



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

**Announcement Pursuant To Rule 705 Of the Listing Manual – Material Adjustments To The
Financial Statements and Dividend Announcement for Quarter Ended
30 September 2012**

The Board of Directors (the “**Board**”) of HG Metal Manufacturing Limited (the “**Company**”) refers to the announcement released by the Company on 12 November 2012 in relation to the Financial Statements for Quarter Ended 30 September 2012 (the “**Announcement**”).

Subsequent to the Announcement, the Company has now obtained the results of its associate, BRC Asia Limited for the Quarter Ended 30 September 2012.

Pursuant to Rule 705 of the Listing Manual of the SGX-ST, the Company wishes to highlight that revisions have been made in the Statement of Comprehensive Income, Balance Sheet and Cash Flows for the Quarter Ended 30 September 2012. Such revisions arose as a result of the estimation of the share of associate results for BRC Asia Limited being significantly different from BRC Asia Limited announced results. The revisions had an impact on the Group’s Balance Sheet and not at the Company level.

Appended below is a comparison between the earlier announced results of the Group’s Statement of Comprehensive Income, Balance Sheet and Cash Flows for the quarter ended 2012 and YTD 2012 with the related revisions highlighted in blue.

HG METAL MANUFACTURING LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	4Q2012			YTD2012 (12months)		
	Announced	Revised		Announced	Revised	
	S\$'000	S\$'000	(+/--%)	S\$'000	S\$'000	(+/--%)
Revenue	83,643	83,643	nm*	327,860	327,860	nm*
Cost of sales	(81,718)	(81,718)	nm*	(313,586)	(313,586)	nm*
Gross Profit	1,925	1,925	nm*	14,274	14,274	nm*
Other operating income	1,823	1,823	nm*	2,558	2,558	nm*
Distribution expenses	(1,192)	(1,192)	nm*	(2,525)	(2,525)	nm*
Administrative expenses	(2,932)	(2,933)	nm*	(11,627)	(11,627)	nm*
Other operating expenses	(1,453)	(1,453)	nm*	(6,241)	(6,241)	nm*
Finance expenses	(566)	(566)	nm*	(2,143)	(2,143)	nm*
Share of associate profits	1,518	1,860	18	3,818	4,160	8
Profit/(Loss) before tax	(877)	(536)	(64)	(1,886)	(1,544)	(22)
Income tax (expense) /credit	(62)	(62)	nm*	(130)	(130)	nm*
Net profit/(loss) after tax	(939)	(598)	(57)	(2,016)	(1,674)	(20)
Other comprehensive income						
Currency translation adjustments	(49)	(49)	nm*	(111)	(111)	nm*
Share of other comprehensive income of associates	(5)	(17)	71	(19)	(30)	37
Other comprehensive income for the period, net of tax	(54)	(66)	nm*	(130)	(141)	nm*
Total comprehensive income for the period	(993)	(664)	nm*	(2,146)	(1,815)	nm*
Profit/(Loss) attributable to:						
Equity holders of the Company	(896)	(555)	nm*	(1,814)	(1,472)	nm*
Non-controlling interests	(43)	(43)	nm*	(202)	(202)	nm*
	(939)	(598)	nm*	(2,016)	(1,674)	nm*
Total comprehensive income attributable to:						
Equity holders of the Company	(943)	(614)	nm*	(1,914)	(1,585)	nm*
Non-controlling interests	(50)	(50)	nm*	(232)	(230)	nm*
	(993)	(664)	nm*	(2,146)	(1,815)	nm*
Earnings per ordinary share						
Basic & Diluted (cents)	(0.08)	(0.05)	(60)	(0.17)	(0.14)	(21)
* nm denotes not meaningful						

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STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012

	Group		
	Announced S\$'000	Revised S\$'000	(+/--%)
Non-current assets			
Property, plant and equipment	40,746	40,746	nm*
Intangible assets	428	428	nm*
Investment in Associates	40,467	40,796	1
	81,641	81,970	nm*
Current assets			
Investment held for trading	73	73	nm*
Inventories	97,944	97,944	nm*
Trade and other receivables	58,149	58,149	nm*
Cash and cash equivalents	19,743	19,743	nm*
	175,909	175,909	nm*
Current liabilities			
Trade and other payables	43,887	43,886	nm*
Finance lease payables	204	204	nm*
Bank borrowings	65,395	65,395	nm*
Provision for taxation	66	66	nm*
Derivative financial instruments	692	692	nm*
	110,244	110,243	nm*
Net-current assets	65,665	65,666	nm*
Non current liabilities			
Finance lease payables	197	197	nm*
Bank borrowings	12,933	12,933	nm*
Provision for reinstatement costs	1,650	1,650	nm*
Deferred taxation	212	212	nm*
	14,992	14,992	nm*
	132,314	132,644	nm*
Capital and reserves			
Share capital	137,314	137,314	nm*
Treasury Share	(1,189)	(1,189)	nm*
Other reserves	1,964	1,952	(1)
Accumulated (losses) / profits	(7,665)	(7,323)	(5)
Equity attributable to equity holders of the Company	130,424	130,754	nm*
Non-controlling interests	1,890	1,890	nm*
Total equity	132,314	132,644	nm*
Net asset value per ordinary share (cents)	12.10	12.13	
* nm denotes not meaningful			

HG METAL MANUFACTURING LIMITED

CONSOLIDATED CASH FLOW STATEMENT

	4Q2012			YTD2012 (12months)		
	Announced S\$'000	Revised S\$'000	(+/-)%	Announced S\$'000	Revised S\$'000	(+/-)%
Cash flows from operating activities						
Profit / (Loss) before tax	(877)	(535)	(64)	(1,886)	(1,544)	(22)
Adjustments for						
Depreciation of property, plant and equipment	753	753	nm*	2,945	2,945	nm*
Amortisation of computer software	53	53	nm*	180	180	nm*
Gain on disposal of property, plant and equipment	(110)	(110)	nm*	(53)	(53)	nm*
(Writeback) / Allowance made for doubtful debts, net	(20)	(20)	nm*	(77)	(77)	nm*
Write (back) / down of inventories	(28)	(28)	nm*	169	169	nm*
Dividend income from quoted investment	(5)	(5)	nm*	(5)	(5)	nm*
Fair value loss on investment held for trading	12	12	nm*	62	62	nm*
Fair value loss/ (gain) on derivatives, net	793	793	nm*	363	363	nm*
Interest expense	566	566	nm*	2,143	2,143	nm*
Interest income	-	-		(1)	(1)	
Share of associates results	(1,518)	(1,860)	18	(3,818)	(4,160)	8
Foreign currency realignment	(35)	(34)	(3)	(85)	(85)	nm*
Operating cash flow before working capital changes	(416)	(415)	(0)	(63)	(63)	nm*
Working capital changes:						
Fixed deposits pledged	(8)	(8)	nm*	(32)	(32)	nm*
Inventories	(541)	(541)	nm*	(2,742)	(2,742)	nm*
Trade and other receivables	596	596	nm*	(13,162)	(13,162)	nm*
Trade and other payables	(14,484)	(14,485)	nm*	905	905	nm*
Cash generated from (used in) operations	(14,853)	(14,853)	nm*	(15,094)	(15,094)	nm*
Interest expense paid	(566)	(566)	nm*	(2,143)	(2,143)	nm*
Interest income received	-	-	nm*	1	1	nm*
Income tax (paid) refund	(65)	(65)	nm*	(157)	(157)	nm*
Net cash flows generated from (used in) operating activities	(15,484)	(15,484)	nm*	(17,393)	(17,393)	nm*
Cash flows from investing activities						
Dividend income received from quoted investment	5	5		5	5	nm*
Proceeds from disposal of property, plant and equipment	121	121	nm*	177	177	nm*
Purchase of property, plant and equipment	(6,714)	(6,714)	nm*	(10,428)	(10,428)	nm*
Purchase of intangible assets	(125)	(125)	nm*	(342)	(342)	nm*
Net cash flows used in investing activities	(6,713)	(6,713)	nm*	(10,588)	(10,588)	nm*
Cash flows from financing activities						
Proceeds from issue of new shares in the Company	-		nm*	7,268	7,268	nm*
Purchase of treasury shares	(827)	(827)	nm*	(1,189)	(1,189)	nm*
Dividends paid on ordinary shares of the Company	-	-	nm*	(6,555)	(6,555)	nm*
Net proceeds from (repayment of) bank borrowings	26,237	26,237	nm*	38,722	38,722	nm*
Repayment of finance lease payables	(15)	(15)	nm*	(245)	(245)	nm*
Net cash flows (used in) generated from financing activities	25,395	25,395	nm*	38,001	38,001	nm*
Net change in cash and cash equivalents	3,198	3,198	nm*	10,020	10,020	nm*
Cash and cash equivalents at beginning of the period	15,888	15,888		9,066	9,066	
Cash and cash equivalents at end of period	19,086	19,086	nm*	19,086	19,086	nm*
* nm denotes not meaningful						

BY ORDER OF THE BOARD

Goh Kian Sin
Managing Director and Chief Executive Officer
4 December 2012