



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

INCREASE IN PAID UP CAPITAL OF A JOINT VENTURE COMPANY

Capitalised words which are not defined in this announcement shall carry the same meanings ascribed to them in the announcements dated 23 August 2018 and 4 September 2018 (“Announcements”).

The Board of Directors (the “**Directors**” or the “**Board**”) of HG Metal Manufacturing Limited (the “**Company**”) refers to the Announcements in relation to the proposed acquisition by HG Metal Investments Pte. Ltd. of 51.04% stake in First Fortune International Co. Ltd. and Proposed Joint Venture with Fortune Peak Investments Pte. Ltd. and YNJ Engineering Co. Ltd., to operate a steel rebar Cut & Bend and Fabrication facility In Myanmar.

The Board wishes to announce that the Group’s subsidiary, HG Metal Investments Pte. Ltd. (“**HGM Investments**”), together with its joint venture partners, Fortune Peak Investments Pte. Ltd. (“**Fortune Peak**”) and YNJ Engineering Co. Ltd. (“**YNJ**”) had on 18 September 2018 subscribed for 9,764, 5,540 and 3,827 shares of USD100 each respectively for an aggregate consideration of USD1,913,100, towards the increase in the paid-up ordinary share capital of First Fortune International Co. Ltd. (“**JV Co**”). Pursuant to the aforesaid subscription, the issued and paid-up ordinary share capital of the JV Co had increased from USD187,500, comprising 1,875 shares to USD2,100,600, comprising 21,006 shares.

In accordance with the Joint Venture Agreement (“**JVA**”) entered between HGM Investments, Fortune Peak and YNJ, the parties are to initially subscribe for 19,529, 11,080 and 7,653 shares of USD100 each respectively for an aggregation consideration of USD3,826,200 (the “**Initial Additional Subscription**”) as part of the Additional Subscription to provide funding to the JV Co. The aforesaid subscription of USD1,913,100 represents fifty percent (50%) of the Initial Additional Subscription of USD3,826,200. The remaining Initial Additional Subscription is expected to be paid within 30 days from the date of completion of the JVA.

HGM Investments’ initial additional subscription of USD976,400 is funded through internal resources. The transaction is not expected to have any material impact on the earning per share or net tangible assets per share of the Group for the current financial year ending 31 December 2018.

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect in the abovementioned transaction.

By Order of the Board

Foo Sey Liang
Executive Director

18 September 2018