



**HG METAL MANUFACTURING LIMITED**  
(Company Registration No. 198802660D)

**Financial Statements and Dividend Announcement for Financial Period Ended  
31 March 2012 ("2Q2012")**

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		
	2Q2012 S\$'000	2Q2011 S\$'000	% (+/-)	1H2012 S\$'000	1H2011 S\$'000	% (+/-)
<b>Revenue</b>	<b>86,507</b>	<b>60,148</b>	<b>44</b>	<b>158,480</b>	<b>105,531</b>	<b>50</b>
Cost of sales	(83,761)	(52,253)	60	(150,876)	(92,043)	64
<b>Gross profit</b>	<b>2,746</b>	<b>7,895</b>	<b>(65)</b>	<b>7,604</b>	<b>13,488</b>	<b>(44)</b>
Other operating income	970	686	41	1,037	1,811	(43)
Distribution expenses	(452)	(496)	(9)	(901)	(864)	4
Administrative expenses	(3,200)	(2,451)	31	(5,705)	(4,224)	35
Other operating expenses	(1,611)	(2,980)	(46)	(3,185)	(2,607)	22
Finance expenses	(675)	(273)	147	(1,257)	(769)	63
Share of associate profits	293	936	(69)	953	1,744	(45)
<b>(Loss) / Profit before tax</b>	<b>(1,929)</b>	<b>3,317</b>	<b>nm*</b>	<b>(1,454)</b>	<b>8,579</b>	<b>nm*</b>
Income tax (expense) / credit	(37)	(33)	nm*	(51)	126	nm*
<b>Net (loss) / profit for the period</b>	<b>(1,966)</b>	<b>3,284</b>	<b>nm*</b>	<b>(1,505)</b>	<b>8,705</b>	<b>nm*</b>
<b>Other comprehensive income</b>						
Currency translation adjustments	(4)	(31)	nm*	32	(121)	nm*
Share of other comprehensive income of associate	(22)	(35)	nm*	(17)	(36)	nm*
<b>Other comprehensive income for the period, net of tax</b>	<b>(26)</b>	<b>(66)</b>	<b>nm*</b>	<b>15</b>	<b>(157)</b>	<b>nm*</b>
<b>Total comprehensive income for the period</b>	<b>(1,992)</b>	<b>3,218</b>	<b>nm*</b>	<b>(1,490)</b>	<b>8,548</b>	<b>nm*</b>
<b>(Loss) / Profit attributable to:</b>						
Equity holders of the Company	(1,920)	3,265	nm*	(1,491)	8,637	nm*
Non-controlling interests	(46)	19	nm*	(14)	68	nm*
	<b>(1,966)</b>	<b>3,284</b>	<b>nm*</b>	<b>(1,505)</b>	<b>8,705</b>	<b>nm*</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	(1,944)	3,218	nm*	(1,485)	8,523	nm*
Non-controlling interests	(48)	-	nm*	(5)	25	nm*
	<b>(1,992)</b>	<b>3,218</b>	<b>nm*</b>	<b>(1,490)</b>	<b>8,548</b>	<b>nm*</b>

\*nm denotes not meaningful

**HG METAL MANUFACTURING LIMITED**

Financial Statements and Dividend Announcement for Financial Period Ended 31 March 2012

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

	<b>Group</b>		<b>Group</b>	
	2Q2012	2Q2011	1H2012	1H2011
	S\$'000	S\$'000	S\$'000	S\$'000
Allowance for doubtful debts	-	(3)	-	(22)
Amortisation of computer software	(43)	(42)	(84)	(83)
Depreciation	(733)	(546)	(1,455)	(1,092)
Dividend income from quoted investment	-	5	-	5
Fair value loss on investment held for trading	(25)	(105)	(35)	(200)
Fair value (loss) / gain on derivatives, net	(43)	(1,846)	(106)	116
Foreign exchange (loss) / gain, net	648	428	434	700
Interest income	-	-	1	3
Interest on borrowings	(675)	(273)	(1,257)	(769)
Writeback of allowance for doubtful debts	15	-	40	-

# HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 31 March 2012

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

	<b>Group</b>		<b>Company</b>	
	31.03.2012 S\$'000	30.09.2011 S\$'000	31.03.2012 S\$'000	30.09.2011 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	33,966	31,938	26,706	24,812
Intangible assets	399	267	369	230
Investment in subsidiaries	-	-	12,520	12,520
Investment in associates	37,603	36,667	713	713
	71,968	68,872	40,308	38,275
<b>Current assets</b>				
Investment held for trading	100	135	-	-
Inventories	90,140	96,732	81,136	86,704
Trade and other receivables	55,932	44,909	60,344	50,457
Cash and cash equivalents	23,477	9,851	15,074	2,773
	169,649	151,627	156,554	139,934
<b>Current liabilities</b>				
Trade and other payables	45,016	42,863	41,841	38,004
Finance lease payables	241	291	155	204
Bank borrowings	52,884	37,840	42,762	32,722
Provision for taxation	79	94	-	-
Derivative financial instruments	435	329	435	329
	98,655	81,417	85,193	71,259
<b>Net-current assets</b>	70,994	70,210	71,361	68,675
<b>Non current liabilities</b>				
Finance lease payables	260	356	54	108
Bank borrowings	112	1,915	112	791
Provision for reinstatement costs	1,650	1,650	1,350	1,350
Deferred taxation	213	212	-	-
	2,235	4,133	1,516	2,249
	140,727	134,949	110,153	104,701
<b>Capital and reserves</b>				
Share capital	137,314	130,046	137,314	130,046
Other reserves	2,070	2,064	2,527	2,527
Accumulated (losses) / profits	(787)	704	(29,688)	(27,872)
Equity attributable to equity holders of the Company	138,597	132,814	110,153	104,701
Non-controlling interests	2,130	2,135	-	-
<b>Total equity</b>	140,727	134,949	110,153	104,701

## HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 31 March 2012

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

	As at 31 March 2012			As at 30 September 2011		
	Secured S\$'000	Unsecured S\$'000	Finance lease S\$'000	Secured S\$'000	Unsecured S\$'000	Finance lease S\$'000
Repayable within one year	44,483	8,401	241	32,473	5,367	291
Repayable after one year	112	-	260	-	1,915	356
Total	44,595	8,401	501	32,473	7,282	647

#### Details of collaterals

The Group's borrowings of approximately S\$44.6 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 Period Ended 31 March 2012

## 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	
	2Q2012 S\$'000	2Q2011 S\$'000	1H2012 S\$'000	1H2011 S\$'000
<b>Cash flows from operating activities</b>				
(Loss) / Profit before tax	(1,929)	3,317	(1,454)	8,579
Adjustments for:				
Depreciation of property, plant and equipment	733	546	1,455	1,092
Amortisation of computer software	43	42	84	83
Allowance for doubtful debts, net	(15)	3	(40)	22
Bad debts recovered	-	183	-	-
Dividend income from quoted investment	-	(5)	-	(5)
Fair value loss on investment held for trading	25	105	35	200
Fair value loss /(gain) on derivatives, net	43	1,846	106	(116)
Interest expense	675	273	1,257	769
Interest income	-	-	(1)	(3)
Share of associates results	(293)	(936)	(953)	(1,744)
Foreign currency realignment	(5)	295	19	447
<b>Operating cash flow before working capital changes</b>	(723)	5,669	508	9,324
Working capital changes:				
Fixed deposits pledged	(8)	(8)	(16)	(17)
Inventories	18,531	(19,899)	5,977	(19,648)
Trade and other receivables	(8,661)	(5,733)	(10,984)	(1,133)
Trade and other payables	(13,143)	14,968	1,318	5,587
<b>Cash used in operations</b>	(4,004)	(5,003)	(3,197)	(5,887)
Interest expense paid	(675)	(273)	(1,257)	(769)
Interest income received	-	-	1	3
Income tax (paid) /refund	(53)	(19)	(64)	121
<b>Net cash flows used in operating activities</b>	(4,732)	(5,295)	(4,517)	(6,532)
<b>Cash flows from investing activities</b>				
Dividend income received from quoted investment	-	5	-	5
Proceeds from disposal of property, plant and equipment	3	-	3	14
Purchase of property, plant and equipment	(1,493)	(320)	(2,029)	(838)
Purchase of intangible assets	(19)	-	(217)	-
<b>Net cash flows used in investing activities</b>	(1,509)	(315)	(2,243)	(819)
<b>Cash flows from financing activities</b>				
Proceeds from issue of new shares in the Company	7,268	-	7,268	15,565
Net proceeds from / (repayment of) bank borrowings	9,603	5,492	13,140	(3,016)
Repayment of finance lease payables	(78)	(189)	(147)	(233)
<b>Net cash flows generated from financing activities</b>	16,793	5,303	20,261	12,316
Net change in cash and cash equivalents	10,552	(307)	13,501	4,965
Cash and cash equivalents at beginning of the period	12,015	9,620	9,066	4,348
<b>Cash and cash equivalents at end of period</b>	<b>22,567</b>	<b>9,313</b>	<b>22,567</b>	<b>9,313</b>

## HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 31 March 2012

### 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:

	<b>Group</b>	
	As at 31 Mar 2012 S\$'000	As at 31 Mar 2011 S\$'000
Cash and bank balances	22,818	9,313
Fixed deposits	659	620
	23,477	9,933
<u>Less</u> : Fixed deposits pledged with banks <sup>(1)</sup>	(659)	(620)
<u>Less</u> : Bank overdrafts <sup>(2)</sup>	(251)	-
Cash and cash equivalents per consolidated cash flow statement	22,567	9,313

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

<sup>(2)</sup> Bank overdrafts are classified as part of current secured borrowings in the consolidated statement of financial position.

## HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 31 March 2012

### 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	Fair Value Reserve	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
Balance as at 1 October 2011	130,046	2,527	(9)	(454)	704	132,814	2,135	134,949
Other comprehensive income for the financial period	-	-	-	6	-	6	9	15
Loss for the financial period	-	-	-	-	(1,491)	(1,491)	(14)	(1,505)
Issuance of ordinary shares	7,268	-	-	-	-	7,268	-	7,268
Balance as at 31 March 2012	137,314	2,527	(9)	(448)	(787)	138,597	2,130	140,727

Group	Attributable to equity shareholders of the Company							
	Share Capital	Capital Reserve	Fair Value Reserve	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
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	-	-	(1)	(113)	-	(114)	(43)	(157)
Profit for the financial period	-	-	-	-	8,637	8,637	68	8,705
Issuance of ordinary shares	11,049	-	-	-	-	11,049	-	11,049
Balance as at 31 March 2011	122,779	2,527	-	(388)	(6,775)	118,143	2,068	120,211

# HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 31 March 2012

Company	Share Capital	Capital Reserve	Accumulated Profits / (Losses)	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2011	130,046	2,527	(27,872)	104,701
Loss for the period	-	-	(1,816)	(1,816)
Issuance of ordinary shares	7,268	-	-	7,268
Balance as at 31 March 2012	137,314	2,527	(29,688)	110,153
Balance as at 1 October 2010	111,730	2,527	(40,527)	73,730
Profit for the period	-	-	6,899	6,899
Issuance of ordinary shares	11,049	-	-	11,049
Balance as at 31 March 2011	122,779	2,527	(33,628)	91,678

**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**

Share Capital	Number of ordinary shares	Share Capital (\$)
At 1 October 2011 (2010:775,671,962)	1,016,021,962	130,046,303
Issuance of 76,500,000 ordinary shares for settlement of Tranche 2 of the Option Shares at S\$0.095 per share	76,500,000	7,267,500
At 31 March 2012 (2011:939,521,962)	1,092,521,962	137,313,803

## Call Option:

In November 2010, the Company granted a call option to Oriental Castle Sdn. Bhd ("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) were issued and allotted on 22 February 2012 upon full payment being made by OCS for such Option Shares.

## Warrant:

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 31 March 2012 and 31 March 2011.



# HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 31 March 2012

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**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.**

	<b>31 March 2012</b>	<b>30 September 2011</b>
Total number of issued shares	<u>1,092,521,962</u>	<u>1,016,021,962</u>

**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 2011.

**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 2011. The revised FRS that is relevant to the Group includes Revised FRS 24 Related Party Disclosures. The nature of the impending changes in accounting policy on adoption of the revised FRS 24 is described below.

#### Revised FRS 24 Related Party Disclosures

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities.

The adoption of this revised FRS did not have any significant impact on the financial statements of the Group.

# HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 31 March 2012

**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	
	2Q2012	2Q2011	1H2012	1H2011
Earnings per ordinary shares:				
(a) Basic (cents)	(0.18)	0.36	(0.14)	0.96
(b) Diluted (cents)	(0.18)	0.30	(0.14)	0.78

(a) Earnings per share were calculated based on weighted average number of shares of 1,035,146,962 for the period ended 31 March 2012 and 898,559,462 for the period ended 31 March 2011.

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

Adjusted weighted average number of shares for the period end 31 March 2012 and 31 March 2011 were 1,035,146,962 and 1,105,025,087 shares respectively.

**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	
	31.03.2012	30.09.2011	31.03.2012	30.09.2011
Net asset value per ordinary share (cents)	12.69	13.07	10.08	10.30

**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 2Q2012 vs. 2Q2011**

**Revenue and Gross Profit**

The Group's revenue increased by 44% from S\$60.1 million in 2Q2011 to S\$86.5 million in 2Q2012, on the back of a higher sales volume.

However, gross profit margin decreased by 9.9 percentage points from 13.1% in 2Q2011 to 3.2% in 2Q2012 mainly due to the decline in steel prices and sales of higher cost inventories purchased in the previous quarter.

**Other Operating Income**

Other operating income increased from S\$0.7 million in 2Q2011 to S\$1.0 million in 2Q2012 mainly due to a higher foreign exchange gain recorded in 2Q2012.

# HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 31 March 2012

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## **Administrative Expenses, Other Operating and Finance Expenses**

Administrative expenses increased from S\$2.5 million in 2Q2011 to S\$3.2 million in 2Q2012, while other operating expenses decreased by 46% from S\$3.0 million to S\$1.6 million respectively.

The increase in administrative expenses was essentially due to consultancy and legal services related to the Group's property and warehouse construction project; and higher staff cost as the group gears up for its development of new businesses.

The decrease in other operating expense in 2Q2012 compared to 2Q2011 was due to a fair value loss of S\$1.8 million on the warrants and call option recorded in 2Q2011, partially offset by the higher depreciation on properties.

In line with higher business activities, the finance expense increased from S\$0.3 million in 2Q2011 to S\$0.7 million in 2Q2012.

## **Profitability**

The Group recorded a net loss after tax of S\$2.0 million in 2Q2011, compared to a profit of S\$3.3 million in 2Q2011.

## **Results for 1H2012 vs. 1H2011**

### **Revenue and Gross Profit**

The Group's revenue for 1H2012 increased by 50% to S\$158.5 million from S\$105.5 million, whilst the gross profit decreased by 44% from S\$13.5 million in 1H2011 to S\$7.6 million due to the competitive business environment and decline in steel price.

### **Other Operating Income**

Other operating income decreased by 43% from S\$1.8 million in 1H2011 to S\$1.0 million in 1H2012. The decreased in other operating income was largely due to the fair value on the derivative instrument as well as the lower foreign exchange gain.

## **Administrative Expenses, Other Operating and Finance Expenses**

Administrative expenses increased from S\$4.2 million in 1H2011 to S\$5.7 million in 1H2012. The increase was mainly due to consultancy and legal services related to the Group's warehouse construction project; higher manpower expenses due to Group's business development and expansion plans; and higher property tax following the increased market value of the leasehold land and property.

In line with higher sales business activities, other operating expenses increased by 22% from S\$2.6 million in 1H2011 to S\$3.2 million in 1H2012, and finance expense increased by 63% from S\$0.8 million to S\$1.3 million respectively.

## **Profitability**

The Group recorded a net loss after tax of S\$1.5 million in 1H2012, compared to a profit of S\$8.7 million in 1H2011.

# HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 31 March 2012

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## **Balance Sheet**

The Group held an inventory level of S\$90.1 million as at 31 March 2012, as compared to S\$96.7 million as at 30 September 2011. The improvement in the inventory turnover days from 137 days to 113 days was the result of the effective implementation of supply chain management in the current period.

Trade and other receivables increased in tandem with the increased revenue to S\$56.0 million as at 31 March 2012 as compared to S\$44.9 million as at 30 September 2011, with debtor turnover days of 55 days.

Trade and other payables increased to S\$45.0 million as at 31 March 2012 as compared to S\$42.9 million as at 30 September 2011 due to higher purchases to support sales growth.

The Group's net debt-equity gearing ratio remained low at 18:82 and shareholders' equity stood at S\$138.6 million as at 31 March 2012.

## **Cash Flow Statement**

As at 31 March 2012, the Group recorded higher cash and cash equivalents of S\$22.6 million as compared to S\$9.3 million as at 31 March 2011. The increase was largely from the proceeds of S\$7.3 million from the call option shares issued and the higher drawdown of bank facilities to cater to higher level of working capital requirements.

Net cash flows used in operating activities and investing activities for the period were S\$4.5 million and S\$2.2 million respectively.

**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**

According to the World Steel Association ("WSA"), global apparent steel use is expected to increase by 3.6% to 1,422 million tonnes in 2012, following a growth of 5.6% in 2011. In the fourth quarter of 2011, the market continued to be weakened by the Eurozone crisis. Nonetheless, the WSA forecasts that world steel demand will grow further by 4.5% in 2013 to reach 1,486 million tonnes.

Going forward, there remain several factors which can dampen the outlook for the global steel industry, including high oil prices, geopolitical tensions in the oil producing regions and the continued slowdown of steel demand in China.

In ASEAN, apparent steel consumption expanded by 4% year-on-year to 50.5 million tonnes in 2011 based on preliminary data compiled by the South East Asia Iron & Steel Institute. Singapore's steel consumption grew by more than a million tonnes to 3.8 million tonnes in 2011.

The Group remains cautiously optimistic about its growth prospects. The Group will continue to focus on its multi-pronged strategy to expand geographically, diversify its business model, widen its product range and enhance its processing capabilities.

The Group reported a net loss for its half year and second quarter financial results ended 31 March 2012 due to the decline of steel prices in the last few months and sales of higher cost inventories purchased in the first quarter.

# HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 31 March 2012

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**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.

## HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 31 March 2012

### 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		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)*	
	YTD 2012 S\$'000	YTD 2011 S\$'000	YTD 2012 S\$'000	YTD 2011 S\$'000
<b>Chye Hin Hardware Pte Ltd</b>				
Sales	-	-	2,205	1,387
Purchases	-	-	4,495	3,779
Other Charges	-	-	232	43
<b>Oriental Sheet Piling Pte Ltd</b>				
Sales	-	-	1,122	97
<b>Oriental Sheet Piling (China) Co. Ltd.</b>				
Purchase	2,425	-	-	-
<b>Oriental SteelPipe Sdn Bhd</b>				
Rental	-	-	-	2,662
<b>Oriental Castle Sdn Bhd</b>				
Other Charges	-	-	111	-
<b>Oriental Housetop Sdn Bhd</b>				
Other Charges	4	-	-	-
<b>Timuran Engineering Sdn Bhd</b>				
Other Charges	30	-	-	-
<b>Plan B Pte Ltd</b>				
Purchase	-	-	-	1,212

\* The above includes all transactions regardless of value

The Company had in its Annual General Meeting on 12 January 2012 obtained approval from its shareholders for the renewal of a general mandate for transactions with certain interested persons. Please refer to the Company's Annual Report 2011 for details. The Company's Annual Report 2011 can be accessed through the Company's website [www.hgmetal.com](http://www.hgmetal.com) and the website [www.sgx.com](http://www.sgx.com).

### 14. Negative confirmation pursuant to Rule 705(5)

The directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the quarter ended 31 March 2012 to be false or misleading in any material respect.

On behalf of the Board,

Mr Goh Kian Sin  
Managing Director

15 May 2012