



HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

**RESPONSE TO SGX QUERY IN RESPECT OF THE FINANCIAL STATEMENTS FOR
THE FINANCIAL PERIOD ENDED 31 MARCH 2013**

The Board of Directors (the “**Board**”) of HG Metal Manufacturing Limited (the “**Company**” and together with its subsidiaries the “**Group**”) refers to the query raised by Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 16 May 2013 in respect of the Company’s Financial Statements for the financial period ended 31 March 2013 (the “**Query**”) and wishes to respond to the Query as follows:-

SGX Query:

We note that the revenue for the period ended 31 March 2013 (“current quarter”) decreased by about 15% compared to the quarter ended 31 March 2012. However, we note that the trade receivables have increased 25.5% as at the end of the comparative periods. Please explain the reason for the increase in the trade receivables and whether the Company foresees any issue on the collection of these receivables.

The Company’s response:

The Trade and Other Receivables have increased from S\$55.932 million (31 March 2012) to S\$59.346 million (31 March 2013) primarily due to the retention of sale proceeds amounting to S\$4.3 million being held by Cambridge Industrial Trust in relation to the sale and leaseback of 15 Jurong Port Road and the marginal increase in debtor days during the quarter ended 31 March 2013. The Company does not foresee any issue on the collection of Trade and Other Receivables as at 31 March 2013.

BY ORDER OF THE BOARD

Goh Kian Sin
Managing Director and Chief Executive Officer
17 May 2013