

METAL COMPONENT ENGINEERING LIMITED

Company Registration No. 198804700N

INCORPORATION OF SUBSIDIARY IN THE PEOPLE'S REPUBLIC OF CHINA

The Board of Directors (the "**Board**") of Metal Component Engineering Limited ("**MCE**" or the "**Company**") wishes to announce that the Company has incorporated a wholly-owned subsidiary, 美祈实业（上海）有限公司 MCE Corporation (Shanghai) Co., Ltd ("**MCEC**"), in the People's Republic of China, with a registered capital of RMB 500,000 (being approximately SGD 101,523 based on an exchange rate of RMB 4.9250 to SGD 1). MCEC is held through MCE Industries (Shanghai) Co., Ltd. which is a wholly-owned subsidiary of the Company.

The intended principal activities of MCEC include trading of toolings, components, product assemblies and related products. As at the date of this announcement, MCEC has not yet commenced operations.

The investment in MCEC will be funded through internal resources and is not expected to have any material impact on the net tangible assets per share or earnings per share of the Company and its subsidiaries for the financial year ending 31 December 2014.

Save for their respective shareholding interests (if any) in the Company, none of the Directors or controlling shareholders of the Company has any interest, whether direct or indirect, in the investment in MCEC.

BY ORDER OF THE BOARD

Seah Jim Hong, Gerard
Tan Kwang Hwee, William
Company Secretaries
14 August 2014

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Canaccord Genuity Singapore Pte. Ltd. for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Canaccord Genuity Singapore Pte. Ltd. has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Ms Karen Soh, Managing Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.