



## **HG METAL MANUFACTURING LIMITED**

(Company Registration Number: 198802660D)

(Incorporated in the Republic of Singapore)

(the “**Company**”)

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### **UPDATE ON MISAPPROPRIATION BY A FORMER STAFF MEMBER OF SUBSIDIARY**

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Reference is made to the announcement dated 15 April 2013 relating to the suspected misappropriation of payments amounting to IDR 260 million (approximately S\$33,000) (the “**Misappropriation**”) by a former staff member (the “**Individual**”) of the Company’s Indonesian subsidiary, PT. HG Metal Distribution Indonesia (“**HG Metal Indonesia**”).

The Board of Directors of the Company wishes to update the shareholders that the Indonesian authorities have completed the investigations and appropriate legal punishment has been imposed on the Individual. In addition, the Misappropriation amount has been returned to HG Metal Indonesia.

Following this incident, the Board has taken steps to ensure that the management maintains and continues to strengthen the internal control procedures for the Company and its subsidiaries (the “**Group**”).

As the misappropriated sum has been recovered by the Group, this incident would not have a material impact on the Group’s results for the financial year ending 31 December 2013.

### **BY ORDER OF THE BOARD**

Goh Kian Sin  
Managing Director and Chief Executive Officer  
24 July 2013