



HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

Third Quarter Financial Statements and Dividend Announcement for Financial Period Ended 30 September 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

	Group			Group		
	3Q 2015 S\$'000	3Q 2014 S\$'000	% (+/-)	YTD 2015 S\$'000	YTD 2014 S\$'000	% (+/-)
Revenue	31,090	40,618	(23)	102,586	138,586	(26)
Cost of sales	(29,809)	(37,996)	(22)	(98,116)	(130,058)	(25)
Gross profit	1,281	2,622	(51)	4,470	8,528	(48)
Gross margin	4.1%	6.5%		4.4%	6.2%	
Other operating income	3,454	1,760	96	6,987	4,174	67
Selling & distribution costs	(206)	(398)	(48)	(683)	(1,380)	(51)
Administrative expenses	(2,331)	(2,253)	3	(6,911)	(8,149)	(15)
Other operating expenses	(2,715)	(5,807)	(53)	(7,638)	(22,874)	(67)
Finance costs	(57)	(129)	(56)	(182)	(767)	(76)
Share of associate profits	576	1,632	(65)	2,687	4,840	(44)
Profit/(loss) before tax	2	(2,573)	nm*	(1,270)	(15,628)	nm*
Income tax (expenses)/credit	-	(3)	nm*	(11)	140	nm*
Net profit/(loss) after tax	2	(2,576)	nm*	(1,281)	(15,488)	nm*
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss :						
Foreign currency translation	(205)	(9)	nm*	(161)	8	nm*
Share of other comprehensive income of associates	(118)	10	nm*	(150)	12	nm*
Other comprehensive income for the period, net of tax	(323)	1	nm*	(311)	20	nm*
Total comprehensive income for the period	(321)	(2,575)	nm*	(1,592)	(15,468)	nm*
Profit/(loss) attributable to:						
Owners of the Company	20	(2,496)	nm*	(1,238)	(14,901)	nm*
Non-controlling interests	(18)	(80)	nm*	(43)	(587)	nm*
	2	(2,576)	nm*	(1,281)	(15,488)	nm*
Total comprehensive income attributable to:						
Owners of the Company	(260)	(2,498)	nm*	(1,482)	(14,894)	nm*
Non-controlling interests	(61)	(77)	nm*	(110)	(574)	nm*
	(321)	(2,575)	nm*	(1,592)	(15,468)	nm*

*nm denotes not meaningful

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

	Group		Group	
	3Q 2015	3Q 2014	YTD 2015	YTD 2014
Profit/(loss) before tax is arrived at after crediting/(charging) the following:	S\$'000	S\$'000	S\$'000	S\$'000
(Allowance)/reversal of allowance for impairment of receivables, net	(76)	28	(66)	(1,931)
Bad debts recovered/(write off)	-	(1)	10	(233)
Amortisation of intangible assets	(8)	(10)	(24)	(32)
Recognition of deferred income	357	357	1,071	1,071
Depreciation of property, plant and equipment	(593)	(596)	(1,714)	(1,881)
Fair value gain on investment held for trading	180	5	200	13
Fair value (loss)/gain on derivatives, net	(358)	75	(527)	(46)
Foreign exchange gain, net	902	121	446	445
Interest income	23	5	25	43
Interest on borrowings	(57)	(129)	(182)	(767)
(Loss)/gain on disposal of property, plant and equipment	(12)	135	43	40
Loss on disposal of intangible assets	-	(69)	-	(69)
Write off of property, plant and equipment	-	-	(46)	(53)
Impairment of property, plant and equipment	-	(3)	-	(1,446)
Reversal of provision of intangible assets	-	69	-	-
Write off of inventories	(8)	(2)	(8)	(374)
Impairment of inventories	(130)	(3,451)	(130)	(11,588)

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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

	Group		Company	
	30.09.2015 S\$'000	31.12.2014 S\$'000	30.09.2015 S\$'000	31.12.2014 S\$'000
Non-current assets				
Property, plant and equipment	14,585	15,652	8,166	8,215
Intangible assets	52	79	48	75
Investment in subsidiaries	-	-	13,147	13,147
Investment in associates	49,286	49,488	68	68
Deferred tax assets	-	12	-	-
	63,923	65,231	21,429	21,505
Current assets				
Investment held for trading	310	110	-	-
Inventories	13,878	28,058	11,991	25,645
Trade and other receivables	27,780	35,549	40,688	49,906
Income tax recoverable	59	135	-	-
Prepaid expenses	246	184	234	145
Cash and cash equivalents	56,256	52,661	42,113	45,222
	98,529	116,697	95,026	120,918
Current liabilities				
Trade and other payables	12,662	25,471	15,338	29,643
Finance lease payables	181	44	172	-
Bank borrowings	4,134	5,857	4,134	5,857
Provision for taxation	13	13	-	-
Deferred income	1,429	1,429	1,429	1,429
Derivative financial instruments	527	-	527	-
	18,946	32,814	21,600	36,929
Net current assets	79,583	83,883	73,426	83,989
Non-current liabilities				
Finance lease payables	304	23	304	-
Bank borrowings	3,723	6,855	3,723	6,855
Provision for reinstatement costs	1,000	1,000	700	700
Deferred income	4,762	5,833	4,762	5,833
	9,789	13,711	9,489	13,388
	133,717	135,403	85,366	92,106
Capital and reserves				
Share capital	152,052	152,052	152,052	152,052
Treasury shares	(1,885)	(1,885)	(1,885)	(1,885)
Other reserves	1,640	1,931	2,527	2,527
Accumulated losses	(18,497)	(17,259)	(67,328)	(60,588)
Equity attributable to owners of the Company	133,310	134,839	85,366	92,106
Non-controlling interests	407	564	-	-
Total equity	133,717	135,403	85,366	92,106

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

	As at 30 September 2015			As at 31 December 2014		
	Secured S\$'000	Unsecured S\$'000	Finance lease S\$'000	Secured S\$'000	Unsecured S\$'000	Finance lease S\$'000
Repayable within one year	4,134	-	181	5,857	-	44
Repayable after one year	3,723	-	304	6,855	-	23
Total	7,857	-	485	12,712	-	67

Details of collaterals

The Group's borrowings of approximately S\$7.9 million are 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.

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

	Group		Group	
	3Q 2015	3Q 2014	YTD 2015	YTD 2014
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit/(loss) before tax	2	(2,573)	(1,270)	(15,628)
Adjustments for:				
Depreciation of property, plant and equipment	593	596	1,714	1,881
Amortisation of intangible assets	8	10	24	32
Allowance/(reversal of allowance) for impairment of receivables, net	76	(28)	66	1,931
Bad debts (recovered)/write off	-	1	(10)	233
Loss/(gain) on disposal of property, plant and equipment	12	(135)	(43)	(40)
Loss on disposal of intangible assets	-	69	-	69
Write off of property, plant and equipment	-	-	46	53
Impairment of property, plant and equipment	-	3	-	1,446
Write off of inventories	8	2	8	374
Impairment of inventories	130	3,451	130	11,588
Reversal of provision for intangible assets	-	(69)	-	-
Fair value gain on investment held for trading	(180)	(5)	(200)	(13)
Fair value loss/(gain) on derivatives, net	358	(75)	527	46
Interest expense	57	129	182	767
Interest income	(23)	(5)	(25)	(43)
Share of associate results	(576)	(1,632)	(2,687)	(4,840)
Recognition of deferred income	(357)	(357)	(1,071)	(1,071)
Unrealised foreign exchange loss/(gain)	325	77	371	(478)
Operating cash flow before working capital changes	433	(541)	(2,238)	(3,693)
Working capital changes:				
Inventories	965	15,408	14,042	44,906
Trade and other receivables	3,223	6,381	7,648	15,346
Trade and other payables	3,843	(3,952)	(12,976)	(11,658)
Cash generated from operations	8,464	17,296	6,476	44,901
Interest expense paid	(57)	(129)	(182)	(767)
Interest income received	23	5	25	43
Income tax refund	55	-	55	-
Net cash flows generated from operating activities	8,485	17,172	6,374	44,177
Cash flows from investing activities				
Dividend income received from investments & associates	-	1,054	2,739	3,644
Proceeds from disposal of property, plant and equipment	1	394	127	4,639
Proceeds from disposal of intangible assets	-	161	-	161
Purchase of property, plant and equipment	(130)	(54)	(326)	(959)
Purchase of intangible assets	-	(5)	(2)	(7)
Net cash flows (used in)/generated from investing activities	(129)	1,550	2,538	7,478
Cash flows from financing activities				
Acquisition of non-controlling interests	-	(390)	(94)	(390)
Dividends paid on ordinary shares of the Company	-	-	-	(1,069)
Proceeds from bank borrowings	-	2,391	-	38,533
Repayment of bank borrowings	(1,034)	(22,660)	(4,855)	(85,339)
Repayment of finance lease payables	(30)	(4)	(90)	(67)
Amount due from shareholders of a subsidiary	-	(360)	-	604
Net cash flows used in financing activities	(1,064)	(21,023)	(5,039)	(47,728)
Net change in cash and cash equivalents	7,292	(2,301)	3,873	3,927
Effects on exchange rate changes on cash and cash equivalents	(373)	(18)	(278)	19
Cash and cash equivalents at beginning of financial period	49,337	22,388	52,661	16,123
Cash and cash equivalents at end of financial period	56,256	20,069	56,256	20,069

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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 September 2015 S\$'000	30 September 2014 S\$'000
Cash and bank balances	33,244	20,069
Fixed deposits	23,012	-
	56,256	20,069
Cash and cash equivalents per consolidated cash flow statement	56,256	20,069

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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.

Group	Attributable to owners of the Company									
	Share capital	Treasury shares	Capital reserve	Fair value reserve	Other reserves	Foreign 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	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	-	-	-	-	-	-	(1,238)	(1,238)	(43)	(1,281)
<u>Other comprehensive income</u>										
Foreign currency translation	-	-	-	-	-	(94)	-	(94)	(67)	(161)
Share of other comprehensive income of associate	-	-	-	-	-	(150)	-	(150)	-	(150)
Other comprehensive income for the period, net of tax	-	-	-	-	-	(244)	-	(244)	(67)	(311)
Total comprehensive income for the period	-	-	-	-	-	(244)	(1,238)	(1,482)	(110)	(1,592)
<u>Contribution by and distributions to owners</u>										
Acquisition of minority interests	-	-	-	-	-	-	-	-	(47)	(47)
Premium paid on acquisition of minority interests	-	-	-	-	(47)	-	-	(47)	-	(47)
Total transactions with owners in their capacity as owners	-	-	-	-	(47)	-	-	(47)	(47)	(94)
Balance as at 30 September 2015	152,052	(1,885)	2,527	(4)	(224)	(659)	(18,497)	133,310	407	133,717

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Group	Attributable to owners of the Company									
	Share capital	Treasury shares	Capital reserve	Fair value reserve	Other reserves	Foreign 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	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	-	-	-	-	-	-	(14,901)	(14,901)	(587)	(15,488)
<u>Other comprehensive income</u>										
Foreign currency translation	-	-	-	-	-	(5)	-	(5)	13	8
Share of other comprehensive income of associate	-	-	-	-	-	12	-	12	-	12
Other comprehensive income for the period, net of tax	-	-	-	-	-	7	-	7	13	20
Total comprehensive income for the period	-	-	-	-	-	7	(14,901)	(14,894)	(574)	(15,468)
<u>Contribution by and</u>										
<u>distributions to owners</u>										
Dividend on ordinary shares	-	-	-	-	-	-	(1,069)	(1,069)	-	(1,069)
Acquisition of minority interests	-	-	-	-	-	-	-	-	(449)	(449)
Premium paid on acquisition of minority interests	-	-	-	-	(177)	-	-	(177)	-	(177)
Total transactions with owners in their capacity as owners	-	-	-	-	(177)	-	(1,069)	(1,246)	(449)	(1,695)
Balance as at 30 September 2014	137,314	(1,885)	2,527	(4)	(177)	(366)	(16,070)	121,339	651	121,990

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Company	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance as at 1 January 2015	152,052	(1,885)	2,527	(60,588)	92,106
Loss for the period, representing total comprehensive loss for the period	-	-	-	(6,740)	(6,740)
Balance as at 30 September 2015	152,052	(1,885)	2,527	(67,328)	85,366
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	-	-	-	(14,427)	(14,427)
<u>Contributions by and distributions to owners</u>					
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 September 2014	137,314	(1,885)	2,527	(53,048)	84,908

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

On 31 October 2014, the Company issued and allotted 213,600,000 new ordinary shares in the capital of the Company (the "Placement Share") pursuant to a private placement at an issue price of S\$0.069 for each Placement Share to raise net proceeds of approximately S\$14.7 million.

As at date of this announcement, the Company has not utilised the net proceeds of approximately S\$14.7 million.

There was no change in the Company's share capital during the 3rd quarter ended 30 September 2015.

As at 30 September 2015, the Company held 23,268,000 (30 September 2014: 23,268,000) of its issued shares as treasury shares.

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 September 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.

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

Not applicable.

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	
	3Q 2015	3Q 2014	YTD 2015	YTD 2014
Earnings per ordinary shares:				
(a) Basic (cents)	0.00	(0.23)	(0.10)	(1.39)
(b) Diluted (cents)	0.00	(0.23)	(0.10)	(1.39)

(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 September 2015 and 30 September 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

	Group		Company	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
Net asset value per ordinary share (cents)	10.39	10.51	6.65	7.18

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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 3Q2015 versus 3Q2014

Revenue and Gross Profit

The Group's revenue decreased by 23% from S\$40.6 million in the quarter ended 30 September 2014 (3Q2014) to S\$31.1 million in the quarter ended 30 September 2015 (3Q2015). This was mainly due to lower sales volume and lower average selling price which declined by an average of 10% and 15% respectively, reflecting the current tough steel market.

The Group recorded lower gross profit of S\$1.3 million in 3Q2015 compared to S\$2.6 million in 3Q2014 as a result of lower sales volume and gross profit margin. The gross margin was 4.1% compared with 6.5% for 3Q2014, 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\$1.7 million in 3Q2014 to S\$3.5 million in 3Q2015. This was mainly attributed to increase in warehouse rental and services income by S\$1.0 million and foreign exchange gain increased by S\$0.7 million.

Distribution, Other Operating and Finance Expenses

The Group's distribution expenses decreased 48% from S\$0.4 million in 3Q2014 to S\$0.2 million in 3Q2015, in tandem with lower sales volume reported in 3Q2015.

Other operating expenses declined by 53% from S\$5.8 million in 3Q2014 to S\$2.7 million in 3Q2015. This was mainly due to the reduced provisions for inventories of S\$3.3 million offset by fair value loss on foreign currency contract of S\$0.3 million.

The Group recorded lower finance expenses in 3Q2015 as compared to 3Q2014 due to repayment of bank borrowings.

Profitability

The Group posted a net profit after tax of S\$2 thousand in 3Q2015 compared to a net loss of S\$2.6 million in 3Q2014. This was mainly attributed to the reduced provision for inventories as mentioned above.

Results for YTD 2015 versus YTD 2014

Revenue and Gross Profit

The Group's revenue decreased by 26% from S\$138.6 million in nine months ended 30 September 2014 (YTD2014) to S\$102.6 million in nine months ended 30 September 2015 (YTD2015), due to lower sale volume and declined in steel prices. Gross profit declined by 48% from S\$8.5 million in YTD2014 to S\$4.5 million in YTD2015 as a result of lower sales volume and lower gross profit margin.

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Other Operating Income

Other operating income increased from S\$4.2 million in YTD2014 to S\$7.0 million in YTD2015. This was mainly attributed to increase in warehouse rental and services income of S\$2.9 million.

Distribution, Administrative Expenses, Other Operating and Finance Expenses

The Group's distribution expenses decreased 51% from S\$1.4 million in YTD2014 to S\$0.7 million in YTD2015, in tandem with lower sales volume reported in YTD2015.

Administrative expenses decreased by 15% from S\$8.1 million in YTD2014 to S\$6.9 million in YTD2015 due to reduced headcount and reduction in other administrative expenses.

Other operating expenses decreased by 67% from S\$22.9 million in YTD2014 to S\$7.6 million in YTD2015. The decrease was primarily due to the absence of one-time provisions for inventory, doubtful debts and other assets of S\$15.0 million in YTD2014.

Finance expenses decreased to S\$0.2 million in YTD2015 as compared to S\$0.8 million in YTD2014 due to lower bank borrowings.

Profitability

The Group recorded a net loss after tax of S\$1.3 million in YTD2015 as compared to a net loss after tax of S\$15.5 million in YTD2014. The lower loss in YTD2015 was attributable to one-time provisions in YTD2014, as explained above.

Statement of Financial Position

As at 30 September 2015, the Group's inventory on hand was S\$13.9 million, as compared to S\$28.1 million as at 31 December 2014. This was due to lower purchase activities during YTD2015.

Trade and other receivables decreased in line with lower revenue and improved collection to S\$27.8 million as at 30 September 2015 as compared to S\$35.5 million as at 31 December 2014.

Trade and other payables decreased to S\$12.7 million as at 30 September 2015 compared to S\$25.5 million as at 31 December 2014 due to lower purchases volume.

Total bank borrowings decreased from S\$12.7 million as at 31 December 2014 to S\$7.9 million as at 30 September 2015 due to repayment made during YTD2015.

Statement of Cash Flows

Net cash generated from operating activities was S\$6.4 million. This was mainly attributable to decreased in trade and other receivables of S\$7.6 million and decreased in inventories of S\$14.0 million, offset by decreased in trade and other payables of S\$13.0 million.

Net cash flows generated from investing activities for YTD2015 was S\$2.5 million, mainly derived from dividends received from quoted investment.

Net cash flows used in financing activities for YTD2015 was S\$5.0 million, mainly due to repayment of bank borrowings of S\$4.9 million.

The Group's cash and cash equivalents was S\$56.3 million as at 30 September 2015 in comparison to S\$20.1 million as at 30 September 2014.

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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 political and economy of our export markets
4. The intensity of the competition in the industry
5. The fluctuations of the US dollar against Singapore dollar

The Group will continue to rationalise its business operations and optimise its inventory holding.

Going forward, the Group will expand into the country of Myanmar and to operate a steel structure fabrication plant through a joint venture with an established Myanmar group. The Group will continue to explore for other possible 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.

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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 YTD2015 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 September 2015 to be false or misleading in any material respect.

15. Confirmation pursuant to Rule 720(1) of the Listing Manual

We confirm that the group has procured undertakings to comply with the Listing Manual of the Singapore Exchange Securities Trading Limited from all its directors and executive officers.

On behalf of the Board of Directors

Foo Sey Liang
Executive Director

11 November 2015