

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

**(I) COMPLETION OF THE PROPOSED CAPITAL REDUCTION; AND
(II) PAYMENT OF THE PROPOSED CASH DISTRIBUTION**

Reference is made to:

- (1) the Company's announcement of 25 September 2017 in relation to its intention to undertake a capital reduction exercise ("**Proposed Capital Reduction**") pursuant to Section 78A read with Section 78C of the Companies Act (Chapter 50), which would involve (i) a write off of part of the accumulated losses of the Company as at 31 December 2016 to the extent of S\$68,176,921.49 and (ii) a cash distribution ("**Proposed Cash Distribution**") to shareholders of the Company ("**Shareholders**") at S\$0.105 per ordinary share in the capital of the Company ("**Share**") at a books closure date to be determined by the Board;
- (2) the Company's circular of 3 October 2017 ("**Circular**") in relation to the convening of the extraordinary general meeting of the Company on 25 October 2017 ("**EGM**") for the purposes of, *inter alia*, seeking the approval of Shareholders for the special resolution relating to the Proposed Capital Reduction and Proposed Cash Distribution ("**Special Resolution**") subject to and upon completion of the Proposed Disposal;
- (3) the Company's announcement of 25 October 2017 of the results of the EGM for, *inter alia*, the Special Resolution;
- (4) the Company's announcement of 7 November 2017 in relation to the completion of the Proposed Disposal; and
- (5) the Company's announcement of 5 December 2017 in relation to the Books Closure Date for the purpose of determining the entitlements of Shareholders under the Proposed Cash Distribution.

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the Circular.

The Board of Directors is pleased to announce that the Company has complied with all the requirements under Sections 78C(1)(a) and 78C(1)(c) and the solvency requirements under Section 78C(3) of the Companies Act (Cap. 50) ("**Companies Act**") , and that no application for the cancellation of the Special Resolution has been made.

The Company has accordingly lodged the statements from the Directors pursuant to Section 78E(2) of the Companies Act confirming the same together with a notice containing the reduction information with the Accounting and Corporate Regulatory Authority of Singapore on 7 November 2017.

Following the completion of the Proposed Capital Reduction, the issued and paid-up share capital of the Company is S\$76,493,995.87.

As announced by the Company on 5 December 2017, the Proposed Cash Distribution is expected to be paid to entitled Shareholders on 20 December 2017.

By Order of the Board

Foo Sey Liang
Executive Director
7 December 2017