



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

**First Quarter Financial Statements and Dividend Announcement  
for Financial Period Ended 31 March 2015**

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              |                    |             |
|-----------------------------------------------------------------|--------------------|--------------------|-------------|
|                                                                 | 1Q 2015<br>S\$'000 | 1Q 2014<br>S\$'000 | %<br>(+/-)  |
| <b>Revenue</b>                                                  | <b>35,500</b>      | <b>53,452</b>      | <b>(34)</b> |
| Cost of sales                                                   | (33,508)           | (49,780)           | (33)        |
| <b>Gross profit</b>                                             | <b>1,992</b>       | <b>3,672</b>       | <b>(46)</b> |
| <b>Gross margin</b>                                             | <b>5.6%</b>        | <b>6.9%</b>        |             |
| Other operating income                                          | 1,978              | 1,286              | 54          |
| Distribution expenses                                           | (268)              | (506)              | (47)        |
| Administrative expenses                                         | (2,406)            | (2,911)            | (17)        |
| Other operating expenses                                        | (2,527)            | (2,362)            | 7           |
| Finance expenses                                                | (63)               | (385)              | (84)        |
| Share of associate profits                                      | 1,336              | 1,626              | (18)        |
| <b>Profit before tax</b>                                        | <b>42</b>          | <b>420</b>         | <b>nm*</b>  |
| Income tax credit                                               | -                  | -                  | nm*         |
| <b>Net profit after tax</b>                                     | <b>42</b>          | <b>420</b>         | <b>nm*</b>  |
| <b>Other comprehensive income:</b>                              |                    |                    |             |
| Items that may be reclassified subsequently to profit or loss : |                    |                    |             |
| Currency translation adjustments                                | 50                 | 22                 | nm*         |
| Share of other comprehensive income of associates               | (67)               | (2)                | nm*         |
| <b>Other comprehensive income for the year, net of tax</b>      | <b>(17)</b>        | <b>20</b>          | <b>nm*</b>  |
| <b>Total comprehensive income for the year</b>                  | <b>25</b>          | <b>440</b>         | <b>nm*</b>  |
| <b>Profit attributable to:</b>                                  |                    |                    |             |
| Owners of the Company                                           | 68                 | 463                | nm*         |
| Non-controlling interests                                       | (26)               | (43)               | nm*         |
|                                                                 | <b>42</b>          | <b>420</b>         | <b>nm*</b>  |
| <b>Total comprehensive income attributable to:</b>              |                    |                    |             |
| Owners of the Company                                           | 60                 | 479                | nm*         |
| Non-controlling interests                                       | (35)               | (39)               | nm*         |
|                                                                 | <b>25</b>          | <b>440</b>         | <b>nm*</b>  |

\*nm denotes not meaningful

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

|                                                                           | Group   |         |
|---------------------------------------------------------------------------|---------|---------|
|                                                                           | 1Q 2015 | 1Q 2014 |
| Profit before tax is arrived at after charging/(crediting) the following: | S\$'000 | S\$'000 |
| (Reversal of allowance)/allowance for impairment of receivables, net      | (10)    | 9       |
| Amortisation of intangible assets                                         | 8       | 10      |
| Recognition of deferred income                                            | (357)   | (357)   |
| Depreciation of property, plant and equipment                             | 585     | 621     |
| Fair value gain on investment held for trading                            | -       | (15)    |
| Fair value loss on derivatives, net                                       | 94      | 89      |
| Foreign exchange gain, net                                                | (100)   | (250)   |
| Interest income                                                           | (1)     | (22)    |
| Interest on borrowings                                                    | 63      | 385     |
| (Gain)/loss on disposal of property, plant and equipment                  | (5)     | 2       |
| Write back of allowance for stock obsolescence                            | -       | (7)     |

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## 1(b)(i) A Statement 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               |                       |
|----------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                              | 31.03.2015<br>S\$'000 | 31.12.2014<br>S\$'000 | 31.03.2015<br>S\$'000 | 31.12.2014<br>S\$'000 |
| <b>Non-current assets</b>                    |                       |                       |                       |                       |
| Property, plant and equipment                | 15,045                | 15,652                | 7,938                 | 8,215                 |
| Intangible assets                            | 71                    | 79                    | 68                    | 75                    |
| Investment in subsidiaries                   | -                     | -                     | 13,147                | 13,147                |
| Investment in associates                     | 49,071                | 49,488                | 68                    | 68                    |
| Deferred tax assets                          | 11                    | 12                    | -                     | -                     |
|                                              | 64,198                | 65,231                | 21,221                | 21,505                |
| <b>Current assets</b>                        |                       |                       |                       |                       |
| Investment held for trading                  | 110                   | 110                   | -                     | -                     |
| Inventories                                  | 28,953                | 28,058                | 24,998                | 25,645                |
| Trade and other receivables                  | 31,949                | 35,549                | 51,134                | 49,906                |
| Income tax recoverable                       | 132                   | 135                   | -                     | -                     |
| Prepaid expenses                             | 397                   | 184                   | 373                   | 145                   |
| Cash and cash equivalents                    | 46,426                | 52,661                | 39,807                | 45,222                |
|                                              | 107,967               | 116,697               | 116,312               | 120,918               |
| <b>Current liabilities</b>                   |                       |                       |                       |                       |
| Trade and other payables                     | 18,776                | 25,471                | 28,805                | 29,643                |
| Finance lease payables                       | 24                    | 44                    | -                     | -                     |
| Bank borrowings                              | 4,136                 | 5,857                 | 4,136                 | 5,857                 |
| Provision for taxation                       | 13                    | 13                    | -                     | -                     |
| Deferred income                              | 1,429                 | 1,429                 | 1,429                 | 1,429                 |
| Derivative financial instruments             | 95                    | -                     | 95                    | -                     |
|                                              | 24,473                | 32,814                | 34,465                | 36,929                |
| <b>Net current assets</b>                    | 83,494                | 83,883                | 81,847                | 83,989                |
| <b>Non-current liabilities</b>               |                       |                       |                       |                       |
| Finance lease payables                       | 6                     | 23                    | -                     | -                     |
| Bank borrowings                              | 5,782                 | 6,855                 | 5,782                 | 6,855                 |
| Provision for reinstatement costs            | 1,000                 | 1,000                 | 700                   | 700                   |
| Deferred income                              | 5,476                 | 5,833                 | 5,476                 | 5,833                 |
|                                              | 12,264                | 13,711                | 11,958                | 13,388                |
|                                              | 135,428               | 135,403               | 91,110                | 92,106                |
| <b>Capital and reserves</b>                  |                       |                       |                       |                       |
| Share capital                                | 152,052               | 152,052               | 152,052               | 152,052               |
| Treasury shares                              | (1,885)               | (1,885)               | (1,885)               | (1,885)               |
| Other reserves                               | 1,923                 | 1,931                 | 2,527                 | 2,527                 |
| Accumulated losses                           | (17,191)              | (17,259)              | (61,584)              | (60,588)              |
| Equity attributable to owners of the Company | 134,899               | 134,839               | 91,110                | 92,106                |
| Non-controlling interests                    | 529                   | 564                   | -                     | -                     |
| <b>Total equity</b>                          | 135,428               | 135,403               | 91,110                | 92,106                |

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

|                           | As at 31 March 2015 |                      |                          | As at 31 December 2014 |                      |                             |
|---------------------------|---------------------|----------------------|--------------------------|------------------------|----------------------|-----------------------------|
|                           | Secured<br>S\$'000  | Unsecured<br>S\$'000 | Finance lease<br>S\$'000 | Secured<br>S\$'000     | Unsecured<br>S\$'000 | Finance<br>lease<br>S\$'000 |
| Repayable within one year | 4,136               | -                    | 24                       | 5,857                  | -                    | 44                          |
| Repayable after one year  | 5,782               | -                    | 6                        | 6,855                  | -                    | 23                          |
| Total                     | 9,918               | -                    | 30                       | 12,712                 | -                    | 67                          |

#### Details of collaterals

The Group's borrowings of approximately S\$9.9 million is secured by way of:

- (i) fixed and floating charge over inventories, receivables and bank balance of the Company; and
- (ii) legal mortgage over properties of the Group and of the Company.

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## 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

|                                                                      | <b>Group</b>       |                    |
|----------------------------------------------------------------------|--------------------|--------------------|
|                                                                      | 1Q 2015<br>S\$'000 | 1Q 2014<br>S\$'000 |
| <b>Cash flows from operating activities</b>                          |                    |                    |
| Profit before tax                                                    | 42                 | 420                |
| Adjustments for:                                                     |                    |                    |
| Depreciation of property, plant and equipment                        | 585                | 621                |
| Amortisation of intangible assets                                    | 8                  | 10                 |
| (Reversal of allowance)/allowance for impairment of receivables, net | (10)               | 9                  |
| (Gain)/loss on disposal of property, plant and equipment             | (5)                | 2                  |
| Write back of allowance for stock obsolescence                       | -                  | (7)                |
| Fair value gain on investment held for trading                       | -                  | (15)               |
| Fair value loss on derivatives, net                                  | 94                 | 89                 |
| Interest expense                                                     | 63                 | 385                |
| Interest income                                                      | (1)                | (22)               |
| Share of associates results                                          | (1,336)            | (1,626)            |
| Recognition of deferred income                                       | (357)              | (357)              |
| Unrealised foreign exchange loss/(gain)                              | 379                | (365)              |
| <b>Operating cash flow before working capital changes</b>            | <b>(538)</b>       | <b>(856)</b>       |
| Working capital changes:                                             |                    |                    |
| Inventories                                                          | (895)              | 11,462             |
| Trade and other receivables                                          | 3,388              | 1,320              |
| Trade and other payables                                             | (6,695)            | 5,147              |
| <b>Cash (used in)/generated from operations</b>                      | <b>(4,740)</b>     | <b>17,073</b>      |
| Interest expense paid                                                | (63)               | (385)              |
| Interest income received                                             | 1                  | 22                 |
| <b>Net cash flows (used in)/generated from operating activities</b>  | <b>(4,802)</b>     | <b>16,710</b>      |
| <b>Cash flows from investing activities</b>                          |                    |                    |
| Dividend income received from quoted investment                      | 1,686              | -                  |
| Proceeds from disposal of property, plant and equipment              | 39                 | 39                 |
| Purchase of property, plant and equipment                            | (34)               | (792)              |
| Purchase of intangible assets                                        | -                  | (1)                |
| <b>Net cash flows generated from/(used in) investing activities</b>  | <b>1,691</b>       | <b>(754)</b>       |
| <b>Cash flows from financing activities</b>                          |                    |                    |
| Proceeds from bank borrowings                                        | -                  | 25,560             |
| Repayment of bank borrowings                                         | (2,794)            | (31,098)           |
| Repayment of finance lease payables                                  | (37)               | (50)               |
| <b>Net cash flows used in financing activities</b>                   | <b>(2,831)</b>     | <b>(5,588)</b>     |
| Net change in cash and cash equivalents                              | (5,942)            | 10,368             |
| Effects on exchange rate changes on cash and cash equivalents        | (293)              | (54)               |
| Cash and cash equivalents at beginning of financial period           | 52,661             | 16,123             |
| <b>Cash and cash equivalents at end of financial period</b>          | <b>46,426</b>      | <b>26,437</b>      |

## HG METAL MANUFACTURING LIMITED

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### 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>             |                          |
|----------------------------------------------------------------|--------------------------|--------------------------|
|                                                                | 31 March 2015<br>S\$'000 | 31 March 2014<br>S\$'000 |
| Cash and bank balances                                         | 46,426                   | 25,734                   |
| Fixed deposits                                                 | -                        | 703                      |
|                                                                | 46,426                   | 26,437                   |
| Cash and cash equivalents per consolidated cash flow statement | 46,426                   | 26,437                   |

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**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

| Group                                               | Attributable to owners of the Company |                 |                 |                    |                |                                      |                    |         |                           |              |
|-----------------------------------------------------|---------------------------------------|-----------------|-----------------|--------------------|----------------|--------------------------------------|--------------------|---------|---------------------------|--------------|
|                                                     | Share capital                         | Treasury shares | Capital reserve | Fair value reserve | Other reserves | Foreign currency translation reserve | Accumulated 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 January 2015                        | 152,052                               | (1,885)         | 2,527           | (4)                | (177)          | (415)                                | (17,259)           | 134,839 | 564                       | 135,403      |
| Profit for the year                                 | -                                     | -               | -               | -                  | -              | -                                    | 68                 | 68      | (26)                      | 42           |
| <u>Other comprehensive income</u>                   |                                       |                 |                 |                    |                |                                      |                    |         |                           |              |
| Foreign currency translation                        | -                                     | -               | -               | -                  | -              | 59                                   | -                  | 59      | (9)                       | 50           |
| Share of other comprehensive income of associate    | -                                     | -               | -               | -                  | -              | (67)                                 | -                  | (67)    | -                         | (67)         |
| Other comprehensive income for the year, net of tax | -                                     | -               | -               | -                  | -              | (8)                                  | -                  | (8)     | (9)                       | (17)         |
| Total comprehensive income/(loss) for the year      | -                                     | -               | -               | -                  | -              | (8)                                  | 68                 | 60      | (35)                      | 25           |
| Balance as at 31 March 2015                         | 152,052                               | (1,885)         | 2,527           | (4)                | (177)          | (423)                                | (17,191)           | 134,899 | 529                       | 135,428      |

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| Group                                               | Attributable to owners of the Company |                 |                 |                    |                                      |                    |         | Non-controlling interests | Total equity |
|-----------------------------------------------------|---------------------------------------|-----------------|-----------------|--------------------|--------------------------------------|--------------------|---------|---------------------------|--------------|
|                                                     | Share capital                         | Treasury shares | Capital reserve | Fair value reserve | Foreign currency translation reserve | Accumulated losses | Total   |                           |              |
|                                                     | S\$'000                               | S\$'000         | S\$'000         | S\$'000            | S\$'000                              | S\$'000            | S\$'000 | S\$'000                   | S\$'000      |
| Balance as at 1 January 2014                        | 137,314                               | (1,885)         | 2,527           | (4)                | (373)                                | (100)              | 137,479 | 1,674                     | 139,153      |
| Profit for the year                                 | -                                     | -               | -               | -                  | -                                    | 463                | 463     | (43)                      | 420          |
| <u>Other comprehensive income</u>                   |                                       |                 |                 |                    |                                      |                    |         |                           |              |
| Foreign currency translation                        | -                                     | -               | -               | -                  | 18                                   | -                  | 18      | 4                         | 22           |
| Share of other comprehensive income of associate    | -                                     | -               | -               | -                  | (2)                                  | -                  | (2)     | -                         | (2)          |
| Other comprehensive income for the year, net of tax | -                                     | -               | -               | -                  | 16                                   | -                  | 16      | 4                         | 20           |
| Total comprehensive income/(loss) for the year      | -                                     | -               | -               | -                  | 16                                   | 463                | 479     | (39)                      | 440          |
| Balance as at 31 March 2014                         | 137,314                               | (1,885)         | 2,527           | (4)                | (357)                                | 363                | 137,958 | 1,635                     | 139,593      |



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| Company                                                                 | Share capital | Treasury shares | Capital reserve | Accumulated losses | Total   |
|-------------------------------------------------------------------------|---------------|-----------------|-----------------|--------------------|---------|
|                                                                         | S\$'000       | S\$'000         | S\$'000         | S\$'000            | S\$'000 |
| Balance as at 1 January 2015                                            | 152,052       | (1,885)         | 2,527           | (60,588)           | 92,106  |
| Loss for the year, representing total comprehensive income for the year | -             | -               | -               | (996)              | (996)   |
| Balance as at 31 March 2015                                             | 152,052       | (1,885)         | 2,527           | (61,584)           | 91,110  |
| Balance as at 1 January 2014                                            | 137,314       | (1,885)         | 2,527           | (37,552)           | 100,404 |
| Loss for the year, representing total comprehensive income for the year | -             | -               | -               | (968)              | (968)   |
| Balance as at 31 March 2014                                             | 137,314       | (1,885)         | 2,527           | (38,520)           | 99,436  |

**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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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 1<sup>st</sup> quarter ended 31 March 2015.

**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.**

|                                                         | 31 March 2015 | 31 December 2014 |
|---------------------------------------------------------|---------------|------------------|
| Total number of issued shares                           | 1,306,121,962 | 1,306,121,962    |
| Treasury shares                                         | (23,268,000)  | (23,268,000)     |
| Total number of issued shares excluding treasury shares | 1,282,853,962 | 1,282,853,962    |

**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

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**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 period and the most recent audited financial statements for the financial year ended 31 December 2014.

**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 2014.

**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   |         |
|-------------------------------|---------|---------|
|                               | 1Q 2015 | 1Q 2014 |
| Earnings per ordinary shares: |         |         |
| (a) Basic (cents)             | 0.01    | 0.04    |
| (b) Diluted (cents)           | 0.01    | 0.04    |

(a) Earnings per share were calculated based on weighted average number of shares of 1,282,853,962 and 1,069,253,962 for the period ended 31 March 2015 and 31 March 2014 respectively.

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

There was no dilution in earnings per ordinary share this quarter and the comparative quarter last year.

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

|                                            | Group      |            | Company    |            |
|--------------------------------------------|------------|------------|------------|------------|
|                                            | 31.03.2015 | 31.12.2014 | 31.03.2015 | 31.12.2014 |
| Net asset value per ordinary share (cents) | 10.52      | 10.51      | 7.10       | 7.18       |

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**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 the following:-**

**(a) 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; and**

**(b) 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 1Q2015 versus 1Q2014**

### **Revenue and Gross Profit**

The Group recorded revenue of S\$35.5 million in 1Q2015 as compared to S\$53.5 million in 1Q2014 due to lower sales volume and lower average selling price which declined by an average of 19% and 18% respectively.

The Group's gross profit was reported as S\$2.0 million in 1Q2015 as compared to S\$3.7 million in 1Q2014, as result of lower sales volume and gross profit margin. For 1Q2015, the gross profit margin was 5.6% compared with 6.9% for 1Q2014. This was mainly due to lower average selling price done in 1Q 2015.

### **Other Operating Income**

Other operating income increased from S\$1.3 million in 1Q2014 to S\$2.0 million in 1Q2015. This was mainly attributed to increase on warehouse services income.

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

The Group's distribution expenses decreased 47% from S\$0.5 million in 1Q2014 to S\$0.3 million in 1Q2015, in tandem with lower sales revenue reported in 1Q2015.

Administrative expenses decreased by 17% from S\$2.9 million in 1Q2014 to S\$2.4 million in 1Q2015, mainly due to reduced headcount and overall reduction in other administrative expenses.

Other operating expenses increased by 7% from S\$2.4 million in 1Q2014 to S\$2.5 million in 1Q2015. The increase was mainly due to increase on repair and maintenance cost.

Lower finance expenses was incurred in 1Q2015 as compared to 1Q2014 due to lower bank borrowing.

### **Profitability**

The Group posted a net profit after tax of S\$0.04 million in 1Q2015, compared to a net profit of S\$0.4 million in 1Q2014 as a result of lower revenue, gross profit and share of associate profits.

### **Balance Sheet**

Trade and other receivables decreased in line with lower revenue and improved collection to S\$31.9 million as at 31 March 2015 as compared to S\$35.5 million as at 31 December 2014.

Trade and other payables decreased to S\$18.8 million as at 31 March 2015 compared to S\$25.5 million as at 31 December 2014 due to lower purchase volume and repayment.

Total bank borrowings decreased from S\$12.7 million as at 31 December 2014 to S\$9.9 million as at 31 March 2015 due to repayment made during 1Q2015.

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## **Statement of Cash Flows**

For 1Q2015, the net cash flows used in operating activities was S\$4.8 million. This was because profit before tax was S\$42k, increased in inventories by S\$0.9 million, decreased in trade and other payables by S\$6.7 million, partially offset by decreased in trade and other receivables by S\$3.4 million.

Net cash flows generated from investing activities for 1Q2015 was S\$1.7 million, mainly derived from dividend received from quoted investment of S\$1.7 million.

Net cash flows used in financing activities for 1Q2015 was S\$2.8 million, mainly due to repayment of bank borrowings of S\$2.8 million.

The Group's cash and cash equivalents was S\$46.4 million as at 31 March 2015 in comparison to S\$26.4 million as at 31 March 2014.

**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 significant trends and 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 outlook for the steel industry is expected to remain challenging.

The factors that may significantly affect the Group in the next 12 months are:

1. The fluctuation of steel prices which are driven by global demand and supply of steel products
2. The state of the Singapore economy and the growth of the construction sector
3. The intensity of the competition in the industry
4. The fluctuations of the US dollar against Singapore dollar

The Group has incorporated a new subsidiary named HG Yangon Company Limited to trade and distribute steel products in Myanmar in 1Q2015. We will continue to focus on search for business expansion and opportunities, locally and overseas.

**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.

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

No dividend has been declared for the reporting period.

**13. Interested persons transactions**

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the listing manual of the Singapore Exchange Securities Trading Limited.

There was no interested person transactions with aggregate value of more than S\$100,000 during 1Q2015 pursuant to Rule 907 of the listing manual of the Singapore Exchange Securities Trading Limited.

During 1Q2015, the Group entered into a contract with a company related to an Ex-director to dispose its slow moving and obsolete stocks. The contract valued at S\$2.9 million was awarded based on the highest quotation received.

**14. Statement pursuant to Rule 705(5) of the Listing Manual**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of HG Metal Manufacturing Limited which may render the unaudited financial results for the quarter ended 31 March 2015 to be false or misleading in any material respect.

**On behalf of the Board of Directors**

**Foo Sey Liang**  
**Executive Director**

**13 May 2015**