



HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

Financial Statements and Dividend Announcement for Financial Year Ended 30 September 2011

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

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

	Group			Group		
	4Q2011 S\$'000	4Q2010 S\$'000	% (+/-)	YTD2011 S\$'000	YTD2010 S\$'000	% (+/-)
Revenue	66,144	37,492	76	238,842	203,068	18
Cost of sales	(61,031)	(34,472)	77	(212,849)	(179,338)	19
Gross profit	5,113	3,020	69	25,993	23,730	10
Other operating income	1,740	2,369	(27)	6,572	9,817	(33)
Distribution expenses	(410)	(279)	47	(1,776)	(1,579)	12
Administrative expenses	(1,652)	(1,486)	11	(8,873)	(9,484)	(6)
Other operating expenses	(4,350)	(12,325)	(65)	(7,096)	(20,457)	(65)
Finance expenses	(434)	(3,677)	(88)	(1,923)	(6,920)	(72)
Share of joint venture profits	-	-	nm*	-	223	nm*
Share of associate profits	1,491	1,140	31	3,748	4,643	(19)
Profit/ (Loss) before tax	1,498	(11,238)	nm*	16,645	(27)	nm*
Income tax credit (expense)	(9)	851	nm*	107	354	nm*
Net profit / (loss) for the period	1,489	(10,387)	nm*	16,752	327	nm*
Other comprehensive income						
Currency translation adjustments	30	(77)	nm*	(210)	195	nm*
Share of other comprehensive income of associate	10	(191)	nm*	(43)	(190)	(77)
Other comprehensive income for the period, net of tax	40	(268)	nm*	(253)	5	nm*
Total comprehensive income for the period	1,529	(10,655)	nm*	16,499	332	nm*
Profit / (Loss) attributable to:						
Equity holders of the Company	1,402	(10,171)	nm*	16,596	(2,483)	nm*
Non-controlling interests	87	(216)		156	2,810	
	1,489	(10,387)	nm*	16,752	327	nm*
Total comprehensive income attributable to:						
Equity holders of the Company	1,428	(10,418)	nm*	16,407	(2,508)	nm*
Non-controlling interests	101	(237)		92	2,840	
	1,529	(10,655)	nm*	16,499	332	nm*

*nm denotes not meaningful

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Year Ended 30 September 2011

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

	Group		Group	
	4Q2011 S\$'000	4Q2010 S\$'000	YTD2011 S\$'000	YTD2010 S\$'000
Allowance for doubtful debts	(98)	(101)	(97)	(659)
Amortisation of computer software	(42)	(42)	(167)	(167)
Depreciation	(895)	(550)	(3,317)	(2,505)
Dividend income from quoted investment	10	10	15	20
Fair value gain (loss) on investment held for trading	(50)	(20)	(245)	110
Fair value gain on derivatives, net	1,509	1,286	5,236	1,516
Foreign exchange gain (loss), net	(2,796)	784	(1,340)	(77)
Gain on disposal of subsidiary	-	-	-	6,373
Interest income	25	28	28	28
Interest on borrowings	(434)	(3,677)	(1,923)	(6,920)
Loss on disposal of shares in an associate	-	-	-	(1,910)
Gain (Loss) on sale of property, plant and equipment	4	(244)	51	(284)
Writeback of allowance for doubtful debts	22	85	39	396
Writedown of inventories	-	(11,181)	-	(12,875)

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Year Ended 30 September 2011

1(b)(i) Statements 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	
	30.09.2011 S\$'000	30.09.2010 S\$'000	30.09.2011 S\$'000	30.09.2010 S\$'000
Non-current assets				
Property, plant and equipment	31,938	32,173	24,812	23,753
Intangible assets	267	434	230	384
Investment in subsidiaries	-	-	12,520	12,520
Investment in associates	36,667	32,963	713	713
	68,872	65,570	38,275	37,370
Current assets				
Investment held for trading	135	380	-	-
Inventories	96,732	62,504	86,704	49,733
Trade and other receivables	44,909	30,310	50,457	36,159
Cash and cash equivalents	9,851	5,108	2,773	1,165
	151,627	98,302	139,934	87,057
Current liabilities				
Trade and other payables	44,033	31,458	38,873	27,216
Finance lease payables	291	150	204	39
Bank borrowings	37,840	25,297	32,722	20,168
Provision for taxation	94	19	-	-
Derivative financial instruments	329	1,048	329	1,048
	82,587	57,972	72,128	48,471
Net-current assets	69,040	40,330	67,806	38,586
Non current liabilities				
Finance lease payables	356	477	108	129
Bank borrowings	1,915	4,512	791	2,097
Deferred taxation	212	297	-	-
	2,483	5,286	899	2,226
	135,429	100,614	105,182	73,730
Capital and reserves				
Share capital	130,046	111,730	130,046	111,730
Other reserves	2,064	2,253	2,527	2,527
Accumulated profits (losses)	1,184	(15,412)	(27,391)	(40,527)
Equity attributable to equity holders of the Company	133,294	98,571	105,182	73,730
Non-controlling interests	2,135	2,043	-	-
Total equity	135,429	100,614	105,182	73,730

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Year Ended 30 September 2011

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

	As at 30 September 2011			As at 30 September 2010		
	Secured S\$'000	Unsecured S\$'000	Finance lease S\$'000	Secured S\$'000	Unsecured S\$'000	Finance lease S\$'000
Repayable within one year	32,473	5,367	291	20,532	4,765	150
Repayable after one year	-	1,915	356	-	4,512	477
Total	32,473	7,282	647	20,532	9,277	627

Details of collaterals

The Group's borrowings of approximately S\$32.5 million is secured by way of fixed and floating charge over all assets of the Company, legal mortgage over properties of the Company and fixed deposits pledged to banks by Malaysian subsidiaries.

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Year Ended 30 September 2011

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

	Group		Group	
	4Q2011 S\$'000	4Q2010 S\$'000	YTD2011 S\$'000	YTD2010 S\$'000
Cash flows from operating activities				
Profit / (loss) before tax	1,498	(11,238)	16,645	(27)
Adjustments for:				
Depreciation of property, plant and equipment	895	550	3,317	2,505
(Gain) Loss on disposal of property, plant and equipment	(4)	244	(51)	284
Amortisation of computer software	42	42	167	167
Loss on disposal of shares in an associate	-	-	-	1,910
Allowance for doubtful debts, net	76	17	58	263
Bad debts recovered	-	-	-	(5)
Fair value gain on derivatives, net	(1,509)	(1,286)	(5,236)	(1,516)
Fair value loss (gain) on investment held for trading	50	20	245	(110)
Interest expense	434	3,677	1,923	6,920
Interest income	(25)	(28)	(28)	(28)
Dividend income from quoted investment	(10)	(10)	(15)	(20)
Share of joint venture results	-	-	-	(223)
Share of associates results	(1,491)	(1,140)	(3,748)	(4,643)
Amortisation of customer relationship	-	-	-	246
Gain from disposal of subsidiary	-	-	-	(6,373)
Write down of inventories	-	11,181	-	12,875
Foreign currency realignment	2,174	309	808	(348)
Operating cash flow before working capital changes	2,130	2,338	14,085	11,877
Working capital changes:				
Fixed deposits pledged	(33)	(36)	(49)	(62)
Inventories	(2,768)	11,134	(34,312)	28,487
Trade and other receivables	(3,550)	(222)	(19,463)	1,300
Trade and other payables	(3,595)	(10,820)	10,904	(25,994)
Cash (used in) generated from operations	(7,816)	2,394	(28,835)	15,608
Interest expense paid	(434)	(1,336)	(1,923)	(4,579)
Interest income received	25	28	28	28
Income tax (paid) refund	(12)	40	96	499
Net cash flows (used in) generated from operating activities	(8,237)	1,126	(30,634)	11,556
Cash flows from investing activities				
Net cash outflow from disposal of a subsidiary	-	-	-	(9,527)
Dividend income received from an associate	-	-	-	1,702
Dividend income received from quoted investment	10	10	15	20
Downpayment from sale of properties	-	-	-	916
Proceeds from disposal of property, plant and equipment	365	9,838	5,108	10,115
Purchase of property, plant and equipment	(216)	(404)	(1,708)	(6,750)
Proceeds from sale of shares in an associate	-	-	-	15,474
Net cash flows generated from investing activities	159	9,444	3,415	11,950
Cash flows from financing activities				
Net proceeds from / (repayment of) bank borrowings	2,004	(11,710)	9,444	(35,072)
Proceeds from issuance of shares in a subsidiary	-	-	-	550
Proceeds from issue of new shares in the Company	-	-	15,565	-
Proceeds from issue of call option shares in the company	7,267	-	7,267	-
Repayment of finance lease payables	(171)	(313)	(339)	(479)
Net cash flows generated from (used in) financing activities	9,100	(12,023)	31,937	(35,001)
Net change in cash and cash equivalents	1,022	(1,453)	4,718	(11,495)
Cash and cash equivalents at beginning of the period	8,044	5,801	4,348	15,843
Cash and cash equivalents at end of period	9,066	4,348	9,066	4,348

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Year Ended 30 September 2011

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	
	As at 30 Sep 2011 S\$'000	As at 30 Sep 2010 S\$'000
Cash and bank balances	9,215	4,491
Fixed deposits	636	617
	9,851	5,108
<i>Less</i> : Fixed deposits pledged with banks ⁽¹⁾	(636)	(617)
<i>Less</i> : Bank overdrafts	(149)	(143)
Cash and cash equivalents per consolidated cash flow statement	9,066	4,348

⁽¹⁾ The Group's Malaysian subsidiaries have fixed deposits pledged with banks to secure credit facilities granted to them.

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Year Ended 30 September 2011

1(d)(i) Statements of Changes in Equity (for the issuer and group) showing all changes in equity, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Attributable to equity shareholders of the Company									
	Share Capital	Capital Reserve	Share Option Reserve	Fair Value Reserve	Premium Paid On Acquisition	Currency Translation Reserve	Accumulated Profits / (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 October 2010	111,730	2,527	-	1	-	(275)	(15,412)	98,571	2,043	100,614
Other comprehensive income for the financial period	-	-	-	(10)	-	(179)	-	(189)	(64)	(253)
Profit for the financial period	-	-	-	-	-	-	16,596	16,596	156	16,752
Issuance of ordinary shares	11,049	-	-	-	-	-	-	11,049	-	11,049
Issuance of call option shares	7,267	-	-	-	-	-	-	7,267	-	7,267
Balance as at 30 September 2011	130,046	2,527	-	(9)	-	(454)	1,184	133,294	2,135	135,429

Group	Attributable to equity shareholders of the Company									
	Share Capital	Capital Reserve	Share Option Reserve	Fair Value Reserve	Premium Paid On Acquisition	Currency Translation Reserve	Accumulated Profits / (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 October 2009	111,730	2,527	17	-	(539)	(293)	(12,929)	100,513	32,505	133,018
Other comprehensive income for the financial period	-	-	-	1	-	(26)	-	(25)	30	5
Profit for the financial period	-	-	-	-	-	-	(2,483)	(2,483)	2,810	327
Issue of shares in a subsidiary	-	-	-	-	-	-	-	-	550	550
Disposal of a subsidiary	-	-	(17)	-	539	44	-	566	(33,852)	(33,286)
Balance as at 30 September 2010	111,730	2,527	-	1	-	(275)	(15,412)	98,571	2,043	100,614

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Year Ended 30 September 2011

Company	Share Capital	Capital Reserve	Accumulated Profits / (Losses)	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2010	111,730	2,527	(40,527)	73,730
Profit for the period	-	-	13,136	13,136
Issuance of ordinary shares	11,049	-	-	11,049
Issuance of call option shares	7,267	-	-	7,267
Balance as at 30 September 2011	130,046	2,527	(27,391)	105,182
Balance as at 1 October 2009	111,730	2,527	(27,989)	86,268
Loss for the period	-	-	(12,538)	(12,538)
Balance as at 30 September 2010	111,730	2,527	(40,527)	73,730

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 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

In November 2010, a total of 163,850,000 new ordinary shares were issued by the Company at S\$0.095 per share to Oriental Castle Sdn. Bhd ("OCS").

With the above share issuance, the Company also granted a call option to OCS, to subscribe for 153,000,000 (or such other number representing 14% of the enlarged share capital of the Company after the exercise of the Call Option) new ordinary shares in the capital of the Company at an exercise price of S\$0.095 for each option share.

On 25 July 2011, the Company issued 76,500,000 shares arising from the exercise of the Call Option. The remaining 50% of the Option Shares (being an additional 76,500,000 shares in the capital of the Company) shall be issued and allotted 7 months from the date of the Exercise (i.e. 18 February 2012), against full payment being made by OCS for such Option Shares.

The Company issued 60,000,000 warrants to United Overseas Bank Limited and Oversea-Chinese Banking Corporation Limited. The warrants carry the rights to subscribe for shares at an exercise price of S\$0.1248 per share for a period of 3 years from 23 November 2009.

The outstanding warrants were 60,000,000 as at 30 September 2011 and 30 September 2010.

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 2011	30 September 2010
Total number of issued shares	1,016,021,962	775,671,962

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Year Ended 30 September 2011

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

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 year and the most recent audited annual financial statements for the financial year ended 30 September 2010.

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 and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 October 2010. The revised FRS that is relevant to the Group includes INT FRS 119 - Extinguishing Financial Liabilities with Equity Instruments. The adoption of this INT FRS did not have any significant impact on the financial statements of the Group.

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	
	4Q2011	4Q2010	YTD2011	YTD2010
Earnings/(loss) per ordinary shares:				
(a) Basic (cents)	0.14	(1.31)	1.78	(0.32)
(b) Diluted (cents)	0.14	(1.31)	1.75	(0.32)

(a) Earnings per share were calculated based on weighted average number of shares of 934,978,212 during the period ended 30 September 2011 and 775,671,962 number of shares as at 30 September 2010.

(b) Diluted earnings per share were calculated based on adjusted weighted average number of shares during the period.

Adjusted weighted average number of shares as of 30 September 2011 and 30 September 2010 were 946,513,000 and 775,671,962 shares respectively.

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Year Ended 30 September 2011

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	Group		Company	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
Net asset value per ordinary share (cents)	13.12	12.71	10.35	9.51

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 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. 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 FY2011 vs. FY2010

Revenue and Gross Profit

The Group's revenue for FY2011 increased by 18% to S\$238.8 million from S\$203.1 million in FY2010, mainly due to higher sales volume in Singapore, Malaysia and Indonesia.

The higher revenue increased the Group's gross profit in FY2011 to S\$26.0 million, from S\$23.7 million in 4Q2010. However, gross profit margin declined marginally from 11.7% in FY2010 to 10.9% in FY2011 due to competitive business environment.

Other Operating Income

Other operating income for FY2011 decreased by 33% to S\$6.6 million from S\$9.8 million in FY2010. Other operating income in FY2011 included a fair value gain of S\$5.2 million for the call option and warrants, whereas in FY2010, it included a fair value gain of S\$1.5 million for the warrants and a S\$6.4 million gain on disposal of subsidiary, BRC Asia Limited ("BRC") in FY2010.

Other Operating and Finance Expenses

Other operating expenses declined significantly by S\$13.4 million to S\$7.1 million in FY2011, from S\$20.5 million in FY2010. The decline was mainly due to the S\$12.9 million write down of inventories value, and the S\$1.9 million loss on disposal of shares in an associate company in FY2010.

Finance expense for FY2011 decreased by 72% to S\$1.9 million from S\$4.6 million in FY2010. The decrease was mainly due to the repayment of its long term loan facility.

The Group posted a net profit after tax of S\$16.8 million in FY2011, compared to S\$0.3 million in FY2010.

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Year Ended 30 September 2011

Results for 4Q2011 vs. 4Q2010

Revenue and Gross Profit

The Group's revenue for 4Q2011 increased by 76% to S\$66.1 million from S\$37.5 million in 4Q2010, while gross profit rose 69% to S\$5.1 million.

Other Operating Income

Other operating income for 4Q2011 decreased by 27% to S\$1.7 million from S\$2.4 million in 4Q2010. Other operating income in 4Q2011 included a fair value gain of S\$1.5 million for the call option and warrants, whereas in 4Q2010, it included a fair value gain of S\$1.3 million for the warrants and a foreign exchange gain of S\$0.8 million as a result of the volatile United States Dollar ("USD") in the reporting period.

Administrative, Other Operating and Finance Expenses

Administrative expenses for 4Q2011 increased by 11% to S\$1.7 million from S\$1.5 million in 4Q2010, in tandem with higher sales volume and operation activities.

Other operating expenses declined significantly by S\$7.9 million to S\$4.4 million in 4Q2011, from S\$12.3 million in 4Q2010. The decline was mainly due to the S\$11.2 million write down of inventories value in 4Q2010. The decline was partially offset by a foreign exchange loss of S\$2.8 million recorded due to the strengthening of the USD in 4Q2011.

Finance expenses were reduced by 88% to S\$0.4 million in 4Q2011 from S\$3.7 million in 4Q2010. The decrease was mainly due to the initial recognition of S\$2.3 million finance expense in relation to the warrants in 4QFY2010.

Balance Sheet

The Group's inventories as at 30 September 2011 increased to S\$96.7 million as compared to S\$62.5 million as at 30 September 2010, in line with the increase in sales volumes. Nevertheless, inventory days improved to 137 days in FY2011 from 207 days as a result of the implementation of more systematic inventory management in the current year.

Trade and other receivables as at 30 September 2011 was S\$44.9 million as compared to S\$30.3 million as at 30 September 2010. Debtor days remained within the general credit period extended to customers at 52 days.

Trade and other payables increased to S\$44.0 million as at 30 September 2011 as compared to S\$31.5 million as at 30 September 2010 due to higher purchasing volumes to support sales growth.

The Group's gearing ratio remained low at 0.3 times as at 30 September 2011.

Cash Flow Statement

As at 30 September 2011, the Group recorded higher cash and cash equivalents of S\$9.1 million as compared to S\$4.3 million as at 30 September 2010. This was mainly due to proceeds of S\$15.6 million from the issue of new shares, and S\$7.3 million from the issue of call option shares.

S\$30.6 million of net cash flows was used in operating activities in FY2011 as a result of higher working capital usage.

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Year Ended 30 September 2011

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 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 World Steel Association forecast that world steel demand will grow by 5.4% in 2012, with emerging and developing economies accounting for 73% of world steel demand.

According to the South East Asia Iron and Steel Institute, steel consumption in ASEAN in the first half of this year reached 26.1 million tonnes. Despite the severe flooding experienced in Thailand, the overall growth this year is expected to be healthy although demand will increase at a slower rate. Hence, steel consumption for 2011 could either come close to or surpass 50.0 million tonnes.

ASEAN's steel consumption continues to have room for growth because of its political and economic stability and high growth potential. ASEAN's domestic production of 19.6 million tonnes of semi-finished steel is insufficient, and is a large importer of finished and semi-finished steel. In 2010, ASEAN's steel imports hit 41.1 million tonnes, up from 35.3 million tonnes in 2009.

Given the economic uncertainties and volatile industry conditions, the Group is cautiously optimistic of its performance for FY2012. Since the entry of OCS as its major shareholder in FY2011, the Group has leveraged on OCS's expertise and network and embarked on a multi-pronged strategy to create long term shareholder value. Specifically, the Group has focused on the creation of new business units to increase the value-add of its products and services, as well as on expansion in the ASEAN region.

The Group expects margins to remain competitive and will continue to be prudent in the use of its balance sheet, with particular focus on cost management, foreign exchange hedging and non-core asset restructuring. The Group will also optimize its balance sheet and seek to build on its competitive positioning by expanding its product range, customer base and value added services in order to create long term shareholder value.

11. Dividend

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on?

Yes.

	2011
Name of Dividend	Interim (one-tier) Tax exempt
Dividend Type	Cash
Dividend Rate	0.6 Singapore cents per ordinary share

(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

To be announced on a later date.

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Year Ended 30 September 2011

(d) Books closure date

To be announced on a later date.

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

Not applicable.

13. Interested persons transactions

Name of interested persons	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)*		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)*	
	YTD 2011 S\$'000	YTD 2010 S\$'000	YTD 2011 S\$'000	YTD 2010 S\$'000
Sales				
Chye Hin Hardware Pte Ltd	-	1,256	7,017	-
Oriental Sheet Piling Pte Ltd	-	-	1,873	-
Purchases				
Chye Hin Hardware Pte Ltd	-	-	19,272	-
Oriental Steel Pipe Sdn Bhd	-	-	2,662	-
Plan B Pte Ltd	-	-	3,143	-
Other Charges				
Chye Hin Hardware Pte Ltd	-	816	478	-
Oriental Castle Sdn Bhd	-	-	303	-
Oriental Sheet Piling Pte Ltd	-	-	9	-
Plan B Pte Ltd	-	-	20	-
Other Income				
Chye Hin Hardware Pte Ltd	-	-	31	-

* The above includes all transactions regardless of value

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Year Ended 30 September 2011

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Business Segment

	Trading	Manufacturing	Eliminations	Group
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Financial year ended 30 Sep 2011</u>				
Revenue				
Sales to external parties	214,340	24,502	-	238,842
Inter-segment sales	2,856	1,394	(4,250)	-
Total	<u>217,196</u>	<u>25,896</u>	<u>(4,250)</u>	<u>238,842</u>
Results				
Segment results	15,348	142	(698)	14,792
Interest expense	(1,673)	(250)	-	(1,923)
Interest income	28	-	-	28
Share of associates results	74	3,674	-	3,748
Profit (Loss) before income tax	<u>13,777</u>	<u>3,566</u>	<u>(698)</u>	<u>16,645</u>
Income tax credit				<u>107</u>
Profit after income tax				<u>16,752</u>
Non-controlling interests				<u>(156)</u>
Net profit for the financial year attributable to equity holders of the Company				<u>16,596</u>
Other information				
Additions to non-current assets				
- Tangible assets	3,286	326	-	3,612
Depreciation	2,281	1,045	(9)	3,317
Amortisation	154	13	-	167
Fair value gain from derivatives	5,236	-	-	5,236
Assets & liabilities				
Segment assets	227,051	28,477	(35,029)	220,499
Unallocated assets				-
Total assets				<u>220,499</u>
Segment liabilities	109,491	9,973	(34,700)	84,764
Unallocated liabilities				306
Total liabilities				<u>85,070</u>

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Year Ended 30 September 2011

	Trading	Manufacturing	Eliminations	Group
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Financial year ended 30 Sep 2010</u>				
Revenue				
Sales to external parties	132,113	70,955	-	203,068
Inter-segment sales	97	4,374	(4,471)	-
Total	<u>132,210</u>	<u>75,329</u>	<u>(4,471)</u>	<u>203,068</u>
Results				
Segment results	(7,774)	7,815	1,958	1,999
Interest expense	(6,325)	(595)	-	(6,920)
Interest income	27	1	-	28
Share of joint venture results	-	223	-	223
Share of associate results	30	4,613	-	4,643
Profit (Loss) before income tax	<u>(14,042)</u>	<u>12,057</u>	<u>1,958</u>	<u>(27)</u>
Income tax credit				<u>354</u>
Profit (Loss) after income tax				<u>327</u>
Non-controlling interests				<u>(2,810)</u>
Net loss for the financial year attributable to equity holders of the Company				<u>(2,483)</u>
Other information				
Investment in associates				
Additions to non-current assets				
- Tangible assets	7,266	609	307	8,182
Investment in associates	688	32,275	-	32,963
Depreciation	1,085	1,428	(8)	2,505
Amortisation	154	259	-	413
Write down of inventories	12,322	553	-	12,875
Fair value gain from derivatives	<u>(1,293)</u>	<u>(223)</u>	<u>-</u>	<u>(1,516)</u>
Assets & liabilities				
Segment assets	169,580	30,404	(36,112)	163,872
Unallocated assets				-
Total assets				<u>163,872</u>
Segment liabilities	91,067	11,963	(40,088)	62,942
Unallocated liabilities				316
Total liabilities				<u>63,258</u>

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Year Ended 30 September 2011

Geographical Segment

	Singapore S\$'000	Malaysia S\$'000	Indonesia S\$'000	Others S\$'000	Group S\$'000
<u>Financial year ended 30 Sep 2011</u>					
Sales to external parties	152,151	31,061	45,365	10,265	238,842
Non-current assets	31,275	930	-	-	32,205
<u>Financial year ended 30 Sep 2010</u>					
Sales to external parties	143,505	36,764	17,148	5,651	203,068
Non-current assets	31,128	1,479	-	-	32,607

Non-current assets information presented above consist of property, plant and equipment and intangible assets as presented in the consolidated balance sheet.

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Note 8 above

16. **A breakdown of sales as follows:**

	Group		
	FY 2011 S\$'000	FY 2010 S\$'000	% (+/-)
<u>First Half</u>			
Sales reported for first half year	105,531	131,217	(20)
Operating profit/loss after tax before deducting non-controlling interests reported for first half year	8,705	10,999	(21)
<u>Second Half</u>			
Sales reported for second half year	133,311	71,851	86
Operating profit/loss after tax before deducting non-controlling interests reported for second half year	8,047	(10,672)	###

17. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	Group	
	FY 2011 S\$'000	FY 2010 S\$'000
Ordinary	-	-

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Year Ended 30 September 2011

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name /Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Tan Yee Lee 34	Daughter of Executive Director, Mr Tan Chan Too	Head of Sales since year 2007. Her key responsibilities include sales, marketing Company's products, strategizing the Company's market position, developing new market opportunities, formulating sales policies and procedures to improve efficiency and providing better customer service.	NA
Tan Yee Wen 31	Daughter of Executive Director, Mr Tan Chan Too	Customer Development Manager since year 2011 Her key responsibilities include exploring and developing new customer base, opening up new market segments, providing sales intelligence support to the Sales Team and monitoring credit risk for the Group.	Before year 2011, Ms. Tan Yee Wen was responsible for customer credit risk assessment, monitoring, and assisting the Executive Director in negotiating and monitoring the purchase and sales contracts.

On behalf of the Board,

Mr Goh Kian Sin
Managing Director

25 November 2011