23 (30 June 2016: 0.27).

Based on the Enlarged HAC Group illustrative financial effects, the Proposed Transactions appear to be accretive to EPS based on 31 December 2015 earnings but dilutive to Shareholders on each of the NTA per share and NAV per share as at 31 December 2015 or 30 June 2016. Shareholders should note that both GMG and HAC have reported losses attributable to shareholders of S\$16.8 million and US\$14.6 million respectively in their unaudited first half financial statements for the period ended 30 June 2016 and there is no public information on the first half financial statements of NR Assets. As such, there is no certainty that the Enlarged HAC Group would remain profitable.

7.10 Other considerations in relation to the Offer which have a significant bearing on our assessment

7.10.1 Outlook of the GMG Group

In the Company's results announcement for the six months ended 30 June 2016, the following commentary was made on the significant trends and competitive conditions of the industry in which the GMG Group operates in and any known factors or events that may affect the GMG Group in the next reporting period and the next 12 months from the date of the results announcement:

"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."

7.10.2 Scale of operation and market position of the Enlarged HAC Group

As disclosed in the Offer Document, the completion of the GMG VGO and the NR Assets Acquisition will result in the creation of the Enlarged HAC Group with an annual processing capacity of 1,495,000 tonnes as compared to the GMG Group's annual processing capacity of 527,000 tonnes. The Enlarged HAC Group will also have access to the downstream / distribution business segment with an annual distribution capacity of 2,000,000 tonnes. In addition, the Enlarged HAC Group's assets will span natural producing areas representing 79% of global production.

Accordingly, the GMG VGO allows Shareholders an opportunity to participate in the prospect and future growth of the Enlarged HAC Group which offers enhanced market position and scale of operation as compared to GMG Group on a standalone basis. In particular, the GMG VGO will allow Shareholders to have access to additional processing capacity and distribution capability offered by HAC Group and NR Assets.

We note that based on publicly available information, some of the Selected Comparable Companies such as Sri Trang Agro, Hainan Rubber, and SIPH have annual processing capacity of approximately 1,524,000 tonnes, 400,000 tonnes, and 191,000 tonnes respectively.

7.10.3 Offeror's business strategy

As disclosed in the Offer Document, the Offeror's strategy is to establish itself as a world's leading natural rubber supply chain manager by having the scale, scope and reach to provide customers with the natural rubber they need, whenever they need it. Following the completion of the GMG VGO and NR Assets Acquisition, the Offeror believes that its capabilities will be significantly enhanced in every aspect of this strategy which will allow the Enlarged HAC Group to be a world's leading and most comprehensive natural rubber supply chain manager.

7.10.4 Alternative offers from third parties

As at the Latest Practicable Date, there is no publicly available evidence of an alternative take-over offer for the GMG Shares from any third party. The Directors have confirmed that, as at the Latest Practicable Date, save for the Offer made by the Offeror, no alternative takeover offer from any third party has been received.

7.10.5 Public float of the Offeror

Based on the announcement by the Offeror dated 29 August 2016, the Offeror will issue 365,485,716 new HAC Shares to SIO in respect of the acceptance by SIO in relation to the GMG VGO. The Offeror's total issued and paid-up share capital will increase from its current 600,092,000 shares to 965,577,716 shares, and the public float is expected to increase from its current level of 5.77% to 7.73%. The public float of the Offeror will increase when the Consideration Shares are issued for any acceptances by Shareholders under the GMG VGO. Accordingly, the Offeror expects to satisfy the free float requirement in the course of the GMG VGO.

The Offeror mentioned in its announcement dated 29 August 2016 that while the current free float of HAC is below 10%, the Offeror has a large number of shares in issue, and a substantial market capitalisation. As such, the board of directors of the Offeror is of the view that the likelihood of disorderly trading in the Offeror's shares is limited. However, the Offeror will monitor trading activity in HAC Shares closely and will immediately request a trading halt from the SGX should any such trading activity indicate that there has been disorderly trading in HAC Shares.

Based on the announcement by the Offeror dated 9 September 2016, the SGX-ST had on 8 September 2016, informed the Offeror that the SGX-ST will grant the Offeror up to 2 months from 25 August 2016 until 25 October 2016 to raise the Free Float Requirement to at least 10%.

Based on the HAC MGO offer document dated 25 July 2016, it is the intention of SIO to maintain the listing status of HAC on the SGX-ST following completion of the HAC MGO. In the event that the trading of the HAC Shares on the SGX-ST is suspended pursuant to Rule 724 or Rule 1105 of the Listing Manual, SIO intends to undertake or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted.

7.10.6 No intention to increase the Offer Consideration

We note that the Offeror does not intend to increase the Offer Consideration.

7.10.7 Listing status and the Offeror's intention

We note that In the event the Offeror receives acceptances for the Offer such that less than 10% of the total number of issued GMG Shares (excluding any shares held by GMG as treasury shares) are held in public hands, the SGX-ST may suspend trading of GMG Shares at the close of the Offer. The Offeror presently has no intention to support any action or take any steps to maintain the listing status of GMG on the SGX-ST.

8. OUR RECOMMENDATION

In arriving at our recommendation in respect of the GMG VGO, we have taken into account the factors which we consider to have a significant bearing on our assessment which includes our analyses as outlined under paragraph 7.1 to 7.10.

In evaluating and assessing the financial terms of the GMG VGO, we have given due consideration to the following:-

- Comparison of implied GMG VGO offer price with HAC MGO offer price and NR Assets Acquisition consideration**

We note that GMG implied P/NAV ratio is the lowest compared to HAC and NR Assets while having the highest NAV and NTA compared to HAC and NR Assets. In addition, we note that HAC was in a net tangible liabilities position as at 31 December 2015 and 30 June 2016.

- Financial Effects of the Proposed Transactions**

We note that the Proposed Transactions are accretive to EPS but dilutive in terms of NTA and NAV per share based on the 31 December 2015 financials for Shareholders. We also note that both GMG and HAC have reported losses attributable to shareholders of S\$16.8 million and US\$14.6 million respectively in their unaudited first half financial statements for the period under 30 June 2016 and there is no public information on the first half financial statements of NR Assets. As such, there is no certainty that the Enlarged HAC Group would remain profitable.

- The Offer Consideration compared to the GMG Group's NAV, NTA and the Equity Value Range**



We note from the above that the implied Offer Consideration is below the NAV of the GMG Group's NAV as at 30 June 2016 and generally had been below the GMG Group's NTA as at 30 June 2016.

When compared with the Equity Valuation Range, the implied Offer Consideration is below the upper range and for the period prior to the Pre-Conditional Offer Announcement Date the implied Offer Consideration is generally been below the lower range of the Equity Valuation. It would appear that the market price of HAC Shares and accordingly the Offer Consideration may be supported by HAC's announcement on 9 September 2015 where it stated that it was in confidential discussions with certain parties regarding a potential strategic transaction, 15 January 2016 where it announced the Proposed Transactions and on 28 March 2016 where it announced the HAC and GMG Pre-Conditional Offer.

We further note that since the close of the HAC MGO on 22 August 2016 and up to the Latest Practicable Date, there have been no trades for the HAC Shares. As at the Latest Practicable Date, we note that the bid/ask price for the HAC Shares was S\$0.575 and S\$0.740 respectively. The implied consideration based on the bid price of S\$0.575 is below the GMG Group's NAV per Share, the GMG Group's NTA per Share and the Equity Valuation Range.

- **Liquidity of HAC Shares**

We note that the average daily traded value of HAC Shares for the past 12 months prior to the First SGX Query Date was within the range of and above the mean and median of the comparable companies by market capitalisation and commodities companies. HAC Shares are also relatively more liquid than GMG Shares for most of the periods in our analysis.

However, Shareholders should note that HAC had on 23 August 2016 announced that following the settlement of acceptances under the HAC MGO, HAC will not meet the Free Float Requirement. HAC may satisfy the Free Float Requirement in the event that a sufficient number GMG Shareholders validly tender their shares in acceptance of the GMG VGO as the payment of the GMG VGO will be satisfied by the issuance of new HAC Shares. We also note that SIO intends to undertake or support any action as may be necessary for any such trading suspension of HAC by the SGX-ST to be lifted.

- **Performance of HAC Shares**

We note that, on a normalised basis, for the 12-month period prior to the First SGX Query Date, performance of HAC Shares and GMG Shares were quite similar and both had generally under-performed the FSSTI. For the period after the First SGX Query and up to the Latest Practicable Date, HAC had marginally out-performed the FSSTI while GMG had under underperformed both the FSSTI and HAC.

- **Comparison with recent takeovers**

We note that the premium implied by GMG VGO Swap Ratio is within the range of the premia for the Selected Comparable Transactions for the selected periods prior to the GMG Pre-Conditional Offer Announcement.

- **Market position, scale of operations and synergies of the Enlarged HAC Group**

We note the various potential synergies between the principal activities of the Offeror, GMG and the NR Assets. According to the Offeror, upon completion of the Proposed Transactions, the Enlarged HAC Group would be a world's leading and most comprehensive natural rubber supply chain manager. Its geographical reach and product range will be enhanced significantly as compared to the GMG Group on a standalone basis.

Having carefully considered all of the above, we are of the opinion that as at the Latest Practicable Date, on balance, the terms of the Offer are NOT FAIR but REASONABLE.

We are of the opinion that the terms of the Offer are NOT FAIR, mainly due to:

- **the GMG implied P/NAV ratio based on the Offer Consideration is the lowest compared to HAC's and NR Assets' while having the highest NAV and NTA compared to HAC and NR Assets. The GMG implied P/NAV ratio ranges from 0.45x to 0.89x while the P/NAV ratio of HAC MGO Offer Price and implied NR Assets Consideration are 3.54x and 1.64x respectively;**
- **the Proposed Transactions are dilutive in terms of NTA and NAV per share based on the 31 December 2015 financials for Shareholders. NTA per share of GMG will decrease from 74.52 cents to 38.91 cents and NAV per share of GMG will decrease from 93.42 cents to 66.46 cents. In addition, there is no certainty that the Enlarged HAC Group would remain profitable; and**
- **the Offer Consideration is generally below the GMG Group's NAV and NTA and at best at the lower range of the Equity Value Range.**

We are of the opinion that the terms of the Offer are REASONABLE taking into the following considerations:

- the opportunity for Shareholders to participate in the prospect and future growth of the Enlarged HAC Group which is expected to offer significant enhancement to market position and scale of operation as compared to the GMG Group on a standalone basis;
- the premium implied by GMG VGO Swap Ratio being within the range, and above the mean and median over the VWAP for the 3-month and 6-month period prior to offer announcement for the Selected Comparable Transactions; and
- HAC Shares are also relatively more liquid than GMG Shares for most of the periods in our analysis.

Accordingly, we advise the Independent Directors to recommend Shareholders to ACCEPT the Offer if Shareholders believe in the competitive strengths of the Enlarged HAC Group in allowing the Offeror to successfully implement its business strategy and taking into consideration the factors mentioned above. Otherwise, we advise the Independent Directors to recommend Shareholders to REJECT the Offer as on balance, the Offer is not fair from a financial point of view.

Directors and Shareholders should note that the trading of the GMG Shares is subject to, *inter alia*, the performance and prospects of the GMG Group, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, our advice on the GMG VGO does not and cannot take into account future trading activities or patterns or price levels that may be established for the GMG Shares after the Latest Practicable Date since these are governed by factors beyond the ambit of our review and also, such advice, if given, would not fall within our terms of reference in connection with the GMG VGO.

Our recommendation is addressed to the Independent Directors for their benefit in connection with and for the purposes of their consideration of the GMG VGO. Any recommendation made by the Independent Directors in respect of the GMG VGO shall remain their responsibility.

Our recommendation may not be used and/or relied on by any other person for any purpose at any time and in any manner except with our prior written consent in each specific case.

Whilst a copy of this letter may be reproduced in the Circular and made available for inspection at the registered office of the Company, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of RHBSEC in each specific case, other than for the purpose of the GMG VGO. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
RHB SECURITIES SINGAPORE PTE. LTD.

Ng Boon Eng
Director
Head of Corporate Finance

Wong Kee Seong
Senior Vice President
Corporate Finance

Ivan Khew
Vice President
Corporate Finance

ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Designation
Mr Qin Hengde	12F No. 233 North Changqing Rd Pudong New Area Shanghai 200126 People's Republic of China	Non-Executive Director and Chairman
Mr Li Xuetao	8 Marina View #34-05 Asia Square Tower 1 Singapore 018960	Executive Director and Chief Executive Officer
Mr Mou Xiangfeng	9F No. 233 North Changqing Rd Pudong New Area Shanghai 200126 People's Republic of China	Non-Executive Director
Mr Li Dajun	8F No. 233 North Changqing Rd Pudong New Area Shanghai 200126 People's Republic of China	Non-Executive Director
Mr Jeffrey Gondobintoro	8 Marina View #34-05 Asia Square Tower 1 Singapore 018960	Non-Executive Director
Mr Tay Puan Siong	8 Marina View #34-05 Asia Square Tower 1 Singapore 018960	Independent Non-Executive Director
Mr Ong Kian Min	8 Marina View #34-05 Asia Square Tower 1 Singapore 018960	Independent Non-Executive Director

2. DESCRIPTION OF THE COMPANY

The Company is a Singapore-based natural rubber producer with integrated capabilities extending from the planting, cultivating, tapping and processing, to the marketing and exporting of natural rubber.

The Company was incorporated in Singapore on 23 July 1999 and its principal activity is investment holding. Listed on the Mainboard of the SGX-ST, the Company focuses primarily on the planting, cultivation, production and supply of premium natural rubber to the European, American and Asian markets.

Through its various subsidiaries and associates, the Company 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 approximately 527,000 tonnes. Its customers include some of the world's top tyre manufacturers and medical equipment companies.

3. SHARE CAPITAL

3.1 Issued Share Capital

The issued and paid-up share capital of the Company as at the Latest Practicable Date is S\$611,330,000, comprising 766,019,636 GMG Shares (excluding 1,565,000 GMG Shares held in treasury).

3.2 Capital, Dividends and Voting Rights

The rights of Shareholders in respect of capital, dividends and voting are contained in the Articles. An extract of the relevant provisions in the Articles relating to the rights of Shareholders in respect of capital, dividends and voting has been reproduced in Appendix VIII to this Circular. The Articles are available for inspection at the registered address of the Company at 8 Marina View, #34-05 Asia Square Tower 1, Singapore 018960. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Articles and/or the Companies Act.

3.3 Number of GMG Shares Issued since the End of the Last Financial Year

As at the Latest Practicable Date, the Company has not issued any new GMG Shares since the end of FY2015, being the last financial year of the Company.

3.4 Options and Convertible Instruments

As at the Latest Practicable Date, the Company has not issued any outstanding instruments convertible into, rights to subscribe for, and options in respect of, the GMG Shares and securities which carry voting rights affecting GMG Shares that are outstanding as at the Latest Practicable Date.

4. DISCLOSURE OF INTERESTS

4.1 Interests of the Company in Offeror Securities

As at the Latest Practicable Date, the Company does not have any direct or deemed interests in any Offeror Securities.

4.2 Dealings in Offeror Securities by the Company

As at the Latest Practicable Date, the Company has not dealt for value in any Offeror Securities during the period commencing three (3) months prior to the Pre-Conditional Offer Announcement Date.

4.3 Interests of the Directors in Offeror Securities

None of the Directors has any direct or deemed interests in any Offeror Securities as at the Latest Practicable Date.

4.4 Dealings in Offeror Securities by the Directors

None of the Directors has dealt for value in any Offeror Securities during the period commencing three (3) months prior to the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date.

4.5 Interests of the Directors in Company Securities

Save as disclosed below, none of the Directors has any direct or deemed interests in any Company Securities as at the Latest Practicable Date:

GMG Shares

Name	Direct Interest		Deemed Interest	
	No. of GMG Shares	% ⁽¹⁾	No. of GMG Shares	% ⁽¹⁾
Mr Jeffrey Gondobintoro	685,355 ⁽²⁾	0.089	90,564,189 ⁽³⁾⁽⁴⁾	11.823
Mr Ong Kian Min	400,000 ⁽⁵⁾	0.052	–	–
Mr Tay Puan Siong	400,000	0.052	–	–

Notes:

- (1) Based on the total number of issued GMG Shares being 766,019,636 (excluding 1,565,000 GMG Shares held in treasury) as at the Latest Practicable Date.
- (2) 685,355 GMG Shares of Mr Jeffrey Gondobintoro are held through Citibank Nominees Singapore Pte Ltd as bare trustee.
- (3) Mr Jeffrey Gondobintoro is deemed interested in 12,430,283 GMG Shares directly held by Panwell (Pte) Ltd.
- (4) Mr Jeffrey Gondobintoro is deemed interested in 78,133,906 GMG Shares directly held by GMG Holding (H.K.) Limited.
- (5) 400,000 GMG Shares of Mr Ong Kian Min are held through Bank of Singapore Nominees Pte. Ltd. as bare trustee.

4.6 Dealings in Company Securities by the Directors

None of the Directors has dealt for value in any Company Securities during the period commencing three (3) months prior to the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date.

4.7 Offeror Securities owned or controlled by RHBSEC

As at the Latest Practicable Date, none of RHBSEC or any funds whose investments are managed by RHBSEC on a discretionary basis owns or controls any Offeror Securities.

4.8 Dealings in Offeror Securities by RHBSEC

During the period commencing three (3) months prior to the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date, none of RHBSEC or any funds whose investments are managed by RHBSEC on a discretionary basis has dealt for value in the Offeror Securities.

4.9 Company Securities owned or controlled by RHBSEC

As at the Latest Practicable Date, none of RHBSEC or any funds whose investments are managed by RHBSEC on a discretionary basis owns or controls any Company Securities.

4.10 Dealings in Company Securities by RHBSEC

During the period commencing three (3) months prior to the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date, none of RHBSEC or any funds whose investments are managed by RHBSEC on a discretionary basis has dealt for value in the Company Securities.

4.11 Intentions of the Directors in respect of their GMG Shares

As at the Latest Practicable Date, the Directors who hold GMG Shares have informed the Company of their intentions in respect of the Offer as follows:

- (a) Mr Tay Puan Siong intends to accept the Offer in respect of all of the GMG Shares held by him;

- (b) Mr Ong Kian Min intends to accept the Offer in respect of all of the GMG Shares held by him; and
- (c) Mr Jeffrey Gondobintoro does not intend to tender any of the GMG Shares in which he has a direct interest in acceptance of the Offer so long as the Company remains listed on the SGX-ST.

Mr Jeffrey Gondobintoro has also informed the Company that the decision on whether to accept or reject the Offer in respect of the GMG Shares in which he is deemed interested has to be made collectively by him and his family members, and as at the Latest Practicable Date, his family members have not made a decision on this.

5. OTHER DISCLOSURES

5.1 Directors' Service Contracts

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and
- (b) there are no such contracts entered into or amended during the period commencing six (6) months prior to the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date.

5.2 Arrangements affecting Directors

As at the Latest Practicable Date:

- (a) it is not proposed that any payment or other benefit shall be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;
- (b) there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and
- (c) none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

6. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, save as disclosed in publicly available information on the GMG Group, neither the Company nor any of its subsidiaries has entered into material contracts with persons who are Interested Persons (other than those entered into in the ordinary course of business) during the period beginning three (3) years before the Pre-Conditional Offer Announcement Date.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed in publicly available information on the GMG Group, the Directors are not aware of any material litigation, claims or proceedings pending or threatened against, or made by, the Company or any of its subsidiaries or any facts likely to give rise to any such material litigation, claims or proceedings, which might materially and adversely affect the financial position of the GMG Group, taken as a whole.

8. FINANCIAL INFORMATION

8.1 Consolidated Income Statements

Certain financial information extracted from the audited consolidated income statements of the GMG Group for the last three (3) financial years (FY2015, FY2014 and FY2013) and the 1H2016 Results are summarised below. The summary set out below should be read together with the annual reports, the audited consolidated income statements of the GMG Group for the relevant financial periods, the 1H2016 Results and their respective accompanying notes.

	Unaudited 1H2016	Audited FY2015	Audited FY2014	Audited FY2013
	S\$'000	S\$'000	S\$'000 (restated)*	S\$'000 (restated)*
Revenue	261,289	646,959	806,303	1,009,835
Cost of sales	(240,908)	(585,599)	(755,044)	(905,777)
Gross profit	20,381	61,360	51,259	104,058
Other income	363	2,621	4,556	3,979
Distribution costs	(10,832)	(25,198)	(27,107)	(27,427)
Administrative expenses	(20,341)	(45,725)	(51,541)	(47,938)
Other operating (expenses)/gain	483	(8,074)	(17,558)	(3,900)
Share of profit/(loss) of associates	(11,218)	3,067	(5,238)	4,025
Finance costs	(3,722)	(5,054)	(4,259)	(4,527)
Foreign currency exchange adjustment gain/(loss)	3,452	(6,107)	505	(4,824)
Net gain/(loss) on financial derivatives	1,410	3,019	(3,189)	(1,268)
(Loss)/Profit before tax	(20,024)	(20,091)	(52,572)	22,178
Income tax credit/(expense)	1,525	(2,500)	(1,770)	(6,512)
(Loss)/Profit after tax	(18,499)	(22,591)	(54,342)	15,666
Attributable to:				
Owners of the company	(16,843)	(18,296)	(40,581)	18,296
Non-controlling interests	(1,656)	(4,295)	(13,761)	(2,630)
	(18,499)	(22,591)	(54,342)	15,666
Earnings per ordinary share (cents)				
- Basic and fully diluted	(2.20)	(2.39)	(5.30)	2.39
(Loss)/Profit for the year	(18,499)	(22,591)	(54,342)	15,666
Other comprehensive (loss)/ income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Actuarial gain for employee benefit obligation	-	26	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations	(7,935)	(19,883)	(38,440)	34,964

	Unaudited 1H2016	Audited FY2015	Audited FY2014	Audited FY2013
	S\$'000	S\$'000	S\$'000 (restated)*	S\$'000 (restated)*
Share of associates' other comprehensive income	(10,293)	(1,311)	(4,571)	(3,442)
Other comprehensive (loss)/ income for the period, net of tax	(18,228)	(21,194)	(43,011)	31,522
Total comprehensive (loss)/ income for the year	(36,727)	(43,759)	(97,353)	47,188
Total comprehensive (loss)/ income attributable to:				
Owners of the company	(34,690)	(38,580)	(81,325)	47,743
Non-controlling interests	(2,037)	(5,179)	(16,028)	(555)
	(36,727)	(43,759)	(97,353)	47,188
Net Dividends per Share (cents)	–	–	–	0.10

Notes:

- (1) As disclosed in Note 40 to the audited consolidated financial statements of the GMG Group for FY2015 which is reproduced in [Appendix III](#) to this Circular, the following adjustments were made:
- (a) Management of the Company has elected to early adopt Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants disclosed in Note 2 to the audited consolidated financial statements of the GMG Group for FY2015 ahead of its effective period. Biological assets that meet the definition of bearer plants have to be accounted for under FRS 16 while agricultural produce growing on bearer plants remains within the scope of FRS 41.
- (b) Management of the Company re-assessed certain items that were previously classified under administrative expenses and other operating expenses. Reclassifications have thus been made to prior years' financial statements to enhance comparability with FY2015's financial statements.
- (2) There are no exceptional items in the audited consolidated financial statements of the GMG Group for FY2013, FY2014 and FY2015. In 1H2016, there was a loss of S\$14.1 million on the sale of SIAT Gabon palm oil assets in share of associates' loss.
- (3) Earnings per ordinary share were calculated on the basis of 766,019,636 GMG Shares (excluding 1,565,000 GMG Shares held in treasury).

* Please refer to Section 8.3 of [Appendix II](#) and [Appendix III](#) to this Circular for details of the restatement.

8.2 Consolidated Statements of Financial Position

The audited consolidated statement of financial position of the GMG Group for FY2015 and the unaudited consolidated statement of financial position of the GMG Group for 1H2016 are summarised below. The summary set out below should be read together with the annual report of the GMG Group for FY2015, the 1H2016 Results and their respective accompanying notes.

	Unaudited as at 1H2016	Audited as at FY2015
	S\$'000	S\$'000
ASSETS		
Current assets		
Cash and cash equivalents	49,586	40,198
Pledged fixed deposits	5,674	4,563
Trade receivables	23,914	32,798
Other receivables	66,026	69,368
Current portion of loan receivables	5,320	5,413
Derivative financial instruments	1,039	149
Consumable biological assets	124	159
Inventories	80,042	79,195
Total current assets	231,725	231,843

	Unaudited as at 1H2016	Audited as at FY2015
	S\$'000	S\$'000
Non-current assets		
Investments in associates	275,633	299,480
Available-for-sale investments	227	232
Plantation assets	338,824	328,002
Property, plant and equipment	114,652	117,648
Investment properties	14,746	15,229
Club memberships	130	555
Goodwill	10,915	11,124
Loan receivables	4,635	4,716
Deferred tax assets	7,581	6,884
Total non-current assets	767,343	783,870
Total assets	999,068	1,015,713
LIABILITIES AND EQUITY		
Current liabilities		
Short-term loans	93,035	133,880
Trade payables	15,872	23,340
Other payables	21,854	21,378
Current portion of long-term loans	13,152	2,011
Current portion of finance leases	62	105
Derivative financial instruments	578	790
Income tax payable	2,713	2,072
Total current liabilities	147,266	183,576
Non-current liabilities		
Long-term loans	133,578	74,433
Finance leases	51	76
Deferred tax liabilities	7,575	9,165
Total non-current liabilities	141,204	83,674
Capital and reserves and non-controlling interests		
Share capital	611,330	611,330
Treasury shares	(1,995)	(1,995)
Capital reserves	5,374	5,374
Currency translation reserve	(104,558)	(86,711)
Retained earnings	170,753	187,596
Equity attributable to owners of the company	680,904	715,594
Non-controlling interests	29,694	32,869
Total equity	710,598	748,463
Total liabilities and equity	999,068	1,015,713

8.3 Significant Accounting Policies, Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The significant accounting policies, critical accounting judgments and key sources of estimation uncertainty of the GMG Group are summarised in Notes 2, 3 and 40 to the audited consolidated financial statements of the GMG Group for FY2015 and is reproduced in [Appendix III](#) to this Circular.

Paragraph 4 to the 1H2016 Results states that the same accounting policies and methods of computation as in the audited consolidated financial statements of the GMG Group for FY2015 have been applied to the 1H2016 Results.

Save as disclosed in this Circular and in publicly available information on the GMG Group, there are no significant accounting policies or any matter from the notes of the financial statements of the GMG Group which are of any major relevance for the interpretation of the financial statements of the GMG Group.

8.4 Changes in Accounting Policies

Save as disclosed in this Circular and in publicly available information on the GMG Group, as at the Latest Practicable Date, there is no change in the accounting policy of the GMG Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

Copies of the annual report of the Company for FY2015 and the 1H2016 Results are available on the SGX-ST website at www.sgx.com or for inspection at the registered address of the Company at 8 Marina View, #34-05 Asia Square Tower 1, Singapore 018960 during normal office hours for the period during which the Offer remains open for acceptance.

8.5 Material Changes in Financial Position

Save as disclosed in publicly available information on the GMG Group (including but not limited to the Company's announcement on the 1H2016 Results), as at the Latest Practicable Date, there has been no known material change in the financial position of the GMG Group since 31 December 2015, being the date of the Company's last published audited consolidated financial statements.

8.6 Material Change in Information

Save as disclosed in this Circular and save for the information relating to the GMG Group and the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date.

8.7 Valuation of the Businesses

The Company has commissioned an independent valuation of the Businesses. The extracts of the Valuation Report (which include the basis of the valuation) are set out in Appendix VII to this Circular. Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of valuation. Based on information provided to the Company by the Valuer, the potential tax liabilities that may be incurred by the Company on the hypothetical disposal of the Businesses on an "as is" basis is approximately S\$7,000,000 to S\$20,000,000.

The aforesaid tax liabilities will not crystallise if the Company does not dispose of its interests in the Businesses. As at the Latest Practicable Date, the Company has no current plans to dispose of its interests in the Businesses, and accordingly, the aforesaid tax liabilities are not likely to crystallise.

9. GENERAL

9.1 Costs and Expenses

All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

9.2 Consent of RHBSEC

RHBSEC has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, its advice to the Independent Directors set out in Section 7.3 of this Circular, the IFA Letter set out in Appendix I to this Circular, its letter in relation to the 1H2016 Results set out in Appendix VI to this Circular and all references thereto, in the form and context in which they appear in this Circular.

9.3 Consent of the Auditors

The auditors of the Company, Deloitte & Touche LLP, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, its letter reporting on the 1H2016 Results in accordance with the Code set out in Appendix V to this Circular and all references thereto, in the form and context in which they appear in this Circular.

9.4 Consent of the Valuer

The Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, the Valuation Report set out in Appendix VII to this Circular and all references thereto, in the form and context in which they appear in this Circular.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered address of the Company at 8 Marina View, #34-05 Asia Square Tower 1, Singapore 018960 during normal business hours for the period during which the Offer remains open for acceptance:

- (a) the memorandum of association and Articles, being the constitution of the Company;
- (b) the annual reports of the Company for FY2013, FY2014 and FY2015;
- (c) the 1H2016 Results;
- (d) the IFA Letter;
- (e) the Valuation Report; and
- (f) the letters of consent referred to in paragraphs 9.2, 9.3 and 9.4 of Appendix II to this Circular.

**SIGNIFICANT ACCOUNTING POLICIES, CRITICAL ACCOUNTING JUDGEMENTS
AND KEY SOURCES OF ESTIMATION UNCERTAINTY OF THE
GMG GROUP FOR FY2015**

All capitalised terms used in Notes 2, 3 and 40 of the audited consolidated financial statements of the GMG Group for FY2015 set out below shall have the same meanings given to them in the annual report of the Company for FY2015, a copy of which is available for inspection at the registered address of the Company at 8 Marina View, #34-05 Asia Square Tower 1, Singapore 018960 during normal business hours for the period during which the Offer remains open for acceptance.

Notes 2, 3 and 40 of the audited consolidated financial statements of the GMG Group for FY2015 have been excerpted from the Company's annual report for FY2015, and save for references to page numbers which have been altered to conform with the pagination of the Circular, are set out below.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

ADOPTION OF NEW AND REVISED STANDARDS – On 1 January 2015, the group has adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are effective for annual periods from that date and are relevant to its operations. The adoption of these new/revise FRSs and INT FRSs does not result in changes to the group's and company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below:

The group has elected to early adopt the Amendments to FRS 16 *Properties, Plant and Equipment* and FRS 41 *Agriculture : Bearer Plants* (the “Amendments”) for the period beginning 1 January 2015. The Amendments define a bearer plant and require a biological asset that meets the definition of a bearer plant to be accounted for as property, plant and equipment in accordance to FRS 16, instead of FRS 41. Management believes that the Amendments reflect more accurately the valuation of the group's plantation assets.

The accounting policies were changed retrospectively and the comparative figures are restated to comply with the Amendments (Note 40). As at 1 January 2015, management has reviewed and assessed the group's existing plantation assets. The initial application of the Amendments has the following impact to the financial statements:

- Management has recognised the consumable biological assets for the unharvested agricultural produce which represents the produce on the bearer plants. Management has estimated the consumable biological assets at its fair value less costs to sell as at the end of the reporting period.
- The produce harvested from the bearer biological asset is recognised and measured at the fair value less costs to sell at the point of harvest, which is taken to be the cost of inventory under FRS 2 Inventories.
- The fair value gain or loss on the consumable biological assets between each reporting period is recognised in the profit or loss.

At the date of authorisation of these financial statements, the following amendments to FRS that are relevant to the group and the company were issued but not effective:

- FRS 109 *Financial Instruments* ⁽³⁾
- FRS 115 *Revenue from Contracts with Customers* ⁽³⁾
- Amendments to FRS 7: *Disclosures Initiative* ⁽²⁾
- Amendments to FRS 12: *Recognition of Deferred Tax Assets for Unrealised Losses* ⁽²⁾
- Amendments to FRS 110 *Consolidated Financial Statements and Amendments to FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* ⁽⁴⁾
- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative* ⁽¹⁾
- Improvements to Financial Reporting Standards (November 2014) ⁽¹⁾

⁽¹⁾ Applies to annual periods beginning on or after 1 January 2016, with early application permitted.

⁽²⁾ Applies to annual periods beginning on or after 1 January 2017, with early application permitted.

⁽³⁾ Applies to annual periods beginning on or after 1 January 2018, with early application permitted.

⁽⁴⁾ Mandatory effective date of the Amendment had been revised from 1 January 2016 to a date to be determined by the Accounting Standards Council in December 2015.

Consequential amendments were also made to various standards as a result of these new/revise standards.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Management anticipates that the adoption of the FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the group and of the company in the period of their initial adoption, except as follows:

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities, (ii) general hedge accounting, and (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.

In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Management anticipates that the initial application of the new FRS 109 will result in changes in the accounting policies relating to the recognition and measurement of its financial assets and liabilities, such as the available-for-sale investments and receivables. Additional disclosures will also be made with respect to the business model on its investments and expected credit loss model. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the group's financial statements in the period of initial application as management has yet to complete its detailed assessment.

FRS 115 Revenue from Contracts with Customers

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

Management anticipates that the initial application of the new FRS 115 may result in changes in the accounting policies relating to the recognition, measurement and disclosures of its revenue. Management is currently evaluating the impact of the changes in the period of initial adoption and is impracticable to disclose any further information on the known or reasonably estimable impact to the group's financial statements in the period of initial application as management has yet to complete its detailed assessment.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the company and entities (including structured entities) controlled by the company and its subsidiaries. Control is achieved when the company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- The size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group's accounting policies.

In the company's financial statements, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the group to the former owners of the acquiree, and equity interests issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the group obtains complete information about facts and circumstances that existed as of the acquisition date - and is subject to a maximum of one year from acquisition date.

The accounting policy for initial measurement of non-controlling interests is described above.

The policy described above is applied to all business combinations that take place on or after 1 January 2010.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

Investments are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract where terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as fair value through profit or loss which are initially measured at fair value.

Other financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 2 and 4 to the financial statements.

Loans and receivables

Trade receivables, other receivables and loan receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets

Certain shares held by the group are classified as being available for sale and are stated at fair value. Fair value is determined in the manner described in Note 4. Where reliable fair value estimates are not available, these investments are stated at cost less any impairment losses. Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the group's right to receive payments is established.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale financial assets, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale financial assets, any subsequent increase in fair value after an impairment loss, is recognised in other comprehensive income.

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risk and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities “at fair value through profit or loss” or other financial liabilities.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at fair value through profit or loss are initially measured at fair value and subsequently stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. Fair value is determined in the manner described in Notes 2 and 4 to the financial statements.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans, overdraft and other loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derivative financial instruments and hedge accounting

The group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risk and commodity price risk, including forward foreign exchange contracts and forward commodity (natural rubber) contracts. Details of derivative financial instruments are disclosed in Note 10 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The group did not designate derivatives as hedges of highly probable forecast transactions (cash flow hedges).

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

STATUTORY RESERVES - Certain subsidiaries are required by laws established in their respective countries of incorporation to set aside certain percentage of its annual profit after tax as legal reserve until the accumulated reserve has reached a certain percentage of the subsidiary's paid-up capital.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The group as lessee

Assets held under finance leases are recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials which includes the fair value less costs to sell of the agricultural produce at the point of harvest and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PLANTATION ASSETS - Plantation assets comprise freehold land, leasehold land, land use rights, mature rubber tree plantations and plantation establishment costs, which are measured at cost less any accumulated depreciation and any impairment losses.

Plantation leasehold land is depreciated at 1.5% per annum over the lease period. Plantation establishment costs, consisting of costs directly incurred during the period of plantation development, are not depreciated. The establishment costs will be transferred to plantation assets and will be subject to depreciation upon commencement of rubber tapping activities. No depreciation is provided on the land use rights as management is of the opinion that the land use rights effectively have a perpetual life (Note 16). Freehold land is not depreciated.

Mature rubber tree plantations are measured at cost less any accumulated depreciation and any impairment losses. Depreciation of rubber tree plantations that are in production is provided at the rate of 4.0% per annum over the expected period of rubber tapping activities of 25 years.

CONSUMABLE BIOLOGICAL ASSETS - Consumable biological assets, which represents the unharvested agricultural produce growing on the bearer plant, are carried at fair value less costs to sell and is categorised under level 3 of the fair value hierarchy as defined under FRS113 *Fair Value Measurement*. Any change in the fair value of the consumable biological assets is recognised in profit or loss.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets other than freehold land and construction-in-progress, over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold buildings	-	3% to 20%
Leasehold improvements	-	10%
Office equipment, furniture and fittings	-	10% to 100%
Plant, machinery and equipment	-	5% to 33 $\frac{1}{3}$ %
Motor vehicles	-	20% to 33 $\frac{1}{3}$ %
Computers	-	20%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Construction in progress, which represents property, plant and equipment in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing cost capitalised in accordance with the group's accounting policy. Depreciation of these assets, on the same basis as other items of property, plant and equipment, commences when the assets are ready for their intended use.

INVESTMENT PROPERTIES - Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured initially at its cost, including transaction costs. The investment properties are subsequently carried at cost less accumulated depreciation and any impairment losses. Freehold land is not depreciated. Buildings are depreciated on a straight line basis to write off the cost over their estimated useful lives at annual rate of 3% to 20%.

The gain or loss arising on disposal or retirement of an item of investment properties is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

CLUB MEMBERSHIP - Club memberships with indefinite useful lives ("life membership") are not amortised. They are stated at cost less any impairment in net recoverable amount.

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

ASSOCIATES - An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 105. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the associate. When the group's share of losses of an associate exceeds the group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the group's net investment in the associate), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of FRS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 36 to the extent that the recoverable amount of the investment subsequently increases.

The group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the group retains an interest in the former associate and the retained interest is a financial asset, the group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

When the group reduces its ownership interest in an associate but the group continues to use the equity method, the group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the group, profits and losses resulting from the transactions with the associate are recognised in the group's consolidated financial statements only to the extent of interests in the associate that are not related to the group.

IMPAIRMENT OF NON-FINANCIAL ASSETS EXCLUDING GOODWILL - At the end of each reporting period, the group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

PROVISIONS - Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Service income

Service income such as training fees and marketing fees is recognised when services have been rendered.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as Singapore Central Provident Fund and state schemes where the group's operations are located, are dealt with as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement benefit plans, the cost of providing benefits is determined based on the present value of the potential obligation from independent actuarial valuation. The retirement benefit obligation recognised in the statement of financial position represents the net present value of the defined benefit obligation.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profit against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are presented in Singapore dollars, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (including comparatives) and subsidiaries whose financial statements are denominated in a functional currency other than that used by the company, are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents comprise cash on hand, demand deposits and bank overdrafts that are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the group's accounting policies

The following are the critical judgement, apart from those involving estimations (see below), that management has made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Useful lives of land use rights

An amount of \$147 million was attributed to the land use rights on the 40,000 hectares plantation land granted by State of Cameron in December 1996 for a period of 50 years plus 50 years on a renewable basis. Management is of the view that the right to use the plantation land is on a perpetual basis and accordingly, there is no need for depreciation of the land use rights. The land use rights is included in the carrying amount of plantation assets for the group at the end of the reporting period and is disclosed in Note 16 to the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Fair value of consumable biological assets

The group estimates the fair value less costs to sell of the consumable biological assets through an estimation of the expected amount of unharvested rubber that is growing in the bearer plants as at the end of the reporting period. In determining the fair value, management considers the rubber prices, incremental costs to be incurred to sell the produce, the average rubber yield from its plantation and the tapping cycle adopted. Management considers the tapping activity to have a significant correlation to the consumable biological asset. Accordingly, the group assessed the fair value of consumable biological assets based on the regular tapping cycle adopted by the group for its plantations. The amount of changes in the fair value would be different if there are changes in the assumptions used. The carrying amount of the consumable biological assets is disclosed in Note 11 to the financial statements.

Impairment of plantation assets

The group assesses annually whether its plantation assets have any indication of impairment in accordance with its accounting policy. Such assessment is based on estimates of future rubber prices, exchange rates, operating expenses and sales orders and the appropriate discount rate to use. Management has assessed the carrying amount of plantation assets and made an allowance for impairment of plantation assets amounting to \$Nil (2014 : \$4,350,000). The carrying amount of plantation assets for the group at the end of the reporting period is disclosed in Note 16 to the financial statements.

Allowance for inventories

At the end of each reporting period, the group reviews the carrying amount of its inventories to ensure that they are stated at lower of cost or net realisable value. In assessing the net realisable value and making appropriate allowance, management identifies inventories that are slow-moving, considers their physical condition, the market condition and prices for similar items. The carrying amount of inventories at the end of the reporting period is disclosed in Note 12 to the financial statements.

Impairment of associates

The group assesses annually whether there is any indication of impairment for its investments in associates. If an indication of impairment is identified, value in use calculation requires the entity to estimate the future cash flows expected to rise from the cash-generating unit and a suitable discount rate in order to calculate present value. Management has assessed the carrying amount of investment in associates which has been disclosed in Note 14 to the financial statements.

Accrual for post-employment benefits

The accrual for post-employment benefits represents management's best estimate of the future outflow of economic benefits to the group. A subsidiary is required to pay its employees a sum of money upon retirement as stipulated in the collective agreement described in Note 37 to the financial statements. As at 31 December 2015, an accrual of \$2,101,000 (2014 : \$1,407,000) has been made by the group and included as part of other payables in the statement of financial position.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2015



3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

The accrual for the post-employment benefits recognised in the statement of financial position represents the present value of the potential obligation based on an independent actuarial valuation. The bases used in the actuarial valuation were as follows:

- (a) All employees of the subsidiary and the details of their retirement and/or probable departure dates up to 2015 (2014 : 2014); and
- (b) Expected payments to retiring/terminated employees based on their existing salaries as at the end of the reporting period, adjusted for expected changes up to the probable dates of retirement/termination.

Impairment of property, plant and equipment

The group assesses annually whether its property, plant and equipment have any indication of impairment in accordance with its accounting policy. Such assessment is based on the value in use calculation to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Management has assessed the carrying amount of property, plant and equipment and is of the view that no impairment is required to be recognised. The carrying amount of property, plant and equipment at the end of the reporting period is disclosed in Note 17 to the financial statements.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Management has assessed the carrying amount of goodwill and is of the view that no impairment is required to be recognised. The carrying amount of goodwill at the end of the reporting period is disclosed in Note 19 to the financial statements.

Fair value measurements and valuation processes

The group's financial assets and liabilities and investment properties are measured at fair value for disclosure purposes. The board of directors of the company has set up a valuation committee, which is headed by the Chief Financial Officer of the company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the group uses market-observable data to the extent it is available. Where Level 1 and 2 inputs are not available, the group engages third party qualified valuers to perform the valuation. The valuation committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the board of directors of the company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes 4, 10 and 18.

NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2015



40 COMPARATIVE FIGURES AND RECLASSIFICATIONS

During the financial year, the following adjustments were made:

- a) Management has elected to early adopt Amendments to FRS 16 and FRS 41: *Agriculture: Bearer Plants* as disclosed in Note 2 ahead of its effective period. Biological assets that meet the definition of bearer plants have to be accounted for under FRS 16 while agricultural produce growing on bearer plants remains within the scope of FRS 41.
- b) Management re-assessed certain items that were previously classified under administrative expenses and other operating expenses. Certain staff related costs amounting to S\$8,955,000 have been previously classified under other operating expenses. Reclassifications have thus been made to the prior year's financial statements to enhance comparability with the current year's financial statements.

As a result, certain items have been restated on the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes to the financial statements.

The items that were adjusted/reclassified are as follows:

	Previously reported 2014 \$'000	After Adjustment / Reclassification 2014 \$'000	Previously reported 2013 \$'000	After Adjustment / Reclassification 2013 \$'000
<u>Consolidated statement of financial position</u>				
Consumable biological asset	–	160	–	502
Inventories	95,600	98,376	144,648	151,499
Investment in associates	305,371	306,913	326,693	329,914
Retained earnings	201,848	205,892	244,570	254,133
Equity attributable to owners of the company	754,008	758,052	837,474	847,037
Non-controlling interests	38,692	39,126	52,739	53,750
<u>Consolidated statement of profit or loss and other comprehensive income</u>				
Administrative expenses	(42,586)	(51,541)		
Other operating costs	(24,780)	(20,242)		
Share of loss of associates	(3,559)	(5,238)		
Loss attributable to owners of the company	(35,062)	(40,581)		
Loss attributable to non-controlling interests	(13,184)	(13,761)		
Total comprehensive loss attributable to owners of the company	(75,806)	(81,325)		
Total comprehensive loss attributable to non-controlling interests	(15,451)	(16,028)		
Earnings per ordinary share	(0.46)	(5.30)		
<u>Consolidated statement of cash flows</u>				
Operating activities				
Loss before tax	(46,476)	(52,572)		
Adjustments for:				
Fair value loss on biological assets	–	4,417		
Share of loss of associates	3,559	5,238		

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GMG GROUP FOR 1H2016



GMG GLOBAL LTD
Incorporated in Singapore
Reg. No. 199904244E

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
(36,727)	(34,506)	(26,273)	(8,558)

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)
(36,727)	(34,506)	(26,273)	(8,558)



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
<u>Operating activities</u>				
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
<u>Investing activities</u>				
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)



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.

	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
Group								
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	-	-	-	-	(16,843)	(16,843)	(1,656)	(18,499)
Other comprehensive loss	-	-	-	(17,847)	-	(17,847)	(381)	(18,228)
Total comprehensive losses for the period	-	-	-	(17,847)	(16,843)	(34,690)	(2,037)	(36,727)
Dividend paid	-	-	-	-	-	-	(1,138)	(1,138)
Balance at 30 June 2016	611,330	(1,995)	5,374	(104,558)	170,753	680,904	29,694	710,598
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	-	-	-	-	(1,338)	(1,338)	(262)	(1,600)
Total comprehensive losses for the period	-	-	-	(25,994)	(5,167)	(31,161)	(1,745)	(32,906)
Dividend paid	-	-	-	-	-	-	(1,078)	(1,078)
Balance at 30 June 2015(restated)	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
611,330	(1,995)	5,374	(91,297)	184,069	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 1HQ 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

AUDITORS' REVIEW REPORT ON THE 1H2016 RESULTS

Deloitte.

Deloitte & Touche LLP
Unique Entity No. T08LL0721A
6 Shenton Way, OUE Downtown 2
#33-00
Singapore 068809
Tel: +65 6224 8288
Fax: +65 6538 6166
www.deloitte.com/sg

INDEPENDENT AUDITORS' REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**GMG GLOBAL LTD****Introduction**

We have reviewed the accompanying condensed consolidated interim financial information of GMG Global Ltd (the "company") and its subsidiaries (the "group"), which comprise the condensed consolidated interim statement of financial position of the group and the condensed interim statement of financial position of the company as at 30 June 2016, and the related condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity, condensed consolidated interim statement of cash flows of the group and the condensed interim statement of changes in equity of the company for the six-month period ended 30 June 2016 and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Singapore Financial Reporting Standard ("FRS") 34 *Interim Financial Reporting*. Such condensed interim financial information has been prepared by the company for announcement on the Singapore Exchange Securities Trading Limited. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

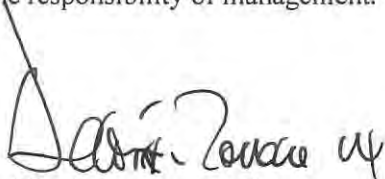
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with FRS 34 *Interim Financial Reporting*.

INDEPENDENT AUDITORS' REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

GMG GLOBAL LTD

Other Matter

Other than the group's and company's condensed statement of financial position as of 31 December 2015 which has been audited, the comparative figures have not been audited nor reviewed. The condensed consolidated interim financial information for the corresponding six-month period ended 30 June 2015 is the responsibility of management.



Public Accountants and
Chartered Accountants
Singapore

29 July 2016

LETTER FROM RHBSEC ON THE 1H2016 RESULTS



RHB SECURITIES SINGAPORE PTE. LTD. (Reg. No. 198701140E)
 (Member of Singapore Exchange Securities Trading Limited)
 (Clearing Member of Singapore Exchange Derivatives Clearing Limited)

10 Collyer Quay #09-08 Ocean Financial Centre Singapore 049315
 TEL +65 6533 1818 FAX +65 6532 6211

23 September 2016

The Independent Directors of
GMG Global Ltd
 8 Marina View,
 #34-05 Asia Square Tower 1
 Singapore 018960

Dear Sirs,

VOLUNTARY CONDITIONAL GENERAL OFFER BY DEUTSCHE BANK AG, SINGAPORE BRANCH FOR AND ON BEHALF OF HALCYON AGRI CORPORATION LIMITED ("OFFEROR"), TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF GMG GLOBAL LTD ("COMPANY"), OTHER THAN THOSE HELD BY THE COMPANY AS TREASURY SHARES AND THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH THE OFFEROR

Unless otherwise defined or the context otherwise requires, all terms defined in the Circular, dated 23 September 2016 to shareholders of the Company, shall have the same meaning herein.

We have examined the unaudited consolidated financial statements of the GMG Group for the six month period ended 30 June 2016 ("**1H2016 Results**") and have discussed the same with the management of the Company who are responsible for its preparation. We have reviewed the minutes of the board meetings relating to the board's discussion on the 1H2016 Results and also considered the report by Deloitte & Touche LLP dated 29 July 2016 on their review of the 1H2016 Results.

Based on the above, we are of the opinion that the 1H2016 Results have been made after due and careful enquiry by the directors of the Company.

In rendering our opinion, we have relied on the accuracy and completeness of all information provided to, or discussed with us by the Company. Save as provided in this letter, we do not express any other opinion or views of the 1H2016 Results. The 1H2016 Results is solely the responsibility of the directors of the Company.

We have provided this letter to the directors of the Company who are considered independent ("**Independent Directors**") solely for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and for no other purpose. We do not accept any responsibility to any person (other than the Independent Directors) in respect of, arising out of, or in connection with this letter.

Yours faithfully
 For and on behalf of
RHB SECURITIES SINGAPORE PTE. LTD.

Ng Boon Eng
 Director
 Head of Corporate Finance

31 AUGUST 2016

VALUATION REPORT

APPENDIX VII

VALUATION APPRAISAL



GMG GLOBAL LTD

 **SOCIÉTÉ GÉNÉRALE**
Corporate & Investment Banking

Société Générale Singapore branch
8 Marina Boulevard,
#12-01 Marina Bay Financial Centre Tower 1
Singapore 018981

**BUILDING TEAM SPIRIT
TOGETHER**

DISCLAIMER

This document has been prepared by Société Générale ("SG"), at the request of GMG Global Ltd ("GMG" or the "Client") in connection with the voluntary conditional general offer by Deutsche Bank AG, Singapore Branch for and on behalf of Halcyon Agri Corporation Limited (the "Offeror") for all the shares of the Client (the "GMG VGO"). This document has been prepared in connection with the GMG VGO and shall not be used for any other purpose. It is intended for the sole benefit and use of the Board of Directors of GMG and its Independent Financial Advisor ("IFA"), the latter being appointed by the Board of Directors of GMG to opine on the GMG VGO and advise the GMG directors who are considered independent for the purpose of the GMG VGO in accordance with the Singapore Code on Take-overs and Mergers.

It is not addressed to, and may not be relied upon, by any third party, including, without limitation, employees, creditors or shareholders of the Client. We have had limited interaction with the management of GMG. This document is based on information provided by GMG or obtained from public sources. SG relied upon and assumed, without assuming responsibility or liability for independent verification, the accuracy and completeness of such information.

To the extent such information includes estimates and business plans or obtained from public sources, SG has assumed that such estimates and business plans have been reasonably prepared on bases reflecting the best currently available estimates and judgments or, with respect to estimates obtained from public sources, represent reasonable estimates. SG's valuation is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to SG as of, August 31st 2016. Subsequent developments may affect SG's valuation. SG does not have any obligation to update, revise, or reaffirm its valuation. This document presents the conclusions of a valuation appraisal exercise performed by SG on the basis of the information provided by the management as well as information that is publicly available. It does not purport to be a complete description of the analyses performed by SG in connection with its valuation. This document shall be read in its entirety. No partial use nor partial duplication shall be deemed authorized.

SG did not carry out any independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or off-balance sheet assets and liabilities) of the Client or its subsidiaries/associate and was not furnished with any such evaluation or appraisal. This document addresses only the appraisal, for the Client, from a financial point of view, based on the most relevant valuation methodologies, of part of the assets of GMG, through the enterprise value of certain subsidiaries owned by the Client and equity value for an associate (i.e. Siat S.A.) which are included in the Businesses (as defined herein). As a consequence, SG did not perform a global valuation of the Client and was not mandated to do so. SG is not a legal, tax, regulatory or actuarial advisor. Accordingly, this document did not address the legal, tax, regulatory or actuarial consequences of the GMG VGO. It is the responsibility of the Client, together with its legal and tax advisers and other experts where appropriate, to carry out its own research and analysis and to form its own opinion on the GMG VGO.

This document does not constitute a recommendation to the holders of shares of the Client as to how they should act in connection with the GMG VGO. This document does not address the merits of the GMG VGO and expresses no view as to the price or trading range for the shares of the Client following the consummation of the GMG VGO. SG is a French credit institution authorised by the Autorité de Contrôle Prudentiel et de Résolution (the French Prudential Control and Resolution Authority) and is regulated by the Autorité des Marchés Financiers (the French Financial Markets Authority) and the Autorité de Contrôle Prudentiel et de Résolution.



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 1. TBH
 2. PTBJ
 3. ITCA
 4. TRCI
 5. Sudcam
 6. Hevecam
 7. Siat

APPENDICES

1. Additional valuation materials – WACC / PGR analysis
2. Additional valuation materials – Trading comparable companies
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4. CPO/Rubber historical prices analysis



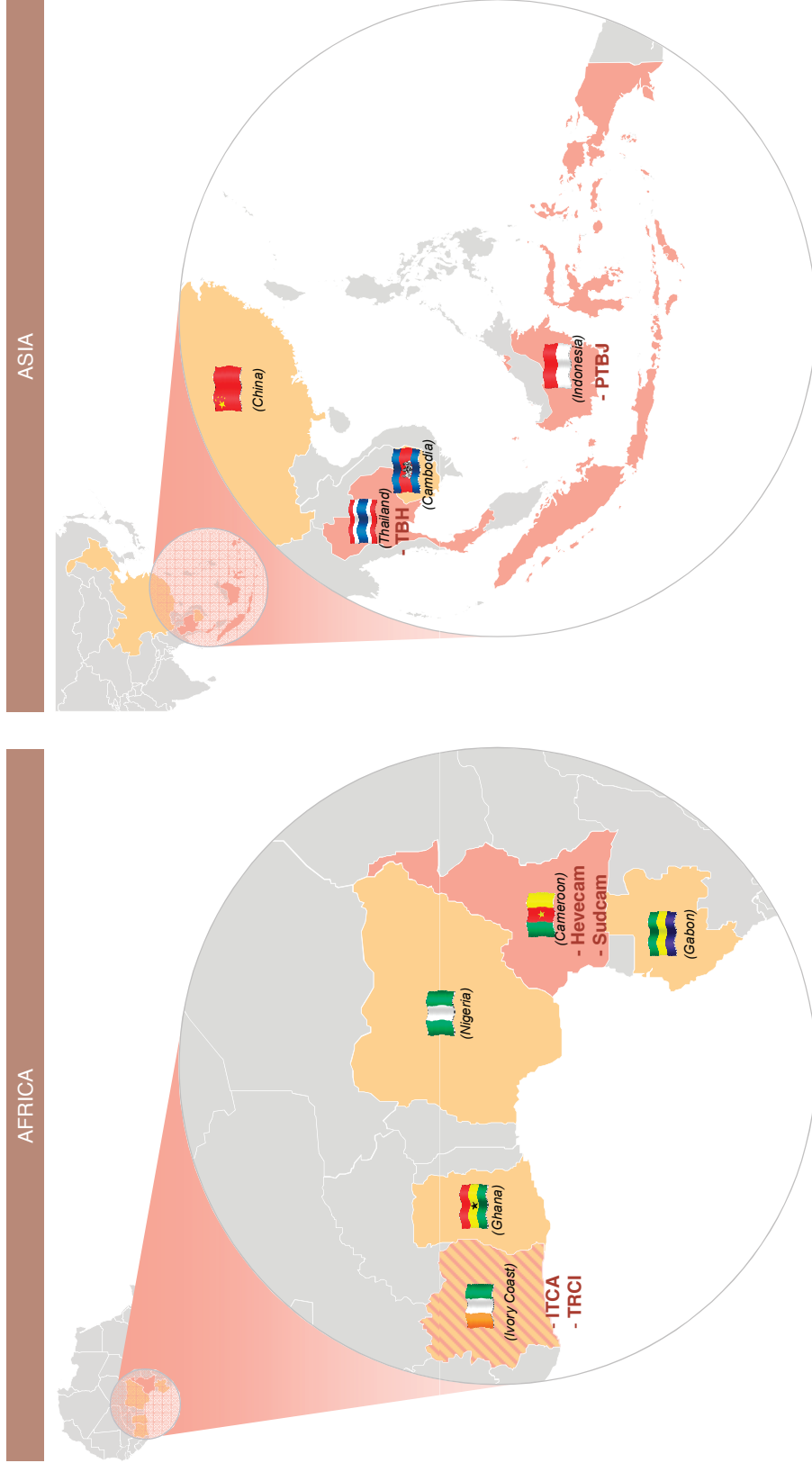
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INTRODUCTION

OUR ASSIGNMENT

- As agreed in our engagement letter dated 11 July 2016 with GMG Global Ltd, we have performed a desktop valuation of certain subsidiaries and an associate of GMG in Asia and Africa as listed on page VII-7 of this document (the "Businesses") as agreed upon with GMG
- Today, we are delighted to provide you with our valuation appraisal report on the Businesses
- As agreed, our valuation appraisal report shows an Enterprise Value for each GMG Global Ltd's subsidiary included in the list of Businesses, namely:
 - TBH
 - PTBJ
 - ITCA
 - TRCI
 - Sudcam
 - Hevecam
- As agreed, our valuation appraisal report shows an Equity Value for GMG Global Ltd's associate company included in the list of Businesses: Siat
- Pursuant to discussions with GMG's management, only TBH, PTBJ, ITCA, TRCI, Sudcam, Hevecam and Siat are valued because these subsidiaries and associate company are deemed to be the key operating entities within the GMG group
- Note that, as agreed:
 - We have not run a valuation of GMG on a global basis
 - We have not amended the Businesses' financial projections provided by the management
- In performing our engagement, we have:
 - Collected and analyzed information on all the Businesses
 - Performed a valuation appraisal of all the Businesses based on a multi-criteria approach: trading multiples, precedent comparable transaction multiples and DCF analysis (when applicable)
 - Performed various operational benchmarking analyses of selected financial metrics based on identified listed peers
- In the course of our engagement, we have had the opportunity to:
 - Discuss our assignment with GMG's management team via conference calls
 - Collect and review available information related to the Businesses as received by the management of GMG, and follow-up on missing information

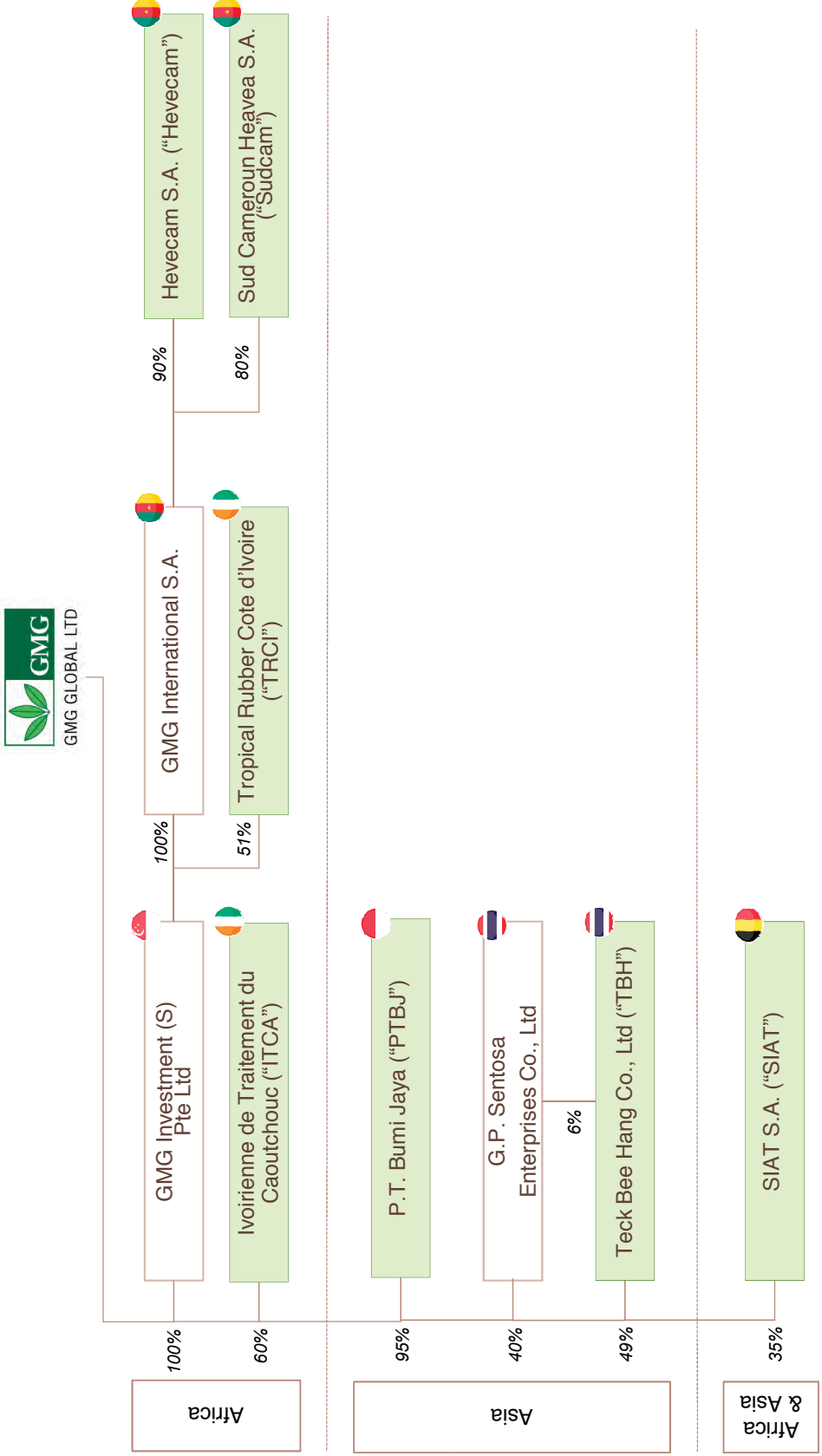
GMG GLOBAL LTD – GEOGRAPHICAL FOOTPRINT



SOCIETE GENERALE
Corporate & Investment Banking

Sources: company information
Notes: (1) Includes GMG Global Ltd's subsidiaries appraised in this report as agreed in Société Générale's engagement letter

GMG GLOBAL LTD – CORPORATE STRUCTURE SUMMARY OVERVIEW OF THE BUSINESSES



Legend: List of GMG Global Ltd's subsidiaries and Siat appraised in this report as agreed in Société Générale's engagement letter

Sources: company data

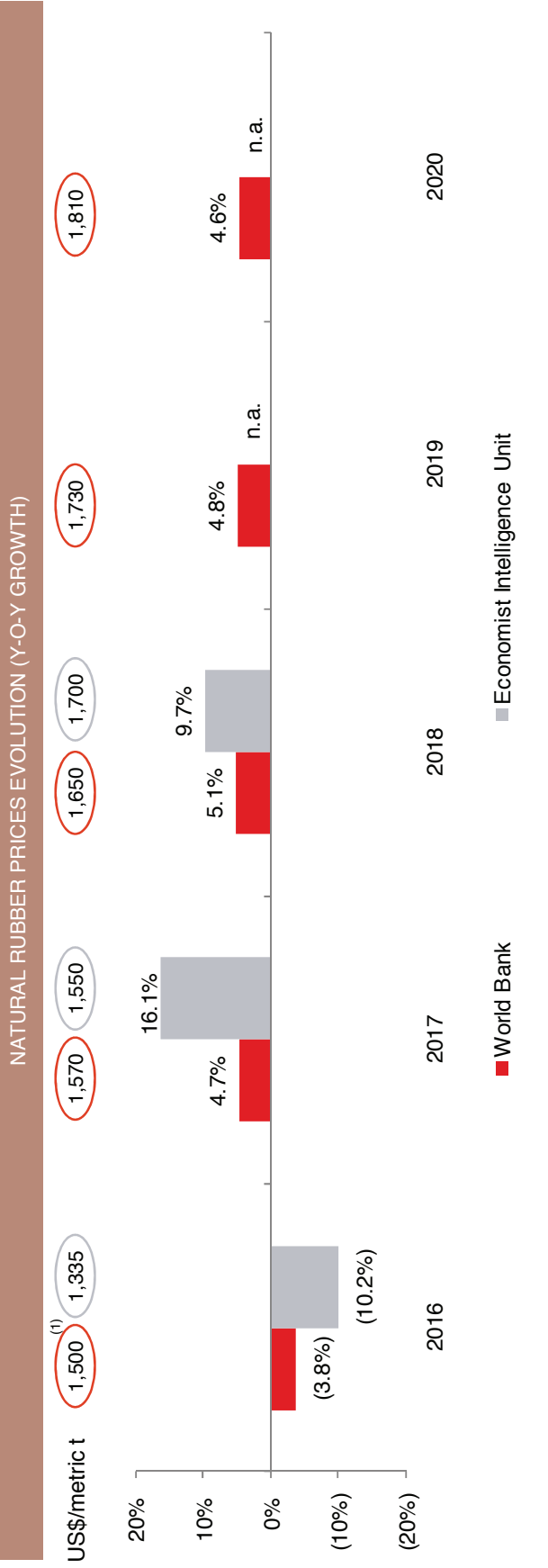
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2

GMG GLOBAL LTD'S SUBSIDIARIES AND SIAT — REFERENCE BENCHMARKS DATAPOINTS

NATURAL RUBBER PRICES – SOURCES OF INFORMATION

World Bank provides long term forecasts for crude palm oil prices (until 2025)



COMMENTS

- It is our understanding that GMG Global Ltd's management uses World Bank as its reference source with regards to forecasting the evolution of Rubber price beyond 2016 in all GMG Global Ltd's subsidiaries' business plans
- We have searched for alternative sources of information with regards to Rubber price forecasts beyond 2016
- We found that in addition to World Bank, the Economist Intelligence Unit is another public source forecasting Rubber prices, although only until 2018
- It is our understanding that World Bank may be the only available public source providing long term forecasts of Rubber prices (i.e. until 2025)

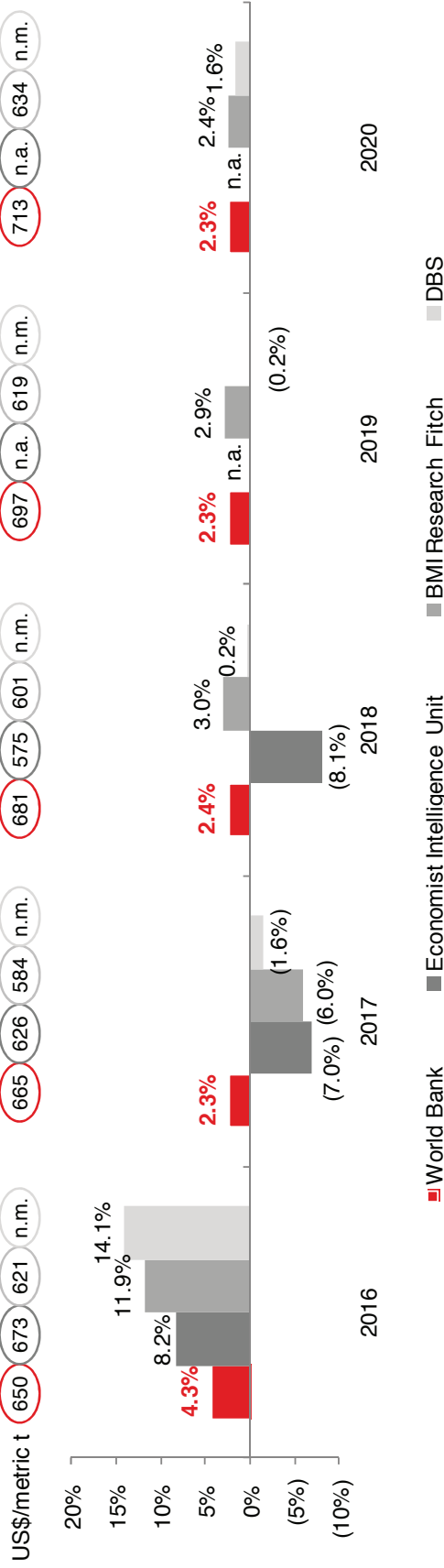
Sources: World Bank, Economist Intelligence Unit

(1) It is our understanding that for all GMG Global Ltd's subsidiaries, management based their 2016 Budget figures on 1,300 US\$/metric t (corresponding to November 2015 World Bank forecast)

CRUDE PALM OIL PRICES – SOURCES OF INFORMATION

World Bank provides long term forecasts for crude palm oil prices (until 2025)

CRUDE PALM OIL PRICES EVOLUTION (Y-O-Y GROWTH)



COMMENTS

- We understand that GMG Global Ltd's management is not directly involved in elaborating on Siat's financial estimates
- However, it is our understanding that World Bank may be a reference source with regards to forecasting the evolution of crude palm oil price beyond 2016 in Siat's financial estimates
- We have searched for alternative sources of information with regards to crude palm oil forecasts beyond 2016
- We found that in addition to World Bank, other sources provide crude palm oil forecasts, although only until 2020
- It is our understanding that World Bank may be the only available public source providing long term forecasts of crude palm oil prices (i.e. until 2025)



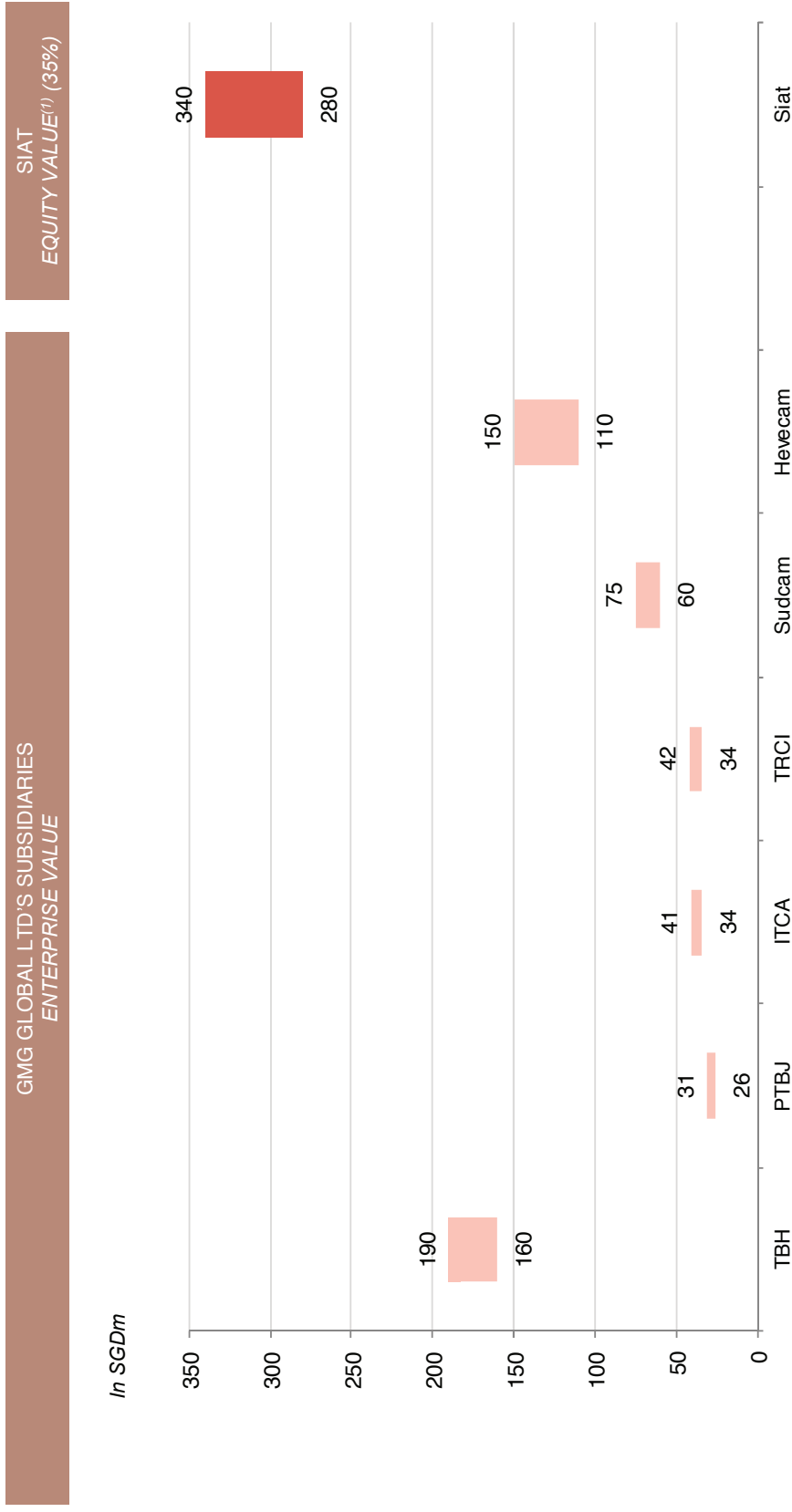
3

SUMMARY VALUATION

BASIS OF VALUATION

	DESCRIPTION	RATIONALE	RELEVANCE
DISCOUNTED CASH FLOWS (DCF)	<ul style="list-style-type: none"> Intrinsic methodology valuing companies through its future free cash flows Cash flows are discounted using the WACC (weighted average cost of capital), which reflects the perception of the risks related to a company, the sector and the countries where such company operates 	<ul style="list-style-type: none"> DCF valuation driven by cash flow projections and appropriate cost of capital / perpetuity growth rate DCF is the method that best captures the value created on the medium term (raw materials price turnaround, impact of future plantings actions, etc.) 	✓✓
LISTED PEERS MULTIPLES: OTHER METRICS	<ul style="list-style-type: none"> Method based on applying 16E and 17E EV/EBITDA and EV/EBIT multiples computed from comparable listed companies to respective 16E and 17E EBITDA and EBIT of a company in order to obtain its Enterprise Value This method raises the issue of finding relevant peers + narrows down sometimes scattered multiples 	<ul style="list-style-type: none"> Benchmarking against samples of companies in comparable spaces and geographies Relevant methodology capturing current market's valuation levels Limited number of Rubber pure players (for GMG subsidiaries); we have enlarged the screener to adjacent spaces Does not capture the asset value of plantation 	✓✓
LISTED PEERS MULTIPLES: EV/PLANTED AREA	<ul style="list-style-type: none"> Method based on applying latest EV/Planted Area calculated from comparable listed companies to the latest planted area hectare of a company in order to obtain its Enterprise Value This method raises the issue of finding relevant peers + narrows down sometimes scattered multiples 	<ul style="list-style-type: none"> Most relevant valuation metric when performing the valuation of plantation-based Rubber and Palm Oil companies Limited number of Rubber pure players 	✓✓
PRECEDENT TRANSACTIONS	<ul style="list-style-type: none"> Method based on the observation of price levels and implied EV multiples in selected comparable transactions Multiples are then applied to company's corresponding financials (EBITDA, EBIT) to derive its Enterprise Value 	<ul style="list-style-type: none"> Benchmarking against samples of transactions in the same business Relevant methodology capturing actual transaction prices that acquirers paid at completion Multiples are mostly relevant for the period when they completed and for related level of raw materials price at the time Few publicly available transaction datapoints 	✓

SUMMARY VALUATION OF GMG GLOBAL LTD'S SUBSIDIARIES AND SIAT AS OF 31 AUGUST 2016



Notes: (1) Equity value derived from Enterprise value, deducting the following components: Net financial debt as of Dec-15 (SGD271m) and minority interests as of Dec-15 (SGD31m) and adding the proceeds from the sale of Siat Gabon's palm oil business (SGD34m). We understand from the management that there are no material differences in our calculation of equity value should we have used the net debt and minority interest of Siat as of 30 June 2016

4

VALUATION APPRAISAL OF GMG GLOBAL LTD'S SUBSIDIARIES AND SIAT

|

4.1

TBH

TBH – VALUATION SUMMARY

MULTICRITERIA VALUATION ANALYSIS (SGDm)				
Methodology	Assumptions	Enterprise Value (SGDm ⁽³⁾)	Relevance	Comments
TRADING MULTIPLES	1. EV/EBITDA (avg. EV/EBITDA 16E and 17E) <u>Rubber companies⁽¹⁾</u> <u>Rubber + Palm Oil companies⁽²⁾</u>	<p>Enterprise value range: SGD160m-SGD190m</p> <p>161 (Rubber companies) 197 (Rubber + Palm Oil companies)</p>		<ul style="list-style-type: none"> - TBH is only active in the rubber industry segment - Limited number of listed pure rubber peers - We extended the peers' sample towards adjacent plantation business (palm oil)
	2. EV/EBIT (avg. EV/EBIT 16E and 17E) <u>Rubber companies⁽¹⁾</u> <u>Rubber + Palm Oil companies⁽²⁾</u>	<p>192 (Rubber companies) 246 (Rubber + Palm Oil companies)</p>		<ul style="list-style-type: none"> - TBH is only active in the rubber industry segment - We applied analogic valuation methodology against pure rubber peers - Limited relevancy due to lower D&A/sales ratio vs. peers - Limited number of listed pure rubber peers - We extended the peers' sample towards adjacent plantation business (palm oil)
	3. EV/Planted area	Not meaningful		<ul style="list-style-type: none"> - Not meaningful: TBH does not operate a planted area
PRECEDENT TRANSACTIONS MULTIPLES	4. EV/EBITDA (Selected transactions since 2009)	147 (163)		<ul style="list-style-type: none"> - We applied analogic valuation methodology against a sample of precedent transactions - We extended the sample of precedent transactions to the palm oil segment in addition to rubber (limited number of datapoints on pure rubber comparable transactions)
	5. EV/EBIT (Selected transactions since 2009)	147 (163)		<ul style="list-style-type: none"> - Not meaningful: TBH does not operate a planted area
DCF ANALYSIS	7. DCF (Valuation as of 31/08/2016) WACC: 10.0%-12.0% PGR: 1.5%-2.5%	186 (242)		<ul style="list-style-type: none"> - Intrinsic valuation methodology - Based on Company's business plan

Sources: Company data, Capital IQ, Mergermarket, press

Notes: (1) Includes Sri Trang Agro Industry, Halcyon Agri, China Hainan Rubber and SIPH (2) Includes Sri Trang Agro Industry, Halcyon Agri, China Hainan Rubber, SIPH, TSH Resources, IOI Corp., IJM Plantations, TH Plantations, KUK, SIPEF, Hap Seng Plantation, Astra Agro, First Resources, Bumitama Agri, Golden Agri, Sampoerna Agro, Presco, London Sumatra and Okomu

(3) Converted using SGD/THB FX rate of 25.3483 (Source: Oanda as of 31/08/2016)

TBH – DCF ANALYSIS ASSUMPTIONS

GENERAL ASSUMPTIONS	<ul style="list-style-type: none">■ Valuation as of 31/08/2016■ 10-year DCF analysis
BUSINESS ASSUMPTIONS	<ul style="list-style-type: none">■ Based on TBH's 2016E-2021E business plan as provided by Company's management■ Beyond 2021E: based on SG's extrapolation to allow for a 10-year DCF and tend to normative FCF level at the end of the period, assuming:<ul style="list-style-type: none">● Sales growth to linearly converge towards a normative +2.0% growth rate in 2027E● EBITDA margin to remain stable (at 2021E level)● D&A to linearly converge towards D&A / Capex ratio of 100% in 2027E● Capex to remain flat in % of sales (at 2021E level)● Working capital to remain stable in % of sales (at 2021E level)
VALUATION ASSUMPTIONS	<ul style="list-style-type: none">■ WACC: 11.0%, based on SG's assumptions⁽¹⁾■ PGR: +2.0%, based on SG's assumptions⁽¹⁾■ Terminal value: in accordance with industry standards, we have applied the Gordon Shapiro formula to derive Terminal value

Notes: ⁽¹⁾ Refer to p. VII-36 of the document



SOCIETE GENERALE
Corporate & Investment Banking

AUGUST 2016 | VII-17

4.2

PTBJ

PTBJ – VALUATION SUMMARY

MULTICRITERIA VALUATION ANALYSIS (SGDm)				
Methodology	Assumptions	Enterprise Value (SGDm ⁽³⁾)	Relevance	Comments
TRADING MULTIPLES	1. EV/EBITDA (avg. EV/EBITDA 16E and 17E) <u>Rubber companies⁽¹⁾</u> Rubber + Palm Oil companies ⁽²⁾	<p>Enterprise value range: SGD28m-SGD31m</p>		- PTBJ is only active in the rubber industry segment - We applied analogic valuation methodology against pure rubber peers - Limited number of listed pure rubber peers - We extended the peers' sample towards adjacent plantation business (palm oil)
	2. EV/EBIT (avg. EV/EBIT 16E and 17E) <u>Rubber companies⁽¹⁾</u> Rubber + Palm Oil companies ⁽²⁾			- PTBJ is only active in the rubber industry segment - We applied analogic valuation methodology against pure rubber peers - Limited number of listed pure rubber peers - We extended the peers' sample towards adjacent plantation business (palm oil)
	3. EV/Planted area	Not meaningful		- Not meaningful: PTBJ does not operate a planted area
PRECEDENT TRANSACTIONS MULTIPLES	4. EV/EBITDA (Selected transactions since 2009)	28		- We applied analogic valuation methodology against a sample of precedent transactions
	5. EV/EBIT (Selected transactions since 2009)	26		- We extended the sample of precedent transactions to the palm oil segment in addition to rubber (limited number of datapoints on pure rubber comparable transactions)
DCF ANALYSIS	6. EV/Planted area	Not meaningful		- Not meaningful: PTBJ does not operate a planted area
	7. DCF (Valuation as of 31/08/2016) WACC: 11.1%-13.1% PGR: 1.5%-2.5%	26		- Intrinsic valuation methodology - Based on Company's business plan

Sources: Company data, Capital IQ, Mergermarket, press

Notes: (1) Includes Sri Irang Agro Industry, Halcyon Agri, China Hainan Rubber and SIPH (2) Includes Sri Irang Agro Industry, Halcyon Agri, China Hainan Rubber, SIPH, TSH Resources, IOI Corp., IJM Plantations, TH Plantations, KLK, SIPEF, Hap Seng Plantation, Asra Agro, First Resources, Bumitama Agri, Golden Agri, Sampoerna Agro, Presco, London Sumatra and Okomu

(3) Converted using SGD/IDR FX rate of 9,737 (Source: Oanda as of 31/08/2016)

PTBJ – DCF ANALYSIS ASSUMPTIONS

GENERAL ASSUMPTIONS	<ul style="list-style-type: none"> ■ Valuation as of 31/08/2016 ■ 10-year DCF analysis
BUSINESS ASSUMPTIONS	<ul style="list-style-type: none"> ■ Based on PTBJ's 2016E-2021E business plan as provided by Company's management ■ Beyond 2021E: based on SG's extrapolation to allow for a 10-year DCF and tend to normative FCF level at the end of the period, assuming: <ul style="list-style-type: none"> ● Sales growth to linearly converge towards a normative +2.0% growth rate in 2027E ● EBITDA margin to remain stable (at 2021E level) ● D&A to linearly converge towards D&A / Capex ratio of 100% in 2027E ● Capex to remain flat in % of sales (at 2021E level) ● Working capital to remain stable in % of sales (at 2021E level)
VALUATION ASSUMPTIONS	<ul style="list-style-type: none"> ■ WACC: 12.1%, based on SG's assumptions⁽¹⁾ ■ PGR: +2.0%, based on SG's assumptions⁽¹⁾ ■ Terminal value: in accordance with industry standards, we have applied the Gordon Shapiro formula to derive Terminal value

Notes: (1) Refer to p. VII-37 of the document



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4.3

ITCA

ITCA – VALUATION SUMMARY

MULTICRITERIA VALUATION ANALYSIS (SGDm)				
Methodology	Assumptions	Enterprise Value (SGDm ⁽³⁾)	Relevance	Comments
TRADING MULTIPLES	1. EV/EBITDA (avg. EV/EBITDA 16E and 17E) Rubber companies ⁽¹⁾ Rubber + Palm Oil companies ⁽²⁾	Enterprise value range: SGD34m-SGD41m 		- ITCA is only active in the rubber industry segment - We applied analogic valuation methodology against pure rubber peers - Limited number of listed pure rubber peers - We extended the peers' sample towards adjacent plantation business (palm oil)
	2. EV/EBIT (avg. EV/EBIT 16E and 17E) Rubber companies ⁽¹⁾ Rubber + Palm Oil companies ⁽²⁾			- ITCA is only active in the rubber industry segment - We applied analogic valuation methodology against pure rubber peers - Limited relevancy due to lower D&A/Sales ratio vs. peers
	3. EV/Planted area			- Limited number of listed pure rubber peers - We extended the peers' sample towards adjacent plantation business (palm oil) - Not meaningful: ITCA does not operate a planted area
	4. EV/EBITDA (Selected transactions since 2009)			- We applied analogic valuation methodology against a sample of precedent transactions - We extended the sample of precedent transactions to the palm oil segment in addition to rubber (limited number of datapoints on pure rubber comparable transactions)
	5. EV/EBIT (Selected transactions since 2009)			- Not meaningful: ITCA does not operate a planted area
	6. EV/Planted area			- Intrinsic valuation methodology - Based on Company's business plan
DCF ANALYSIS	7. DCF (Valuation as of 31/08/2016) WACC: 10.5%-12.5% PGR: 1.5%-2.5%	Netmeaningful		

Sources: Company data, Capital IQ, Mergermarket, press

Notes: (1) Includes Sri Trang Agro Industry, Halcyon Agri, China Hainan Rubber and SIPH (2) Includes Sri Trang Agro Industry, Halcyon Agri, China Hainan Rubber, SIPH, TSH Resources, IOI Corp, JUM Plantations, TH Plantations, KLK, SIPEF, Hap Seng Plantation, Asra Agro, First Resources, Bumitama Agri, Golden Agri, Sampoerna Agro, Presco, London Sumatra and Okornu

(3) Converted using SGD/XOF FX rate of 430.8190 (Source: Oanda as of 31/08/2016)

ITCA – DCF ANALYSIS ASSUMPTIONS

GENERAL ASSUMPTIONS	<ul style="list-style-type: none"> ■ Valuation as of 31/08/2016 ■ 10-year DCF analysis
BUSINESS ASSUMPTIONS	<ul style="list-style-type: none"> ■ Based on ITCA's 2016E-2021E business plan as provided by Company's management ■ Beyond 2021E: based on SG's extrapolation to allow for a 10-year DCF and tend to normative FCF level at the end of the period, assuming: <ul style="list-style-type: none"> ● Sales growth to linearly converge towards a normative +2.0% growth rate in 2027E ● EBITDA margin to remain stable (at 2021E level) ● D&A to linearly converge towards D&A / Capex ratio of 100% in 2027E ● Capex to remain flat in % of sales (at 2021E level) ● Working capital to remain stable in % of sales (at 2021E level)
VALUATION ASSUMPTIONS	<ul style="list-style-type: none"> ■ WACC: 11.5%, based on SG's assumptions⁽¹⁾ ■ PGR: +2.0%, based on SG's assumptions⁽¹⁾ ■ Terminal value: in accordance with industry standards, we have applied the Gordon Shapiro formula to derive Terminal value

Notes: (1) Refer to p. VII-38 of the document



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4.4

TRCI

TRCI – VALUATION SUMMARY

MULTICRITERIA VALUATION ANALYSIS (SGDm)				
Methodology	Assumptions	Enterprise Value (SGDm ⁽³⁾)	Relevance	Comments
TRADING MULTIPLES	1. <u>EV/EBITDA</u> (avg. EV/EBITDA 16E and 17E) <u>Rubber companies⁽¹⁾</u>	Enterprise value range: SGD44m-SGD42m 33 36		- TRCI is only active in the rubber industry segment - We applied analogic valuation methodology against pure rubber peers
	<u>Rubber + Palm Oil companies⁽²⁾</u>	38 41		- Limited number of listed pure rubber peers - We extended the peers' sample towards adjacent plantation business (palm oil)
	2. <u>EV/EBIT</u> (avg. EV/EBIT 16E and 17E) <u>Rubber companies⁽¹⁾</u>	27 43		- TRCI is only active in the rubber industry segment - We applied analogic valuation methodology against pure rubber peers - Limited relevancy due to lower D&A/sales ratio vs. peers
	<u>Rubber + Palm Oil companies⁽²⁾</u>	24 45		- Limited number of listed pure rubber peers - We extended the peers' sample towards adjacent plantation business (palm oil)
	3. <u>EV/Planted area</u>	Not meaningful		- Not meaningful: TRCI operates a limited planted area
PRECEDENT TRANSACTIONS MULTIPLES	4. <u>EV/EBITDA</u> (Selected transactions since 2009)	37 41		- We applied analogic valuation methodology against a sample of precedent transactions
	5. <u>EV/EBIT</u> (Selected transactions since 2009)	21 23		- We extended the sample of precedent transactions to the palm oil segment in addition to rubber (limited number of datapoints on pure rubber comparable transactions)
DCF ANALYSIS	6. <u>EV/Planted area</u>	Not meaningful		- Not meaningful: TRCI operates a limited planted area
	7. <u>DCF</u> (Valuation as of 31/08/2016) WACC: 10.5%-12.5% PGR: 1.5%-2.5%	35 44		- Intrinsic valuation methodology - Based on Company's business plan
PLANTATION ASSET REPLACEMENT VALUE	8. <u>Plantation asset replacement value</u>	- Plantation assets only: SGD11m ⁽⁴⁾	n.m.	- Applying for plantation businesses only - Company's internal valuation benchmark - Based on plantation costs estimate, excluding processing assets

Sources: Company data, Capital IQ, Mergermarket, press

Notes: (1) Includes Sri trang Agro Industry, Halcyon Agri, China Hainan Rubber and SIPH (2) Includes Sri trang Agro Industry, Halcyon Agri, China Hainan Rubber, SIPH, TSH Resources, IOI Corp, IJM Plantations, TH Plantations, KLK, SIPEF, Hap Seng Plantation, Astra Agro, First Resources, Bumitama Agri, Golden Agri, Sampoerna Agro, Presco, London Sumatra and Okomu

(3) Converted using SGD/XOF FX rate of 430.8190 (Source: Oanda as of 31/08/2016) (4) For the avoidance of doubt, excluding processing assets

TRCI – DCF ANALYSIS ASSUMPTIONS

GENERAL ASSUMPTIONS	<ul style="list-style-type: none"> ■ Valuation as of 31/08/2016 ■ 10-year DCF analysis
BUSINESS ASSUMPTIONS	<ul style="list-style-type: none"> ■ Based on TRCI's 2016E-2021E business plan as provided by Company's management ■ Beyond 2021E: based on SG's extrapolation to allow for a 10-year DCF and tend to normative FCF level at the end of the period, assuming: <ul style="list-style-type: none"> ● Sales growth to linearly converge towards a normative +2.0% growth rate in 2027E ● EBITDA margin to remain stable (at 2021E level) ● D&A to linearly converge towards D&A / Capex ratio of 100% in 2027E ● Capex to remain flat in % of sales (at 2021E level) ● Working capital to remain stable in % of sales (at 2021E level)
VALUATION ASSUMPTIONS	<ul style="list-style-type: none"> ■ WACC: 11.5%, based on SG's assumptions⁽¹⁾ ■ PGR: +2.0%, based on SG's assumptions⁽¹⁾ ■ Terminal value: in accordance with industry standards, we have applied the Gordon Shapiro formula to derive Terminal value

Notes: (1) Refer to p. VII-39 of the document



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4.5

SUDCAM

SUDCAM – VALUATION SUMMARY

MULTICRITERIA VALUATION ANALYSIS (SGDm)				
Methodology	Assumptions	Enterprise Value (SGDm ⁽³⁾)	Relevance	Comments
TRADING MULTIPLES	1. <u>EV/EBITDA</u> (avg. EV/EBITDA 16E and 17E) Rubber companies ⁽¹⁾ Rubber + Palm Oil companies ⁽²⁾	Enterprise value range: SGD60m-SGD75m Not applicable		- Tapping on the plantations is expected to start in 2018E - Analogic valuation methodology cannot be applied to EBITDA
	2. <u>EV/EBIT</u> (avg. EV/EBIT 16E and 17E) Rubber companies ⁽¹⁾ Rubber + Palm Oil companies ⁽²⁾	Not applicable		- Tapping on the plantations is expected to start in 2018E - Analogic valuation methodology cannot be applied to EBIT
	3. <u>EV/Planted area</u>	Not meaningful		- Not meaningful: limited number of rubber datapoints - Also, it is not meaningful to extend the sample from pure rubber companies towards adjacent business (Palm oil) because Palm oil SGD/ha stats do not accurately compare to rubber stats
	4. <u>EV/EBITDA</u> (Selected transactions since 2009)	Not applicable		- Tapping on the plantations is expected to start in 2018E - Analogic valuation methodology cannot be applied to EBITDA
	5. <u>EV/EBIT</u> (Selected transactions since 2009)	Not applicable		- Tapping on the plantations is expected to start in 2018E - Analogic valuation methodology cannot be applied to EBIT
	6. <u>EV/Planted area</u>	Not meaningful		- Not meaningful: limited number of rubber datapoints - Also, it is not meaningful to extend the sample from pure rubber transactions towards adjacent business (Palm oil) because Palm oil SGD/ha stats do not accurately compare to rubber stats
DCF ANALYSIS	7. <u>DCF</u> (Valuation as of 31/08/2016) WACC: 15.0%-16.0% PGR: 1.8%-2.3%	45 - 80		- Intrinsic valuation methodology - Based on Company's business plan
PLANTATION ASSET REPLACEMENT VALUE	8. <u>Plantation asset replacement value</u>	68	n.m.	- Applying for plantation businesses only - Company's internal valuation benchmark - Based on plantation costs estimate, excluding processing assets

Sources: Company data, Capital IQ, Mergermarket, press

Notes: (1) Includes Sri trang Agro Industry, Halcyon Agri, China Hainan Rubber and SIPH (2) Includes Sri trang Agro Industry, Halcyon Agri, China Hainan Rubber, SIPH, TSH Resources, IOI Corp, JUM Plantations, TH Plantations, KLK, SIPEF, Hap Seng Plantation, Astra Agro, First Resources, Burnitama Agri, Golden Agri, Sampoerna Agro, Indofood Agri, Presco, London Sumatra and Okomu

(3) Converted using SGD/XOF FX rate of 430.8190 (Source: Oanda as of 31/08/2016)

SUDCAM – DCF ANALYSIS ASSUMPTIONS

GENERAL ASSUMPTIONS	<ul style="list-style-type: none">■ Valuation as of 31/08/2016■ 25-year DCF analysis
BUSINESS ASSUMPTIONS	<ul style="list-style-type: none">■ Based on Sudcam's 2016E-2041E business plan as provided by Company's management■ Beyond 2041E: based on SG's extrapolation to tend to normative FCF level at the end of the period, assuming:<ul style="list-style-type: none">● Sales growth to linearly converge towards a normative +2.0% growth rate in 2047E● EBITDA margin to remain stable (at 2041E level)● D&A to linearly converge towards D&A / Capex ratio of 100% in 2047E● Capex to remain flat in % of sales (at 2041E level)● Working capital to remain stable in value (at 2041E level)
VALUATION ASSUMPTIONS	<ul style="list-style-type: none">■ WACC: 15.5%, based on SG's assumptions⁽¹⁾■ PGR: +2.0%, based on SG's assumptions⁽¹⁾■ Terminal value: in accordance with industry standards, we have applied the Gordon Shapiro formula to derive Terminal value

Notes: (1) Refer to p. VII-40 of the document



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4.6

HEVECAM

HEVECAM – VALUATION SUMMARY

MULTICRITERIA VALUATION ANALYSIS (SGDm)				
Methodology	Assumptions	Enterprise Value (SGDm ⁽³⁾)	Relevance	Comments
TRADING MULTIPLES	1. <u>EV/EBITDA</u> (avg. EV/EBITDA 16E and 17E) Rubber companies ⁽¹⁾	<p>Enterprise value range: SGD110m-SGD150m</p>		- Hevecam is only active in the rubber industry segment - We applied analogic valuation methodology against pure rubber peers
	Rubber + Palm Oil companies ⁽²⁾	Not applicable		- Limited number of listed pure rubber peers - We extended the peers' sample towards adjacent plantation business (palm oil)
	2. <u>EV/EBIT</u> (avg. EV/EBIT 16E and 17E) Rubber companies ⁽¹⁾	Not applicable		- Analogic valuation methodology cannot be applied to EBIT
PRECEDENT TRANSACTIONS MULTIPLES	3. <u>EV/Planted area</u>	Not meaningful		- Not meaningful: limited number of rubber datapoints - Expanding the sample towards adjacent business (Palm oil) is not meaningful because Palm oil SGD/ha stats do not show comparable
	4. <u>EV/EBITDA</u> (Selected transactions since 2009)	48 53		- We applied analogic valuation methodology against a sample of precedent transactions - We extended the sample of precedent transactions to the palm oil segment in addition to rubber (limited number of datapoints on pure rubber comparable transactions)
	5. <u>EV/EBIT</u> (Selected transactions since 2009)	Not applicable		- Analogic valuation methodology cannot be applied to EBIT
DCF ANALYSIS	6. <u>EV/Planted area</u>	Not meaningful		- Not meaningful: limited number of rubber datapoints - Also, it is not meaningful to extend the sample from pure rubber transactions towards adjacent business (Palm oil) because Palm oil SGD/ha stats do not accurately compare to rubber stats
PLANTATION ASSET REPLACEMENT VALUE	7. <u>DCF</u> (Valuation as of 31/08/2016) WACC: 14.4%–16.4% PGR: 1.8%–2.3%	145 180		- Intrinsic valuation methodology - Based on Company's business plan
	8. <u>Plantation asset replacement value</u>	115	n.m.	- Applying for plantation businesses only - Company's internal valuation benchmark - Based on plantation costs estimate, excluding processing assets

Sources: Company data, Capital IQ, Mergermarket, press

Notes: (1) Includes Sri trang Agro Industry, Halcyon Agri, China Hainan Rubber and SIPH (2) Includes Sri trang Agro Industry, Halcyon Agri, China Hainan Rubber, SIPH, TSH Resources, IOI Corp, JIM Plantations, TH Plantations, KLK, SIPEF, Hep Seng Plantation, Asra Agro, First Resources, Bunitama Agri, Golden Agri, Sampoerna Agro, Presco, London Sumatra and Okomu
(3) Converted using SGD/XOF FX rate of 430.8190 (Source: Oanda as of 31/08/2016)

HEVECAM – DCF ANALYSIS ASSUMPTIONS

GENERAL ASSUMPTIONS	<ul style="list-style-type: none">■ Valuation as of 31/08/2016■ 25-year DCF analysis
BUSINESS ASSUMPTIONS	<ul style="list-style-type: none">■ Based on Hevecam's 2016E-2041E business plan as provided by Company's management■ Beyond 2041E: based on SG's extrapolation to tend to normative FCF level at the end of the period, assuming:<ul style="list-style-type: none">● Sales growth to linearly converge towards a normative +2.0% growth rate in 2047E● EBITDA margin to remain stable (at 2041E level)● D&A to linearly converge towards D&A / Capex ratio of 100% in 2047E● Capex to remain flat in % of sales (at 2041E level)● Working capital to remain stable in % of sales (at 2041E level)
VALUATION ASSUMPTIONS	<ul style="list-style-type: none">■ WACC: 15.4%, based on SG's assumptions⁽¹⁾■ PGR: +2.0%, based on IMF forecast for Cameroon⁽¹⁾■ Terminal value: in accordance with industry standards, we have applied the Gordon Shapiro formula to derive Terminal value

Notes: (1) Refer to p.VII-41 of the document



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4.7

SIAT

SIAT – VALUATION SUMMARY

MULTICRITERIA VALUATION ANALYSIS (SGDm)				
Methodology	Assumptions	Equity value ⁽²⁾ (35% of share capital; SGDm ⁽³⁾)	Relevance	Comments
TRADING MULTIPLES	1. <u>EV/EBITDA</u> (avg. EBITDA 16E and 17E) Rubber + Palm Oil companies ⁽¹⁾	Equity value (35% of share capital) range: SGD280m-SGD340m 285 291		<ul style="list-style-type: none"> - Siat is active in both palm oil and rubber industry segments - We applied analogic valuation methodology against palm oil and rubber peers
	2. <u>EV/EBIT</u> (avg. EBITDA 16E and 17E) Rubber + Palm Oil companies ⁽¹⁾	250		
	3. <u>EV/Planted area</u> Rubber + Palm Oil companies ⁽¹⁾	303 345		
	4. <u>EV/EBITDA</u> (Selected transactions since 2009)	276 315		
	5. <u>EV/EBIT</u> (Selected transactions since 2009)	199 230		
	6. <u>EV/Planted area</u> (Selected transactions since 2009)	306 349		
DCF ANALYSIS	7. <u>DCF</u>	Not applicable		<ul style="list-style-type: none"> - We have not been provided with financial forecasts - Therefore a DCF analysis on Siat is not applicable
PEERS' SHARE PRICE EVOLUTION	8. <u>Peers' share price evolution</u> Based on the evolution of Rubber and Oil Palm peers' share price since February 2012 (acquisition of a 35% stake in Siat by GME)	325		<ul style="list-style-type: none"> - Selected peers from rubber and palm oil industry segments - +11.0% increase of peers' share price since February 2012

Sources: Company data, Capital IQ, Mergermarket, press

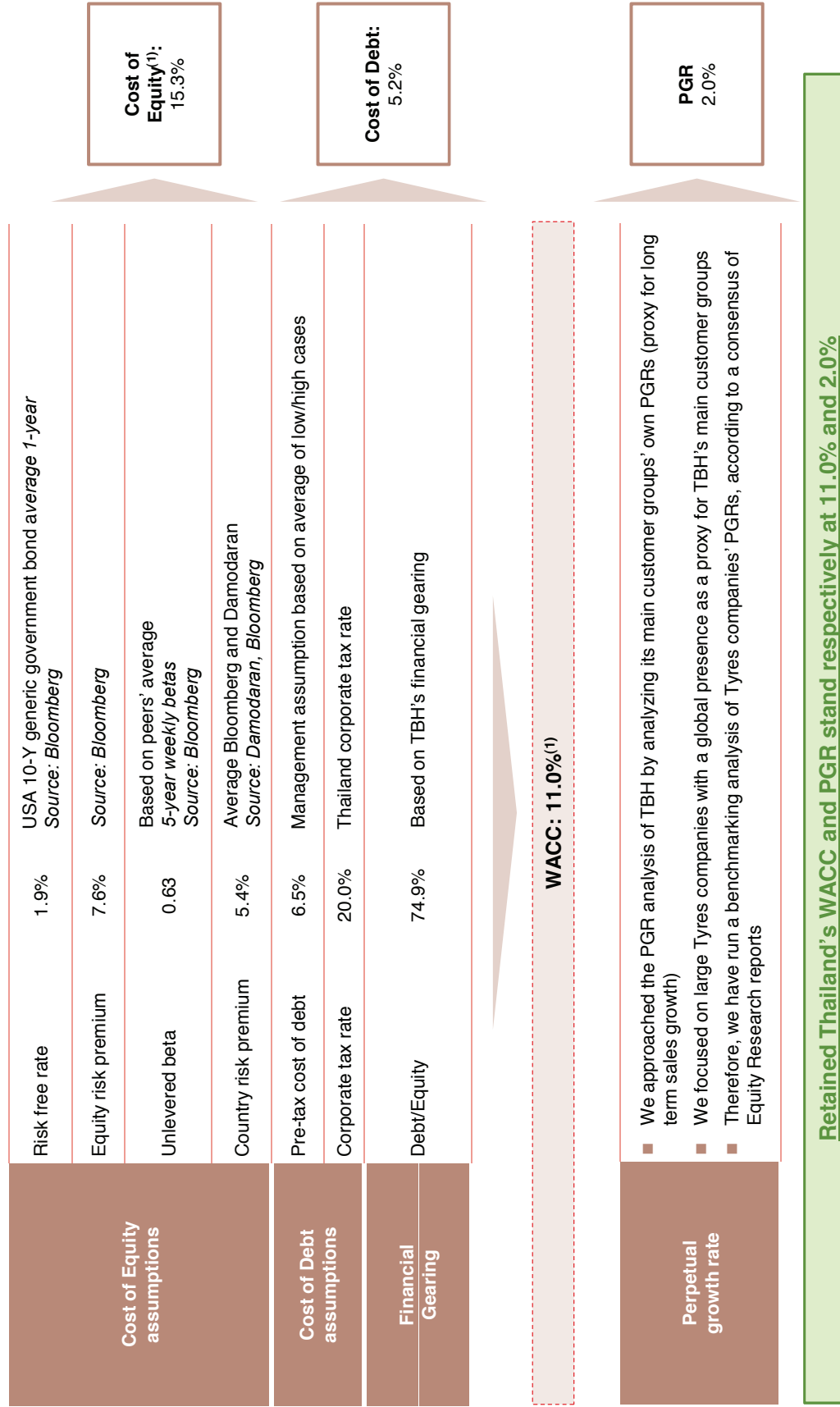
Notes: (1) Includes Sri trang Agro Industry, Haicyon Agri, China Hainan Rubber, SIPH, TSH Resources, IOI Corp., JUM Plantations, TH Plantations, KLK, SIPEF, Hap Seng Plantation, Astra Agro, First Resources, Bumifama Agri, Golden Agri, Sampoerna Agro, Presco, London Sumatra and Okomu

(2) Equity value derived from Enterprise value, deducting the following components: net financial debt as of Dec-15 (SGD271m) and minority interests as of Dec-15 (SGD31m) and adding the proceeds from the sale of Siat Gabon's palm oil business (SGD34m). We understand from the management that there are no material differences in our calculation of equity value should we have used the net debt and minority interest of Siat as of 30 June 2016 (3) Converted using SGD/EUR FX rate of 0.6575 (Source: Oanda as of 31/08/2016)

APPENDICES

1. Additional valuation materials – WACC / PGR analysis

TBH – WACC & PGR CALCULATION | THAILAND

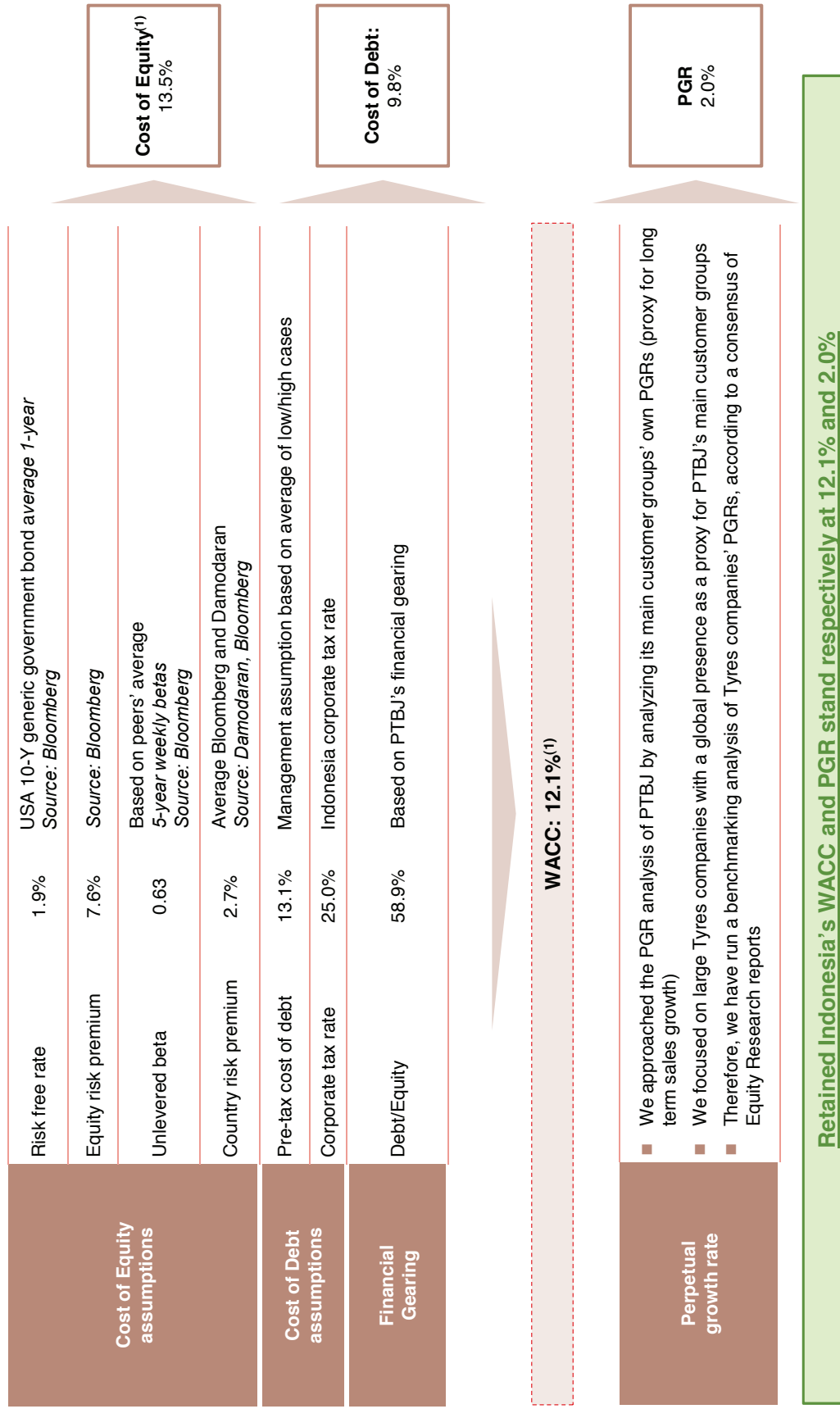


Sources: Capital IQ and Bloomberg as of 31-Aug-2016, KPMG Corporate Tax Survey, IMF
Notes: (1) In LCY, converted in LCY from USD using the following formula $[(1+WACC_{USD})^X (1+inflation_{LCY}) / (1+inflation_{USD})] - 1$

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PTBJ – WACC & PGR CALCULATION | INDONESIA



Sources: Capital IQ and Bloomberg as of 31-Aug-2016, KPMG Corporate Tax Survey, IMF
 Notes: (1) In LCY, converted in USD using the following formula $[(1+WACC_{USD})^X (1+inflation_{LCY}) / (1+inflation_{USD})] - 1$

ITCA – WACC & PGR CALCULATION | IVORY COAST



Cost of Equity assumptions	Risk free rate	1.9%	USA 10-Y generic government bond average 1-year Source: Bloomberg	Cost of Equity ⁽¹⁾ : 14.4%	
	Equity risk premium	7.6%	Source: Bloomberg		
	Unlevered beta	0.63	Based on peers' average 5-year weekly betas Source: Bloomberg		
	Country risk premium	5.6%	Damodaran as Bloomberg CRP for Ivory Coast is not available Source: Damodaran		
	Pre-tax cost of debt	9.4%	Management assumption based on average of low/high cases		
Cost of Debt assumptions	Corporate tax rate	25.0%	Ivory Coast corporate tax rate	Cost of Debt: 7.1%	
Financial Gearing	Debt/Equity	66.0%	<ul style="list-style-type: none"> ITCA's financial gearing positions significantly lower than TRCI and peers We have retained TRCI's financial gearing (in line with peers) 		
	WACC: 11.5% ⁽¹⁾				
Perpetual growth rate	<ul style="list-style-type: none"> We approached the PGR analysis of ITCA by analyzing its main customer groups' own PGRs (proxy for long term sales growth) We focused on large Tyres companies with a global presence as a proxy for ITCA's main customer groups Therefore, we have run a benchmarking analysis of Tyres companies' PGRs, according to a consensus of Equity Research reports 				PGR 2.0%
	Retained Ivory Coast's WACC and PGR stand respectively at 11.5% and 2.0%				

Sources: Capital IQ and Bloomberg as of 31-Aug-2016. KPMG Corporate Tax Survey, IMF
Notes: ⁽¹⁾ In LCY, converted in LCY from USD using the following formula $[(1+WACC_{USD})^x (1+inflation_{LCY}) / (1+inflation_{USD})] - 1$

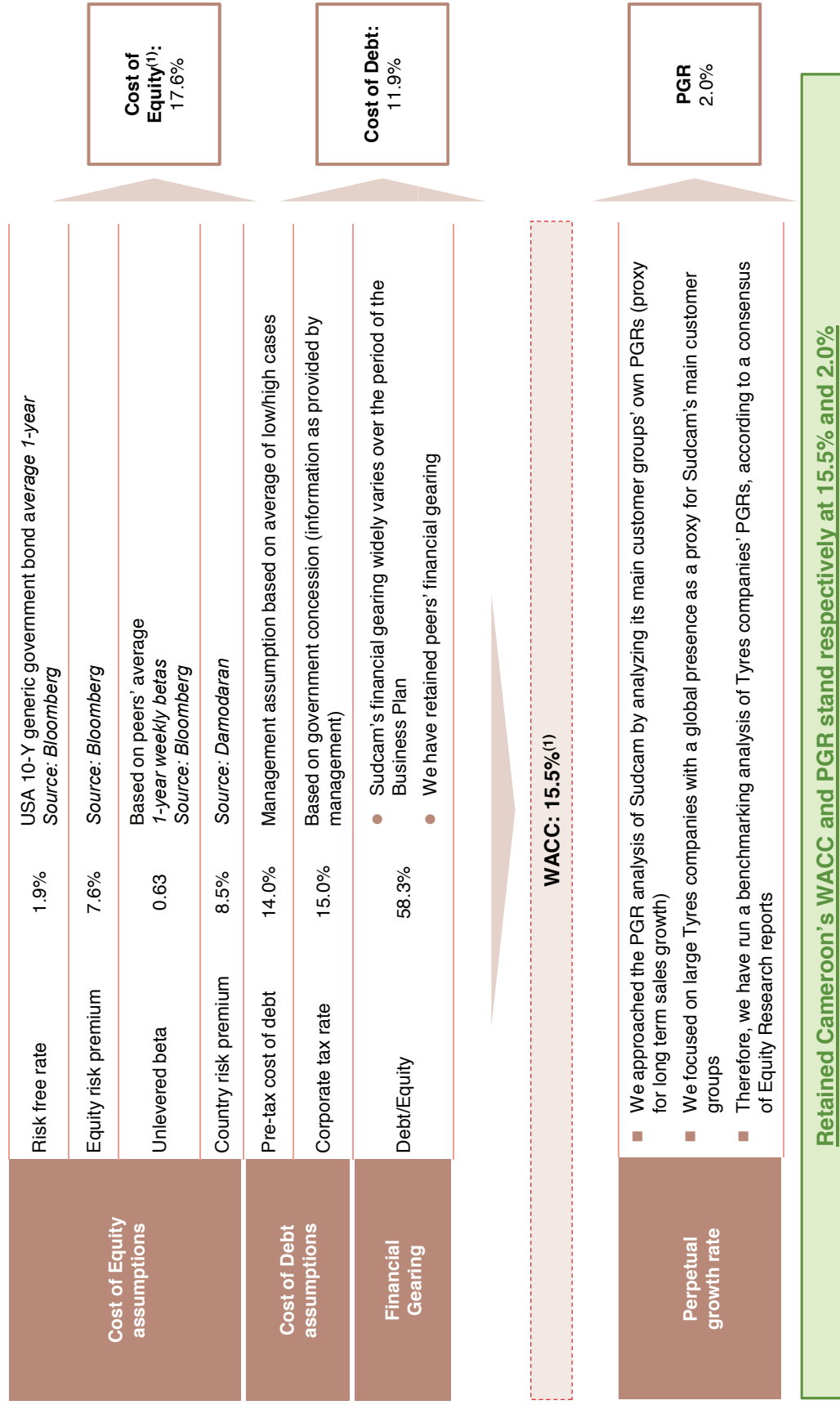
TRCI – WACC & PGR CALCULATION | IVORY COAST



Cost of Equity assumptions	Risk free rate	1.9%	USA 10-Y generic government bond average 1-year Source: Bloomberg	Cost of Equity ⁽¹⁾ : 14.4%	
	Equity risk premium	7.6%	Source: Bloomberg		
	Unlevered beta	0.63	Based on peers' average 5-year weekly betas Source: Bloomberg		
	Country risk premium	5.6%	Damodaran as Bloomberg CRP for Ivory Coast is not available Source: Damodaran		
	Pre-tax cost of debt	9.4%	Management assumption based on average of low/high cases		
Cost of Debt assumptions	Corporate tax rate	25.0%	Ivory Coast corporate tax rate	Cost of Debt: 7.1%	
	Debt/Equity	66.0%	Based on TRCI's financial gearing		
WACC: 11.5%⁽¹⁾					
Perpetual growth rate	<ul style="list-style-type: none"> ■ We approached the PGR analysis of TRCI by analyzing its main customer groups' own PGRs (proxy for long term sales growth) ■ We focused on large Tyres companies with a global presence as a proxy for TRCI's main customer groups ■ Therefore, we have run a benchmarking analysis of Tyres companies' PGRs, according to a consensus of Equity Research reports 				PGR 2.0%
	Retained Ivory Coast's WACC and PGR stand respectively at 11.5% and 2.0%				

Sources: Capital IQ and Bloomberg as of 31-Aug-2016, KPMG Corporate Tax Survey, IMF
Notes: ⁽¹⁾ In LCY, converted in LCY from USD using the following formula $[(1+WACC_{USD})^x (1+inflation_{LC})]/(1+inflation_{USD})^{x-1}$

SUDCAM – WACC & PGR CALCULATION | CAMEROON



Sources: Capital IQ and Bloomberg as of 31-Aug-2016, KPMG Corporate Tax Survey, IMF
Notes: (1) In LCY, converted in LCY from USD using the following formula $[(1+WACC_{USD})^x (1+inflation_{LCY}) / (1+inflation_{USD})] - 1$



HEVECAM – WACC & PGR CALCULATION | CAMEROON

Cost of Equity assumptions	Risk free rate	1.9%	USA 10-Y generic government bond average 1-year Source: Bloomberg	Cost of Equity ⁽¹⁾ : 17.5%
	Equity risk premium	7.6%	Source: Bloomberg	
	Unlevered beta	0.63	Based on peers' average 1-year weekly betas Source: Bloomberg	
	Country risk premium	8.5%	Source: Damodaran	
	Pre-tax cost of debt	14.0%	Management assumption based on average of low/high cases	
Cost of Debt assumptions	Corporate tax rate	16.5%	Based on government concession (information as provided by management)	Cost of Debt: 11.7%
	Debt/Equity	58.3%	<ul style="list-style-type: none"> Hevecam's financial gearing widely varies over the period of the Business Plan We have retained peers' financial gearing 	
WACC: 15.4% ⁽¹⁾				
Perpetual growth rate	<ul style="list-style-type: none"> We approached the PGR analysis of Hevecam by analyzing its main customer groups' own PGRs (proxy for long term sales growth) We focused on large Tyres companies with a global presence as a proxy for Hevecam's main customer groups Therefore, we have run a benchmarking analysis of Tyres companies' PGRs, according to a consensus of Equity Research reports 			
	Retained Cameroon's WACC and PGR stand respectively at 15.4% and 2.0%			
	<p style="text-align: right;">PGR 2.0%</p>			

Sources: Capital IQ and Bloomberg as of 31-Aug-2016. KPMG Corporate Tax Survey, IMF
Notes: (1) In LCY, converted in USD using the following formula $[(1+WACC_{USD})^x (1+inflation_{LCY}) / (1+inflation_{USD})] - 1$

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APPENDICES

2. Additional valuation materials – Trading comparable companies

SELECTION OF COMPARABLE COMPANIES

- We screened listed companies active in palm oil / rubber plantation and processing
- We retained the following criteria:
 - Sufficient palm oil / rubber industry focus
 - Most activity in Asia and Africa
 - Sales > SGD100m⁽¹⁾
 - Sufficient broker coverage (with at least two analysts covering the company⁽²⁾)

RUBBER PLAYERS	PALM OIL PLAYERS ⁽³⁾	DIVERSIFIED PLAYERS ⁽⁴⁾
■ Sri Trang Agro-Industry	■ TSH Resources Berhad *	■ Sime Darby *
■ Halcyon Agri	■ IOI Corp *	■ Wilmar International
■ China Hainan Rubber Industry	■ IJM Plantations Berhad	■ Olam *
■ SIPH	■ TH Plantations Berhad	■ Felda Global Ventures
	■ KLK *	■ PT Dharma Satya Nusantara
	■ SIPEF	■ Indofood Agri *
	■ Hap Seng Plantation	■ Salim Ivomas Pratama *
	■ Astra Agro *	
	■ First Resources	
	■ Bumitama Agri	
	■ Golden Agri	
	■ PT Sampoerna Agro *	
	■ Presco	
	■ London Sumatra *	
	■ Okomu	

Source: company data

Notes: (1) Except for Okomu and Presco

(2) Except for Halcyon, SIPH and SIPEF

(3) Can have partial exposure to rubber

(4) Diversified players with material exposure to palm oil / rubber

(*) Partial exposure to rubber



SOCIETE GENERALE
Corporate & Investment Banking

SELECTED PEERS – KEY PERFORMANCE INDICATORS

Company	Ctry	Mkt cap (in S\$3m)	EV (in S\$3m)	Sales Growth			EBITDA Margin			EBIT Margin			Net Margin			Planted area (in ha)	Mature area (in %)
				'16E	'17E	'18E	'16E	'17E	'18E	'16E	'17E	'18E	'16E	'17E	'18E		
1. Rubber players																	
Sri Trang Agro-Industry	Thailand	610	1,129	12.6%	7.6%	2.0%	3.8%	3.7%	3.8%	2.5%	2.4%	2.5%	1.9%	1.8%	2.1%	6,859	0.0%
Haleyon Agri	Singapore	447	1,028	(13.1)%	73.0%	11.6%	9.9%	9.2%	9.9%	0.2%	8.7%	n.a.	n.m.	3.4%	3.9%	1,847	1.6%
China Heïnan Rubber Industry	China	4,886	5,153	4.3%	15.7%	11.8%	0.8%	0.8%	3.7%	0.4%	6.8%	6.5%	1.3%	6.6%	6.3%	216,067	n/a
SIFH	France	256	456	27.8%	13.2%	13.3%	n.a.	n.a.	n.a.	4.6%	4.3%	4.4%	n.a.	n.a.	n.a.	55,791	70.2%
Average				7.9%	27.4%	9.7%	2.5%	4.6%	5.8%	1.9%	5.6%	4.5%	1.6%	3.9%	4.1%	70,141	24.0%
Median				8.5%	14.4%	11.7%	2.5%	3.7%	3.8%	1.5%	5.6%	4.4%	1.6%	3.4%	3.9%	31,325	1.6%
2. Palm Oil players																	
TSH Resources Berhad *	Malaysia	856	1,296	22.8%	7.7%	5.7%	19.7%	21.1%	23.2%	15.6%	16.8%	18.3%	10.5%	12.0%	13.0%	50,000	30.0%
IOI Corp *	Malaysia	9,306	10,790	4.6%	6.2%	4.9%	15.4%	15.6%	15.6%	11.9%	12.6%	12.6%	7.1%	9.0%	9.2%	179,822	83.3%
UJM Plantations Berhad	Malaysia	973	1,124	9.8%	12.7%	9.0%	29.6%	34.0%	35.5%	21.9%	26.8%	25.6%	15.0%	19.4%	19.9%	58,900	68.8%
TH Plantations Berhad	Malaysia	331	850	11.6%	12.5%	7.5%	29.8%	30.7%	30.7%	14.8%	14.7%	14.7%	5.6%	7.8%	7.2%	68,336	64.2%
KLK *	Malaysia	8,408	9,053	0.4%	7.0%	5.1%	14.0%	14.3%	14.5%	10.7%	11.1%	11.2%	7.7%	8.0%	8.2%	223,526	83.1%
SJPF	Belgium	694	712	7.6%	5.9%	n.a.	22.7%	n.a.	n.a.	10.3%	11.3%	n.a.	12.8%	15.6%	n.a.	70,359	81.7%
Hap Seang Plantation	Malaysia	643	611	8.4%	8.3%	6.6%	34.0%	39.0%	39.9%	26.4%	30.9%	32.8%	21.5%	25.8%	25.3%	35,678	90.9%
Astra Agro *	Indonesia	3,156	3,941	11.8%	8.4%	5.3%	22.7%	24.5%	25.3%	15.7%	18.0%	18.5%	10.3%	12.1%	12.6%	297,862	86.8%
First Resources	Singapore	2,851	3,510	15.0%	19.2%	14.7%	40.7%	45.8%	46.7%	30.4%	36.7%	38.3%	18.0%	23.6%	25.0%	183,169	69.9%
Bumitama Agri	Indonesia	1,247	1,834	9.4%	22.4%	12.2%	31.2%	32.0%	33.5%	24.0%	26.0%	26.2%	16.2%	17.2%	17.9%	164,177	74.6%
Golden Agri	Singapore	4,585	6,863	4.9%	6.0%	5.9%	7.8%	8.9%	9.0%	3.9%	5.0%	5.4%	3.2%	3.1%	3.1%	485,606	94.8%
PT Sampoerna Agro *	Indonesia	361	629	8.6%	14.1%	12.3%	26.5%	26.7%	27.7%	17.6%	18.7%	19.4%	8.5%	10.2%	10.1%	150,000	59.0%
Presco	Indonesia	202	224	46.2%	16.8%	18.6%	56.2%	57.5%	56.6%	46.6%	43.3%	43.2%	27.1%	25.8%	27.9%	16,466	70.4%
London Sumatra *	Nigeria	1,091	1,042	0.8%	12.9%	5.7%	27.9%	27.3%	27.8%	17.9%	19.9%	14.5%	14.5%	15.7%	16.1%	114,107	82.4%
Okomu	Nigeria	154	160	17.5%	12.8%	9.9%	51.7%	45.6%	43.1%	41.4%	41.5%	34.1%	34.2%	28.8%	26.2%	18,460	77.1%
Average				12.0%	11.5%	8.6%	28.6%	29.9%	30.7%	20.5%	21.9%	22.9%	14.1%	15.6%	15.8%	141,098	74.5%
Median				9.4%	12.5%	7.0%	27.5%	27.3%	29.4%	17.5%	18.7%	19.7%	12.8%	15.6%	14.5%	114,107	77.1%
3. Diversified players active in Palm Oil / Rubber business																	
Sime Darby *	Malaysia	16,715	20,196	2.1%	4.6%	6.8%	10.5%	10.4%	10.6%	7.1%	7.2%	7.3%	5.1%	4.9%	5.3%	620,666	83.7%
Wilmar International	Singapore	19,453	30,852	9.0%	5.0%	6.6%	4.4%	5.5%	5.5%	2.6%	3.7%	3.8%	2.0%	2.6%	2.7%	246,200	87.0%
Olefin *	Singapore	5,698	15,475	4.2%	15.6%	(3.1)%	5.9%	6.1%	5.8%	4.6%	4.7%	4.5%	1.9%	1.9%	1.6%	59,678	0.0%
Felda Global Ventures	Malaysia	2,773	4,186	3.6%	11.2%	6.3%	6.1%	6.6%	7.0%	2.9%	3.9%	4.5%	0.6%	1.2%	2.3%	332,586	78.0%
PT Dharma Satiya Nusantara	Indonesia	510	907	10.6%	9.4%	15.6%	18.5%	19.7%	20.7%	14.2%	15.6%	16.9%	8.1%	9.1%	9.0%	90,085	64.4%
Indofood Agri *	Singapore	611	2,277	5.3%	12.8%	13.2%	19.5%	22.4%	23.3%	10.5%	13.8%	16.0%	2.4%	4.2%	4.9%	270,823	76.5%
Salim Ivomas Pratama *	Indonesia	798	2,113	7.6%	10.0%	10.1%	19.7%	20.7%	20.2%	11.3%	12.7%	12.2%	3.1%	3.8%	3.8%	390,948	56.8%
Average				6.1%	9.6%	7.9%	12.1%	13.0%	13.3%	7.6%	8.6%	9.3%	3.3%	4.0%	4.2%	287,284	63.8%
Median				8.6%	11.5%	7.2%	22.7%	25.7%	26.5%	14.2%	15.6%	17.7%	8.5%	10.2%	9.7%	150,000	77.1%
Global Average				9.7%	13.5%	8.7%	21.6%	22.2%	22.5%	14.2%	15.9%	16.6%	9.9%	10.9%	11.0%	169,539	65.4%
Global Median				8.5%	11.8%	7.5%	19.7%	21.1%	22.0%	11.6%	13.2%	15.4%	7.9%	9.0%	8.6%	132,054	74.6%

- Notes: Based on calendarised aggregates FY 31/12
- Reference share price: spot, as of 31-Aug-16
- EV = Market cap. + net financial debt + minority interests – equity method investments – other financial assets – post-tax pensions – provisions

APPENDICES

3. Additional valuation materials – Precedent transactions

OVERVIEW OF PREVIOUS TRANSACTIONS INVOLVING PALM OIL / RUBBER COMPANIES (1/3)

Announcement date	Target	Country	Business	Positioning	Acquirer	% acq.	100% EV (SG\$)
Jul-16	Shin Yang Oil Palm Sdn Bhd	Malaysia	Palm oil production	Up/Midstream	Sarawak Oil Palm Bhd	100%	294
Jun-16	PT Palma Agro & Agro Abadi	Indonesia	Palm oil cultivation	Upstream	Palmindo Holdings	95%	60
May-16	CS Dekeleil Siva	Ivory Coast	Palm oil production	Up/Midstream	DekeOil Public Limited	36%	117
Feb-16	Four palm oil companies	Malaysia	Palm oil production	Upstream	Kulim through Wisea Inspirasi Nusantara	95%	189
Dec-15	Lifere Agro Kapuas	Indonesia	Palm oil cultivation	Up/Midstream	United Malacca Berhad	83%	113
Nov-15	Kulim Bhd	Malaysia	Palm oil production and cultivation	Up/Midstream	Johor Corp Bhd	43%	1,456
Jun-15	Several palm oil companies	Malaysia	Palm oil cultivation	Up/Midstream	Felda GVH	100%	236
Jan-15	Poliplant Group	Indonesia	Palm oil cultivation	Up/Midstream	Cargill, Incorporated	n.a.	n.a.
Dec-14	The Narborough Plantations, plc	Malaysia	Palm oil cultivation	Upstream	Riverview Rubber Estates	26%	23
Oct-14	New Britain Palm Oil	Papua New Guinea	Palm oil production	Up/Mid/Downstream	Sime Darby Berhad	100%	2,539
Aug-14	Asian Plantations Ltd.	Singapore	Palm oil cultivation	Up/Midstream	Felda Global Ventures	100%	413
Aug-14	Palm oil plantation (with a palm oil mills)	Malaysia	Palm oil and rubber production	Up/Midstream	Tagar Properties Sdn Bhd	100%	290
Jul-14	Green Eagle Plantations	Singapore	Palm oil production	Up/Midstream	Rejawi Corpora	50%	812
Jun-14	Anson Company Limited	Singapore	Rubber production	Midstream	Halcyon Agri Corporation Limited	100%	405
Nov-13	Equatorial Palm Oil	United Kingdom	Palm oil production	Up/Midstream	KL-Kepong International	43%	12
Nov-13	PT Golden Energi	Indonesia	Natural Rubber producer	Up/Midstream	Halcyon Agri Corp Ltd	95%	9
Oct-13	Unico-Desa Plantations Ltd.	Malaysia	Palm oil production	Up/Midstream	IOI Corp	40%	394
Sep-13	Harn Len Corp Bhd.	Malaysia	Palm oil production	Up/Midstream	Boustead Holdings	100%	72
Jul-13	Pontian United Plantations Bhd.	Malaysia	Palm oil production	Up/Midstream	Felda GVH	100%	391
Mar-13	CLS Sdn Bhd	Malaysia	Natural Rubber producer	Midstream	Halcyon Agri Corp Ltd	100%	25
Mar-13	Tradew inds Plantation Bhd	Malaysia	Palm oil production	Up/Midstream	Tan Sri Syed Moktar Al-Bukhary	50%	1,337

(1) Through Perspective Lane Sdn Bhd, Seaport Terminal Johore Sdn Bhd, Kelana Ventures Sdn Bhd, Acara Kreatif Sdn Bhd
Sources: company data, Mergermarket, Capital IQ, Bloomberg, Thomson, Brokers

OVERVIEW OF PREVIOUS TRANSACTIONS INVOLVING PALM OIL / RUBBER COMPANIES (2/3)

Announcement date	Target	Country	Business	Positioning	Acquirer	% acq.	100% EV (SG\$)
Oct-12	PT Gerbang Sawit	Indonesia	Palm oil cultivation	Upstream	First resources	100%	38
Oct-12	Bumi Surya Ventures & Meju Warisanmas	Malaysia	Palm oil cultivation	Upstream	TH Plantations	100%	102
Oct-12	Lynhurst Investment Pte	Singapore	Investment Holding	Upstream	First resources	100%	85
Oct-12	PT Nabatindo Karya Utama	Indonesia	Plantation business	Upstream	Bunitama Agri	80%	29
Oct-12	Varia Majutama PT	Indonesia	Palm oil plantation	Up/Midstream	Lion Forest Industries Bhd	100%	78
Oct-12	Collingwood plantations	Papua New Guinea	Palm oil cultivation	Upstream	KLK Bhd	51%	21
Sep-12	PT Triputra Agro Persada	Indonesia	Palm oil production	Up/Midstream	GIC Private, Northstar Pacific Partner	11%	2,244
Jul-12	TH Ladang & TH Bakti	Malaysia	Plantation business	Upstream	TH Plantations	100%/70%	226
Apr-12	Global Agrindo & Global Agripalm	Indonesia	Investment holding	n.a.	Genting Plantations	27%/50%	566
Feb-12	Siat SA	Belgium	Producer of Rubber & Palm Oil	Up/Mid/Dow nstream	GMG Global Limited	35%	1,025
Jan-12	Cavalla Rubber Corporation	Liberia	Rubber cultivation	Up/Midstream	SIPH	40%	29
Nov-11	Hydroflow Sdn. Bhd.	Malaysia	Palm oil cultivation	Upstream	TH Plantations	70%	43
Nov-11	PT Persada Kencana Prima	Indonesia	Palm oil production	Up/Midstream	TH Plantations	93%	7
Aug-11	Goldtree Limited	Sierra-Leone	Palm oil production	Up/Mid/Dow nstream	Phaisa Fund Manager	50%	24
Aug-11	Several palm oil estates/milling	Malaysia	Palm oil estates & milling	Up/Midstream	Kulim Malaysia Bhd.	100%	281
Jul-11	Pertama Land & Development Sdn Bhd.	Malaysia	Palm oil production	Upstream	IOI Corp	100%	338
Jan-11	Sri Trang Agro-Industry PCL	Thailand	Natural rubber production	Up/Mid/Dow nstream	JP Morgan (SEA) Ltd	19%	2,934
Oct-11	Yee Seng Plantations	Malaysia	Palm oil cultivation	Up/Midstream	TAHPS Group Berhad	100%	44
Jul-11	PT. GY Plantation Indonesia	Indonesia	Palm oil cultivation	Upstream	PT Karya Menunggal Sawitindo	100%	9
Jul-11	PT Praselia Utama	Indonesia	Palm oil production	Up/Midstream	PT Jaya Prima Sentosa	100%	8

Sources: company data, Mergermarket, Capital IQ, Bloomberg, Thomson, Brokers

OVERVIEW OF PREVIOUS TRANSACTIONS INVOLVING PALM OIL / RUBBER COMPANIES (3/3)

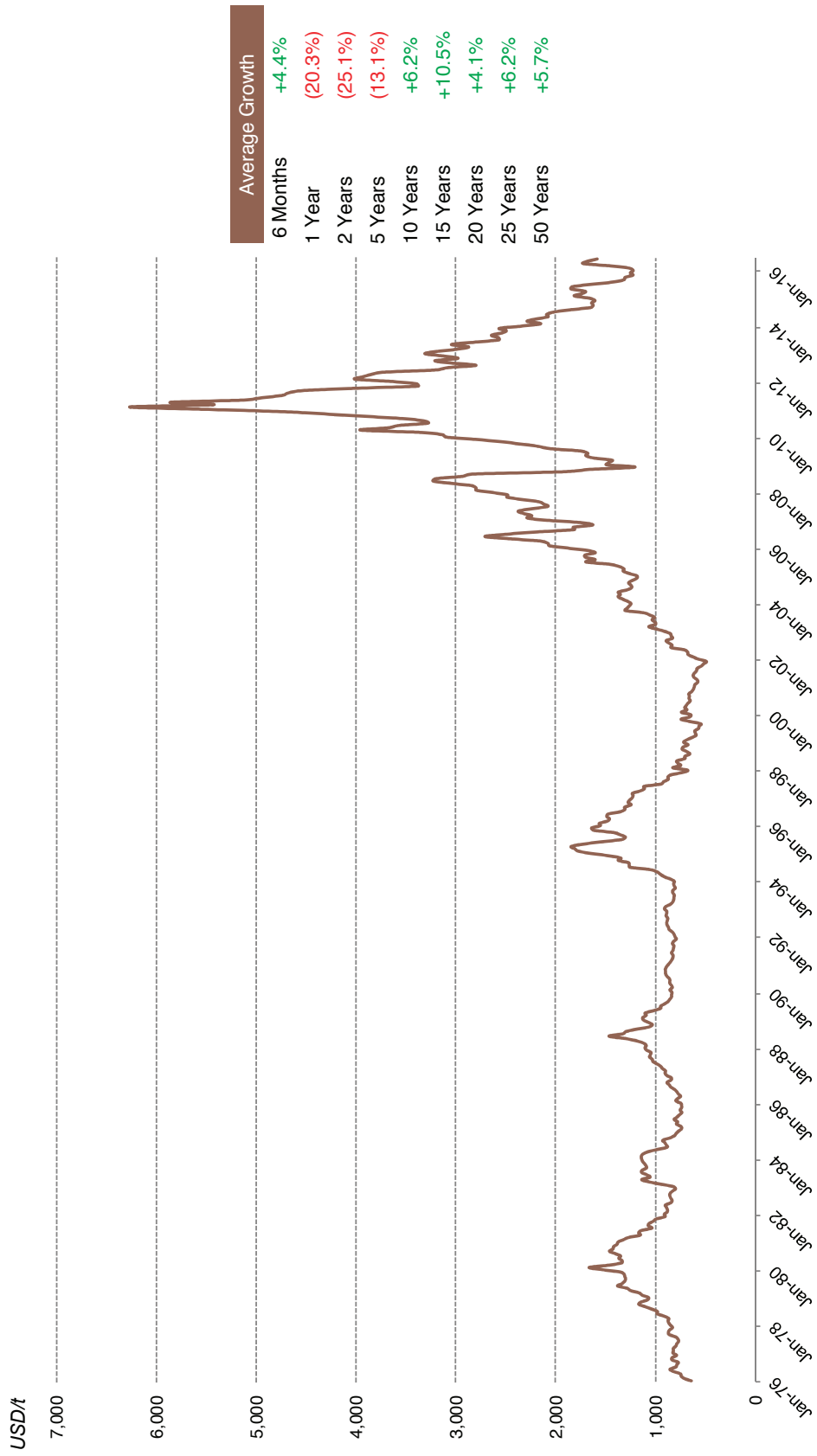
Announcement date	Target	Country	Business	Positioning	Acquirer	% acq.	100% EV (SG\$)
Nov-10	Malgreen Malaysia and Cergas Fortune	Malaysia	Palm oil cultivation	Upstream	Jotech Holdings	100%	12
Sep-10	PT Surya Panen Subur	Indonesia	Palm oil production	Up/Midstream	PT agro Maju Raya and PT Hamparan Sawit	100%	37
Aug-10	Kretam Holdings	Malaysia	Investment holding	Up/Mid/Downstream	Nasairin, Santraprise and Nyuk Sang Lim	11%	126
Jun-10	PT Henrison Inti Persada	Indonesia	Palm oil cultivation	Upstream	Noble Group	51%	0
May-10	BOPP	Ghana	Palm oil cultivation	Upstream	Wilmar Africa Ltd	78%	26
May-10	PT Royal Indo Mandiri	Indonesia	Palm oil production	Up/Midstream	PT Barito Pacific	100%	34
Apr-10	PT Citalaras Opta	Indonesia	Palm oil cultivation	Upstream	PT Bakrie Sumatera Plantations	100%	24
Feb-10	CTP (PNG)	Papua New Guinea	Palm oil production	Up/Midstream	New Britain Palm oil	80%	308
Jan-10	PT Bulungan Citra	Indonesia	Palm oil cultivation	Upstream	TSH Resources	100%	7
Dec-09	Jubilant Paradise and IncoSetia	Malaysia	Palm oil cultivation	Upstream	Asian Plantations	100%	28
Dec-09	PT Monrad Intan Bakarar	Indonesia	Palm oil cultivation	Upstream	PT Bakrie Sumatera Plantations	100%	83
Dec-09	PT Julang Oca Permana	Indonesia	Rubber production	Up/Midstream	PT Bakrie Sumatera Plantations	100%	38
Nov-09	Pelipikan Plantation	Malaysia	Palm oil cultivation	Upstream	Hap Seng Plantations	100%	13
Sep-09	Plantations et Huileries du Congo	Congo	Palm oil cultivation	Upstream	Feronia	76%	7
Jun-09	Kurnia Setia	Malaysia	Palm oil / other activities	Up/Midstream	Kreatif Selaras	100%	96
Mar-09	Kota Phnang, Sesenduk and Petralman	Malaysia	Palm oil cultivation	Upstream	Kilang Kelapa, Citarasa Unggul and Nutri Valley	100%	15

Sources: company data, Mergermarket, Capital IQ, Bloomberg, Thomson, Brokers

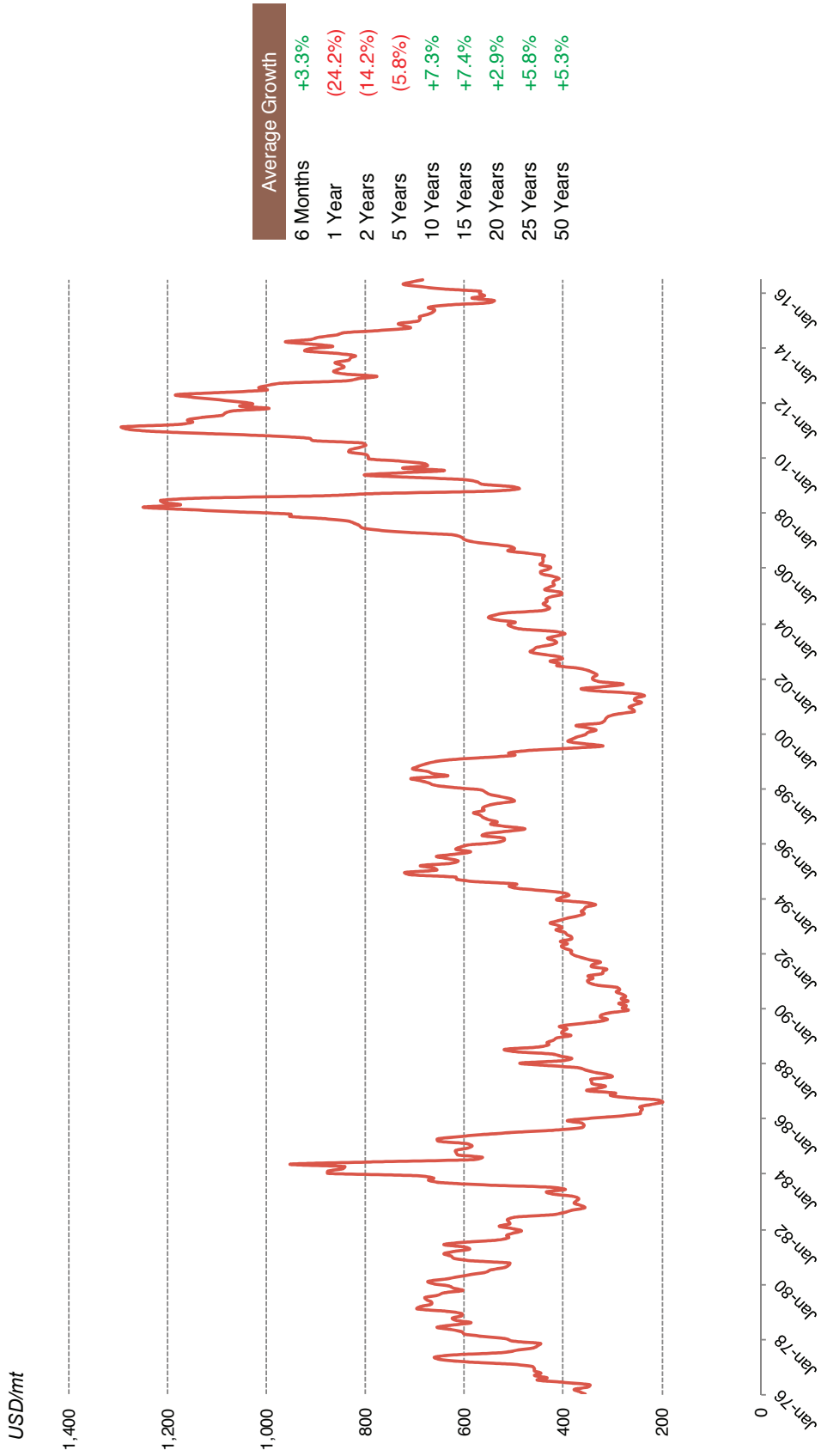
APPENDICES

4. CPO/Rubber historical prices analysis

HISTORICAL PRICE EVOLUTION OF NATURAL RUBBER



HISTORICAL PRICE EVOLUTION OF PALM OIL



EXTRACT OF ARTICLES

(a) Rights in respect of Capital**“ISSUE OF SHARES**

3. (A) *Subject to these presents, no shares may be issued by the Directors without the prior approval of the Company in General Meeting pursuant to Section 161 of the Act, but subject thereto and the terms of such approval, and to Article 5, and to any special rights attached to any shares for the time being issued, the Directors may allot (with or without conferring a right of renunciation) or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and whether or not subject to the payment of any part of the amount thereof in cash or otherwise as the Directors may think fit, and any shares may, subject to compliance with Sections 70 and 75 of the Act, be issued with such preferential, deferred, qualified or special rights, privileges, conditions or restrictions, whether as regards dividend, return of capital, participation in surplus, voting, conversion or otherwise, as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors in accordance with the Act, Provided Always that no shares shall be issued to transfer a controlling interest in the Company without the specific prior approval of the Company in General Meeting.*
- (B) *The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder, recognize a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.*
- (C) *Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be issued subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.*
4. (A) *Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the Singapore Exchange Securities Trading Limited’s listing rules, all new shares shall before issue be offered to such persons who as at the date (as determined by the Directors) of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 5(A).*
- (B) *The Company may, notwithstanding Article 5(A) above, authorize the Directors not to offer new shares to members to whom by reason of foreign securities laws, such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such members on such terms and conditions as the Company may direct.*

- (C) *Notwithstanding Article 5(A), the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:-*
- (a)
 - (i) *issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or*
 - (ii) *make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and*
 - (b) *(notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,*

Provided that:-

- (1) *the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited;*
- (2) *in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the listing rules for the time being in force (unless such compliance is waived by the Singapore Exchange Securities Trading Limited and these presents); and*
- (3) *(unless revoked or varied by the Company in General Meeting), the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).*

Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

- 5. *Unless otherwise specified or restricted by law, the Company may pay commissions or brokerage on any issue or purchase of its shares, or sale disposal or transfer of treasury shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.*
- 6. *Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and charge the same to capital as part of the cost of the construction of the works or buildings or the provision of the plant, subject to the conditions and restrictions mentioned in the Act.*
- 7. (A) *In the event of preference shares being issued, the total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares and preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance-sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing capital or winding-up or sanctioning a sale of the undertaking or where the proposal*

to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.

- (B) *The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.*

VARIATION OF RIGHTS

8. (A) *Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, be made either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two or more persons holding at least one-third of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him where the class is a class of equity shares within the meaning of Section 64(1) of the Act or at least one vote for every share of the class where the class is a class of preference shares within the meaning of Section 180(2) of the Act, Provided Always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting.*
- (B) *The provisions in Article 9(A) shall mutatis mutandis apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.*
- (C) *The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.*

ALTERATION OF SHARE CAPITAL

9. *The Company may by Ordinary Resolution alter its share capital in the manner permitted under the Act including without limitation:*
- (a) *consolidate and divide all or any of its shares;*
- (b) *cancel the number of shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person or which have been forfeited, and diminish its share capital in accordance with the Act;*
- (c) *sub-divide its shares, or any of them; and/or*
- (d) *subject to the provisions of the Statutes and these presents, convert any class of shares into any other class of shares.*
10. (A) *The Company may reduce its share capital or any undistributable reserve in any manner subject to any consents and confirmations required, by law.*
- (B) *The Company may, subject to and in accordance with the Act and any other relevant legislation, rules or regulations enacted or prescribed by any relevant authority from time to time, purchase or otherwise acquire ordinary shares in the issued share capital of the Company on such terms and in such manner as the Company may*

from time to time think fit. Upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these presents and the Act, the number of issued shares of the Company shall be diminished by the number of shares so cancelled and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly. All shares purchased by the Company shall, unless held in treasury shares in accordance with the Act, be deemed cancelled immediately on purchase or acquisition by the Company. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.

CENTRAL DEPOSITORY SYSTEM

40. *A reference to a member shall be a reference to a registered holder of shares in the Company, or where such registered holder is CDP, the Depositors on behalf of whom CDP holds the shares, Provided that:*

...

- (c) *the delivery by the Company to CDP of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement; and*
- (d) *the provisions in these presents relating to the transfers, transmissions or certification of shares shall not apply to the transfer of book-entry securities (as defined in the Statutes).*

EXCLUSION OF EQUITIES

41. *Except as required by the Statutes or law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by the Statutes or law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder and nothing in these presents contained relating to CDP or to Depositors or in any depository agreement made by the Company with any common depository for shares shall in any circumstances be deemed to limit, restrict or qualify the above.*

STOCK

42. *The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares.*
43. *The holders of stock may transfer the same or any part thereof in the same manner and subject to these presents as and subject to which the shares from which the stock arose might previous to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.*
44. *The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by any such number of stock units which would not, if existing in shares, have conferred such privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.*

BONUS ISSUES AND CAPITALIZATION OF PROFITS AND RESERVES

133. (A) *The Directors may, with the sanction of an Ordinary Resolution of the Company:*
- (a) *issue bonus shares for which no consideration is payable to the Company to the persons registered as the holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on the date on:*
 - (i) *the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or*
 - (ii) *(in the case of an Ordinary Resolution passed pursuant to Article 5(C)) such other date as may be determined by the Directors,**in proportion to their then holdings of shares; and/or*
 - (b) *capitalize any sum standing to the credit of any of the Company's reserve accounts as representing profits available for distribution under the provisions of the Statutes by appropriating such sum to the persons registered as the holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:*
 - (i) *the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or*
 - (ii) *(in the case of an Ordinary Resolution passed pursuant to Article 5(C)) such other date as may be determined by the Directors,**in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued) unissued shares of any other class not being redeemable shares, for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.*
- (B) *The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalization under Article 135(A), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorize any person to enter on behalf of all the members interested into an agreement with the Company providing for any such bonus issue or capitalization and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned."*

(b) Rights in respect of Voting

"CENTRAL DEPOSITORY SYSTEM

40. *A reference to a member shall be a reference to a registered holder of shares in the Company, or where such registered holder is CDP, the Depositors on behalf of whom CDP holds the shares, Provided that:*
- (a) *a Depositor shall only be entitled to attend any General Meeting and to speak and vote thereat if his name appears on the Depository Register maintained by CDP forty-eight (48) hours before the General Meeting as a Depositor on whose behalf CDP holds shares in the Company, the Company being entitled to deem each such Depositor, or each proxy of a Depositor who is to represent the entire balance standing to the Securities Account of the Depositor, to represent such number of shares as is actually credited to the Securities Account of the Depositor as at such time, according to the records of CDP as supplied by CDP to the*

Company, and where a Depositor has apportioned the balance standing to his Securities Account between two proxies, to apportion the said number of shares between the two proxies in the same proportion as previously specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the proportion of Depositor's shareholding specified in the instrument of proxy, or where the balance standing to a Depositor's Securities Account has been apportioned between two proxies the aggregate of the proportions of the Depositor's shareholding they are specified to represent, and the true balance standing to the Securities Account of a Depositor as at the time of the General Meeting, if the instrument is dealt with in such manner as is provided above;

GENERAL MEETINGS

45. *An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.*
46. *The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.*

NOTICE OF GENERAL MEETINGS

47. *Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and any other Extraordinary General Meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members other than such as are not under the provisions of these presents and the Act entitled to receive such notices from the Company, Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:*
 - (a) *in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and*
 - (b) *in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent.;*

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to any stock exchange upon which the shares in the Company may be listed, Provided Always that in the case of any Extraordinary General Meeting at which it is proposed to pass a Special Resolution, at least twenty-one days' notice in writing of such Extraordinary General Meeting shall be given to any stock exchange upon which the shares in the Company may be listed.

48. (A) *Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.*
- (B) *In the case of an Annual General Meeting, the notice shall also specify the meeting as such.*

- (C) *In the case of any General Meeting at which business other than routine business (“special business”) is to be transacted, the notice shall specify the general nature of such business, and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.*
49. *Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:*
- (a) *declaring dividends;*
 - (b) *receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;*
 - (c) *appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;*
 - (d) *re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting); and*
 - (e) *fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.*
50. *Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the company in respect of such special business.*

PROCEEDINGS AT GENERAL MEETINGS

51. *The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.*
52. *No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two members present in person or by proxy. For the purpose of this Article, “member” includes a person attending by proxy or by attorney or as representing a corporation which is a member. Provided that (i) a proxy representing more than one member shall only count as one member for the purpose of determining the quorum; and (ii) where a member is represented by more than one proxy such proxies shall count as only one member for purposes of determining the quorum.*
53. *If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days’ notice appoint.*
54. *The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days’ notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.*

55. *Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.*
56. *If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.*
57. *At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:*
- (a) the chairman of the General Meeting; or*
 - (b) not less than five (5) members present in person or by proxy and entitled to vote at the General Meeting; or*
 - (c) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the General Meeting; or*
 - (d) a member or members present in person or by proxy, and holding or representing shares in the Company conferring a right to vote at the General Meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all the shares (excluding treasury shares) conferring that right,*
- Provided Always that no poll shall be demanded on the choice of the chairman or on a question of adjournment.*
58. *Unless a poll is required, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.*
59. *In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.*
60. *A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman of the meeting may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.*

VOTES OF MEMBERS

61. *Subject to any special rights or restrictions as to voting attached by or in accordance with these presents to any class of shares, on a show of hands every member who is present in person or by proxy shall have one vote, the chairman of the meeting to determine which proxy shall be entitled to vote where a member is represented by two proxies or more proxies, and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. A member who is bankrupt shall not, while his bankruptcy continues, be entitled to exercise his rights as a member, or attend, vote or act, at any meeting of the Company.*

62. *In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or, as the case may be, the order in which the names appear in the Depository Register in respect of the joint holding.*
63. *Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.*
64. *No member shall be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum payable by him to the Company in respect of such shares remains unpaid.*
65. *No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.*
66. *On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.*
67. (A) *Save for members which are nominee companies, a member shall not be entitled to appoint more than two proxies to attend and vote at the same General Meeting, Provided that if a member shall nominate two proxies then the member shall specify the proportion of his shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.*
- (B) *A proxy need not be a member of the Company.*
68. (A) *An instrument appointing a proxy for any member shall be in writing in any usual or common form or in any other form which the Directors may approve and:*
- (a) *in the case of an individual member shall be signed by the member or his attorney duly authorised in writing; and*
- (b) *in the case of a member which is a corporation shall be either given under its common seal or signed on its behalf by an attorney duly authorised in writing or a duly authorized officer of the corporation.*
- (B) *The signatures on an instrument of proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of a member by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument of proxy may be treated as invalid.*
69. *An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates, Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.*

70. *An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll and to speak at the meeting.*
71. *A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.*

CORPORATIONS ACTING BY REPRESENTATIVES

72. *Any corporation which is a member of the Company may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorized shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these presents be deemed to be present in person at any such meeting if a person so authorized is present thereat."*

(c) Rights in respect of Dividends

"CALLS ON SHARES

21. *The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, whilst bearing interest, confer a right to participate in profits.*

FORFEITURE AND LIEN

22. *If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.*
23. *The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be made forfeit.*
24. *If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be made forfeit by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeit share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be made forfeit hereunder.*

TRANSMISSION OF SHARES

38. *Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share in consequence of the death or bankruptcy of a member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be*

entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the share.

CENTRAL DEPOSITORY SYSTEM

40. A reference to a member shall be a reference to a registered holder of shares in the Company, or where such registered holder is CDP, the Depositors on behalf of whom CDP holds the shares, Provided that:

...

- (b) the payment by the Company to CDP of any dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment;

RESERVES

121. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions of the Statutes.

122. The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.

123. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

124. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:

- (a) all dividends shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares;

- (b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid under any portion or portions of the period in respect of which the dividend is paid.

For the purposes of this Article, no amount paid or credited as paid on a share in advance of a call is to be ignored.

125. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

126. No dividend or other monies payable on or in respect of a share shall bear interest as against the Company.

127. (A) The Directors may retain any dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

- (B) *The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.*
128. *The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.*
129. *The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.*
130. *Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of the member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.*
131. *If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.*
132. *Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.”*

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