

(Company Registration No. 198802660D)

Second Quarter Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a)(i) A Statement of Comprehensive Income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year

	Grou	Group			р	
	2Q 2015	2Q 2014	%	1H 2015	1H 2014	%
	S\$'000	S\$'000	(+/-)	S\$'000	S\$'000	(+/-)
Revenue	35,996	44,517	(19)	71,496	97,969	(27)
Cost of sales	(34,799)	(42,281)	(18)	(68,307)	(92,062)	(26)
Gross profit	1,197	2,236	(46)	3,189	5,907	(46)
Gross margin	3.3%	5.0%		4.5%	6.0%	
Other operating income	2,127	1,202	77	3,989	2,489	60
Distribution expenses	(209)	(475)	(56)	(477)	(982)	(51)
Administrative expenses	(2,174)	(2,986)	(27)	(4,580)	(5,896)	(22)
Other operating expenses	(2,968)	(14,781)	(80)	(5,379)	(17,143)	(69)
Finance expenses	(62)	(253)	(75)	(125)	(638)	(80)
Share of associate profits	775	1,582	(51)	2,111	3,208	(34)
Loss before tax	(1,314)	(13,475)	nm*	(1,272)	(13,055)	nm*
Income tax (expenses)/credit	(11)	143	nm*	(11)	143	nm*
Net loss after tax	(1,325)	(13,332)	nm*	(1,283)	(12,912)	nm*
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Currency translation adjustments Share of other comprehensive income of	(6)	(5)	nm*	44	17	nm*
associates	35	4	nm*	(32)	2	nm*
Other comprehensive income/(loss) for the period, net of tax	29	(1)	nm*	12	19	nm*
Total comprehensive loss for the period	(1,296)	(13,333)	nm*	(1,271)	(12,893)	nm*
(Loss)/income attributable to:						
Owners of the Company	(1,326)	(12,868)	nm*	(1,258)	(12,406)	nm*
Non-controlling interests	1	(464)	nm*	(25)	(506)	nm*
	(1,325)	(13,332)	nm*	(1,283)	(12,912)	nm*
Total comprehensive loss attributable to:						
Owners of the Company	(1,282)	(12,876)	nm*	(1,222)	(12,397)	nm*
Non-controlling interests	(14)	(457)	nm*	(49)	(496)	nm*
	(1,296)	(13,333)	nm*	(1,271)	(12,893)	nm*

^{*}nm denotes not meaningful

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

1(a)(ii) Notes to the Statement of Comprehensive Income for the Group

	Group		Grou	р
Profit before tax is arrived at after charging/(crediting) the following:	2Q 2015	2Q 2014	1H 2015	1H 2014
	S\$'000	S\$'000	S\$'000	S\$'000
(Reversal of allowance)/allowance for impairment				
of receivables, net	-	1,950	(10)	1,959
Bad debts (recovered)/write off	(10)	232	(10)	232
Amortisation of intangible assets	8	11	16	21
Recognition of deferred income	(357)	(357)	(714)	(714)
Depreciation of property, plant and equipment	535	664	1,120	1,286
Fair value (gain)/loss on investment held for trading	(20)	7	(20)	(9)
Fair value loss on derivatives, net	75	32	169	121
Foreign exchange loss/(gain), net	555	(74)	455	(324)
Interest income	(1)	(16)	(2)	(38)
Interest on borrowings	62	253	125	638
(Gain)/loss on disposal of property, plant and equipment	(50)	94	(54)	95
Write off of property, plant and equipment	46	53	46	53
Impairment of property, plant and equipment	-	1,443	-	1,443
Impairment of intangible assets	-	69	-	69
Write off of inventories	-	372	-	372
Impairment of inventories	-	8,144	-	8,137

1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Gro	Group		pany
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	14,869	15,652	8,163	8,215
Intangible assets	65	79	60	75
Investment in subsidiaries	-	-	13,147	13,147
Investment in associates	48,828	49,488	68	68
Deferred tax assets	-	12	-	-
	63,762	65,231	21,438	21,505
Current assets				
Investment held for trading	130	110	_	_
Inventories	14,980	28,058	11,458	25,645
Trade and other receivables	30,871	35,549	49,415	49,906
Income tax recoverable	127	135	-	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Prepaid expenses	432	184	415	145
Cash and cash equivalents	49,337	52,661	39,925	45,222
Cash and Cash equivalents	95,877	116,697	101,213	120,918
	75,677	110,077	101,213	120,710
Current liabilities				
Trade and other payables	8,719	25,471	19,832	29,643
Finance lease payables	95	44	84	-
Bank borrowings	4,108	5,857	4,108	5,857
Provision for taxation	13	13	_	-
Deferred income	1,429	1,429	1,429	1,429
Derivative financial instruments	170	-	170	-
	14,534	32,814	25,623	36,929
Net current assets	81,343	83,883	75,590	83,989
Net current assets	61,343	05,005	75,590	65,969
Non-current liabilities				
Finance lease payables	165	23	162	-
Bank borrowings	4,783	6,855	4,783	6,855
Provision for reinstatement costs	1,000	1,000	700	700
Deferred income	5,119	5,833	5,119	5,833
	11,067	13,711	10,764	13,388
	134,038	135,403	86,264	92,106
Capital and reserves	- 7.32	-,	-,	, , , ,
Share capital	152,052	152,052	152,052	152,052
Treasury shares	(1,885)	(1,885)	(1,885)	(1,885)
Other reserves	1,920	1,931	2,527	2,527
Accumulated losses	(18,517)	(17,259)	(66,430)	(60,588)
	100.550	124.020	06.264	00.105
Equity attributable to owners of the Company	133,570	134,839	86,264	92,106
Non-controlling interests	468	564	-	-
Total equity	134,038	135,403	86,264	92,106

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

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

	A	s at 30 June 2015	As at :	31 December	2014	
			Finance			Finance
	Secured	Unsecured	lease	Secured	Unsecured	lease
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Repayable within one year	4,108	-	95	5,857	-	44
Repayable after one year	4,783	-	165	6,855	-	23
Total	8,891	-	260	12,712	-	67

Details of collaterals

The Group's borrowings of approximately S\$8.9 million is secured by way of:

- (i) fixed and floating charge over inventories, receivables and bank balance of the Company; and
- (ii) legal mortgage over properties of the Group and of the Company.

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

 $1 (c) (i) \quad A \ \, \text{Statement of Cash Flows for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year} \,$

Age		Grou	Group		0
SS SS SS SS SS SS SS S				Group 1H 2015	1H 2014
Cash flows from operating activities				S\$'000	S\$'000
Adjustments for Depreciation of property, plant and equipment Adjustments for Depreciation of property, plant and equipment Reversal of allowance/allowance for impairment of receivables, etc. Reversal of allowance/allowance for impairment of receivables, etc. To 1,950 (10) 1,959 (1	Cash flows from operating activities		, , , , ,		
Dependition of property, plant and equipment S35 G64 1,120 1,286	Loss before tax	(1,314)	(13,475)	(1,272)	(13,055)
Amortisation of intangible assets Reversal of allowance)/allowance for impairment of receivables, net and others (recovered)/write off (10) 222 (10) 232 and others (recovered)/write off (10) 232 (10) 232 and others (recovered)/write off (10) 232 (10) 232 and others (recovered)/write off (10) 94 (54) 95 Write off of property, plant and equipment (10) 94 (53) 46 (53) A6 (53) A72 (54) 41 A74 Write off of inventories (10) 1,443 Write off of inventories (10) 2,444 (5,13) A72 (7) 2,00 (9) A73 (20) (9) A74 (20) (9) A75 (20) (9) A77 (20) (9)	Adjustments for:				
Reversal of allowance () allo	Depreciation of property, plant and equipment	535	664	1,120	1,286
of receivables, net - 1,950 (10) 1959 Bad addebs (recovered/Vrite off (10) 2322 (10) 2323 Gain/Moss on disposal of property, plant and equipment (50) 94 (54) 95 Write off of property, plant and equipment - 1,443 - 1,443 Write off of property, plant and equipment - 1,443 - 8,174 Impairment of fire of inventories - 8,144 - 8,137 Impairment of intangible assets - 69 - 69 Fair value (sgim/loss on investment held for trading (20) 7 (20) (9 Fair value (sgim/loss on derivatives, net 75 32 169 12 Interest stepense 62 253 125 638 Interest stepense (1) (16) (6) 223 125 638 Interest stepense (32) (35) (35) (714 (714 (714 (714 (714 (714 (714 (714 <t< td=""><td>Amortisation of intangible assets</td><td>8</td><td>11</td><td>16</td><td>21</td></t<>	Amortisation of intangible assets	8	11	16	21
Sad debts (recovered/write off	(Reversal of allowance)/allowance for impairment				
Gain/loss on disposal of property, plant and equipment (50) 94 (54) 95 Write off of property, plant and equipment 46 53 46 33 Impairment of property, plant and equipment - 1,443 - 31,43 Write off of inventories - 372 - 372 Impairment of inventories - 69 - 69 Gair value (gain) floss on investment held for trading (20) 7 (20) (9 Fair value (gain) floss on derivatives, net 75 32 169 121 Interest expense 62 253 125 638 Interest expense 61 (1) (16 (2 (38 Share of associates results (75) (1,582 (2,111) (3,208 Recognition of deferred income (337) (357) (714 (714 Unrealised foreign exchange loss/(gain) (335) (357) (714 (714 Working capital changes (2,137) (2,297) (2,671) (3,54 <td></td> <td>-</td> <td></td> <td></td> <td></td>		-			
Write off of property, plant and equipment 46 53 46 53 impairment of property, plant and equipment - 1,443 - 1,443 write off of inventories - 372 - 372 impairment of inventories - 8,144 - 8,137 mapairment of intentiories - 69 - 69 Pair value (gain/loss on investment held for trading (20) 7 (20) (9 Pair value (gain/loss on investment held for trading (20) 7 (20) (9 Pair value (gain/loss on investment held for trading (20) 7 (20) (9 Fair value (gain/loss) 62 253 125 68 native transported (gain) (36) (1) (16) (2) (38 Share of associates results (377) (352) (2,571) (714 (714 Unrealized foreign exchange loss/(gain) (336) (191) 46 (55 Operating cash flow before working capital changes (2,137) (2,297) <td>,</td> <td>` '</td> <td></td> <td>, ,</td> <td></td>	,	` '		, ,	
Impairment of property, plant and equipment Write of I of inventories Impairment of intangible assets Impairment of intangible		` '	-	, ,	
Write off of inventories Impairment of inventories Impairment of inventories Impairment of inventories Impairment of intendipide assets Impairment of intendipide ass	Write off of property, plant and equipment	46		46	
Impairment of inventories - 8,144 - 8,137	Impairment of property, plant and equipment	-		-	
Prair value (gain)/loss on investment held for trading Cap 7 Cap	Write off of inventories	-	372	-	372
Fair value (gain)/loss on investment held for trading Fair value loss on derivatives, net 75 32 169 121 76 2253 125 638 18 125 638 19 12 46 (556 19 12 14 6 (556 19 12 14	Impairment of inventories	-	8,144	-	8,137
Fair value loss on derivatives, net Fair value loss on derivatives, net Interest expense Interest expense Interest income Interest income interest income Interest income interest income Interest income interest income Interest income interest income interest income interest income interest income interest income interest income interest income interest income interest income interest income interest income received income interest income received income interest income received income interest income received inco	Impairment of intangible assets	-	69	-	69
Interest expense interest expense interest income (1) (16) (2) (38 kinterest income (1) (16) (2) (38 kinterest income (175) (1,582) (2,111) (3,208 kinterest income (357) (357) (357) (714) (714 (174)	Fair value (gain)/loss on investment held for trading	(20)	7	(20)	(9)
Interest income (1) (16) (2) (38 Share of associates results (775) (1,582) (2,111) (3,208 Recognition of deferred income (357) (357) (714) (714 Unrealised foreign exchange loss/(gain) (3636) (191) (46 (556) Operating cash flow before working capital changes (2,137) (2,297) (2,671) (3,154) Working capital changes: Inventories (13,973) 18,037 (13,078) 29,498 Trade and other receivables (10,123) (12,854) (16,818) (7,706) Trade and other payables (10,123) (12,854) (16,818) (7,706) Trade and other payables (10,123) (12,854) (16,818) (7,706) Interest expense paid (62) (253) (125) (638) Interest expense paid (62) (253) (125) (638) Interest income received (62) (253) (125) (638) Interest income received (700) (used in) operating activities (2,690) (10,294) (2,109) (2,7004) Cash flows from investing activities Dividend income received from quoted investment (161) (113) (196) (905) Purchase of property, plant and equipment (161) (113) (196) (905) Purchase of property, plant and equipment (161) (113) (196) (905) Purchase of intangible assets (2) (1) (2) (2) Net cash flows generated from investing activities Cash flows generated from investing activities Cash flow from financing activities Cash flows from finance lease payables Acquisition of non-controlling interests (94) - (94) - (94) (1,069) Proceeds from bank borrowings (1,058) (31,581) (3,822) (62,679) Repayment of finance lease payables (1,028) (31,581) (3,822) (62,679) Repayment of finance lease payables (1,028) (31,581) (3,922) (62,679) Repayment of finance lease payables (1,145) (21,116) (3,977) (26,704) Net cash flows used in financing activities (2,3) (1,140) (3,419) (6,228) Cash and cash equivalents at beginning of financial period (46,426) (26,437) (52,661) (16,123)	Fair value loss on derivatives, net	75	32	169	121
Share of associates results Recognition of deferred income (3775) (1,582) (2,111) (3,208 Recognition of deferred income (377) (357) (714) (714) (714) Unrealised foreign exchange loss/(gain) (336) (191) 46 (556) Operating eash flow before working capital changes (2,137) (2,297) (2,671) (3,154) Working capital changes: 13,973 18,037 13,078 29,498 10,388 7,645 4,425 8,966 10,123 11,2854 11,6818 7,706 10,123 11,2854 11,6818 7,706 10,123 11,0531 1,1986 27,604 11 16 2 38 Net cash flows generated from/ (used in) operating activities 1,054 2,590 10,294 (2,109) 27,004 1 16 2 38 Net cash flows generated from/ (used in) operating activities 1,054 2,590 2,739 2,590 2,739 2,590 2,730 2,590 2,73	Interest expense	62	253	125	638
Recognition of deferred income	Interest income	(1)	(16)	(2)	(38)
Unrealised foreign exchange loss/(gain) Operating cash flow before working capital changes (2,137) (2,297) (2,671) (3,154) Working capital changes: Inventories 13,973 18,037 13,078 29,498 Trade and other receivables Trade and other payables Cash generated from /(used in) operations Interest expense paid Interest expense paid Interest expense paid Interest income received Interest income received Interest expense paid Interest income received Interest income received Interest income received Interest expense paid Interest income received Interest income received from quoted investment Interest income received from generated from working activities Interest income received from generated from working activities Interest income received from generated gen	Share of associates results	(775)	(1,582)	(2,111)	(3,208)
Cash generated from /used in) operating activities 1,038	Recognition of deferred income	(357)	(357)	(714)	(714)
Working capital changes: Inventories	Unrealised foreign exchange loss/(gain)	(336)	(191)	46	(556)
Inventories 13,973 18,037 13,078 29,498 ITrade and other receivables 1,038 7,645 4,425 8,966 ITrade and other payables (10,123) (12,854) (16,818) (7,706 Cash generated from /(used in) operations 2,751 10,531 (1,986) 27,604 Interest expense paid (62) (253) (125) (638 Interest income received 1 16 2 38 Net cash flows generated from / (used in) operating activities 2,690 10,294 (2,109) 27,004 Cash flows from investing activities 2,690 10,294 (2,109) 27,004 Cash flows from investing activities 2,690 10,294 (2,109) 27,004 Cash flows from investing activities 2,690 10,294 (2,109) 27,004 Cash flows from investing activities 2,690 10,294 (2,109) 27,004 Cash flows from investing activities 2,690 10,294 (2,109) 27,004 Cash flows from investing activities 2,690 10,294 (2,109) 27,004 Cash flows from disposal of property, plant and equipment 87 4,206 126 4,245 Purchase of property, plant and equipment (161) (113) (196) (905 (10,000) (10,000) Purchase of intangible assets (2) (1) (2) (2) (2) Net cash flows generated from investing activities 978 6,682 2,667 5,928 Cash flows from financing activities (94) -	Operating cash flow before working capital changes	(2,137)	(2,297)	(2,671)	(3,154)
Trade and other receivables	Working capital changes:				
Cash generated from /(used in) operations	Inventories	13,973	18,037	13,078	29,498
Cash generated from /(used in) operations	Trade and other receivables	1,038	7,645	4,425	8,966
Interest expense paid (62) (253) (125) (638 (1125) (638 (1125) (638 (1125) (1125) (638 (1125)	Trade and other payables	(10,123)	(12,854)	(16,818)	(7,706)
1 16 2 38 Net cash flows generated from/ (used in) operating activities 2,690 10,294 (2,109) 27,004 Cash flows from investing activities 2,690 10,294 (2,109) 27,004 Cash flows from investing activities 2,690 10,294 (2,109) 27,004 Cash flows from investing activities 2,590 2,739 2,590 Proceeds from disposal of property, plant and equipment 87 4,206 126 4,245 Purchase of property, plant and equipment (161) (113) (196) (905) Purchase of intangible assets (2) (1) (2) (2) Net cash flows generated from investing activities 978 6,682 2,667 5,928 Cash flows from financing activities (94) -	Cash generated from /(used in) operations	2,751	10,531	(1,986)	27,604
Cash flows generated from/ (used in) operating activities 2,690 10,294 (2,109) 27,004	Interest expense paid	(62)	(253)	(125)	(638)
Cash flows from investing activities Dividend income received from quoted investment Proceeds from disposal of property, plant and equipment Proceeds of intangible assets Purchase of intangible assets Proceeds from investing activities Proceeds from investing activities Proceeds from financing activities Proceeds from bank borrowings Proceeds from bank borrowings Proceeds from bank borrowings Proceeds from bank borrowings Proceeds from finance lease payables Proceeds from bank borrowings Proceeds	Interest income received	1	16	2	38
Divided income received from quoted investment 1,054 2,590 2,739 2,590 Proceeds from disposal of property, plant and equipment 87 4,206 126 4,245 Purchase of property, plant and equipment (161) (113) (196) (905) Purchase of intangible assets (2) (1) (2) (2) Net cash flows generated from investing activities 978 6,682 2,667 5,928 Cash flows from financing activities 978 6,682 2,667 5,928 Cash flows from financing activities (94) -	Net cash flows generated from/ (used in) operating activities	2,690	10,294	(2,109)	27,004
Divided income received from quoted investment 1,054 2,590 2,739 2,590 Proceeds from disposal of property, plant and equipment 87 4,206 126 4,245 Purchase of property, plant and equipment (161) (113) (196) (905) Purchase of intangible assets (2) (1) (2) (2) Net cash flows generated from investing activities 978 6,682 2,667 5,928 Cash flows from financing activities 978 6,682 2,667 5,928 Cash flows from financing activities (94) -	Cash flows from invacting activities				
Proceeds from disposal of property, plant and equipment Purchase of property, plant and equipment Purchase of intangible assets Purchase of intangible asset	_	1.054	2 590	2 739	2 590
Purchase of property, plant and equipment Purchase of intangible assets Purchase of intending activities Purchase of intangible assets Purchase of intending activities Purchase of intending activiti	•	· · · · · · · · · · · · · · · · · · ·		,	
Purchase of intangible assets (2) (1) (2) (2) Net cash flows generated from investing activities Possible flows generated from investing activities (94) - (94) - (94) - (1,069) Proceeds from bank borrowings Repayment of bank borrowings (1,028) (31,581) (3,822) (62,679) Repayment of finance lease payables Amount due from shareholders of a subsidiary Net cash flows used in financing activities (1,145) (21,116) (3,977) (26,704) Net change in cash and cash equivalents Effects on exchange rate changes on cash and cash equivalents Cash and cash equivalents at beginning of financial period (2) (1) (2) (2) (3) (2) (2) (4) - (94) - (94) (5) (1,069) - (1,069) (6) (1,069) - (1,069) (7) (1,069) - (1,069) (8) (1,028) (31,581) (3,822) (62,679) (9) (1,069) - (1,069) (1,028) (31,581) (3,822) (62,679) (1,028) (31,581) (3,822) (62,679) (1,028) (31,581) (3,822) (62,679) (23) (12) (61) (62) (24) (27) (28) (31,581) (25) (31,581) (3,822) (62,679) (26) (31,581) (3,822) (62,679) (26) (31,581) (3,822) (62,679) (27) (41,089) - (41,089) (28) (41,089) - (41,089) (29) (41,089) - (41,089) (29) (41,089) - (41,089) (20) (41,089) - (41,089) (20) (41,089) - (41,089) (20) (41,089) - (41,089) (21,116) (3,977) (26,704) (21,116) (3,977) (26,704) (21,116) (3,977) (26,704) (21,116) (3,977) (26,704) (21,116) (3,977) (26,704) (21,116) (3,977) (26,704) (21,116) (3,977) (26,704) (21,116) (3,977) (26,704) (22,116) (3,977) (26,704) (23,116) (3,977) (26,704) (24,116) (3,977) (26,704) (25,116) (3,977) (26,704) (26,104) (3,419) (3,419) (3,419) (27) (3,181) (3,181) (28) (31,581) (3,822) (62,679) (29) (41,089) (41,089) (29) (41,089) (41,089) (20) (41,089) (41,089) (20) (41,089) (41,089) (21,116) (42,089) (21,116) (42,089) (21,116) (42,089) (21,116) (42,089) (22,116) (42,089) (23) (41,089) (24,140) (41,089) (24,140) (41,089) (24,140) (41,089) (25,141) (41,089) (26,141) (41,089) (27) (41,089) (28) (41,089) (28) (41,089) (28) (41,089) (28) (41,089) (28) (41,089) (28) (41,089) (28) (41,089)					
Net cash flows generated from investing activities 978 6,682 2,667 5,928 Cash flows from financing activities Acquisition of non-controlling interests (94) - (94) - Acquisition of non-controlling interests (94) - (1,069) - (2,042) (2,042) (2,042) (2,042) (2,042) (2,042) (2,042) (2,042) (2,042) (2,042) (2,042)<		` ′	, ,		, ,
Cash flows from financing activities Acquisition of non-controlling interests Company Comp			` '		
Acquisition of non-controlling interests (94) - (94) - (1,069) - (1,069) Proceeds from bank borrowings - 10,582 - 36,142 Repayment of bank borrowings (1,028) (31,581) (3,822) (62,679) Repayment of finance lease payables (23) (12) (61) (62) Amount due from shareholders of a subsidiary - 964 - 964 Net cash flows used in financing activities (1,145) (21,116) (3,977) (26,704) Net change in cash and cash equivalents 2,523 (4,140) (3,419) 6,228 Effects on exchange rate changes on cash and cash equivalents 388 91 95 37 Cash and cash equivalents at beginning of financial period 46,426 26,437 52,661 16,123	rece cash nows generated from investing activities	716	0,082	2,007	3,926
Dividends paid on ordinary shares of the Company - (1,069) -	Cash flows from financing activities				
Proceeds from bank borrowings - 10,582 - 36,142 Repayment of bank borrowings (1,028) (31,581) (3,822) (62,679, Repayment of finance lease payables (23) (12) (61) (62, Amount due from shareholders of a subsidiary - 964 - 964 Net cash flows used in financing activities (1,145) (21,116) (3,977) (26,704, Net change in cash and cash equivalents 2,523 (4,140) (3,419) 6,228 Effects on exchange rate changes on cash and cash equivalents 388 91 95 37 Cash and cash equivalents at beginning of financial period 46,426 26,437 52,661 16,123	Acquisition of non-controlling interests	(94)	-	(94)	-
Proceeds from bank borrowings - 10,582 - 36,142 Repayment of bank borrowings (1,028) (31,581) (3,822) (62,679, Repayment of finance lease payables (23) (12) (61) (62, Amount due from shareholders of a subsidiary - 964 - 964 Net cash flows used in financing activities (1,145) (21,116) (3,977) (26,704, Net change in cash and cash equivalents 2,523 (4,140) (3,419) 6,228 Effects on exchange rate changes on cash and cash equivalents 388 91 95 37 Cash and cash equivalents at beginning of financial period 46,426 26,437 52,661 16,123	Dividends paid on ordinary shares of the Company	-	(1,069)	-	(1,069)
Repayment of bank borrowings (1,028) (31,581) (3,822) (62,679) Repayment of finance lease payables (23) (12) (61) (62) Amount due from shareholders of a subsidiary - 964 - 964 Net cash flows used in financing activities (1,145) (21,116) (3,977) (26,704) Net change in cash and cash equivalents 2,523 (4,140) (3,419) 6,228 Effects on exchange rate changes on cash and cash equivalents 388 91 95 37 Cash and cash equivalents at beginning of financial period 46,426 26,437 52,661 16,123	Proceeds from bank borrowings	-		-	36,142
Repayment of finance lease payables (23) (12) (61) (62)	Repayment of bank borrowings	(1,028)		(3,822)	(62,679)
Amount due from shareholders of a subsidiary Net cash flows used in financing activities Net change in cash and cash equivalents Effects on exchange rate changes on cash and cash equivalents Cash and cash equivalents at beginning of financial period 2,523 4,140 3,419 6,228 6,437 52,661 16,123	Repayment of finance lease payables	(23)	(12)	(61)	(62)
Net cash flows used in financing activities (1,145) (21,116) (3,977) (26,704) Net change in cash and cash equivalents 2,523 (4,140) (3,419) 6,228 Effects on exchange rate changes on cash and cash equivalents 388 91 95 37 Cash and cash equivalents at beginning of financial period 46,426 26,437 52,661 16,123	Amount due from shareholders of a subsidiary			-	964
Net change in cash and cash equivalents 2,523 (4,140) (3,419) 6,228 Effects on exchange rate changes on cash and cash equivalents 388 91 95 37 Cash and cash equivalents at beginning of financial period 46,426 26,437 52,661 16,123	Net cash flows used in financing activities	(1,145)		(3,977)	(26,704)
Effects on exchange rate changes on cash and cash equivalents 388 91 95 37 Cash and cash equivalents at beginning of financial period 46,426 26,437 52,661 16,123	Net change in cash and cash equivalents				
Cash and cash equivalents at beginning of financial period 46,426 26,437 52,661 16,123					
1 0 0 1	· · · · · · · · · · · · · · · · · · ·				
Cush and cash equivarents at the 91 manetal perior 1 47.331 44.300 1 47.331 42.300	Cash and cash equivalents at end of financial period	49,337	22,388	49,337	22,388

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

1(c)(ii) Note to the Consolidated Statement of Cash Flows

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise:

	Group			
	30 June 2015	30 June 2014		
	S\$'000	S\$'000		
Cash and bank balances	49,337	21,669		
Fixed deposits	-	719		
	49,337	22,388		
Cash and cash equivalents per consolidated cash flow				
statement	49,337	22,388		

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 owners of the Company										
						Foreign				
						currency			Non-	
	Share	Treasury	Capital	Fair value	Other	translation	Accumulated	m . 1	controlling	Total
Group	capital	shares	reserve	reserve	reserves	reserve	losses	Total	interests	equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2015	152,052	(1,885)	2,527	(4)	(177)	(415)	(17,259)	134,839	564	135,403
Loss for the period	-	-	-	-	-	-	(1,258)	(1,258)	(25)	(1,283)
Other comprehensive income										
Foreign currency translation	-	-	-	-	-	68	-	68	(24)	44
Share of other comprehensive						(22)		(22)		(22)
income of associate	-	_	-		-	(32)	-	(32)	-	(32)
Other comprehensive income for the period, net of tax	_	_	_	_	_	36	_	36	(24)	12
ioi ine periou, net er uni									(= 1)	
Total comprehensive income/(loss) for										
the period		-	-	-	-	36	(1,258)	(1,222)	(49)	(1,271)
Contribution by and distributions to owners										
Acquisition of minority interests									(47)	(47)
Premium paid on acquisition of minority	_	-	-	-	-	-	-	-	(47)	(47)
interests	-	-	-	-	(47)	-	-	(47)	-	(47)
Total transactions with owners										-
in their capacity as owners		-	-	-	(47)	-	-	(47)	(47)	(94)
Balance as at 30 June 2015	152,052	(1,885)	2,527	(4)	(224)	(379)	(18,517)	133,570	468	134,038

			Attributab	ole to owners o	of the Company	y			
					Foreign				
Group	Share capital	Treasury shares	Capital reserve	Fair value reserve	currency translation reserve	Accumulated losses	Total	Non- controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2014	137,314	(1,885)	2,527	(4)	(373)	(100)	137,479	1,674	139,153
Loss for the period Other comprehensive income	-	-	-	-	-	(12,406)	(12,406)	(506)	(12,912)
Foreign currency translation	-	-	-	-	7	-	7	10	17
Share of other comprehensive income of associate	_	_	_	_	2	_	2	_	2
Other comprehensive income for the period, net of tax	-	-	-	-	9	-	9	10	19
Total comprehensive income/(loss) for the period		_	-	-	9	(12,406)	(12,397)	(496)	(12,893)
Contribution by and distributions to owners									
Dividend on ordinary shares	-	-	-	-	-	(1,069)	(1,069)	-	(1,069)
Total transactions with owners in their capacity as owners		-	-	-	-	(1,069)	(1,069)	-	(1,069)
Balance as at 30 June 2014	137,314	(1,885)	2,527	(4)	(364)	(13,575)	124,013	1,178	125,191

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

Company	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2015 Loss for the period, representing total	152,052	(1,885)	2,527	(60,588)	92,106
comprehensive loss for the period	-	_	-	(5,842)	(5,842)
Balance as at 30 June 2015	152,052	(1,885)	2,527	(66,430)	86,264
Balance as at 1 January 2014	137.314	(1,885)	2,527	(37,552)	100,404
Loss for the period, representing total comprehensive loss for the period	-	-	-	(11,354)	(11,354)
Contributions by and distributions to owners Dividend on ordinary shares	-			(1,069)	(1,069)
Total transactions with owners in their capacity as owners		-	-	(1,069)	(1,069)
Balance as at 30 June 2014	137,314	(1,885)	2,527	(49,975)	87,981

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 was no change in the Company's share capital during the 2nd quarter ended 30 June 2015.

1(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 end of the immediately preceding year.

	30 June 2015	31 December 2014
Total number of issued shares	1,306,121,962	1,306,121,962
Treasury shares	(23,268,000)	(23,268,000)
Total number of issued shares excluding treasury shares	1,282,853,962	1,282,853,962

1(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 figures have been audited or reviewed, and in accordance with which auditing standard or practice.

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

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

Not applicable

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation to the financial statements for the current financial period and the most recent audited financial statements for the financial year ended 31 December 2014.

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

The Group has adopted the new or revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") which became effective for the current financial year, where applicable. The adoption of these FRS and INT FRS did not result in any substantial changes to the Group's accounting policies and there is no material impact on the financial statements of the Group since 31 December 2014.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group		Group	
	2Q 2015	2Q 2014	1H 2015	1H 2014
Earnings per ordinary shares:				
(a) Basic (cents)	(0.10)	(1.20)	(0.10)	(1.16)
(b) Diluted (cents)	(0.10)	(1.20)	(0.10)	(1.16)

- (a) Earnings per share were calculated based on weighted average number of shares of 1,282,853,962 and 1,069,253,962 for the period ended 30 June 2015 and 30 June 2014 respectively.
- (b) Diluted earnings per share were calculated based on adjusted weighted average number of shares during the period.

There was no dilution in earnings per ordinary share this quarter and the comparative quarter last year.

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 period reported on and (b) immediately preceding financial year

	Gre	oup	Com	pany
	30.06.2015	30.06.2015	31.12.2014	
Net asset value per ordinary share (cents)	10.41	10.51	6.72	7.18

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 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.

Results for 2Q2015 versus 2Q2014

Revenue and Gross Profit

The Group's revenue decreased by 19% from S\$44.5 million in the quarter ended 30 June 2014 (2Q2014) to S\$36.0 million in the quarter ended 30 June 2015 (2Q2015). This was mainly due to lower sales volume and lower average selling price which declined by an average of 10% and 11% respectively, reflecting the current tough steel market.

The Group recorded lower gross profit of S\$1.2 million in 2Q2015 compared to S\$2.2 million in 2Q2014 as a result of lower sales volume and gross profit margin. The gross margin was 3.3% compared with 5.0% for 2Q2014, mainly due to falling steel prices and increased in export sales with lower gross profit margin.

Other Operating Income

Other operating income increased from S\$1.2 million in 2Q2014 to S\$2.1 million in 2Q2015. This was mainly attributed to increase on warehouse rental services income.

Distribution, Administrative, Other Operating and Finance Expenses

The Group's distribution expenses decreased 56% from S\$0.5 million in 2Q2014 to S\$0.2 million in 2Q2015, in tandem with lower sales volume reported in 2Q2015.

Administrative expenses decreased by 27% from \$\\$3.0 million in 2Q2014 to \$\\$2.2 million in 2Q2015, mainly due to reduced headcount and overall reduction in other administrative expenses.

Other operating expenses dropped by 80% from S\$14.8 million in 2Q2014 to S\$3.0 million in 2Q2015. This was due to the absence of one time provisions for inventories and doubtful debts of S\$12.2 million in 2Q 2014. This was offset by increased in foreign exchange loss of S\$0.6 million due to fluctuation in US Dollars.

Lower finance expenses was incurred in 2Q2015 as compared to 2Q2014 due to lower bank borrowings.

Profitability

The Group posted a net loss after tax of S\$1.3 million in 2Q2015, compared to a net loss of S\$13.3 million in 2Q2014. The lower loss in 2Q2015 was due to one time provisions in 2Q2014 as mentioned above.

Results for 1H 2015 versus 1H 2014

Revenue and Gross Profit

The Group's revenue decreased by 27% from S\$98.0 million in first half of FY2014 (1H2014) to S\$71.5 million in first half of FY2015 (1H2015), arising from lower sale volume and lower selling prices. Gross profit declined by 46% from S\$5.9 million in 1H2014 to S\$3.2 million in 1H2015 due to lower sales volume and gross profit margin.

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

Other Operating Income

Other operating income increased from S\$2.5 million in 1H2014 to S\$4.0 million in 1H2015. This was mainly attributed to increase in warehouse rental services income.

Distribution, Administrative Expenses, Other Operating and Finance Expenses

The Group's distribution expenses decreased 51% from S\$1.0 million in 1H2014 to S\$0.5 million in 1H2015, in tandem with lower sales volume reported in 1H2015.

Administrative expenses decreased by 22% from S\$5.9 million in 1H2014 to S\$4.6 million in 1H2015, due to reduced headcount and reduction in other administrative expenses.

Other operating expenses decreased by 69% from S\$17.1 million in 1H2014 to S\$5.4 million in 1H2015. The decrease was primarily due to the one-time provisions in 2Q2014 as explained above.

Finance expenses decreased to S\$0.1 million in 1H2015 as compared to S\$0.6 million in 1H2014 due to lower bank borrowings.

Profitability

The Group recorded a net loss after tax of S\$1.3 million in 1H2015, compared to a net loss after tax of S\$12.9 million in 1H2014. The lower loss in 1H2015 was attributable to non-recurring one-time provisions made in 1H2014, as explained above.

Statement of Financial Position

Trade and other receivables decreased in line with lower revenue and improved collection to \$\$30.9 million as at 30 June 2015 as compared to \$\$35.5 million as at 31 December 2014.

Trade and other payables decreased to \$\\$8.7 million as at 30 June 2015 compared to \$\\$25.5 million as at 31 December 2014 due to lower purchase volume and repayment.

Total bank borrowings decreased from S\$12.7 million as at 31 December 2014 to S\$8.9 million as at 30 June 2015 due to repayment made during 1H2015.

Statement of Cash Flows

For 1H2015, the net cash flows used in operating activities was \$\$2.1 million. This was mainly attributable to the loss before tax was \$\$1.3 million, decreased in trade and other receivables by \$\$4.4 million, decreased in trade and other payables \$\$16.8 million partially offset by decreased in inventories by \$\$13.1 million.

Net cash flows generated from investing activities for 1H2015 was S\$2.7 million, mainly derived from dividend received from quoted investment.

Net cash flows used in financing activities for 1H2015 was S\$4.0 million, mainly due to repayment of bank borrowings of S\$3.8 million.

The Group's cash and cash equivalents was \$\$49.3 million as at 30 June 2015 in comparison to \$\$22.4 million as at 30 June 2014.

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 business outlook for the steel industry is expected to remain tough and challenging.

The factors that may significantly affect the Group in the next 12 months are:

- 1. The fluctuation of steel prices which are driven by global demand and supply of steel products
- 2 The state of the Singapore economy and the growth of the construction sector
- 3. The intensity of the competition in the industry
- 4. The fluctuations of the US dollar against Singapore dollar

The Group will continue to rationalise its business operations and focus on the search for business opportunities, locally and overseas.

11. Dividend

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on?

None.

(b) Corresponding period of the immediately preceding financial year

Any dividend recommended 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 for the reporting period.

13. Interested persons transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the listing manual of the Singapore Exchange Securities Trading Limited.

There was no interested person transactions with aggregate value of more than S\$100,000 during 1H2015 pursuant to Rule 907 of the listing manual of the Singapore Exchange Securities Trading Limited.

14. Statement pursuant to Rule 705(5) of the Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of HG Metal Manufacturing Limited which may render the unaudited financial results for the quarter ended 30 June 2015 to be false or misleading in any material respect.

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

On behalf of the Board of Directors

Foo Sey Liang Executive Director

13 August 2015