



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

ACQUISITION OF REMAINING SHARES IN JIN HENG LI HARDWARE SDN. BHD. (THE “ACQUISITION”)

The Board of Directors of HG Metal Manufacturing Limited (the “**Company**”) wishes to announce that the Company had acquired the remaining 309,232 ordinary shares (the “**Sale Shares**”) (representing 20.62%) in the capital of Jin Heng Li Hardware Sdn. Bhd. (“**JHL**”) from Khoo Yau Jin (the “**Vendor**”), for a consideration of RM 732,742.97 (approximately S\$232,499.34¹) (“**Consideration**”).

The Consideration was arrived at after arm’s length negotiations between the Company and the Vendor and on a willing buyer and willing seller basis, taking into account, *inter alia*:

- (i) JHL’s unaudited adjusted net tangible assets (“**NTA**”) of RM3,361,432 as at 31 August 2015; and
- (ii) the independent valuation commissioned by the Company conducted by Cheston International (KL) Sdn. Bhd. in February 2016 of the fair market value of the freehold property owned by JHL, which has been valued at RM1.5 million.

Based on the audited financial statements of JHL for the financial year ended 31 December 2016, the NTA of JHL was approximately RM3,575,415.

Following the Acquisition, the total number of shares of JHL held by the Company has increased from 1,190,768 ordinary shares to 1,500,000 ordinary shares and JHL has become the Company’s wholly-owned subsidiary.

The purchase of the Sale Shares by the Company was funded through internal resources and is not expected to have any material impact on the net tangible assets or earnings per share of the Company for the financial year ending 31 December 2017.

None of the Directors or the controlling shareholders of the Company has any interest, whether directly or indirectly, in the above (save through their shareholdings in the Company, if any).

By Order of the Board

Foo Sey Liang
Executive Director

30 August 2017

¹ Based on an exchange rate of S\$1 : RM0.3173 as at the date of this announcement.