



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

ACQUISITION OF ADDITIONAL SHARES IN JIN HENG LI HARDWARE SDN. BHD. (THE "ACQUISITION")

The Board of Directors of HG Metal Manufacturing Limited (the "**Company**") wishes to announce that the Company had acquired 302,308 ordinary shares (the "**Sale Shares**") (representing 20.15%) in capital of Jin Heng Li Hardware Sdn. Bhd. ("**JHL**") from Tan Chon Tee and Tan Voon Ping (collectively, the "**Vendors**"), for an aggregate consideration of RM1.6 million ("**Consideration**").

The Consideration was arrived at on a willing buyer and willing seller basis and after taking into account, *inter alia*, the net tangible assets of the Sale Shares of RM1.6 million as at 30 June 2013.

Following the Acquisition, the total number of shares held by the Company in JHL has increased from 888,460 ordinary shares to 1,190,768 ordinary shares of RM1/- each fully paid, representing 79.40% of the entire shares in JHL.

The additional investment in JHL by the Company was funded through internal resources and is not expected to have any material impact on the net tangible assets or earnings per share of the Company for the financial year ending 31 December 2014.

None of the Directors or the controlling shareholders of the Company has any interest, whether directly or indirectly, in the above.

By Order of the Board

Foo Sey Liang
Executive Director

4 August 2014