



HG METAL MANUFACTURING LIMITED

(Company Registration Number: 198802660D)

(Incorporated in the Republic of Singapore)

(the “**Company**”)

NOTICES OF DEMAND ISSUED BY THE ROYAL MALAYSIAN CUSTOMS DEPARTMENT

The Board of Directors of HG Metal Manufacturing Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Royal Malaysian Customs Department has issued two notices of demand to several parties including its Malaysian subsidiary, Jin Heng Li Hardware Sdn. Bhd. (“**JHL**”), a local Malaysian supplier and the related local directors, respectively, for the payment of unpaid duties of MYR 2,006,647.01 (approximately S\$ 825,780) and MYR 24,709.63 (approximately S\$ 10,126) in relation to a batch of materials that JHL had purchased from the local Malaysian supplier (the “**Notices of Demand**”).

The Group has appointed a Malaysian legal counsel to advise it in the matter and the Malaysian legal counsel has advised that JHL appears to have a good defence in relation to the claims as set out in the Notices of Demand.

The Company will keep shareholders updated as and when there is any material development on this matter.

BY ORDER OF THE BOARD

Goh Kian Sin
Managing Director and Chief Executive Officer
21 June 2013