

Financial Statements for the 3 months ended 31 March 2008

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 Income Statement for 3 months ended 31 March 2008. These figures have not been audited.

	Group		
	3 months to 31/3/2008	3 months to 31/3/2007	% Change
	S\$	S\$	
Revenue	59,209,887	35,759,968	65.6
Cost of sales	(37,294,099)	(23,136,944)	61.2
Gross profit	21,915,788	12,623,024	73.6
Other operating income	312,322	585,620	(46.7)
Administrative expenses	(2,535,801)	(1,545,359)	64.1
Distribution cost	(1,689,009)	(1,251,876)	34.9
Other operating expenses	(2,930,329)	(2,725,047)	7.5
Finance costs (#)	(980,269)	(791,326)	23.9
Foreign currency exchange adjustment loss	(1,714,643)	(280,215)	511.9
Fair value gain/ (loss) on financial derivatives	110,921	(465,931)	NM
Profit before tax	12,488,980	6,148,890	103.1
Income tax	(1,720,068)	(939,478)	83.1
Profit after income tax	10,768,912	5,209,412	106.7
<u>Profit attributable to:</u>			
Shareholders of the company	8,318,688	4,079,522	103.9
Minority interests	2,450,224	1,129,890	116.9
	10,768,912	5,209,412	106.7

Notes:

- (a) Other disclosure items included in the above income statement:

	3 months to 31/3/2008	3 months to 31/3/2007
	S\$	S\$
1 Interest income	(294,610)	(495,111)
2 Interest on borrowings (#)	980,269	791,326
3 Depreciation	2,343,617	2,126,583
4 Allowance for doubtful debts and bad debts written off	74,729	-
5 (Write-back)/ allowance for stock obsolescence	(139,011)	11,896
6 Foreign exchange loss	1,714,643	280,215
7 Gain on sale of property, plant and equipment	(20,316)	(4,593)

- (b) Finance cost / Interest on borrowings - \$980,269 (#)

This balance includes deemed interest on long term loan of \$143,883. (2007: \$221,944).

- (c) NM - not meaningful

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	
	31/3/2008	31/12/2007	31/3/2008	31/12/2007
	S\$	S\$	S\$	S\$
<b>ASSETS</b>				
<u>Current assets</u>				
Cash and bank balances	17,380,491	7,505,886	168,316	92,929
Fixed deposits (*)	27,794,388	31,596,815	344,941	357,048
Trade receivables	27,620,560	23,860,020	-	-
Other receivables and prepayments	12,715,782	12,266,027	10,874,623	9,490,619
Derivative financial instruments	193,325	73,838	-	-
Inventories	25,070,850	28,109,284	-	-
Total current assets	110,775,396	103,411,870	11,387,880	9,940,596
<u>Non-current assets</u>				
Investment in subsidiaries	-	-	184,727,046	184,727,046
Plantation assets	261,926,462	257,880,006	303,586	-
Property, plant and equipment	23,805,088	23,441,932	-	312,403
Deferred tax assets	38,007	37,957	-	-
Total non-current assets	285,769,557	281,359,895	185,030,632	185,039,449
Total assets	396,544,953	384,771,765	196,418,512	194,980,045
<b>LIABILITIES AND EQUITY</b>				
<u>Current liabilities</u>				
Bank borrowings	388	378	-	-
Trade payables	6,014,884	8,381,499	-	-
Other payables	12,332,804	14,338,003	21,038,610	19,831,837
Current portion of long term loans	14,160,779	13,745,791	-	-
Current portion of finance leases	138,053	129,324	83,643	83,643
Derivative financial instruments	728,559	753,800	-	-
Income tax payable	6,598,299	5,276,266	2,690	2,690
Total current liabilities	39,973,766	42,625,061	21,124,943	19,918,170
<u>Non-current liabilities</u>				
Long term loans	31,455,756	31,098,290	-	-
Finance leases	269,462	250,186	25,251	46,138
Deferred income tax	996,384	1,039,430	18,990	18,990
Total non-current liabilities	32,721,602	32,387,906	44,241	65,128
<u>Capital and reserves and minority interests</u>				
Share capital	169,616,006	169,616,006	169,616,006	169,616,006
Capital reserves	9,764,823	9,603,615	-	-
Currency translation surplus	12,075,950	9,174,164	-	-
Retained earnings	95,252,948	87,095,468	5,633,319	5,380,741
Shareholders' funds	286,709,727	275,489,253	175,249,325	174,996,747
Minority interests	37,139,858	34,269,545	-	-
Total equity	323,849,585	309,758,798	175,249,325	174,996,747
Total liabilities and equity	396,544,953	384,771,765	196,418,509	194,980,045

Note:

1. Fixed deposits – S\$ 27,794,388 (\*)

A fixed deposit of S\$ 5,121,794 (31 December 2007: S\$4,935,636) is pledged to a bank.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/3/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
138,053	14,161,167	129,324	13,746,169

Amount repayable after one year

As at 31/3/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
14,113,942	17,611,276	13,728,586	17,619,890

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 total net book value of \$390,526 as at 31 March 2008 (31 December 2007: \$323,019). The term loans are secured by all 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	
	3 months to 31/3/2008	3 months to 31/3/2007
	S\$	S\$
<u>Cash flows from operating activities</u>		
Profit before income tax	12,488,980	6,148,890
Adjustments for:		
Depreciation expense	2,343,617	2,126,583
Fair value (gain)/ loss of financial derivatives	(110,921)	465,931
Interest income	(294,610)	(495,111)
Interest expense	980,269	791,326
(Write-back)/ allowance for inventory obsolescence	(139,011)	11,896
Allowance for doubtful other receivables	74,729	-
Gain on disposal of property, plant and equipment	(20,316)	(4,593)
Operating profit before working capital changes	15,322,737	9,044,921
Trade receivables	(3,760,540)	(386,144)
Other receivables and prepayments	(524,484)	(2,177,220)
Inventories	3,177,445	4,758,029
Trade payables	(2,366,615)	(1,929,809)
Other payables	(2,091,049)	(470,277)
Cash generated from operations	9,757,494	8,839,500
Interest income	294,610	495,111
Interest paid	(750,536)	(509,015)
Income tax paid	(398,035)	(165,180)
Net cash from operating activities	8,903,533	8,660,416
<u>Cash flows used in investing activities</u>		
Proceeds from sale of property, plant and equipment	20,316	4,593
Purchase of property, plant and equipment	(3,332,445)	(2,162,288)
Net cash used in investing activities	(3,312,129)	(2,157,695)
<u>Cash flows from financing activities</u>		
Proceeds from long term loans	628,571	1,460,948
Finance leases	(16,980)	(35,320)
Bills payables	-	(620,812)
Movement in pledged fixed time deposits	(186,158)	(39,924)
Net cash from financing activities	425,433	764,892
Net increase in cash and cash equivalents	6,016,837	7,267,613
Cash at beginning of year	34,166,687	33,748,223
Net effect of exchange rate changes in consolidating subsidiaries	(130,820)	201,032
Cash at end of year	40,052,697	41,216,868
<u>Note:</u>	S\$	S\$
<u>Cash at end of year</u>		
Cash and bank balances	17,380,491	17,727,437
Fixed deposits	27,794,388	29,629,868
Less: pledged deposits	(5,121,794)	(4,561,261)
Bank overdrafts	(388)	(1,579,176)
	40,052,697	41,216,868

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.

	Attributable to equity holders of the company					Minority interests	Total equity	
	Issued capital	Share premium	Capital reserves	Currency translation reserve	Retained Earnings			Total
	S\$	S\$	S\$	S\$	S\$			S\$
<u>Group</u>								
<u>As at 31/3/2008</u>								
Balance at 31/12/2007	169,616,006	-	9,603,615	9,174,164	87,095,468	275,489,253	34,269,545	309,758,798
Currency translation differences	-	-	-	2,901,786	-	2,901,786	420,089	3,321,875
Net profit for the period	-	-	-	-	8,318,688	8,318,688	2,450,224	10,768,912
Total recognised income and expense for the period	-	-	-	2,901,786	8,318,688	11,220,474	2,870,313	14,090,787
Transfer from revenue reserve to capital reserves	-	-	161,208	-	(161,208)	-	-	-
Balance at 31/3/2008	169,616,006	-	9,764,823	12,075,950	95,252,948	286,709,727	37,139,858	323,849,585
<u>Group</u>								
<u>As at 31/3/2007</u>								
Balance at 31/12/2006	169,616,006	-	5,415,147	2,567,151	79,335,240	256,933,544	27,726,627	284,660,171
Currency translation differences	-	-	-	260,824	-	260,824	-	260,824
Net profit for the period	-	-	-	-	4,079,520	4,079,520	1,129,891	5,209,411
Total recognised income and expense for the period	-	-	-	260,824	4,079,520	4,340,344	1,129,891	5,470,235
Transfer from revenue reserve to capital reserves	-	-	228,925	-	(228,925)	-	-	-
Balance at 31/3/2007	169,616,006	-	5,644,072	2,827,975	83,185,835	261,273,888	28,856,518	290,130,406

	Issued capital	Retained Earnings	Total
	S\$	S\$	S\$
<u>Company</u>			
<u>As at 31/3/2008</u>			
Balance at 31/12/2007	169,616,006	5,380,741	174,996,747
Net profit for the period	-	252,578	252,578
Balance at 31/3/2008	169,616,006	5,633,319	175,249,325
<u>Company</u>			
<u>As at 31/3/2007</u>			
Balance at 31/12/2006	169,616,006	10,606,614	180,222,620
Net loss for the period	-	(161,232)	(161,232)
Balance at 31/3/2007	169,616,006	10,445,382	180,061,388

- 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 changes in the Company's issued share capital. There were no outstanding convertibles or shares held as treasury shares.

- (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	
	31/3/2008	31/12/2007	31/3/2008	31/12/2007
Total number of issued shares excluding treasury shares	2,020,604,940	2,020,604,940	2,020,604,940	2,020,604,940

- (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.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation as in the Company's audited financial statements for the year ended 31 December 2007 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	
	Latest 3 months	Previous 3 months
Earnings per ordinary share:	31/3/2008	31/3/2007
- Based on the weighted average number of ordinary shares in issue	0.41 cents	0.20 cents
- On a fully diluted basis	0.41 cents	0.20 cents

The earnings per ordinary share is computed based on the issued and paid-up capital of 2,020,604,940 ordinary shares as at 31 March 2008 (2,020,604,940 ordinary shares as at 31 March 2007).

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	
	31/3/2008	31/12/2007	31/3/2008	31/12/2007
Net asset value per ordinary share based on issued share capital	16.03 cents	15.33 cents *	8.67 cents	8.66 cents

\* 31 December 2007 figure is re-stated to include minority interests.

The net asset per ordinary share is computed based on the total assets less total liabilities divided by the issued and paid-up capital of 2,020,604,940 ordinary shares as at 31 March 2008 (2,020,604,940 ordinary shares as at 31 December 2007).

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 three months ended 31st March 2008

8.1.1 Turnover

For Q1 2008, the Group sold 16,609 tons of rubber (an increase of 28.8% compared to 12,897 tons for Q1 2007) at an average price of \$3,565 per ton (an increase of 28.6% compared to an average price of \$2,773 per ton for Q1 2007) giving a total sales value of \$59,209,887, an increase of \$23,449,919 (or 65.6%) compared to the \$35,759,968 achieved in Q1 2007.

The increase in turnover was due mainly to:

- a) first time contribution of 4,738 tons from PT Bumi Jaya (nil in Q1 2007); and  
 b) the increase in average sale price per ton.

The total tonnage sold in Q1 2008 together with the Q1 2007 comparatives are detailed below:

	Hevecam		TRCI		PT Bumi Jaya		Total	
	Q1/08	Q1/07	Q1/08	Q1/07	Q1/08	Q1/07	Q1/08	Q1/07
Tonnages sold	5,773	6,466	6,098	6,431	4,738	nil	16,609	12,897

Sales tonnages from Hevecam decreased by 733 tons on account of lower tonnages received from outgrowers.

TRCI tonnage sold in Q1 2008 was marginally reduced by 333 tons from the Q1 2007 figures.

8.1.2 Cost of sales

Cost of sales for Q1 2008 was \$37,294,099 compared with \$23,136,944 for the corresponding quarter in 2007, an increase of \$14,157,155 or 61.2%

8.1.3 Gross profit margin

Gross profit margin improved from 35.3% in Q1 2007 to 37.0% in Q1 2008. This was attributed to the higher selling prices.

8.1.4 Other Income

Other income for Q1 2008 was \$312,322 compared with \$585,620 in Q1 2007.

8.1.5 Administrative Expenses

Administrative expenses for Q1 2008 at \$2,535,801 increased by \$990,442 compared with Q1 2007. The increase was attributable mainly to an increase of \$201,000 in employment and related expenditure negotiated and agreed in the new collective agreement in Tropical Rubber Cote D'Ivoire, an increase of \$98,000 in rental of office premises, first time expenditure of \$314,000 reported for PT Bumi Jaya, and an increase in professional fees of \$43,000.

#### 8.1.6 Distribution Expenses

In line with the increase in tonnages sold, distribution costs for Q1 2008 was \$1,689,009 compared with \$1,251,876, an increase of \$437,133 or 35% compared to Q1 2007.

#### 8.1.7 Other Operating Expenses

Q1 2008 recorded other operating expenses of \$ 2,930,329 compared with \$2,725,047. This was largely attributable to increase in realized hedging loss.

#### 8.1.8 Finance Costs

Finance expenditure for Q1 2008 amounted to \$980,269 compared with \$791,326 in Q1 2007. This increase was due mainly to a long term loan of \$14,283,879 undertaken in late 2007 to finance our extension program in Cameroon.

#### 8.1.9 Foreign Exchange Loss

An exchange loss of \$1,714,643 was posted for Q1 2008 compared with \$280,215 recorded in Q1 2007 due mainly to realized exchange loss from euro-denominated payables in one of our subsidiary.

#### 8.2 Commentary on Cash Flow Statement

Cash generated from operations for the quarter ended 31 March 2008 was \$9,757,494 compared with \$8,839,500 in Q1 2007.

\$3,312,129 was spent on investment in capital expenditure in Q1 2008 compared with \$2,157,695 in Q1 2007.

At 31 March 2008, the Group had net cash balance of \$40,052,697.

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

Not applicable.

#### 10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group's performance is highly dependent on:

- (a) world market price of natural rubber;
- (b) the yields from our plantations and supplies from outgrowers;
- (c) weather conditions that could impact production both from internal and external supply sources;
- (d) fluctuations of the Euro currency and US currency which have a direct impact on the Group's operating costs and profitability;
- (e) our ability and costs of production which may be impacted by the volatility of operating costs vis-a-vis oil prices, inflation and any implementation of new fiscal measures in Cameroon, Ivory Coast and Indonesia;
- (f) the political conditions in Cameroon, Ivory Coast and Indonesia.

The Group is of the opinion that natural rubber prices will remain volatile in FY 2008, but expects average FY 2007 prices to be sustained unless the major developed countries go into recession that could impact global economic growth.

#### 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?

Not applicable.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been recommended.

**13. NEGATIVE ASSURANCE CONFIRMATION**

**Confirmation By Directors Pursuant to Rule 705(4) of the Listing Manual of SGX-ST**

We, Elson Ng Keng Kwang and Danny Lo Kan Yu, being two Directors of GMG Global Ltd (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 31 March 2008 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors of  
GMG Global Ltd

Elson Ng Keng Kwang  
Director

Danny Lo Kan Yu  
Director

**BY ORDER OF THE BOARD**

Danny Lo Kan Yu  
Director  
2 May 2008