



HG METAL MANUFACTURING LIMITED
(Company Registration No. 198802660D)

**PROPOSED ACQUISITION OF REMAINING SHAREHOLDING INTEREST IN SUBSIDIARY
("PROPOSED ACQUISITION")**

The Board of Directors of HG Metal Manufacturing Limited ("the Company", and together with its subsidiaries, the "Group") wishes to announce that HG Metal Investments Pte. Ltd. ("HGMI"), a wholly-owned subsidiary of the Company, had on 6 May 2015 entered into a sale and purchase agreement ("SPA") to acquire an aggregate of 1,229,000 ordinary shares ("Sale Shares"), representing the remaining 40.97% shareholding interest in the capital of Niho (Singapore) Pte. Ltd. ("Niho"), from Woo Leong Huat, Zainuren Bin Ramli, Leong Kar Yew, Beh Yong Pheng, Kim Guan Metals (Private) Limited, POS-SEA Pte. Ltd. (collectively, "Vendors") for an aggregate purchase consideration of S\$94,264.30 (the "Purchase Consideration").

It is contemplated that completion of the SPA ("Completion") will take place on 06 May 2015. Upon Completion, Niho will become a wholly-owned subsidiary of HGMI.

The Purchase Consideration was arrived on a willing buyer and willing seller basis, after taking into account, *inter alia*, the estimated realisable value of the certain plants, equipments and inventories of Niho and will be paid in cash by the Company to the Vendors.

The audited net asset value of the Sale Shares as at 31 December 2014 was approximately S\$169,000.

The Proposed Acquisition is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2015.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

By Order of the Board

Foo Sey Liang
Executive Director

06 May 2015