

HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

ADJUSTMENTS TO THE UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2010

In the Company's announcement dated 29 November 2010 for the unaudited results for the financial year ended 30 September 2010, the Company indicated that the consolidated financial statements had not included the financial impact of accounting for the warrants issued during the year, and a valuation exercise was being performed.

The Company has meanwhile completed the valuation of the warrants and the Auditors of the Company, Ernst & Young LLP have made some additional adjustments to the unaudited results of the Company for FY2010. The subsequent announcement dated 30 December 2010 did not contain the necessary details and an explanation on the differences between the unaudited results for FY2010 as per the announcement on 29 November 2010 and the audited results for the FY2010 is appended below for shareholders' information:

CONSOLIDATED INCOME STATEMENT FOR FINANCIAL YEAR ENDED 30 SEPTEMBER 2010

	Per Announcement S\$'000	Adjustment 1 S\$'000	Adjustment 2 S\$'000	Adjustment 3 S\$'000	Adjustment 4 S\$'000	Adjustment 5 S\$'000	Per Annual Report S\$'000
Revenue	203,068						203,068
Cost of sales	<u>(179,338)</u>						<u>(179,338)</u>
Gross profit	23,730						23,730
Other operating income	8,300						8,300
Distribution expenses	(1,579)						(1,579)
Administrative expenses	(9,634)	150					(9,484)
Other operating expenses	(21,000)			1,293	349	418	(18,940)
Finance expenses	(4,579)		(2,341)				(6,920)
Share of joint venture profits	223						223
Share of associates profits	<u>4,643</u>						<u>4,643</u>
Profit / (Loss) before tax	104						(27)
Income tax credit	<u>354</u>						<u>354</u>
Net profit after income tax	<u>458</u>						<u>327</u>
Other comprehensive income:							
Currency translation adjustments	195						195
Share of other comprehensive income of	<u>(191)</u>						<u>(190)</u>

associate

Other comprehensive income, net of tax	<u>4</u>	<u>5</u>
Total comprehensive income for the year	<u>462</u>	<u>332</u>
Profit/(Loss) attributable to:		
Equity holders of the Company	(2,352)	(2,483)
Non-controlling interests	<u>2,810</u>	<u>2,810</u>
	<u>458</u>	<u>327</u>
Total comprehensive income attributable to:		
Equity holders of the Company	(2,378)	(2,508)
Non-controlling interests	<u>2,840</u>	<u>2,840</u>
	<u>462</u>	<u>332</u>

Notes:

- Adjustment 1 : Being provision on director's incentive bonus no longer required.
- Adjustment 2 : Being the financial impact of warrants issued during the year being measured at fair value by a professional valuer. This adjustment was highlighted in the announcement dated 29 November 2010 as being pending and subject to a formal valuation.
- Adjustment 3 : Being gain arising from change in estimation of fair value of warrants as at 30 September 2010. This adjustment was highlighted in the announcement dated 29 November 2010 as being pending and subject to a formal valuation.
- Adjustment 4 : Being overprovision on inventory write down.
- Adjustment 5 : Being provision on doubtful debts no longer required.

By Order of the Board

Foong Lee Heng
Company Secretary
25 January 2011