



# HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

## Financial Statements and Dividend Announcement for Year Ended 31 December 2013

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), 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		
	FY 2013 (12 months) S\$'000	FP 2012 (15 months) S\$'000	% (+/-)
<b>Revenue</b>	<b>266,046</b>	<b>405,360</b>	<b>(34)</b>
Cost of sales	(249,917)	(388,135)	(36)
<b>Gross profit</b>	<b>16,129</b>	<b>17,225</b>	<b>(6)</b>
<b>Gross margin</b>	<b>6.1%</b>	<b>4.2%</b>	
Other operating income	4,977	10,810	(54)
Distribution expenses	(2,706)	(3,196)	(15)
Administrative expenses	(11,552)	(15,484)	(25)
Other operating expenses	(10,747)	(7,381)	46
Finance expenses	(1,727)	(2,697)	(36)
Share of associate profits	8,830	6,217	42
<b>Profit before tax</b>	<b>3,204</b>	<b>5,494</b>	nm*
Income tax credit / (expense)	55	(158)	nm*
<b>Net profit after tax</b>	<b>3,259</b>	<b>5,336</b>	<b>nm*</b>
<b>Other comprehensive income/(loss)</b>			
Currency translation adjustments	58	(181)	nm*
Share of other comprehensive income of associates	167	(31)	nm*
<b>Other comprehensive income for the year/period, net of tax</b>	<b>225</b>	<b>(212)</b>	<b>nm*</b>
<b>Total comprehensive income for the year/period</b>	<b>3,484</b>	<b>5,124</b>	<b>nm*</b>
<b>Profit attributable to:</b>			
Equity holders of the Company	3,410	5,549	nm*
Non-controlling interests	(151)	(213)	nm*
	3,259	5,336	nm*
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	3,659	5,386	nm*
Non-controlling interests	(175)	(262)	nm*
	<b>3,484</b>	<b>5,124</b>	<b>nm*</b>

\*nm denotes not meaningful

\*\* FP2012 covers the 15-month financial period starting 1 October 2011 to 31 December 2012 due to the change in the Company's financial year end

# HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Year Ended 31 December 2013

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

	Group	
	FY 2013 (12 months)	FP 2012 (15 months)
	S\$'000	S\$'000
Profit before tax is arrived at after charging/(crediting) the following:		
Allowance/ (Reversal of allowance) for impairment of receivables, net	346	(26)
Amortisation of computer software	77	227
Amortisation of deferred income	(1,309)	-
Depreciation of property, plant and equipment	2,277	3,802
Dividend income from quoted investment	(5)	(5)
Fair value loss on investment held for trading	23	60
Fair value gain on derivatives, net	(34)	(339)
Foreign exchange loss /(gain), net	1,399	(978)
Interest income	(152)	(3)
Interest on borrowings	1,727	2,697
Gain on sale of property, plant and equipment	(34)	(7,626)
Write off of property, plant and equipment	-	31
Goods lost-in-transit	14	-
Write back of provision for rectification work	(690)	-
Write down of inventories	39	150

# HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Year Ended 31 December 2013

**(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	
	31.12.2013 S\$'000	31.12.2012 S\$'000	31.12.2013 S\$'000	31.12.2012 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	18,277	17,637	8,457	9,403
Intangible assets	340	381	326	361
Investment in subsidiaries	-	-	13,488	13,488
Investment in associates	48,628	42,853	713	713
	67,245	60,871	22,984	23,965
<b>Current assets</b>				
Investment held for trading	53	75	-	-
Derivative financial instruments	44	22	34	22
Inventories	96,705	86,202	79,015	71,571
Trade and other receivables	55,212	96,629	85,597	114,140
Income tax recoverable	115	-	-	-
Prepaid expenses	282	320	154	128
Cash and cash equivalents	16,123	18,522	8,754	5,589
	168,534	201,770	173,554	191,450
<b>Current liabilities</b>				
Trade and other payables	24,631	47,377	30,848	42,614
Finance lease payables	66	183	-	87
Bank borrowings	51,052	55,743	44,860	47,971
Provision for taxation	77	108	-	-
Deferred income	1,429	1,310	1,429	1,310
Derivative financial instruments	-	12	-	-
	77,255	104,733	77,137	91,982
<b>Net-current assets</b>	91,279	97,037	96,417	99,468
<b>Non current liabilities</b>				
Finance lease payables	65	195	-	-
Bank borrowings	11,035	8,947	11,035	8,947
Provision for reinstatement costs	1,000	1,000	700	700
Deferred income	7,262	8,690	7,262	8,690
Deferred taxation	9	187	-	-
	19,371	19,019	18,997	18,337
	139,153	138,889	100,404	105,096
<b>Capital and reserves</b>				
Share capital	137,314	137,314	137,314	137,314
Treasury shares	(1,885)	(1,885)	(1,885)	(1,885)
Other reserves	2,150	1,901	2,527	2,527
Accumulated losses	(100)	(302)	(37,552)	(32,860)
Equity attributable to equity holders of the Company	137,479	137,028	100,404	105,096
Non-controlling interests	1,674	1,861	-	-
<b>Total equity</b>	139,153	138,889	100,404	105,096

## HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Year Ended 31 December 2013

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

	As at 31 December 2013			As at 31 December 2012		
	Secured S\$'000	Unsecured S\$'000	Finance lease S\$'000	Secured S\$'000	Unsecured S\$'000	Finance lease S\$'000
Repayable within one year	45,709	5,343	66	49,230	6,513	183
Repayable after one year	11,035	-	65	8,947	-	195
Total	56,744	5,343	131	58,177	6,513	378

#### Details of collaterals

The Group's borrowings of approximately S\$56.7 million is secured by way of fixed and floating charge over all assets of the Company and legal mortgage over properties of the Company.

# HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Year Ended 31 December 2013

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

	Group	
	FY 2013 (12 months) S\$'000	FP 2012 (15 months) S\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	3,204	5,494
Adjustments for:		
Depreciation of property, plant and equipment	2,277	3,802
Amortisation of computer software	77	227
Gain on disposal of property, plant and equipment	(34)	(7,626)
Write off of property, plant and equipment	-	31
Allowance /(Reversal of allowance) for impairment of receivables, net	346	(26)
Goods lost-in-transit	14	-
Write down of inventories	39	150
Write back of provision for rectification work	(690)	-
Dividend income from quoted investment	(5)	(5)
Fair value loss on investment held for trading	23	60
Fair value gain on derivatives, net	(34)	(339)
Interest expense	1,727	2,697
Interest income	(152)	(3)
Share of associates results	(8,830)	(6,217)
Amortisation of deferred income	(1,309)	-
Foreign currency realignment	(88)	(145)
<b>Operating cash flow before working capital changes</b>	(3,435)	(1,900)
Working capital changes:		
Inventories	(10,826)	10,380
Trade and other receivables	2,225	(9,040)
Trade and other payables	(21,304)	2,887
<b>Cash (used in) / generated from operations</b>	(33,340)	2,327
Interest expense paid	(1,727)	(2,697)
Interest income received	152	3
Income tax paid	(153)	(169)
<b>Net cash flows used in operating activities</b>	(35,068)	(536)
<b>Cash flows from investing activities</b>		
Dividend income received from quoted investment	3,227	5
Fixed deposits pledged	642	(39)
Proceeds from disposal of property, plant and equipment	39,525	175
Purchase of property, plant and equipment	(4,140)	(14,057)
Purchase of intangible assets	(36)	(341)
<b>Net cash flows generated from/(used in) investing activities</b>	39,218	(14,257)
<b>Cash flows from financing activities</b>		
Proceeds from issue of new shares in the Company	-	7,268
Purchase of treasury shares	-	(1,885)
Dividends paid on ordinary shares of the Company	(3,208)	(6,555)
Dividends paid to minority shareholders of a subsidiary	(12)	(12)
Proceeds from bank borrowings	188,643	251,409
Repayment of bank borrowings	(191,051)	(226,325)
Repayment of finance lease payables	(279)	(346)
<b>Net cash flows (used in) /generated from financing activities</b>	(5,907)	23,554
Net change in cash and cash equivalents	(1,757)	8,781
Effects on exchange rate changes on cash and cash equivalents	13	20
Cash and cash equivalents at beginning of the year/period	17,867	9,066
<b>Cash and cash equivalents at end of year/period</b>	16,123	17,867

## HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Year Ended 31 December 2013

### 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	
	31 Dec 2013 S\$'000	31 Dec 2012 S\$'000
Cash and bank balances	15,421	16,413
Fixed deposits	702	2,109
	16,123	18,522
<i>Less</i> : Fixed deposits pledged with banks <sup>(1)</sup>	-	(655)
Cash and cash equivalents per consolidated cash flow statement	16,123	17,867

<sup>(1)</sup> 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 Year Ended 31 December 2013

## 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	Treasury shares	Capital reserve	Fair value reserve	Foreign currency translation reserve	Accumulated (losses) / profits	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2013	137,314	(1,885)	2,527	(4)	(622)	(302)	137,028	1,861	138,889
Profit /(loss) for the year	-	-	-	-	-	3,410	3,410	(151)	3,259
<u>Other comprehensive income/(loss)</u>									
Foreign currency translation	-	-	-	-	82	-	82	(24)	58
Share of other comprehensive income of associate	-	-	-	-	167	-	167	-	167
Other comprehensive income/(loss) for the year, net of tax	-	-	-	-	249	-	249	(24)	225
Total comprehensive income/(loss) for the year	-	-	-	-	249	3,410	3,659	(175)	3,484
<u>Contribution by and distributions to owners</u>									
Dividend on ordinary shares	-	-	-	-	-	(3,208)	(3,208)	(12)	(3,220)
Total contributions by and distributions to owners	-	-	-	-	-	(3,208)	(3,208)	(12)	(3,220)
Balance as at 31 December 2013	137,314	(1,885)	2,527	(4)	(373)	(100)	137,479	1,674	139,153

# HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Year Ended 31 December 2013

Group	Attributable to equity shareholders of the Company								
	Share capital	Treasury shares	Capital reserve	Fair value reserve	Foreign currency translation reserve	Accumulated (losses) / profits	Total	Non-controlling interests	Total equity
	S\$'000	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
Profit /(loss) for the period	-	-	-	-	-	5,549	5,549	(213)	5,336
<u>Other comprehensive income/ (loss)</u>									
Foreign currency translation	-	-	-	-	(132)	-	(132)	(49)	(181)
Share of other comprehensive income/(loss) of associate	-	-	-	5	(36)	-	(31)	-	(31)
Other comprehensive income/(loss) for the period, net of tax	-	-	-	5	(168)	-	(163)	(49)	(212)
Total comprehensive income/(loss) for the period	-	-	-	5	(168)	5,549	5,386	(262)	5,124
<u>Contribution by and distributions to owners</u>									
Issuance of ordinary shares	7,268	-	-	-	-	-	7,268	-	7,268
Purchase of treasury shares	-	(1,885)	-	-	-	-	(1,885)	-	(1,885)
Dividend on ordinary shares	-	-	-	-	-	(6,555)	(6,555)	(12)	(6,567)
Total contributions by and distributions to owners	7,268	(1,885)	-	-	-	(6,555)	(1,172)	(12)	(1,184)
Balance as at 31 December 2012	137,314	(1,885)	2,527	(4)	(622)	(302)	137,028	1,861	138,889



# HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Year Ended 31 December 2013

<u>Company</u>	Share capital	Treasury shares	Capital reserve	Accumulated (losses)	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2013	137,314	(1,885)	2,527	(32,860)	105,096
Loss for the year, representing total comprehensive income for the year	-	-	-	(1,484)	(1,484)
<u>Contributions by and distributions to owners</u>					
Dividend on ordinary shares	-	-	-	(3,208)	(3,208)
Total contributions by and distributions to owners	-	-	-	(3,208)	(3,208)
Balance as at 31 December 2013	137,314	(1,885)	2,527	(37,552)	100,404
Balance as at 1 October 2011	130,046	-	2,527	(27,872)	104,701
Profit for the period, representing total comprehensive income for the period	-	-	-	1,567	1,567
<u>Contributions by and distributions to owners</u>					
Issuance of ordinary shares	7,268	-	-	-	7,268
Purchase of treasury shares	-	(1,885)	-	-	(1,885)
Dividend on ordinary shares	-	-	-	(6,555)	(6,555)
Total contributions by and distributions to owners	7,268	(1,885)	-	(6,555)	(1,172)
Balance as at 31 December 2012	137,314	(1,885)	2,527	(32,860)	105,096

**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**

There was no change in the Company's share capital during the financial year.

The company does not have any outstanding shares convertibles as at 31 December 2013.

The Company does not have any outstanding shares convertibles as at 31 December 2013 and 31 December 2012

There were 23,268,000 treasury shares as at 31 December 2013 and 31 December 2012

**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 December 2013</b>	<b>31 December 2012</b>
Total number of issued shares	1,092,521,962	1,092,521,962
Treasury shares	(23,268,000)	(23,268,000)
Total number of issued shares excluding treasury shares	<u>1,069,253,962</u>	<u>1,069,253,962</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.

# HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Year Ended 31 December 2013

**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 period ended 31 December 2012.

**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 2012.

From 1 January 2013, the functional currency of its subsidiary, PT HG Metal Distribution Indonesia changed from Indonesia Rupiah to United State dollars. This is to reflect the currency of the primary economic environment in which the Company operates, having regard to their financing, investing and operating activities. The Company, PT HG Metal distribution has adopted this change prospectively.

The presentation currency of the Company and the Group will remain in Singapore dollars.

**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	
	FY2013	FP2012
Earnings per ordinary shares:		
(a) Basic (cents)	0.32	0.52
(b) Diluted (cents)	0.32	0.52

(a) Earnings per share were calculated based on weighted average number of shares of 1,069,253,962 and 1,063,561,495 during the period ended 31 December 2013 and 31 December 2012 respectively.

(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 31 December 2013 and 31 December 2012 were 1,069,253,962 and 1,063,561,495 shares respectively.

# HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Year Ended 31 December 2013

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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Net asset value per ordinary share (cents)	12.86	12.82	9.39	9.83

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 FY 2013 (12 months) versus FP 2012 (15 months)**

### **Revenue and Gross Profit**

The Group's recorded revenue of S\$266.0 million in FY2013 as compared to S\$405.4 million for the 15-month period of FP2012 due to lower volume.

However, gross profit margin improved to 6.1% in FY2013, from 4.2% in FP2012, which also resulted in gross profit of S\$16.1 million in FY2013, versus S\$17.2 million for the 15-month period of FP2012. This increase was mainly due to an improved gross profit margin for ship-plate and debar products compared to the gross profit margin for the same products for the 15-month period of FP2012.

### **Other Operating Income**

Other operating income for FY2013 decreased to S\$5.0 million from S\$10.8 million in FP2012, mainly due to the absence of S\$6.9 million gain from the sale and leaseback of 15 Jurong Port Road ("JPR") in December 2012 and fair value gain from foreign currency contracts of S\$0.2 million, which was offset by S\$1.3 million deferred revenue on the sale and leaseback of JPR.

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

The Group's distribution expenses for FY2013 decreased to S\$2.7 million from S\$3.2 million in FP2012, in tandem with the lower sales volume reported in for FY2013.

Reduction in bank charges of S\$0.7 million and a decrease in consultancy and legal services of S\$0.5 million for FY2013, have contributed to the lower administrative expenses of S\$11.6 million in FY2013 versus S\$15.5 million for the 15-month period of FP2012

Other operating expenses increased to S\$10.7 million in FY2013, from S\$7.4 million for the 15-month period of FP2012, mainly due to the rental payment of S\$3.9 million related to the office and warehouse at JPR.

Finance expenses decreased to S\$1.7 million in FY2013, from S\$2.7 million for the 15-month period of FP2012, due to reduced bank borrowings.

### **Net Profit after Tax**

The Group posted a net profit after tax of S\$3.3 million in FY2013, compared to S\$5.3 million reported for the 15-month period of FP2012. This was largely attributable to the absence of gain from the sale and leaseback of JPR but compensated by a higher share of associate profits.

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Financial Statements and Dividend Announcement for Year Ended 31 December 2013

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## **Balance Sheet**

The Group held an inventory level of S\$96.7 million as at 31 December 2013, as compared to S\$86.2 million as at 31 December 2012 due to slower sales activities during the year under review.

Out of the S\$96.6 million trade and other receivables as at 31 December 2012, S\$38.7 million was received in 1Q2013 from the sale and leaseback of the Group's property at Jurong Port Road. Excluding the disposal proceeds, trade and other receivables decreased 4% from S\$57.9 million as at 31 December 2012 to S\$55.2 million as at 31 December 2013.

The proceed received from sales and leaseback of the Property were partially utilised to reduce trade and other payables to S\$24.6 million as at 31 December 2013 from S\$47.4 million as at 31 December 2012.

## **Cash Flow Statement**

The Group's cash and cash equivalents were S\$16.1 million as at 31 December 2013 in comparison to S\$17.9 million as at 31 December 2012

S\$35.1 million of net cash flows was used in operating activities in FY2013, supported by the proceeds received of S\$38.7 million from the disposal of the property at Jurong Port Road presented in the net cash flows from investing activities in FY2013

Net cash flows used in financing activities amounted to S\$5.9 million primarily due to repayment of bank borrowings.

**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 Management expects pressure on profit margin to remain with regional supply expected to exceed demand, we will continue our sales efforts to improve volume and prudent cost management.

The Group will remain cautious and prudent in its inventory purchases to align to market conditions and to manage exposure to price and currency fluctuations.

**11. Dividend**

**(a) Current financial period reported on**

The Directors are pleased to recommend final one-tier tax exempt cash dividend of 0.1 Singapore cent per ordinary share in respect of the financial year ended 31 December 2013.

**(b) Corresponding period of the immediately preceding financial year**

None

**(c) Date payable**

To be announced on a later date

**(d) Books closure date**

To be announced on a later date

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## 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)*
	Jan - Dec 2013 S\$'000	Jan - Dec 2013 S\$'000
<b>Arcelor International Steel Trading (Shanghai) Co. Ltd.</b>		
Sales	-	142
Purchases		117
<b>Chye Hin Hardware Pte Ltd</b>		
Sales	-	3,571
Purchases	-	3,592
<b>Foklien Hardware (M) Sdn Bhd</b>		
Sales	462	-
Purchases	223	-
<b>Oriental Castle Sdn Bhd</b>		
Support services	-	265
<b>Oriental Sheet Piling Sdn Bhd</b>		
Sales	-	120
<b>Oriental Sheet Piling Pte Ltd</b>		
Purchase	-	2,152
Other Charges	-	640
Other Income	273	-
<b>Oriental SP Sdn Bhd</b>		
Sales	282	-
<b>Oriental SP Steelwork Sdn Bhd</b>		
Other Charges	339	-

# HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Year Ended 31 December 2013

## 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
<b>Financial year ended 31 Dec 2013</b>				
<b>Revenue</b>				
Sales to external parties	228,733	37,313	-	266,046
Inter-segment sales	32,346	20,957	(53,303)	-
Total	<u>261,079</u>	<u>58,270</u>	<u>(53,303)</u>	<u>266,046</u>
<b>Results</b>				
Segment results	526	(960)	(3,617)	(4,051)
Interest expense	(1,535)	(234)	42	(1,727)
Interest income	151	1	-	152
Share of associates results	257	8,573	-	8,830
Profit (Loss) before income tax	<u>(601)</u>	<u>7,380</u>	<u>(3,575)</u>	<u>3,204</u>
Income tax credit				<u>55</u>
Profit after income tax				<u>3,259</u>
<b>Other information</b>				
Debit/(Credit)				
Investment in associates	1,124	47,504	-	48,628
Additions to non-current assets	1,898	1,911	(82)	3,727
Depreciation	1,506	1,013	(288)	2,231
Amortisation of computer software	65	12	-	77
Amortisation of deferred income	(1,309)			(1,309)
Write down of inventories	39	-	-	39
Fair value gain from derivatives	(12)	(22)	-	(34)
<b>Assets &amp; liabilities</b>				
Segment assets	268,513	37,178	(70,027)	235,664
Tax recoverable				<u>115</u>
Total assets				<u>235,779</u>
Segment liabilities	153,405	18,957	(75,822)	96,540
Tax payable				<u>77</u>
Deferred tax liabilities				<u>9</u>
Total liabilities				<u>96,626</u>

# HG METAL MANUFACTURING LIMITED

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	Trading S\$'000	Manufacturing S\$'000	Eliminations S\$'000	Group S\$'000
<b><u>Financial period ended 31 Dec 2012</u></b>				
<b>Revenue</b>				
Sales to external parties	359,584	45,776	-	405,360
Inter-segment sales	14,544	6,386	(20,930)	-
<b>Total</b>	<b>374,128</b>	<b>52,162</b>	<b>(20,930)</b>	<b>405,360</b>
<b>Results</b>				
Segment results	4,124	(807)	(1,346)	1,971
Interest expense	(2,346)	(351)	-	(2,697)
Interest income	2	1	-	3
Share of associate results	178	6,039	-	6,217
<b>Profit (Loss) before income tax</b>	<b>1,958</b>	<b>4,882</b>	<b>(1,346)</b>	<b>5,494</b>
Income tax credit				(158)
<b>Profit (Loss) after income tax</b>				<b>5,336</b>
<b>Other information</b>				
Debit/(Credit)				
Investment in associates	928	41,925	-	42,853
Additions to non-current assets	13,365	3,229	(1,891)	14,703
Depreciation and amortisation	2,646	1,431	(48)	4,029
Write down of inventories	-	150	-	150
Reversal of provision for reinstatement costs	(650)	-	-	(650)
Fair value gain from derivatives	(351)	12	-	(339)
<b>Assets &amp; liabilities</b>				
Segment assets	276,209	39,757	(53,325)	262,641
<b>Total assets</b>				<b>262,641</b>
Segment liabilities	157,312	21,727	(55,582)	123,457
Tax payable				108
Deferred tax liabilities				187
<b>Total liabilities</b>				<b>123,752</b>

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

## Geographical Segment

	Singapore S\$'000	Malaysia S\$'000	Indonesia S\$'000	Others S\$'000	Group S\$'000
<b><u>Financial year ended 31 Dec 2013</u></b>					
Sales to external parties	164,191	54,273	35,752	11,830	266,046
Non-current assets	15,967	2,579	71	-	18,617
<b><u>Financial period ended 31 Dec 2012</u></b>					
Sales to external parties	254,838	52,099	68,187	30,236	405,360
Non-current assets	15,838	2,122	58	-	18,018

# HG METAL MANUFACTURING LIMITED

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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 Section 8 above

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

	<b>Group</b>		
	<b>FY 2013</b> <b>(12 months)</b> <b>S\$'000</b>	<b>FP 2012</b> <b>(15 months)</b> <b>S\$'000</b>	<b>%</b> <b>(+/-)</b>
<b><u>First Half</u></b>			
Sales reported for first half year	140,203	158,480	(12)
Operating profit/loss after tax before deducting non-controlling interests reported for first half year	3,158	(1,505)	(310)
<b><u>Remaining Period</u></b>			
Sales reported for remaining period	125,843	246,880	(49)
Operating profit after tax before deducting non-controlling interests reported for remaining period	101	6,841	(99)

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

Total annual dividend breakdown:

	<b>Group</b>	
	<b>FY 2013</b> <b>S\$'000</b>	<b>FP 2012</b> <b>S\$'000</b>
Ordinary	1,069	-



## HG METAL MANUFACTURING LIMITED

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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.**

<b>Name /Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Tan Yee Lee 37	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.	Resigned on 27 January 2014.
Tan Yee Wen 34	Daughter of Executive Director, Mr Tan Chan Too	Credit & Marketing 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.	Resigned on 15 November 2013

**On behalf of the Board,**

**Yap Xi Ming**  
Chairman

**Goh Kian Sin**  
Managing Director

**25 February 2014**