



HG METAL MANUFACTURING LIMITED
(Company Registration No. 198802660D)
(Incorporated in Singapore)

RESPONSES TO SGX QUERIES ON ANNOUNCEMENT MADE ON 13 MAY 2011

The Singapore Exchange has requested that the Company explain the significant increase in the balance of derivative financial instruments from S\$1,048 million as at 30 September 2010 to S\$5,448 million as at 31 March 2011.

The Company wishes to provide details of the changes in the derivative financial instruments for the period between 30 September 2010 to 31 March 2011 as set out below:

Type of Derivative Financial Statement	Fair value as at 30.9.2010 S\$'000	Fair value as at 10.11.2010 S\$'000	Fair value Gain / Loss S\$'000	Fair value as at 31.12.2010 S\$'000	Fair value Gain/Loss S\$'000	Fair value as at 31.3.2011 S\$'000
Warrant	1,048	NA*	(97)	951	484	1,435
Call Option ¹	NA*	4,517	(1,865)	2,651	1,362	4,013
Total	1,048	4,517	(1,962)	3,602	1,846	5,448

* Call option was granted on 11 November 2010.

By Order Of The Board

Goh Kian Sin
Managing Director
23 May 2011

¹ Please refer to the SGX Announcement dated 4 March 2011 for further details on the call option. The call option was valued by a professional advisory firm.