



HG METAL MANUFACTURING LIMITED

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HG Metal and Novo Group, enters MOU

SINGAPORE - 17 March 2008 – Mainboard-listed **HG Metal Manufacturing Limited** (“HG Metal” or “The Group”), one of the largest steel stockists in Singapore and Southeast Asia, and **Novo Group Ltd.** (“Novo”), a global steel supply chain management company with integrated value-added services, are pleased to announce that HG Metal and a subsidiary of Novo, have entered into a strategic cooperation to facilitate steel operations in Singapore.

Under the Memorandum of Understanding (“MOU”), which is legally non-binding in nature and is subject to the execution of a definitive agreement within three (3) months from the date of the MOU by the parties, Novo will make provisions to HG Metal on at least a combined total 156,000 metric tons per year on various steel products. These include steel products such as hot rolled plate, ship plate, hot rolled sheet, deformed steel bar, angle and channel products.

Founded in Hong Kong by two highly experienced steel traders, Mr Dicky Yu, Executive Chairman, and Mr Mark Chow, CEO, Novo is a dynamic company, with a turnover of over US\$300 million, which recently completed its reverse takeover (“RTO”) of SGX SESDAQ-listed Neocorp International Ltd. The latter had been under judicial management since 2005. Upon the relisting of Novo’s shares, targeted on 2 April 2008, Novo will become a SGX-Mainboard listed company.

HG Metal and Novo recognize mutual benefits for both parties in their partnership based on their operational advantages. As Singapore’s largest steel stockist, HG Metal will be able to secure an additional committed source of steel products, while on the other hand, Novo will be able to leverage on HG Metal’s local network for the distribution of its products.

“We have good working relationships with Novo for the past few years. This MOU will add to HG Metal’s already expanding list of international steel suppliers. The current demand for steel products remains strong due to increased construction and shipbuilding activities. HG Metal prides itself on its strong relationships with many international steel suppliers and we believe this helps to enhance our competitive advantage over our competitors,” said Mr Wee Piew, CEO of HG Metal

Responding, Mr Dicky Yu, founder and Executive Chairman of Novo, said, “Novo is delighted to partner HG Metal in this strategic venture. Steel is the world’s second most highly traded commodity, after oil, and we hope to leverage on this robust demand, and HG Metal’s prowess in products distribution, to further propel Novo’s growth trajectory.”

About HG Metal Manufacturing Limited (Bloomberg Code: HGM.SP)

HG Metal is a premier stockist and manufacturer of steel products. With more than 30 years in the steel business, HG Metal offers more than 2,000 different types of steel products of various dimensions for a wide variety of industrial and engineering applications. With their “one-stop supermarket” strategy, HG Metal is able to satisfy the needs of their customers with one visit to their extensive stockyard and manufacturing facility.

HG Metal has also differentiated itself from its peers in its strategic move to custom-manufacture steel products. HG Metal currently manufactures customized flat steel bars in a wide variety of engineering processes and mild steel lip channels commonly used as roofing support in commercial and industrial buildings. The Directors believe that HG Metal is the only steel stockist in Singapore with such manufacturing capability. This gives HG Metal a distinct competitive advantage against their competitors, as they can fulfill their customers’ requirements more quickly and completely, especially for specifications that are not readily available in the market.

You may also visit the Company’s website at www.hgmetal.com

About Novo Group Ltd.

Established in Hong Kong, Novo is a global steel industry supply-chain management company that provides support services to upstream and downstream stakeholders throughout the value-chain, from demand aggregation and disaggregation to logistics, trade financing, inspection services and shipping. Novo counts iron ore mines, integrated steel mills and re-rolling mills, major stockists and end-users as amongst its stakeholders. Steel products traded by Novo include raw materials such as iron ore; semi-finished products such as billets and slab; finished products such as deformed bars, wire rods, tubes, sections, angles, channels, hot rolled coil, hot rolled plate, cold rolled coil, cold rolled sheet; as well as coated steel and special items. Novo is helmed by a strong team of management and executive officers who have a combined experience of almost 150 years. For more information on Novo, please visit www.novogroupltd.com

Issued for and on behalf of HG Metal Manufacturing Limited

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