



HG Metal Manufacturing Limited
Registration No. 198802660D

15 Jurong Port Road Singapore 619119
Tel: (65) 6268 2828 Fax: (65) 6268 3838
Web: www.hgmetal.com

FOR IMMEDIATE RELEASE

HG Metal strengthens capabilities with new facility at Jurong Port Road

- *Officially opens its new facility at Jurong Port Road, which together with its facilities at 28 and 30 Jalan Buroh, offer a combined steel storage capacity of 200,000 tons*
- *Marks the start of its HG Construction Steel business unit with its first cut and bend facility*
- *Makes headway in expanding its geographical footprint into Indonesia and Malaysia*

SINGAPORE – 15 November 2012 – Mainboard-listed **HG Metal Manufacturing Limited** 福源金属制造有限公司 (“HG Metal” or the “Group”), one of the largest steel distributors and processors in the region, today officially opened its third and latest facility at Jurong Port Road. This new facility, which has a total floor area of about 230,000 sq ft, is the Group’s new headquarters in Singapore and brings its entire staff together under one roof.

Together with its facilities at 28 and 30 Jalan Buroh, the Group now has close to 800,000 sq ft of warehousing facilities and a combined steel storage capacity of 200,000 tons. The facilities at the three locations have a combined monthly handling capacity (in and out) of 80,000 tons.



Warehouse facilities



Office and warehouse facilities



Loading and unloading facilities

The opening of the Jurong Port Road facility also marks the start of the Group’s HG Construction Steel business unit. The Group now has fully automated production lines, including its first cut and bend facility, which would allow it to cater to its customers’ construction steel requirements. The

new construction steel facilities have a storage capacity of 13,000 tons and a monthly production capacity of about 5,000 tonnes.



Shearline Facilities



Double Bender Machinery



Straightening and Cutting Machinery

Commenting on the Group's latest corporate development, Mr Goh Kian Sin, Managing Director and Chief Executive Officer of HG Metal said, "To meet our customers' needs in an increasingly challenging market, we have to invest strategically to enhance our capabilities and strengthen our position as one of the largest steel distributors and processors in the region. This year, we have streamlined our business to offer a 'one-stop supermarket' end-to-end solution for our customers, as well as expanded our geographical footprint into Indonesia and Malaysia. More significantly, we have opened our new Jurong Port Road facility which not only houses our new construction steel production lines but also brings all our staff together under one roof, which will enhance efficiency and communication."

Strengthening its Capabilities

To present a "one-stop supermarket" end-to-end solution for its customers, the Group had, earlier this year, streamlined its businesses into:

- **HG Construction Steel**, which offers comprehensive packages that cater to just in time production for all construction steel requirements, including cut and bend deformed bars, bar bending service schedule, steel finishing services and rental of plates and beams;
- **HG Distribution**, which offers a range of services such as wholesale activities, retailing, trading, sourcing of products and distributing more than 3,000 types of steel products to ASEAN countries; and
- **HG Industrial Steel & Services**, which provides a complete range of processing services and tailored solutions for diversified industries.

"We believe developing economies still have healthy fundamentals for steel demand growth. The ASEAN region, for example, currently consumes more steel than it can produce and has to rely on imports. According to the South East Asia Iron and Steel Institute, the construction industry is the

largest steel consuming sector in ASEAN, contributing to about 63% of total steel consumption in the region last year. With our construction steel production lines, we are well-placed to tap on the growing construction steel business in the region,” added Mr Goh.

Expanding its Geographical Footprint

Beyond Singapore, the Group has expanded its steel distribution services with a central warehouse that sits on a 22,000 sq ft land in Port Klang Free Zone, Selangor, Malaysia. To capitalise on cost efficiencies, the Group is also shifting some of its industrial steel and services facilities – such as shearing, slitting and pipe-mill lines – from Singapore to its production facility in Johor, Malaysia.

In Indonesia, the Group has a 12,000 sq ft warehouse located in Pulo Gadung, Jakarta. The team in Indonesia currently focuses on steel distribution and supplying customised steel to oil and gas projects.

“All these initiatives are part of our efforts to grow our business and serve our customers even better. We will continue to focus on our multi-pronged strategy to diversify our business model, widen our product range, enhance our processing capabilities and look for opportunities to expand regionally. We are confident that our strategy, backed by a 40-year track record, will strengthen our position as one of the largest steel distributors and processors in the region,” concluded Mr Goh.

###

About HG Metal

Founded in 1971, HG Metal Manufacturing Limited (Bloomberg Code: HGM.SP) is a leading steel distributor and processor in the region. With more than 3,000 types of steel products, including BCA-compliant materials, it offers “one-stop supermarket” end-to-end customised steel solutions, ranging from distribution services to downstream and value-added activities for diversified industries including construction, energy, transportation, marine and electronics sectors. It has about 1,000 customers located predominantly in Singapore, Malaysia and Indonesia. With the entry of steel foundation specialist, the Oriental Castle Group, as its major shareholder, coupled with its multi-pronged growth strategy, HG Metal is well-positioned to grow into a niche regional player in steel distribution and processing.

For more information, please contact:

August Consulting Pte Ltd

HO See Kim, seekim@august.com.sg

CHIN May Nah, maynah@august.com.sg

Tel: (65) 6733 8873 Fax: (65) 6733 9913