



HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

Announcement Pursuant To Rule 705 Of The Listing Manual – Material Adjustments To The Financial Statements and Dividend Announcement for Quarter Ended 30 September 2015

The Board of Directors (the “Board”) of HG Metal Manufacturing Limited (the “Company”) refers to the announcement released by the Company via the SGXNet on 11 November 2015 in relation to the Financial Statements and Dividend Announcement for Quarter Ended 30 September 2015 (the “Announcement”).

Subsequent to the Announcement, the Company has managed to obtain the results of its associate, BRC Asia Limited, which is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

Pursuant to Rule 705 of the Listing Manual of the SGX-ST, the Company wishes to highlight that there are revisions made in the Statement of Comprehensive Income, Balance Sheet and Cash Flows. Such revisions arose as a result of the estimation of the share of associate results in relation to BRC Asia Limited, which was different from the financial results actually announced by BRC Asia Limited. The revisions however have no impact on the Company Balance Sheet but only at the Group level.

Below is a comparison between the earlier announced results of the Group’s Statement of Comprehensive Income, Balance Sheet and Cash Flows only reflecting the aforesaid differences which have been highlighted in blue.

HG METAL MANUFACTURING LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	3Q 2015			YTD 2015		
	Announced	Revised	(+/-%)	Announced	Revised	(+/-%)
	S\$'000	S\$'000	(+/-%)	S\$'000	S\$'000	(+/-%)
Revenue	31,090	31,090	0.0%	102,586	102,586	0.0%
Cost of sales	(29,809)	(29,809)	0.0%	(98,116)	(98,116)	0.0%
Gross profit	1,281	1,281	0.0%	4,470	4,470	0.0%
Gross margin	4.1%	4.1%		4.4%	4.4%	
Other operating income	3,454	3,454	0.0%	6,987	6,987	0.0%
Selling & distribution costs	(206)	(206)	0.0%	(683)	(683)	0.0%
Administrative expenses	(2,331)	(2,331)	0.0%	(6,911)	(6,911)	0.0%
Other operating expenses	(2,715)	(2,715)	0.0%	(7,638)	(7,638)	0.0%
Finance costs	(57)	(57)	0.0%	(182)	(182)	0.0%
Share of associate profits	576	637	10.6%	2,687	2,748	2.3%
Profit/(loss) before tax	2	63	3050.0%	(1,270)	(1,209)	-4.8%
Income tax (expenses)/credit	-	-	0.0%	(11)	(11)	0.0%
Net profit/(loss) after tax	2	63	3050.0%	(1,281)	(1,220)	-4.8%
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss :						
Foreign currency translation	(205)	(205)	0.0%	(161)	(161)	0.0%
Share of other comprehensive income of associates	(118)	(394)	233.9%	(150)	(426)	184.0%
Other comprehensive income for the period, net of tax	(323)	(599)	85.4%	(311)	(587)	88.7%
Total comprehensive income for the period	(321)	(536)	67.0%	(1,592)	(1,807)	13.5%
Profit/(loss) attributable to:						
Owners of the Company	20	81	305.0%	(1,238)	(1,177)	-4.9%
Non-controlling interests	(18)	(18)	0.0%	(43)	(43)	0.0%
	2	63	3050.0%	(1,281)	(1,220)	-4.8%
Total comprehensive income attributable to:						
Owners of the Company	(260)	(475)	82.7%	(1,482)	(1,697)	14.5%
Non-controlling interests	(61)	(61)	0.0%	(110)	(110)	0.0%
	(321)	(536)	67.0%	(1,592)	(1,807)	13.5%
Earnings per ordinary share						
Basic & Diluted (cents)	0.00	0.01	0.0%	(0.10)	(0.09)	-10.0%

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STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	Group		
	Announced S\$'000	Revised S\$'000	(+/-)%
Non-current assets			
Property, plant and equipment	14,585	14,585	0.0%
Intangible assets	52	52	0.0%
Investment in subsidiaries	-	-	0.0%
Investment in associates	49,286	49,071	-0.4%
Deferred tax assets	-	-	0.0%
	63,923	63,708	-0.3%
Current assets			
Investment held for trading	310	310	0.0%
Inventories	13,878	13,878	0.0%
Trade and other receivables	27,780	27,780	0.0%
Income tax recoverable	59	59	0.0%
Prepaid expenses	246	246	0.0%
Cash and cash equivalents	56,256	56,256	0.0%
	98,529	98,529	0.0%
Current liabilities			
Trade and other payables	12,662	12,662	0.0%
Finance lease payables	181	181	0.0%
Bank borrowings	4,134	4,134	0.0%
Provision for taxation	13	13	0.0%
Deferred income	1,429	1,429	0.0%
Derivative financial instruments	527	527	0.0%
	18,946	18,946	0.0%
Net-current assets	79,583	79,583	0.0%
Non current liabilities			
Finance lease payables	304	304	0.0%
Bank borrowings	3,723	3,723	0.0%
Provision for reinstatement costs	1,000	1,000	0.0%
Deferred income	4,762	4,762	0.0%
	9,789	9,789	0.0%
	133,717	133,502	-0.2%
Capital and reserves			
Share capital	152,052	152,052	0.0%
Treasury shares	(1,885)	(1,885)	0.0%
Other reserves	1,640	1,364	-16.8%
Accumulated losses	(18,497)	(18,436)	-0.3%
Equity attributable to owners of the Company	133,310	133,095	-0.2%
Non-controlling interests	407	407	0.0%
Total equity	133,717	133,502	-0.2%
Net asset value per ordinary share (cents)	10.39	10.37	-0.2%

HG METAL MANUFACTURING LIMITED

CONSOLIDATED CASH FLOW STATEMENT

	Group			Group		
	3Q 2015			YTD 2015		
	Announced S\$'000	Revised S\$'000	(+/-%)	Announced S\$'000	Revised S\$'000	(+/-%)
Cash flows from operating activities						
Profit/(loss) before tax	2	63	3050.0%	(1,270)	(1,209)	-4.8%
Adjustments for:						
Depreciation of property, plant and equipment	593	593	0.0%	1,714	1,714	0.0%
Amortisation of intangible assets	8	8	0.0%	24	24	0.0%
Allowance/(reversal of allowance) for impairment of receivables, net	76	76	0.0%	66	66	0.0%
Bad debts (recovered)/write off	-	-	0.0%	(10)	(10)	0.0%
Loss/(gain) on disposal of property, plant and equipment	12	12	0.0%	(43)	(43)	0.0%
Loss on disposal of intangible assets	-	-	0.0%	-	-	0.0%
Write off of property, plant and equipment	-	-	0.0%	46	46	0.0%
Impairment of property, plant and equipment	-	-	0.0%	-	-	0.0%
Write off inventories	8	8	0.0%	8	8	0.0%
Impairment of inventories	130	130	0.0%	130	130	0.0%
Reversal of provision for intangible assets	-	-	0.0%	-	-	0.0%
Fair value gain on investment held for trading	(180)	(180)	0.0%	(200)	(200)	0.0%
Fair value loss/(gain) on derivatives, net	358	358	0.0%	527	527	0.0%
Interest expense	57	57	0.0%	182	182	0.0%
Interest income	(23)	(23)	0.0%	(25)	(25)	0.0%
Share of associates results	(576)	(637)	10.6%	(2,687)	(2,748)	2.3%
Recognition of deferred income	(357)	(357)	0.0%	(1,071)	(1,071)	0.0%
Unrealised foreign exchange loss/(gain)	325	325	0.0%	371	371	0.0%
Operating cash flow before working capital changes	433	433	0.0%	(2,238)	(2,238)	0.0%
Working capital changes:						
Inventories	965	965	0.0%	14,042	14,042	0.0%
Trade and other receivables	3,223	3,223	0.0%	7,648	7,648	0.0%
Trade and other payables	3,843	3,843	0.0%	(12,976)	(12,976)	0.0%
Cash generated from operations	8,464	8,464	0.0%	6,476	6,476	0.0%
Interest expense paid	(57)	(57)	0.0%	(182)	(182)	0.0%
Interest income received	23	23	0.0%	25	25	0.0%
Income tax refund	55	55	0.0%	55	55	0.0%
Net cash flows generated from operating activities	8,485	8,485	0.0%	6,374	6,374	0.0%
Cash flows from investing activities						
Dividend income received from investments & associates	-	-	0.0%	2,739	2,739	0.0%
Proceeds from disposal of property, plant and equipment	1	1	0.0%	127	127	0.0%
Proceeds from disposal of intangible assets	-	-	0.0%	-	-	0.0%
Purchase of property, plant and equipment	(130)	(130)	0.0%	(326)	(326)	0.0%
Purchase of intangible assets	-	-	0.0%	(2)	(2)	0.0%
Net cash flows (used in)/generated from investing activities	(129)	(129)	0.0%	2,538	2,538	0.0%
Cash flows from financing activities						
Acquisition of non-controlling interests	-	-	0.0%	(94)	(94)	0.0%
Dividends paid on ordinary shares of the Company	-	-	0.0%	-	-	0.0%
Proceeds from bank borrowings	-	-	0.0%	-	-	0.0%
Repayment of bank borrowings	(1,034)	(1,034)	0.0%	(4,855)	(4,855)	0.0%
Repayment of finance lease payables	(30)	(30)	0.0%	(90)	(90)	0.0%
Amount due from shareholders of a subsidiary	-	-	0.0%	-	-	0.0%
Net cash flows used in financing activities	(1,064)	(1,064)	0.0%	(5,039)	(5,039)	0.0%
Net change in cash and cash equivalents	7,292	7,292	0.0%	3,873	3,873	0.0%
Effects on exchange rate changes on cash and cash equivalents	(373)	(373)	0.0%	(278)	(278)	0.0%
Cash and cash equivalents at beginning of the period	49,337	49,337	0.0%	52,661	52,661	0.0%
Cash and cash equivalents at end of financial period	56,256	56,256	0.0%	56,256	56,256	0.0%

HG METAL MANUFACTURING LIMITED

BY ORDER OF THE BOARD

Foo Sey Liang
Executive Director

1 December 2015