

HG METAL MANUFACTURING LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198802660D)
(the "**Company**")

NOTIFICATION RECEIVED BY COMPANY

The board of directors of the Company (the "**Board**") wishes to announce that the Company had, on 8 February 2010, received a notice (the "**Notice**") of an adjudication application lodged by LPM Projects Pte Ltd ("**LPM**") with the Singapore Mediation Centre ("**SMC**") on 5 February 2010 (the "**Application**") in relation to a payment claim amount of S\$3,269,928.56 by LPM in connection with the proposed erection of a single-user industrial development at Jurong Port Road. SMC is the Authorised Nominating Body under the Building and Construction Industry Security of Payment Act (Chapter 30B of Singapore).

The Board is in discussion with their legal advisers to determine the next course of action. The Board's preliminary view is that only about S\$1,500,000.00 is due to LPM and the claim will be resisted accordingly. The Board will release further announcements of any material developments in connection with the matter.

BY ORDER OF THE BOARD

Chng Hee Kok
Chief Executive Officer
9 February 2010