



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

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**RESPONSE TO SGX QUERIES ON THE COMPANY'S ANNOUNCEMENT DATED 15 JANUARY 2018**

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The Board of Directors of HG Metal Manufacturing Limited (the "**Company**") refers to the Company's announcement dated 15 January 2018 (the "**Announcement**"). Capitalised terms not defined in this announcement shall have the meaning ascribed to them in the Announcement.

The Company has received queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") regarding the Announcement on 17 January 2018 and sets out its responses as follows:-

**SGX-ST's queries:**

It is stated in the Announcement, "Pursuant to the terms of the Letter of Offer, Oriental is granted a 3 year development period by JTC, effective from 2 January 2018, to further invest in the construction of building and other structures and to install plant and machinery at the Property. Subject to the fulfillment by Oriental of certain terms and conditions of the Letter of Offer, JTC will grant a renewal of lease of the Property to Oriental for a further term of 20 years commencing from 1 August 2019 (the "**Lease Renewal**")."

- (i) Please clarify what is the minimum investment required in the Letter of Offer (if any)?
- (ii) Please clarify what is the intended use of the building and other structures to be constructed, as well as the plant and machinery to be installed at the Property?

**Company's response:**

- (i) Pursuant to the terms of the Letter of Offer from JTC Corporation ("**JTC**"), Oriental is required to fulfill the following material investment criteria within a 3 year development period :
  - (a) Develop the Property to reach a gross plot ratio of not less than 0.91 and not more than 1.4; and
  - (b) Make a minimum investment of S\$1.2 million on new plant and machinery, such that the Group makes an aggregate investment in plant and machinery of at least S\$8.33 million after taking into consideration the Group's net book value for its existing plant and machinery.
- (ii) The Property will be used for the Group's existing business in trading and manufacturing of steel products.

**By Order of the Board**

Foo Sey Liang  
Executive Director

19 January 2018