



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

**ANNOUNCEMENT OF SETTLEMENT OF ALL CLAIMS BETWEEN THE COMPANY AND LAW
PROJECT MANAGEMENT PTE LTD & LPM PROJECTS PTE LTD**

Further to the announcement made on 24 April 2012 by the Company regarding the notice of appeal lodged by Law Project Management Pte Ltd ("**LPM**") against the outcome of the summary judgment application in Suit No. 891 of 2011/N, the board of directors of the Company (the "**Board**") wishes to inform shareholders that the Company has reached a full and final settlement with LPM and LPM Projects Pte Ltd ("**LPM Projects**") for all and any claims each party may have against the other, including all matters in Suit No. 890 of 2011/J and Suit No. 891 of 2011/N. LPM Projects was the Company's main contractor for the proposed erection of a single-user industrial development comprising 4 blocks of single-storey workshop, 1 block of 4-storey workshop / ancillary office, 2 blocks of 2-storey ancillary office and ancillary canteen on Lot 02938P MK 06 at Jurong Port Road.

Pursuant to this settlement, the Company will be paying the sum of S\$1,388,888.00 (excluding GST) to LPM Projects in three monthly installments, via three cheques to LPM Projects payable in May, June and July 2012 respectively, and each for the amount of S\$462,962.67. This is in addition to the amount payable by the Company to LPM in respect of the summary judgment obtained by LPM in Suit No. 891 of 2011/N.

The Board is liaising with their legal advisers to ensure that LPM discontinues Suit No. 890 of 2011/J and Suit No. 891 of 2011/N respectively upon receipt of the abovementioned cheques. The Board will release further announcements of any material developments in connection with the matter.

BY ORDER OF THE BOARD

Goh Kian Sin
Chief Executive Officer
3 May 2012