

HG METAL MANUFACTURING LIMITED.

(Company Registration Number: 198802660D)

(Incorporated in the Republic of Singapore)

TERMINATION OF SALES AND PURCHASE AGREEMENT WITH MUTUAL PROFIT TRADING LIMITED AND JOINT VENTURE WITH MIN DHAMA HEAVY INDUSTRIAL CO. LTD. IN RESPECT OF MIN DHAMA STEEL STRUCTURES CO., LTD

The Board of Directors ("**Directors**" or "**Board**") of HG Metal Manufacturing Limited ("**Company**", and together with its subsidiaries, "**Group**") refers to the Company's announcement made on 12 October 2015 in relation to:

- (a) the sale and purchase agreement ("**SPA**") between HG Metal Investments Pte. Ltd. ("**HGM Investments**", a wholly owned subsidiary of the Company) and Mutual Profit Trading Limited ("**Mutual Profit**"), pursuant to which HGM Investments proposed to purchase 40% of the shares in the capital of Min Dhama Steel Structures Co. Ltd. ("**JV Company**") from Mutual Profit; and
- (b) the joint venture agreement (the "**JVA**") between HG Metal Investments and Min Dhama Heavy Industrial Co. Ltd. ("**MDHI**") in relation to the JV Company.

The Board wishes to announce that all parties have today mutually agreed to terminate the SPA and the JVA and shall be discharged from any and all duties and obligations set out therein. The termination was made after consideration by the Board of the political changes and current challenging business environment in Myanmar. As at the date of this announcement, the Company have not acquired any shares in the JV Company and it remains a joint venture between MDHI and Mutual Profit.

The termination of the joint venture has no material impact on the Group's net tangible assets per share or earnings per share for the current financial year. None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above termination save for their shareholding interests in the Company.

Following the mutual termination of SPA and JVA, the Company will continue to explore opportunities in the acquisition and development of other value-added projects in the region.

BY ORDER OF THE BOARD
HG METAL MANUFACTURING LIMITED

Foo Sey Liang
Executive Director
5 September 2016