



HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

Second Quarter Financial Statements and Dividend Announcement for Financial Period Ended 30 June 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			Group		
	2Q 2015 S\$'000	2Q 2014 S\$'000	% (+/-)	1H 2015 S\$'000	1H 2014 S\$'000	% (+/-)
Revenue	35,996	44,517	(19)	71,496	97,969	(27)
Cost of sales	(34,799)	(42,281)	(18)	(68,307)	(92,062)	(26)
Gross profit	1,197	2,236	(46)	3,189	5,907	(46)
Gross margin	3.3%	5.0%		4.5%	6.0%	
Other operating income	2,127	1,202	77	3,989	2,489	60
Distribution expenses	(209)	(475)	(56)	(477)	(982)	(51)
Administrative expenses	(2,174)	(2,986)	(27)	(4,580)	(5,896)	(22)
Other operating expenses	(2,968)	(14,781)	(80)	(5,379)	(17,143)	(69)
Finance expenses	(62)	(253)	(75)	(125)	(638)	(80)
Share of associate profits	775	1,582	(51)	2,111	3,208	(34)
Loss before tax	(1,314)	(13,475)	nm*	(1,272)	(13,055)	nm*
Income tax (expenses)/credit	(11)	143	nm*	(11)	143	nm*
Net loss after tax	(1,325)	(13,332)	nm*	(1,283)	(12,912)	nm*
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss :						
Currency translation adjustments	(6)	(5)	nm*	44	17	nm*
Share of other comprehensive income of associates	35	4	nm*	(32)	2	nm*
Other comprehensive income/(loss) for the period, net of tax	29	(1)	nm*	12	19	nm*
Total comprehensive loss for the period	(1,296)	(13,333)	nm*	(1,271)	(12,893)	nm*
(Loss)/income attributable to:						
Owners of the Company	(1,326)	(12,868)	nm*	(1,258)	(12,406)	nm*
Non-controlling interests	1	(464)	nm*	(25)	(506)	nm*
	(1,325)	(13,332)	nm*	(1,283)	(12,912)	nm*
Total comprehensive loss attributable to:						
Owners of the Company	(1,282)	(12,876)	nm*	(1,222)	(12,397)	nm*
Non-controlling interests	(14)	(457)	nm*	(49)	(496)	nm*
	(1,296)	(13,333)	nm*	(1,271)	(12,893)	nm*

*nm denotes not meaningful

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

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

	Group		Group	
	2Q 2015	2Q 2014	1H 2015	1H 2014
Profit before tax is arrived at after charging/(crediting) the following:	S\$'000	S\$'000	S\$'000	S\$'000
(Reversal of allowance)/allowance for impairment of receivables, net	-	1,950	(10)	1,959
Bad debts (recovered)/write off	(10)	232	(10)	232
Amortisation of intangible assets	8	11	16	21
Recognition of deferred income	(357)	(357)	(714)	(714)
Depreciation of property, plant and equipment	535	664	1,120	1,286
Fair value (gain)/loss on investment held for trading	(20)	7	(20)	(9)
Fair value loss on derivatives, net	75	32	169	121
Foreign exchange loss/(gain), net	555	(74)	455	(324)
Interest income	(1)	(16)	(2)	(38)
Interest on borrowings	62	253	125	638
(Gain)/loss on disposal of property, plant and equipment	(50)	94	(54)	95
Write off of property, plant and equipment	46	53	46	53
Impairment of property, plant and equipment	-	1,443	-	1,443
Impairment of intangible assets	-	69	-	69
Write off of inventories	-	372	-	372
Impairment of inventories	-	8,144	-	8,137

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

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	
	30.06.2015 S\$'000	31.12.2014 S\$'000	30.06.2015 S\$'000	31.12.2014 S\$'000
Non-current assets				
Property, plant and equipment	14,869	15,652	8,163	8,215
Intangible assets	65	79	60	75
Investment in subsidiaries	-	-	13,147	13,147
Investment in associates	48,828	49,488	68	68
Deferred tax assets	-	12	-	-
	63,762	65,231	21,438	21,505
Current assets				
Investment held for trading	130	110	-	-
Inventories	14,980	28,058	11,458	25,645
Trade and other receivables	30,871	35,549	49,415	49,906
Income tax recoverable	127	135	-	-
Prepaid expenses	432	184	415	145
Cash and cash equivalents	49,337	52,661	39,925	45,222
	95,877	116,697	101,213	120,918
Current liabilities				
Trade and other payables	8,719	25,471	19,832	29,643
Finance lease payables	95	44	84	-
Bank borrowings	4,108	5,857	4,108	5,857
Provision for taxation	13	13	-	-
Deferred income	1,429	1,429	1,429	1,429
Derivative financial instruments	170	-	170	-
	14,534	32,814	25,623	36,929
Net current assets	81,343	83,883	75,590	83,989
Non-current liabilities				
Finance lease payables	165	23	162	-
Bank borrowings	4,783	6,855	4,783	6,855
Provision for reinstatement costs	1,000	1,000	700	700
Deferred income	5,119	5,833	5,119	5,833
	11,067	13,711	10,764	13,388
	134,038	135,403	86,264	92,106
Capital and reserves				
Share capital	152,052	152,052	152,052	152,052
Treasury shares	(1,885)	(1,885)	(1,885)	(1,885)
Other reserves	1,920	1,931	2,527	2,527
Accumulated losses	(18,517)	(17,259)	(66,430)	(60,588)
	133,570	134,839	86,264	92,106
Equity attributable to owners of the Company	133,570	134,839	86,264	92,106
Non-controlling interests	468	564	-	-
Total equity	134,038	135,403	86,264	92,106

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

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

	As at 30 June 2015			As at 31 December 2014		
	Secured S\$'000	Unsecured S\$'000	Finance lease S\$'000	Secured S\$'000	Unsecured S\$'000	Finance lease S\$'000
Repayable within one year	4,108	-	95	5,857	-	44
Repayable after one year	4,783	-	165	6,855	-	23
Total	8,891	-	260	12,712	-	67

Details of collaterals

The Group's borrowings of approximately S\$8.9 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.

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

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	
	2Q 2015 S\$'000	2Q 2014 S\$'000	1H 2015 S\$'000	1H 2014 S\$'000
Cash flows from operating activities				
Loss before tax	(1,314)	(13,475)	(1,272)	(13,055)
Adjustments for:				
Depreciation of property, plant and equipment	535	664	1,120	1,286
Amortisation of intangible assets	8	11	16	21
(Reversal of allowance)/allowance for impairment of receivables, net	-	1,950	(10)	1,959
Bad debts (recovered)/write off	(10)	232	(10)	232
(Gain)/loss on disposal of property, plant and equipment	(50)	94	(54)	95
Write off of property, plant and equipment	46	53	46	53
Impairment of property, plant and equipment	-	1,443	-	1,443
Write off of inventories	-	372	-	372
Impairment of inventories	-	8,144	-	8,137
Impairment of intangible assets	-	69	-	69
Fair value (gain)/loss on investment held for trading	(20)	7	(20)	(9)
Fair value loss on derivatives, net	75	32	169	121
Interest expense	62	253	125	638
Interest income	(1)	(16)	(2)	(38)
Share of associates results	(775)	(1,582)	(2,111)	(3,208)
Recognition of deferred income	(357)	(357)	(714)	(714)
Unrealised foreign exchange loss/(gain)	(336)	(191)	46	(556)
Operating cash flow before working capital changes	(2,137)	(2,297)	(2,671)	(3,154)
Working capital changes:				
Inventories	13,973	18,037	13,078	29,498
Trade and other receivables	1,038	7,645	4,425	8,966
Trade and other payables	(10,123)	(12,854)	(16,818)	(7,706)
Cash generated from/(used in) operations	2,751	10,531	(1,986)	27,604
Interest expense paid	(62)	(253)	(125)	(638)
Interest income received	1	16	2	38
Net cash flows generated from/ (used in) operating activities	2,690	10,294	(2,109)	27,004
Cash flows from investing activities				
Dividend income received from quoted investment	1,054	2,590	2,739	2,590
Proceeds from disposal of property, plant and equipment	87	4,206	126	4,245
Purchase of property, plant and equipment	(161)	(113)	(196)	(905)
Purchase of intangible assets	(2)	(1)	(2)	(2)
Net cash flows generated from investing activities	978	6,682	2,667	5,928
Cash flows from financing activities				
Acquisition of non-controlling interests	(94)	-	(94)	-
Dividends paid on ordinary shares of the Company	-	(1,069)	-	(1,069)
Proceeds from bank borrowings	-	10,582	-	36,142
Repayment of bank borrowings	(1,028)	(31,581)	(3,822)	(62,679)
Repayment of finance lease payables	(23)	(12)	(61)	(62)
Amount due from shareholders of a subsidiary	-	964	-	964
Net cash flows used in financing activities	(1,145)	(21,116)	(3,977)	(26,704)
Net change in cash and cash equivalents	2,523	(4,140)	(3,419)	6,228
Effects on exchange rate changes on cash and cash equivalents	388	91	95	37
Cash and cash equivalents at beginning of financial period	46,426	26,437	52,661	16,123
Cash and cash equivalents at end of financial period	49,337	22,388	49,337	22,388

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

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	
	30 June 2015 S\$'000	30 June 2014 S\$'000
Cash and bank balances	49,337	21,669
Fixed deposits	-	719
	49,337	22,388
Cash and cash equivalents per consolidated cash flow statement	49,337	22,388

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

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
Loss for the period	-	-	-	-	-	-	(1,258)	(1,258)	(25)	(1,283)
<u>Other comprehensive income</u>										
Foreign currency translation	-	-	-	-	-	68	-	68	(24)	44
Share of other comprehensive income of associate	-	-	-	-	-	(32)	-	(32)	-	(32)
Other comprehensive income for the period, net of tax	-	-	-	-	-	36	-	36	(24)	12
Total comprehensive income/(loss) for the period	-	-	-	-	-	36	(1,258)	(1,222)	(49)	(1,271)
<u>Contribution by and distributions to owners</u>										
Acquisition of minority interests	-	-	-	-	-	-	-	-	(47)	(47)
Premium paid on acquisition of minority interests	-	-	-	-	(47)	-	-	(47)	-	(47)
Total transactions with owners in their capacity as owners	-	-	-	-	(47)	-	-	(47)	(47)	(94)
Balance as at 30 June 2015	152,052	(1,885)	2,527	(4)	(224)	(379)	(18,517)	133,570	468	134,038

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

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
Loss for the period	-	-	-	-	-	(12,406)	(12,406)	(506)	(12,912)
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	-	-	7	-	7	10	17
Share of other comprehensive income of associate	-	-	-	-	2	-	2	-	2
Other comprehensive income for the period, net of tax	-	-	-	-	9	-	9	10	19
Total comprehensive income/(loss) for the period	-	-	-	-	9	(12,406)	(12,397)	(496)	(12,893)
<u>Contribution by and distributions to owners</u>									
Dividend on ordinary shares	-	-	-	-	-	(1,069)	(1,069)	-	(1,069)
Total transactions with owners in their capacity as owners	-	-	-	-	-	(1,069)	(1,069)	-	(1,069)
Balance as at 30 June 2014	137,314	(1,885)	2,527	(4)	(364)	(13,575)	124,013	1,178	125,191

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

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 period, representing total comprehensive loss for the period	-	-	-	(5,842)	(5,842)
Balance as at 30 June 2015	152,052	(1,885)	2,527	(66,430)	86,264
Balance as at 1 January 2014	137,314	(1,885)	2,527	(37,552)	100,404
Loss for the period, representing total comprehensive loss for the period	-	-	-	(11,354)	(11,354)
<u>Contributions by and distributions to owners</u>					
Dividend on ordinary shares	-	-	-	(1,069)	(1,069)
Total transactions with owners in their capacity as owners	-	-	-	(1,069)	(1,069)
Balance as at 30 June 2014	137,314	(1,885)	2,527	(49,975)	87,981

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 2nd quarter ended 30 June 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.

	30 June 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

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

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		Group	
	2Q 2015	2Q 2014	1H 2015	1H 2014
Earnings per ordinary shares:				
(a) Basic (cents)	(0.10)	(1.20)	(0.10)	(1.16)
(b) Diluted (cents)	(0.10)	(1.20)	(0.10)	(1.16)

(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 30 June 2015 and 30 June 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	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
Net asset value per ordinary share (cents)	10.41	10.51	6.72	7.18

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

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 2Q2015 versus 2Q2014

Revenue and Gross Profit

The Group's revenue decreased by 19% from S\$44.5 million in the quarter ended 30 June 2014 (2Q2014) to S\$36.0 million in the quarter ended 30 June 2015 (2Q2015). This was mainly due to lower sales volume and lower average selling price which declined by an average of 10% and 11% respectively, reflecting the current tough steel market.

The Group recorded lower gross profit of S\$1.2 million in 2Q2015 compared to S\$2.2 million in 2Q2014 as a result of lower sales volume and gross profit margin. The gross margin was 3.3% compared with 5.0% for 2Q2014, mainly due to falling steel prices and increased in export sales with lower gross profit margin.

Other Operating Income

Other operating income increased from S\$1.2 million in 2Q2014 to S\$2.1 million in 2Q2015. This was mainly attributed to increase on warehouse rental services income.

Distribution, Administrative, Other Operating and Finance Expenses

The Group's distribution expenses decreased 56% from S\$0.5 million in 2Q2014 to S\$0.2 million in 2Q2015, in tandem with lower sales volume reported in 2Q2015.

Administrative expenses decreased by 27% from S\$3.0 million in 2Q2014 to S\$2.2 million in 2Q2015, mainly due to reduced headcount and overall reduction in other administrative expenses.

Other operating expenses dropped by 80% from S\$14.8 million in 2Q2014 to S\$3.0 million in 2Q2015. This was due to the absence of one time provisions for inventories and doubtful debts of S\$12.2 million in 2Q 2014. This was offset by increased in foreign exchange loss of S\$0.6 million due to fluctuation in US Dollars.

Lower finance expenses was incurred in 2Q2015 as compared to 2Q2014 due to lower bank borrowings.

Profitability

The Group posted a net loss after tax of S\$1.3 million in 2Q2015, compared to a net loss of S\$13.3 million in 2Q2014. The lower loss in 2Q2015 was due to one time provisions in 2Q2014 as mentioned above.

Results for 1H 2015 versus 1H 2014

Revenue and Gross Profit

The Group's revenue decreased by 27% from S\$98.0 million in first half of FY2014 (1H2014) to S\$71.5 million in first half of FY2015 (1H2015), arising from lower sale volume and lower selling prices. Gross profit declined by 46% from S\$5.9 million in 1H2014 to S\$3.2 million in 1H2015 due to lower sales volume and gross profit margin.

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

Other Operating Income

Other operating income increased from S\$2.5 million in 1H2014 to S\$4.0 million in 1H2015. This was mainly attributed to increase in warehouse rental services income.

Distribution, Administrative Expenses, Other Operating and Finance Expenses

The Group's distribution expenses decreased 51% from S\$1.0 million in 1H2014 to S\$0.5 million in 1H2015, in tandem with lower sales volume reported in 1H2015.

Administrative expenses decreased by 22% from S\$5.9 million in 1H2014 to S\$4.6 million in 1H2015, due to reduced headcount and reduction in other administrative expenses.

Other operating expenses decreased by 69% from S\$17.1 million in 1H2014 to S\$5.4 million in 1H2015. The decrease was primarily due to the one-time provisions in 2Q2014 as explained above.

Finance expenses decreased to S\$0.1 million in 1H2015 as compared to S\$0.6 million in 1H2014 due to lower bank borrowings.

Profitability

The Group recorded a net loss after tax of S\$1.3 million in 1H2015, compared to a net loss after tax of S\$12.9 million in 1H2014. The lower loss in 1H2015 was attributable to non-recurring one-time provisions made in 1H2014, as explained above.

Statement of Financial Position

Trade and other receivables decreased in line with lower revenue and improved collection to S\$30.9 million as at 30 June 2015 as compared to S\$35.5 million as at 31 December 2014.

Trade and other payables decreased to S\$8.7 million as at 30 June 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\$8.9 million as at 30 June 2015 due to repayment made during 1H2015.

Statement of Cash Flows

For 1H2015, the net cash flows used in operating activities was S\$2.1 million. This was mainly attributable to the loss before tax was S\$1.3 million, decreased in trade and other receivables by S\$4.4 million, decreased in trade and other payables S\$16.8 million partially offset by decreased in inventories by S\$13.1 million.

Net cash flows generated from investing activities for 1H2015 was S\$2.7 million, mainly derived from dividend received from quoted investment.

Net cash flows used in financing activities for 1H2015 was S\$4.0 million, mainly due to repayment of bank borrowings of S\$3.8 million.

The Group's cash and cash equivalents was S\$49.3 million as at 30 June 2015 in comparison to S\$22.4 million as at 30 June 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.

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

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 business outlook for the steel industry is expected to remain tough and 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 will continue to rationalise its business operations and focus on the search for business 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.

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 1H2015 pursuant to Rule 907 of the listing manual of the Singapore Exchange Securities Trading Limited.

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 30 June 2015 to be false or misleading in any material respect.

HG METAL MANUFACTURING LIMITED

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2015

On behalf of the Board of Directors

**Foo Sey Liang
Executive Director**

13 August 2015