

HG METAL MANUFACTURING LIMITED

(Company Registration Number: 198802660D) (Incorporated in the Republic of Singapore) (the "Company")

INCREASE IN SHARE CAPITAL OF SUBSIDIARY

The Board of Directors of HG Metal Manufacturing Limited (the "Company") is pleased to announce that HG Construction Steel Pte. Ltd. ("HGCS"), a wholly-owned subsidiary of HG Metal Investments Pte. Ltd. ("HGI"), which in turn is a wholly-owned subsidiary of the Company, has increased its issued and paid-up share capital from S\$2.00 to S\$500,000.00 by way of an allotment and issuance of 499,998 new shares to HGI.

The above transaction was funded through the Company's internal resources and is not expected to have any material impact on the Company's earnings or the net tangible asset for the financial year ending 30 September 2012.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction.

BY ORDER OF THE BOARD

Goh Kian Sin Chief Executive Officer 12 July 2012