



**HG Metal Manufacturing Limited**  
(Company Registration No. 198802660D)  
(Incorporated in the Republic of Singapore on 4 August 1988)

**LEASE OF LAND**  
**PRIVATE LOT A0790800 AT L0790800 JURONG PORT ROAD**

The Directors of HG Metal Manufacturing Limited (the "**Company**") wish to announce that JTC Corporation ("**JTC**") has, via a letter of offer dated 12 January 2007 (the "**Letter of Offer**"), agreed to allocate a parcel of land known as Private Lot A0790800 at L0790800 Jurong Port Road in Jurong Industrial Estate (the "**Land**") measuring approximately 30,235 square metres in area, for lease by the Company for a term of 28 years with retrospective effect from 25 March 2007 (the "**Lease**"), upon the terms and conditions (the "**Conditions**") stated in the Letter of Offer. The Company has accepted the Letter of Offer on 18 January 2007.

The Conditions include *inter alia* fixed investment criteria of a minimum of S\$6,922,000 for plant and machinery investment, development of the Land by the Company in accordance with JTC's guidelines and the Company's entry into a building agreement with JTC.

The annual land rent payable to JTC for the period 25 March 2007 to 24 March 2008 is S\$18.06 per square metre, subject to annual revision based on the market rent prevailing on 25 March of each year. Each increase in the annual rent, if any, shall not exceed 5.5% of the annual rent for each immediately preceding year.

Subject to obtaining all necessary approvals, the Company intends to develop the Land for use as a warehouse and manufacturing facility.

The above transaction is not expected to have any material impact on the net tangible assets or earnings per share of the Company for the financial year ended 30 September 2006.

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

Wee Piew  
Chief Executive Officer  
18 January 2007