



HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

Financial Statements and Dividend Announcement for Year Ended 31 December 2012

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		
	YTD2012 (15 months) S\$'000	YTD2011 (12 months) S\$'000	% (+/-)
Revenue	405,360	238,842	70
Cost of sales	(388,135)	(212,849)	82
Gross profit	17,225	25,993	(34)
Gross margin	4.2%	10.9%	
Other operating income	10,810	6,572	64
Distribution expenses	(3,196)	(2,169)	47
Administrative expenses	(15,484)	(9,353)	66
Other operating expenses	(7,381)	(6,703)	10
Finance expenses	(2,697)	(1,923)	40
Share of associate profits	6,217	3,748	66
Profit/(Loss) before tax	5,494	16,165	nm*
Income tax (expense) /credit	(158)	107	nm*
Net profit/(loss) after tax	5,336	16,272	nm*
Other comprehensive income			
Currency translation adjustments	(181)	(209)	nm*
Share of other comprehensive income of associates	(31)	(44)	nm*
Other comprehensive income for the period, net of tax	(212)	(253)	nm*
Total comprehensive income for the period	5,124	16,019	nm*
Profit/(Loss) attributable to:			
Equity holders of the Company	5,549	16,116	nm*
Non-controlling interests	(213)	156	nm*
	5,336	16,272	nm*
Total comprehensive income attributable to:			
Equity holders of the Company	5,386	15,927	nm*
Non-controlling interests	(262)	92	nm*
	5,124	16,019	nm*

*nm denotes not meaningful

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

	Group	
	YTD2012 (15 months) S\$'000	YTD2011 (12 months) S\$'000
Profit before tax is arrived at after charging/(crediting) the following:		
(Writeback) / Allowance for doubtful debts, net	(53)	58
Amortisation of computer software	227	167
Depreciation of property, plant and equipment	3,802	3,317
Dividend income from quoted investment	(5)	(15)
Fair value loss on investment held for trading	60	245
Fair value loss /(gain) on derivatives, net	(339)	(5,236)
Foreign exchange loss / (gain), net	(978)	1,340
Interest income	(3)	(28)
Interest on borrowings	2,697	1,923
Gain on sale of property, plant and equipment	(7,626)	(51)
Write (back) /down of inventories	150	-

NOTE

1. The Group changed its financial year end from 30 September to 31 December on 25 October 2012. This set of results is for a 15-month period from 1 October 2011 to 31 December 2012 and a 12-month period from 1 October 2010 to 30 September 2011 in the preceding period.
2. Certain comparative figures in the Statement of Comprehensive Income for the financial year ended 30 September 2011 have been restated to conform to the current year's classification to better reflect the nature of the items. The reclassification has no effect on the results as reported for the previous financial year. Costs incurred as carriage outwards were previously included in Other Operating Expenses and are appropriately reclassified to Distribution Expenses.

	As previously reported	As restated
YTD (12 months)		
Distribution Expenses	1,776	2,169
Other Operating Expenses	7,096	6,703

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(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	
	31.12.2012 S\$'000	30.09.2011 S\$'000	31.12.2012 S\$'000	30.09.2011 S\$'000
Non-current assets				
Property, plant and equipment	17,437	31,938	9,203	24,812
Intangible assets	381	267	361	230
Investment in subsidiaries	-	-	13,488	12,520
Investment in associates	42,853	36,667	713	713
	60,671	68,872	23,765	38,275
Current assets				
Investment held for trading	75	135	-	-
Derivative financial instruments	11	-	22	-
Inventories	86,202	96,732	71,571	86,704
Trade and other receivables	96,782	44,909	115,172	50,457
Cash and cash equivalents	18,522	9,851	5,589	2,773
	201,592	151,627	192,354	139,934
Current liabilities				
Trade and other payables	47,211	42,863	43,518	38,004
Finance lease payables	183	291	87	204
Bank borrowings	52,071	37,840	44,299	32,722
Provision for taxation	108	94	-	-
Provision for onerous contracts	-	-	-	-
Provision for dividends	-	-	-	-
Deferred revenue	1,310	-	1,310	-
Derivative financial instruments	-	329	-	329
	100,883	81,417	89,214	71,259
Net-current assets	100,709	70,210	103,140	68,675
Non current liabilities				
Finance lease payables	195	356	-	108
Bank borrowings	12,619	1,915	12,619	791
Provision for reinstatement costs	800	1,650	500	1,350
Deferred revenue	8,690	-	8,690	-
Deferred taxation	187	212	-	-
	22,491	4,133	21,809	2,249
	138,889	134,949	105,096	104,701
Capital and reserves				
Share capital	137,314	130,046	137,314	130,046
Treasury Share	(1,885)	-	(1,885)	-
Other reserves	1,902	2,064	2,527	2,527
Accumulated (losses) / profits	(302)	704	(32,860)	(27,872)
Equity attributable to equity holders of the Company	137,029	132,814	105,096	104,701
Non-controlling interests	1,860	2,135	-	-
Total equity	138,889	134,949	105,096	104,701

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

	As at 31 December 2012			As at 30 September 2011		
	Secured S\$'000	Unsecured S\$'000	Finance lease S\$'000	Secured S\$'000	Unsecured S\$'000	Finance lease S\$'000
Repayable within one year	46,011	6,060	183	32,473	5,367	291
Repayable after one year	12,619	-	195	-	1,915	356
Total	58,630	6,060	378	32,473	7,282	647

Details of collaterals

The Group's borrowings of approximately S\$58.6 million is secured by way of fixed and floating charge over all assets of the Company, legal mortgage over properties of the Company and fixed deposits pledged to banks by Malaysian subsidiaries.

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

	Group	
	YTD2012 (15 months) S\$'000	YTD2011 (12 months) S\$'000
Cash flows from operating activities		
Profit / (Loss) before tax	5,494	16,165
Adjustments for:		
Depreciation of property, plant and equipment	3,802	3,317
Amortisation of computer software	227	167
Write off of property, plant and equipment	-	13
Gain on disposal of property, plant and equipment	(7,626)	(51)
(Writeback) / Allowance made for doubtful debts, net	(53)	58
Bad debts recovered	27	-
Write (back) / down of inventories	150	-
Dividend income from quoted investment	(5)	(15)
Fair value loss on investment held for trading	60	245
Fair value loss/ (gain) on derivatives, net	(339)	(5,236)
Interest expense	2,697	1,923
Interest income	(3)	(28)
Share of joint venture results	-	-
Share of associates results	(6,217)	(3,748)
Foreign currency realignment	(115)	(122)
Operating cash flow before working capital changes	(1,901)	12,688
Working capital changes:		
Fixed deposits pledged	(39)	-
Inventories	9,033	(34,228)
Trade and other receivables	(8,846)	(19,242)
Trade and other payables	78	11,511
Cash generated from (used in) operations	(1,675)	(29,271)
Interest expense paid	(2,697)	(1,923)
Interest income received	3	28
Income tax (paid) refund	(143)	97
Net cash flows generated from (used in) operating activities	(4,512)	(31,069)
Cash flows from investing activities		
Increase in fixed deposits	-	(49)
Dividend income received from quoted investment	5	15
Proceeds from disposal of property, plant and equipment	6,878	5,095
Purchase of property, plant and equipment	(16,872)	(1,708)
Purchase of intangible assets	(342)	-
Net cash flows used in investing activities	(10,331)	3,353

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Financial Statements and Dividend Announcement for Year Ended 31 December 2012

	Group	
	YTD2012 (15 months) S\$'000	YTD2011 (12 months) S\$'000
Cash flows from financing activities		
Proceeds from issue of new shares in the Company	7,268	22,833
Purchase of treasury shares	(1,885)	-
Dividends paid on ordinary shares of the Company	(6,555)	-
Net proceeds from (repayment of) bank borrowings	25,085	9,940
Repayment of finance lease payables	(269)	(339)
Net cash flows (used in) generated from financing activities	23,644	32,434
Net change in cash and cash equivalents	8,801	4,718
Cash and cash equivalents at beginning of the period	9,066	4,348
Cash and cash equivalents at end of period	17,867	9,066

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	
	As at 31 Dec 2012 S\$'000	As at 30 Sept 2011 S\$'000
Cash and bank balances	16,413	9,215
Fixed deposits	2,109	636
	18,522	9,851
<u>Less</u> : Fixed deposits pledged with banks ⁽¹⁾	(655)	(636)
<u>Less</u> : Bank overdrafts ⁽²⁾	0	(149)
Cash and cash equivalents per consolidated cash flow statement	17,867	9,066

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

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

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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 Share	Capital Reserve	Fair Value Reserve	Currency Translation Reserve	Accumulated Profits (Losses)	Total	Non-controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2011	130,046	-	2,527	(9)	(454)	704	132,814	2,135	134,949
Other comprehensive income for the financial period	-	-	-	5	(167)	-	(162)	(50)	(212)
Profit for the financial period	-	-	-	-	-	5,549	5,549	(213)	5,336
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)
Balance as at 31 December 2012	137,314	(1,885)	2,527	(4)	(621)	(302)	137,029	1,860	138,889

Group	Attributable to equity shareholders of the Company								
	Share Capital	Treasury Share	Capital Reserve	Fair Value Reserve	Currency Translation Reserve	Accumulated Profits / (Losses)	Total	Non-controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2010	111,730	-	2,527	1	(275)	(15,412)	98,571	2,043	100,614
Other comprehensive income for the financial period	-	-	-	(10)	(179)	-	(189)	(64)	(253)
Profit for the financial period	-	-	-	-	-	16,116	16,116	156	16,272
Issuance of ordinary shares	11,049	-	-	-	-	-	11,049	-	11,049
Issuance of option shares	7,267	-	-	-	-	-	7,267	-	7,267
Balance as at 30 September 2011	130,046	-	2,527	(9)	(454)	704	132,814	2,135	134,949

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Company	Share Capital	Treasury Share	Capital Reserve	Accumulated Profits / (Losses)	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2011	130,046	-	2,527	(27,872)	104,701
Profit for the period	-	-	-	1,567	1,567
Issuance of ordinary shares	7,268	-	-	-	7,268
Purchase of treasury shares	-	(1,885)	-	-	(1,885)
Dividend on ordinary shares	-	-	-	(6,555)	(6,555)
Balance as at 31 December 2012	137,314	(1,885)	2,527	(32,860)	105,096
Balance as at 1 October 2010	111,730	-	2,527	(40,527)	73,730
Profit for the period	-	-	-	12,655	12,655
Issuance of ordinary shares	11,049	-	-	-	11,049
Issuance of option shares	7,267	-	-	-	7,267
Balance as at 30 September 2011	130,046	-	2,527	(27,872)	104,701

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Share Capital	Number of ordinary Shares	Share Capital
YTD2012		
As at 1 October 2011 (2010: 775,671,962)	1,016,021,962	130,046,304
Issuance of 76,500,000 ordinary shares for settlement of Tranche 2 of the Option Shares at S\$0.095 per share	76,500,000	7,267,500
As at 31 December 2012 (2011:1016,021,962)	1,092,521,962	137,313,804

As at 31 December 2012, the number of ordinary shares in issue was 1,092,521,962 of which 23,268,000 were held by the Company as treasury shares. The share capital was \$137,313,804. (30 Sept 2011: 130,046,304 of which nil was held as treasury shares.)

Call Option:

In November 2010, the Company granted a call option to Oriental Castle Sdn. Bhd ("OCS"), to subscribe for 153,000,000 (or such other number representing 14% of the enlarged share capital of the Company after the exercise of the Call Option) new ordinary shares in the capital of the Company at an exercise price of S\$0.095 for each option share.

On 25 July 2011, the Company issued 76,500,000 shares arising from the exercise of the Call Option. The remaining 50% of the Option Shares (being an additional 76,500,000 shares in the capital of the Company) were issued and allotted on 22 February 2012 upon full payment being made by OCS for such Option Shares.

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Warrant:

The Company issued 60,000,000 warrants to United Overseas Bank Limited and Overseas-Chinese Banking Corporation Limited. The warrants carry the rights to subscribe for shares at an exercise price of S\$0.1248 per share for a period of 3 years from 23 November 2009.

The outstanding warrants of 60,000,000 as at 30 September 2011 has expired as at 22 November 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.

	31 December 2012	30 September 2011
Total number of shares	1,092,521,962	1,016,021,962
Treasury shares	(23,268,000)	-
Total number of shares excluding treasury shares	<u>1,069,253,962</u>	<u>1,016,021,962</u>

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been reviewed or audited by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not Applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation to the financial statements for the current financial year and the most recent audited annual financial statements for the financial year ended 30 September 2011.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 October 2011. The revised FRS that is relevant to the Group is revised FRS 24 Related Party Disclosures. The nature of the impending changes in accounting policy on adoption of the revised FRS 24 is described below.

Revised FRS 24 Related Party Disclosures

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

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

The Group has with effect from 25 October 2012 changed its financial year end from 30 September to 31 December.

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	
	YTD2012	YTD2011
Earnings per ordinary shares:		
(a) Basic (cents)	0.52	1.72
(b) Diluted (cents)	0.52	1.70

(a) Earnings per share were calculated based on weighted average number of shares of 1,063,363,829 and 934,978,212 during the period ended 31 December 2012 and 30 September 2011 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 2012 and 30 September 2011 were 1,063,363,829 and 946,513,000 shares respectively.

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

	Group		Company	
	31.12.2012	30.09.2011	31.12.2012	30.09.2011
Net asset value per ordinary share (cents)	12.82	13.07	9.83	10.30

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Results for YTD 2012 (15 months) vs YTD 2011 (12 months)

Revenue and Gross Profit

The Group's revenue for YTD2012 increased by 70% to S\$405.4 million from S\$238.8 million in YTD 2011 on the back of higher sales volume.

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However, selling prices of steel products fell steeply by an average of 7.4% in YTD 2012, which put downward pressure on the Group's gross profit margin. This led to a decrease in gross profit from S\$26.0 million in YTD2011 to S\$17.2 million in YTD2012.

Other Operating Income

Other operating income for YTD2012 increased significantly by S\$4.2 million to S\$10.8 million from S\$6.6 million in YTD2011. The increase in S\$4.2 million in operating income is summarised as follows:

	S\$ million
Gain on sale of property	7.6
Fair value gain on call options in YTD2011	(4.5)
Foreign exchange gain this year	0.9
Increase in Rental income compared to YTD2011	0.4
Decrease in Commission income compared to YTD2011	(0.2)
Total	4.2

Gain on sale of property relates to the sale of property at 15 Jurong Port Road which was completed on 31 December 2012. Rental income comprises mainly of the rental of warehouse space to third parties.

Distribution, Administrative, Other Operating and Finance Expenses

The Group's distribution expenses for YTD2012 increased to S\$3.2 million from S\$2.2 million in YTD 2011, in tandem with the higher sales volume and higher volume of operational activities.

Administrative expenses rose from S\$9.4 million in YTD2011 to S\$15.5 million in YTD2012. The increase was mainly due to the payment of facility fee for the extension of new loan facilities and higher manpower costs as the Group continued to gear up for new businesses. Consultancy and legal service fees related to the new warehouse construction at Jurong Port Road also contributed to the increase.

Other operating expenses increased to S\$7.4 million in YTD2012, from S\$6.7 million in YTD2011, mainly due to higher property tax and land rental on the Group's leasehold properties and increase in business activities.

Finance expenses for YTD2012 increased to S\$2.7 million, from S\$1.9 million in YTD2011, in line with higher sales and business activities.

Net Profit after Tax

The Group posted a net profit after tax of S\$5.3 million in YTD2012, compared to a net profit after tax of S\$16.3 million in YTD2011.

Balance Sheet

The Group's level of inventory has improved as at 31 December 2012 to S\$86.2 million (30 September 2011: S\$96.7 million). Inventory days improved to 108 days as at 31 December 2012, a reduction of 29 days from 137 days as at 30 September 2011, which was in line with the Group's strategy to improve supply chain management during the current financial year.

Trade and other receivables as at 31 December 2012 was S\$96.8 million as compared to S\$44.9 million as at 30 September 2011. Out of this S\$96.8 million, S\$43.0 million refers to outstanding receivables from the sale of the Group's 15 Jurong Port Road property. Debtor days remained at 53 days, which was within the general credit period extended to customers.

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Trade and other payables increased to S\$50.8 million as at 31 December 2012, as compared to S\$42.9 million as at 30 September 2011, due to purchases made during the last quarter of YTD2012 which was in line with the increased business activities.

Cash Flow Statement

As at 31 December 2012, the Group recorded higher cash and cash equivalents of S\$17.9 million as compared to S\$9.1 million as at 30 September 2011. This was mainly due to the drawdown of new term loans to finance the Group's newly completed building at Jurong Port Road as well as the expansion plans in warehousing and processing capacity.

In YTD2012, the Group maintained similar levels of working capital, compared to YTD2011. The YTD2012 net cash flows used in operating activities was S\$4.5 million, mainly due to the inclusion of non-cash items such as depreciation, gain on disposal of Jurong Port Road building and share of associated results.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

According to the Ministry of Trade and Industry ("MTI"), global economic growth is likely to remain subdued, while in Asia, growth is likely to be moderate, supported by resilient domestic demand and modest growth in external demand. The outlook for the Singapore economy remains cautiously positive.¹

For the steel industry, global steel prices remain volatile as supply continues to outpace demand. ASEAN is expected to see a relatively sustained demand for steel and remain a net importer of steel, according to the South East Asia Iron and Steel Institute. In Singapore, the construction sector is expected to remain healthy, anchored by public sector projects. With its recent establishment of new construction steel facilities, the Group is in a better position to tap on this sector.

Moving forward, the Group will continue to focus on its multi-pronged growth strategy, including tapping on regional business opportunities and enhancing its value-added services through the provision of customised steel solutions.

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?

¹ Source: Press release issued by MTI on 22 February 2013, "MTI Maintains its 2013 GDP Growth Forecast at 1.0 to 3.0 Per Cent"

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	2011	2011
Name of Dividend	Interim (one-tier) Tax exempt	Interim (one-tier) Tax exempt
Dividend Type	Cash	Cash
Dividend rate	0.03 Singapore cents per ordinary share	0.06 Singapore cents per ordinary share
Date paid	To be advised	05 April 2012

(c) Date payable

To be announced on a later date

(d) Books closure date

To be announced on a later date

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)*	
	YTD 2012 S\$'000	YTD 2011 S\$'000	YTD 2012 S\$'000	YTD 2011 S\$'000
Chye Hin Hardware Pte Ltd				
Sales	-	-	5,031	7,017
Purchases	-	-	11,907	19,272
Other Charges	390	-	230	508
Oriental Sheet Piling Pte Ltd				
Sales	-	-	5,737	1,873
Purchase	-	-	3,398	9,000
Other Charges	-	-	137	-
Oriental Sheet Piling (China)				
Purchase	2,425	-		
Oriental Castle Sdn Bhd				
Other Charges	-	-	539	303
Oriental SP Sdn Bhd				
Purchase	-	-	-	2,662
Plan B Pte Ltd				
Purchases	-	-	-	3,143
Other Charges	-	-	-	20
Oriental SP Steelwork Sdn Bhd				
Other Charges	189			
PT OSP				
Sales	1,068	-		-
Mr Goh Kian Sin				
SICC membership	222			

*The above includes all transactions regardless of value

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Financial Statements and Dividend Announcement for Year Ended 31 December 2012

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

Revenue

Sales to external parties	359,584	45,776	-	405,360
Inter-segment sales	14,544	6,386	(20,930)	-
Total	<u>374,128</u>	<u>52,162</u>	<u>(20,930)</u>	<u>405,360</u>

Results

Segment results	4,124	(807)	(1,346)	1,971
Interest expense	(2,346)	(351)	-	(2,697)
Interest income	2	1	-	3
Share of associates results	178	6,039	-	6,217
Profit (Loss) before income tax	<u>1,958</u>	<u>4,882</u>	<u>(1,346)</u>	<u>5,494</u>
Income tax credit				<u>(158)</u>
Profit after income tax				<u>5,336</u>

Other information

Investment in associates	928	41,925	-	42,853
Additions to non-current assets	21,117	3,230	(1,891)	22,456
Depreciation	2,435	1,414	(47)	3,802
Amortisation	210	17	-	227
Write down of inventories	-	150	-	150
Fair value gain from derivatives	351	(12)	-	339

Assets & liabilities

Segment assets	276,913	39,592	(54,242)	<u>262,263</u>
Total assets				<u>262,263</u>
Segment liabilities	158,017	21,562	(56,500)	123,079
Tax payable				108
Deferred tax liabilities				<u>187</u>
Total liabilities				<u>123,374</u>

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	Trading	Manufacturing	Eliminations	Group
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Financial year ended 30 Sep 2011</u>				
Revenue				
Sales to external parties	214,340	24,502	-	238,842
Inter-segment sales	2,856	1,394	(4,250)	-
Total	<u>217,196</u>	<u>25,896</u>	<u>(4,250)</u>	<u>238,842</u>
Results				
Segment results	14,868	142	(698)	14,312
Interest expense	(1,673)	(250)	-	(1,923)
Interest income	28	-	-	28
Share of associate results	74	3,674	-	3,748
Profit (Loss) before income tax	<u>13,297</u>	<u>3,566</u>	<u>(698)</u>	<u>16,165</u>
Income tax credit				<u>107</u>
Profit (Loss) after income tax				<u>16,272</u>
Other information				
Investment in associates	750	35,917	-	36,667
Additions to non-current assets	3,286	325	-	3,611
Depreciation and amortisation	2,435	1,058	(9)	3,484
Provision for reinstatement costs	(850)	-	-	(850)
Fair value gain from derivatives	<u>(5,236)</u>	<u>-</u>	<u>-</u>	<u>(5,236)</u>
Assets & liabilities				
Segment assets	227,051	28,477	(35,029)	<u>220,499</u>
Total assets				<u>220,499</u>
Segment liabilities	109,971	9,973	(34,700)	85,244
Tax payable				94
Deferred tax liabilities				<u>212</u>
Total liabilities				<u>85,550</u>

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

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Geographical Segment

	Singapore S\$'000	Malaysia S\$'000	Indonesia S\$'000	Others S\$'000	Group S\$'000
<u>Financial year ended 31 Dec 2012</u>					
Sales to external parties	254,838	52,099	68,187	30,236	405,360
Non-current assets	15,638	2,122	58	-	17,818
<u>Financial year ended 30 Sep 2011</u>					
Sales to external parties	152,151	31,061	45,365	10,265	238,842
Non-current assets	31,275	930	-	-	32,205

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 Note 8 above

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

	Group		
	YTD 2012 (15 months) S\$'000	YTD 2011 (12 months) S\$'000	% (+/-)
<u>First Half</u>			
Sales reported for first half year	158,480	105,531	50
Operating profit/loss after tax before deducting non-controlling interests reported for first half year	(1,505)	8,705	(117)
<u>Remaining Period</u>			
Sales reported for remaining period	246,880	133,311	85
Operating profit/loss after tax before deducting non-controlling interests reported for second half year	6,841	7,567	(10)

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

	Group	
	FY 2012 S\$'000	FY 2011 S\$'000
Ordinary	3,278	6,555

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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.

Name /Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Tan Yee Lee 36	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.	NA
Tan Yee Wen 33	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.	Before year 2011, Ms. Tan Yee Wen was responsible for customer credit risk assessment, monitoring, and assisting the Executive Director in negotiating and monitoring the purchase and sales contracts.

19. Negative confirmation pursuant to Rule 705(5)

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

On behalf of the Board,

**Mr Goh Kian Sin
Managing Director**

26 February 2013