



HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

**Condensed Interim Financial Statements
for the Six Months and Full Year Ended 31 December 2024**



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HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

Condensed Interim Financial Statements for the Six Months and Full Year Ended 31 December 2024

Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group			Group		
		6 months ended 31 December	6 months ended 31 December	%	12 months ended 31 December	12 months ended 31 December	%
		2024	2023		2024	2023	
		S\$'000	S\$'000	(+/-)	S\$'000	S\$'000	(+/-)
<u>Continuing operations</u>							
Revenue	7	84,760	83,457	2	157,867	149,755	5
Cost of sales		(72,599)	(74,776)	(3)	(135,795)	(136,968)	(1)
Gross profit		12,161	8,681	40	22,072	12,787	73
Gross margin		14.3%	10.4%		14.0%	8.5%	
Other operating income		670	401	67	1,685	951	77
Selling and distribution costs		(883)	(599)	47	(1,474)	(862)	71
Administrative expenses		(4,042)	(3,371)	20	(8,020)	(7,437)	8
Other operating expenses		(1,740)	(1,883)	(8)	(3,380)	(4,227)	(20)
Finance costs		(292)	(353)	(17)	(620)	(987)	(37)
(Allowance)/reversal of impairment loss on financial assets		(6)	(2)	nm*	42	(80)	nm*
Profit before income tax from continuing operations	8	5,868	2,874	nm*	10,305	145	nm*
Income tax (expense)/credit	11	(738)	318	nm*	(1,464)	308	nm*
Net Profit for the year from continuing operations		5,130	3,192	nm*	8,841	453	nm*
<u>Discontinued operations</u>							
Net loss for the year after tax from discontinued operations	10	-	(1,219)	nm*	(264)	(2,224)	nm*
Net profit/(loss) for the year		5,130	1,973	nm*	8,577	(1,771)	nm*
Profit/(loss) attributable to:							
Owners of the Company							
Profit from continuing operations		5,130	3,192	nm*	8,841	453	nm*
Loss from discontinued operations		-	(957)	nm*	(2,527)*	(1,471)	nm*
		5,130	2,235	nm*	6,314	(1,018)	nm*
Non-controlling interests							
(Loss)/profit from discontinued operations		-	(262)	nm*	2,263*	(753)	nm*
		-	(262)	nm*	2,263	(753)	nm*

*This amount includes S\$2,230,000, which represents 48.96% of the intercompany debts of S\$4,554,000 owed by FFI that was waived by the parent company upon completion of disposal of the discontinued operation. The waiver was recognised as a gain for the non-controlling interest, resulting in a corresponding loss for the owners of the Company in the current financial year. Please refer to Note 10 for further information.

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Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

Note	Group			Group			
	6 months ended 31 December	6 months ended 31 December	%	12 months ended 31 December	12 months ended 31 December	%	
	2024	2023		2024	2023		
	S\$'000	S\$'000	(+/-)	S\$'000	S\$'000	(+/-)	
	5,130	1,973	nm*	8,577	(1,771)	(584)	
Net Profit/(loss) for the year							
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss :							
Foreign currency translation	34	152	nm*	(101)	33	nm*	
Reclassification of currency translation reserve to profit or loss	-	-	nm*	(59)	-	nm*	
Other comprehensive loss for the year, net of tax	34	152	nm*	(160)	33	nm*	
Total comprehensive income/(loss) for the year	5,164	2,125	nm*	8,417	(1,738)	nm*	
Total comprehensive income/(loss) attributable to:							
Owners of the Company							
Profit from continuing operations	5,164	3,209	nm*	8,781	406	nm*	
Loss from discontinued operations	-	(888)	nm*	(2,578)	(1,430)	nm*	
	5,164	2,321	nm*	6,203	(1,024)	nm*	
Non-controlling interests							
Loss from discontinued operations	-	(196)	nm*	2,214	(714)	nm*	
	-	(196)	nm*	2,214	(714)	nm*	
Earnings per ordinary share:							
Basic (cents)							
Earning per ordinary share for continuing operations	12	2.58	2.29	nm*	5.06	0.34	nm*
Earning per ordinary share for discontinued operations	12	0.00	(0.69)	nm*	(1.45)	(1.11)	nm*
Diluted (cents)							
Earning per ordinary share for continuing operations	12	2.58	2.29	nm*	5.06	0.34	nm*
Earning per ordinary share for discontinued operations	12	0.00	(0.69)	nm*	(1.45)	(1.11)	nm*

*nm denotes not meaningful

HG METAL MANUFACTURING LIMITED

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Condensed interim statements of financial position

	Note	Group		Company	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	13	18,354	19,423	4,110	4,510
Right-of-use assets		5,535	6,034	14	47
Intangible assets	14	186	163	150	154
Investment in subsidiaries		-	-	13,028	13,028
Investment securities		255	250	255	250
Restricted deposits		142	142	-	-
		<u>24,472</u>	<u>26,012</u>	<u>17,557</u>	<u>17,989</u>
Current assets					
Investment securities		2	3,560	2	3,560
Cash and cash equivalents		55,387	16,382	45,080	8,258
Fixed deposits pledged with banks		16,325	12,750	12,325	8,750
Inventories		11,923	24,228	2,488	5,000
Trade and other receivables	15	61,362	50,383	43,142	49,770
Prepaid expenses		226	215	150	65
		<u>145,225</u>	<u>107,518</u>	<u>103,187</u>	<u>75,403</u>
Assets of disposal group classified as held for sales		-	3,528	-	-
		<u>145,225</u>	<u>111,046</u>	<u>103,187</u>	<u>75,403</u>
Total assets		<u>169,697</u>	<u>137,058</u>	<u>120,744</u>	<u>93,392</u>
Current liabilities					
Lease liabilities		578	537	35	29
Trade and other payables	16	7,941	10,422	17,496	22,073
Bank borrowings	19	1,910	2,064	353	413
Provision for income tax		1,535	14	-	-
Derivative financial instruments*	17	5	314	13	201
		<u>11,969</u>	<u>13,351</u>	<u>17,897</u>	<u>22,716</u>
Liabilities directly associated with disposal group classified as held for sale		-	4,811	-	-
		<u>11,969</u>	<u>18,162</u>	<u>17,897</u>	<u>22,716</u>
Non-current liabilities					
Lease liabilities		4,547	4,865	-	35
Bank borrowings	19	4,751	6,668	-	353
Deferred tax liabilities		571	631	-	-
Provision for reinstatement costs		1,572	1,572	-	-
		<u>11,441</u>	<u>13,736</u>	<u>-</u>	<u>388</u>
Total liabilities		<u>23,410</u>	<u>31,898</u>	<u>17,897</u>	<u>23,104</u>
Net assets		<u>146,287</u>	<u>105,160</u>	<u>102,847</u>	<u>70,288</u>
Equity attributable to owners of the Company					
Share capital	21	109,882	77,463	109,882	77,463
Treasury shares		(3,034)	(3,034)	(3,034)	(3,034)
Other reserves		2,886	2,997	2,527	2,527
Accumulated profits/(losses)		36,552	30,238	(6,528)	(6,668)
		<u>146,286</u>	<u>107,664</u>	<u>102,847</u>	<u>70,288</u>
Non-controlling interests		<u>1</u>	<u>(2,504)</u>	<u>-</u>	<u>-</u>
Total equity		<u>146,287</u>	<u>105,160</u>	<u>102,847</u>	<u>70,288</u>
Total equity and liabilities		<u>169,697</u>	<u>137,058</u>	<u>120,744</u>	<u>93,392</u>

*The derivative financial instruments relate to fair value adjustments of forward currency contracts entered into by the Group to hedge foreign currency exposure on the Group's sales and purchases.

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Condensed Interim Financial Statements for the Six Months and Full Year Ended 31 December 2024

Condensed interim statements of changes in equity

Group	Attributable to owners of the Company								
	Share capital	Treasury shares	Capital reserve	Premium paid on acquisition of non-controlling interest	Foreign currency translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2024	77,463	(3,034)	2,527	(212)	682	30,238	107,664	(2,504)	105,160
Profit for the year	-	-	-	-	-	6,314	6,314	2,263	8,577
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	-	-	(52)	-	(52)	(49)	(101)
Reclassification of currency translation reserve to profit or loss	-	-	-	-	(59)	-	(59)	-	(59)
Other comprehensive income for the year, net of tax	-	-	-	-	(111)	-	(111)	(49)	(160)
Total comprehensive (loss)/income for the year	-	-	-	-	(111)	6,314	6,203	2,214	8,417
<u>Contribution by and distributions to owners</u>									
Issuance of ordinary shares	32,419	-	-	-	-	-	32,419	-	32,419
Total contribution by and distributions to owners	32,419	-	-	-	-	-	32,419	-	32,419
<u>Change in ownership interest in subsidiary</u>									
Disposal of a subsidiary	-	-	-	-	-	-	-	291	291
Total change in ownership interest in subsidiary	-	-	-	-	-	-	-	291	291
Total transactions with owners in their capacity as owners	32,419	-	-	-	-	-	32,419	291	32,710
At 31 December 2024	109,882	(3,034)	2,527	(212)	571	36,552	146,286	1	146,287

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Condensed interim statements of changes in equity (cont'd)

Group	Attributable to owners of the Company								
	Share capital	Treasury shares	Capital reserve	Premium paid on acquisition of non-controlling interest	Foreign currency translation reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2023	70,496	(3,034)	2,527	(212)	688	34,388	104,853	(1,790)	103,063
Loss for the year	-	-	-	-	-	(1,018)	(1,018)	(753)	(1,771)
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	-	-	(6)	-	(6)	39	33
Other comprehensive income for the year, net of tax	-	-	-	-	(6)	-	(6)	39	33
Total comprehensive loss for the year	-	-	-	-	(6)	(1,018)	(1,024)	(714)	(1,738)
<u>Contribution by and distributions to owners</u>									
Issuance of ordinary shares	6,967	-	-	-	-	-	6,967	-	6,967
Dividend on ordinary shares	-	-	-	-	-	(3,132)	(3,132)	-	(3,132)
Total contribution by and distributions to owners	6,967	-	-	-	-	(3,132)	3,835	-	3,835
Total transactions with owners in their capacity as owners	6,967	-	-	-	-	(3,132)	3,835	-	3,835
At 31 December 2023	77,463	(3,034)	2,527	(212)	682	30,238	107,664	(2,504)	105,160

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Condensed interim statements of changes in equity (cont'd)

<u>Company</u>	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2024	77,463	(3,034)	2,527	(6,668)	70,288
Profit for the year, representing total comprehensive loss for the year	-	-	-	140	140
<u>Contributions by and distributions to owners</u>					
Issuance of ordinary shares	32,419	-	-	-	32,419
Total transactions by and distributions to owners	32,419	-	-	-	32,419
Total transactions with owners in their capacity as owners	32,419	-	-	-	32,419
At 31 December 2024	109,882	(3,034)	2,527	(6,528)	102,847
At 1 January 2023	70,496	(3,034)	2,527	(3,541)	66,448
Profit for the year, representing total comprehensive income for the year	-	-	-	5	5
<u>Contributions by and distributions to owners</u>					
Issuance of ordinary shares	6,967	-	-	-	6,967
Dividends on ordinary shares	-	-	-	(3,132)	(3,132)
Total transactions by and distributions to owners	6,967	-	-	(3,132)	3,835
Total transactions with owners in their capacity as owners	6,967	-	-	(3,132)	3,835
At 31 December 2023	77,463	(3,034)	2,527	(6,668)	70,288

HG METAL MANUFACTURING LIMITED

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Condensed Interim Financial Statements for the Six Months and Full Year Ended 31 December 2024

Condensed interim consolidated statement of cash flows

	Group	
	12 months ended 31 December 2024	12 months ended 31 December 2023
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax from continuing operations	10,305	145
Loss before income tax from discontinued operations	(264)	(2,167)
	<u>10,041</u>	<u>(2,022)</u>
Adjustments for:		
Bad debts write off	2	28
Depreciation of property, plant and equipment	1,813	2,093
Depreciation of right-of-use assets	853	1,251
Amortisation of intangible assets	26	34
Gain on disposal of property, plant and equipment	(44)	(183)
Write-off of intangible assets	-	63
Write down of inventories	456	557
Loss on disposal of subsidiary	337	-
(Reversal)/allowance of impairment loss on financial assets	(42)	268
Fair value gain on derivatives, net	(309)	(109)
Finance costs	575	1,324
Interest income	(678)	(413)
Unrealised foreign exchange (gain)/loss, net	(396)	187
Operating cash flow before changes in working capital	<u>12,634</u>	<u>3,078</u>
Working capital changes:		
Inventories	11,849	33,482
Trade and other receivables	(10,078)	(14,118)
Prepaid expenses	(12)	95
Trade and other payables	(3,046)	954
Cash generated from operations	<u>11,347</u>	<u>23,491</u>
Interest expense paid	(603)	(1,500)
Interest income received	729	433
Income tax paid	(3)	(119)
Net cash flows generated from operating activities	<u>11,470</u>	<u>22,305</u>
Cash flows from investing activities		
Net cash outflow from disposal of a subsidiary	(1,398)	-
Fixed deposit pledged with banks	(3,575)	(3,734)
Proceeds from disposal of property, plant and equipment	129	362
Proceeds from maturity of investment securities	3,500	3,750
Purchase of property, plant and equipment	(820)	(1,652)
Purchase of intangible assets	(49)	(22)
Net cash flows used in investing activities	<u>(2,213)</u>	<u>(1,296)</u>
Cash flows from financing activities		
Proceeds from issuance of ordinary shares in the Company	32,419	6,967
Dividends paid on ordinary shares of the Company	-	(3,132)
Proceeds from bank borrowings	10,402	21,351
Repayment of bank borrowings	(12,474)	(44,464)
Principal element of lease payments	(631)	(714)
Net cash flows generated from/(used in) financing activities	<u>29,716</u>	<u>(19,992)</u>
Net increase in cash and cash equivalents	38,973	1,017
Effects on exchange rate changes on cash and cash equivalents	(79)	69
Cash and cash equivalents at beginning of financial year	<u>16,493</u>	<u>15,407</u>
Cash and cash equivalents at end of financial year	<u>55,387</u>	<u>16,493</u>

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Condensed interim consolidated statement of cash flows (cont'd)

For the purpose of the statement of cash flow, the consolidated cash and cash equivalents at end of reporting period comprised of the following:

	Note	31 December 2024	31 December 2023
		S\$'000	S\$'000
Cash and cash equivalents			
- Continuing operations		55,387	16,382
- Discontinued operations	10	-	111
		<u>55,387</u>	<u>16,493</u>

HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

Condensed Interim Financial Statements for the Six Months and Full Year Ended 31 December 2024

Selected notes to the condensed interim consolidated financial statements

1. Corporate information

HG Metal Manufacturing Limited (the “Company”) is a public limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2024 comprise the Company and its subsidiaries (collectively, the Group).

The registered office and principal place of business of the Company is located at 28 Jalan Buroh, Singapore 619484.

The principal activities of the Company are the business of trading of steel products and investment holding.

The principal activities of the subsidiaries are the business of manufacturing and supply of steel materials to the construction industry.

2. Basis of Preparation

The condensed interim financial statements for the six months and full year ended 31 December 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2024.

The condensed interim financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The condensed interim financial statements are presented in Singapore Dollars (S\$) which is the Company’s functional currency and all values in the tables are rounded to the nearest thousand (S\$’000), except when otherwise indicated.

3. Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I), except that in the current financial period, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

4. Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

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Selected notes to the condensed interim consolidated financial statements (cont'd)

4. Non-current assets held for sale and discontinued operations (cont'd)

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 10. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

5. Use of judgements and estimates

The preparation of the condensed interim financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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Selected notes to the condensed interim consolidated financial statements (cont'd)

5. Use of judgements and estimates (cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Allowance for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 15.

The carrying amount of trade receivables as at 31 December 2024 was S\$53,054,000 (31 December 2023: S\$41,030,000) respectively.

(b) Allowance for slow-moving and obsolete inventories

A review of the realisable value of the inventories is performed periodically for slow-moving, obsolete, and inventories which have a decline in net realisable value below cost. An allowance is recorded against the inventory balance for any such declines. These reviews require management to estimate future market demand for the products, pricing competitions, environmental regulations requirements and age of the inventories. Possible changes in these estimates could result in revisions to the valuation of inventories.

The carrying amount of the inventories as at 31 December 2024 was S\$11,923,000 (31 December 2023: S\$24,228,000). Included in the carrying amount of the inventories is an allowance of write-down of inventory of S\$669,000 (31 December 2023: S\$492,000).

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Selected notes to the condensed interim consolidated financial statements (cont'd)

6. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- (i) The trading segment is a supplier of steel products and includes the holding of investments in subsidiaries in the business of steel distribution and provision of industrial steel services.
- (ii) The manufacturing segment produces construction steel products and provides related engineering services.
- (iii) Others include those which do not fall in trading and manufacturing segment.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

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Selected notes to the condensed interim consolidated financial statements (cont'd)

6. Segment information (cont'd)

	Continuing Operations				Group S\$'000
	Trading S\$'000	Manufacturing S\$'000	Others S\$'000	Adjustment/ elimination S\$'000	
<u>1 July 2024 to 31 December 2024</u>					
Revenue					
Sales to external customers	6,395	78,365	-	-	84,760
Inter-segment sales	20,567	1,897	-	(22,464)	-
Total	26,962	80,262	-	(22,464)	84,760
Results					
Other income	1,881	2,052	8	(3,722)	219
Dividend income	704	-	-	(704)	-
Government grant income	4	1	-	-	5
Interest income	588	58	5	(237)	414
Gain from disposal property, plant and equipment	35	-	-	-	35
Fair value loss from derivatives	(2)	(1)	-	-	(3)
Write-down of inventories	(255)	(7)	-	-	(262)
Bad debts write-off	-	-	-	-	-
Interest expense	(7)	(522)	-	237	(292)
Depreciation and amortisation of assets	(203)	(736)	(3)	-	(942)
Depreciation of right-of-use assets	(10)	(420)	-	-	(430)
Segment profit/(loss)	961	5,659	1,340	(2,092)	5,868
Income tax expenses					(738)
Profit for the period					5,130
Assets and liabilities					
*Additions to non-current assets	3	184	-	-	187
Segment assets	120,744	106,575	12,653	(70,275)	169,697
Segment liabilities	17,896	56,044	817	(53,453)	21,304
Tax payable					1,535
Deferred tax liabilities					571
Total liabilities					23,410

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Condensed Interim Financial Statements for the Six Months and Full Year Ended 31 December 2024

Selected notes to the condensed interim consolidated financial statements (cont'd)

6. Segment information (cont'd)

	Continuing Operations				Total S\$'000
	Trading S\$'000	Manufacturing S\$'000	Others S\$'000	Adjustment/ elimination S\$'000	
<u>1 July 2023 to 31 December 2023</u>					
Revenue					
Sales to external customers	10,911	72,546	-	-	83,457
Inter-segment sales	31,790	2,286	-	(34,076)	-
Total	<u>42,701</u>	<u>74,832</u>	<u>-</u>	<u>(34,076)</u>	<u>83,457</u>
Results					
Other income	1,160	1,679	-	(2,761)	78
Dividend income	972	-	-	(972)	-
Government grant income	8	1	-	-	9
Interest income	203	67	5	(66)	209
Gain from disposal property, plant and equipment	114	-	-	(9)	105
Fair value loss from derivatives	(205)	(241)	-	-	(446)
Write-down of inventories	425	13	-	-	438
Bad debts write-off	-	-	-	-	-
Interest expense	(13)	(406)	-	66	(353)
Depreciation and amortisation of assets	(225)	(743)	(2)	-	(970)
Depreciation of right-of-use assets	(30)	(751)	-	-	(781)
Segment profit/(loss)	<u>1,454</u>	<u>2,517</u>	<u>(19)</u>	<u>(1,078)</u>	<u>2,874</u>
Income tax credit					318
Profit for the period					<u>3,192</u>
Assets and liabilities					
*Additions to non-current assets	223	1,073	-	(111)	1,185
Segment assets	<u>93,393</u>	<u>99,526</u>	<u>13,739</u>	<u>(73,128)</u>	<u>133,530</u>
Segment liabilities	<u>23,104</u>	<u>62,362</u>	<u>2,377</u>	<u>(61,387)</u>	<u>26,456</u>
Deferred tax liabilities					631
Total liabilities					<u>27,087</u>

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Selected notes to the condensed interim consolidated financial statements (cont'd)

6. Segment information (cont'd)

	Continuing Operations				Group S\$'000
	Trading S\$'000	Manufacturing S\$'000	Others S\$'000	Adjustment/ elimination S\$'000	
<u>1 January 2024 to 31 December 2024</u>					
Revenue					
Sales to external customers	13,132	144,735	-	-	157,867
Inter-segment sales	34,520	3,698	-	(38,218)	-
Total	47,652	148,433	-	(38,218)	157,867
Results					
Other income	3,374	4,200	8	(6,977)	605
Dividend income	3,134	-	-	(3,134)	-
Government grant income	23	26	-	-	49
Interest income	1,058	122	10	(512)	678
Gain from disposal property, plant and equipment	35	-	-	9	44
Fair value gain from derivatives	188	121	-	-	309
Write-down of inventories	(449)	(7)	-	-	(456)
Bad debts write-off	-	(2)	-	-	(2)
Interest expense	(18)	(1,114)	-	512	(620)
Depreciation and amortisation of assets	(410)	(1,453)	(5)	29	(1,839)
Depreciation of right-of-use assets	(33)	(820)	-	-	(853)
Segment profit/(loss)	479	9,529	1,319	(1,022)	10,305
Income tax expenses					(1,464)
Profit for the year					8,841
Assets and liabilities					
* Additions to non-current assets	14	1,111	-	111	1,236
Segment assets	120,744	106,575	12,653	(70,275)	169,697
Segment liabilities	17,896	56,044	817	(53,453)	21,304
Tax payable					1,535
Deferred tax liabilities					571
Total liabilities					23,410

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Condensed Interim Financial Statements for the Six Months and Full Year Ended 31 December 2024

Selected notes to the condensed interim consolidated financial statements (cont'd)

6. Segment information (cont'd)

	Continuing Operations				Total S\$'000
	Trading S\$'000	Manufacturing S\$'000	Others S\$'000	Adjustment/ elimination S\$'000	
<u>1 January 2023 to 31 December 2023</u>					
Revenue					
Sales to external customers	25,855	123,900	-	-	149,755
Inter-segment sales	38,068	3,759	-	(41,827)	-
Total	63,923	127,659	-	(41,827)	149,755
Results					
Other income	2,277	3,260	14	(5,340)	211
Dividend income	1,567	-	-	(1,567)	-
Government grant income	28	23	-	-	51
Interest income	329	135	15	(66)	413
Gain from disposal property, plant and equipment	176	-	-	(9)	167
Fair value loss from derivatives	(163)	272	-	-	109
(Write-down)/write-back of inventories	(505)	13	-	-	(492)
Bad debts write-off	(28)	-	-	-	(28)
Interest expense	(75)	(978)	-	66	(987)
Depreciation and amortisation of assets	(482)	(1,439)	(5)	-	(1,926)
Depreciation of right-of-use assets	(129)	(1,092)	-	-	(1,221)
Segment profit/(loss)	13	1,805	(56)	(1,617)	145
Income tax credit					308
Profit for the year					453
Assets and liabilities					
*Additions to non-current assets	755	2,445	-	(111)	3,089
Segment assets	93,393	99,526	13,739	(73,128)	133,530
Segment liabilities	23,104	62,362	2,377	(61,387)	26,456
Deferred tax liabilities					631
Total liabilities					27,087

*Addition to non-current assets comprise property, plant and equipment, right-of-use assets and intangible assets.

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Selected notes to the condensed interim consolidated financial statements (cont'd)

6. Segment information (cont'd)

Geographical information

Non-current assets information presented below comprise property, plant and equipment, right-of-use assets and intangible assets as presented in the consolidated balance sheet.

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

	Singapore S\$'000	Malaysia S\$'000	Indonesia S\$'000	Group S\$'000
<u>1 January 2024 to 31 December 2024</u>				
Sales to external customers	157,459	48	360	157,867
Non-current assets	23,722	353	-	24,075
<u>1 January 2023 to 31 December 2023</u>				
Sales to external customers	148,132	1,036	587	149,755
Non-current assets	25,283	337	-	25,620

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Selected notes to the condensed interim consolidated financial statements (cont'd)

7. Disaggregation of revenue

	Group		
	6 months ended 31 December 2024		
	Trading	Manufacturing	Group
	S\$'000	S\$'000	S\$'000
Sales of goods (at a point in time)	5,522	7,530	13,052
Cut & bend (at a point in time)	-	70,835	70,835
Rental of steel plates (over time)	873	-	873
Total Revenue	6,395	78,365	84,760

	Group		
	6 months ended 31 December 2023		
	Trading	Manufacturing	Group
	S\$'000	S\$'000	S\$'000
Sales of goods (at a point in time)	9,790	6,880	16,670
Cut & bend (at a point in time)	-	65,666	65,666
Rental of steel plates (over time)	1,121	-	1,121
Total Revenue	10,911	72,546	83,457

	Group		
	12 months ended 31 December 2024		
	Trading	Manufacturing	Group
	S\$'000	S\$'000	S\$'000
Sales of goods (at a point in time)	11,199	14,770	25,969
Cut & bend (at a point in time)	-	129,965	129,965
Rental of steel plates (over time)	1,933	-	1,933
Total Revenue	13,132	144,735	157,867

	Group		
	12 months ended 31 December 2023		
	Trading	Manufacturing	Group
	S\$'000	S\$'000	S\$'000
Sales of goods (at a point in time)	23,603	10,633	34,236
Cut & bend (at a point in time)	-	113,267	113,267
Rental of steel plates (over time)	2,252	-	2,252
Total Revenue	25,855	123,900	149,755

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Selected notes to the condensed interim consolidated financial statements (cont'd)

8. Profit before income tax

	Group		Group	
	6 months ended 31 December 2024	6 months ended 31 December 2023	12 months ended 31 December 2024	12 months ended 31 December 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Profit before tax from continuing operations is arrived at after crediting/(charging) the following:				
Bad debts write-off	-	-	(2)	(28)
Depreciation of property, plant and equipment	(931)	(1,150)	(1,813)	(2,093)
Depreciation of right-of-use assets	(430)	(781)	(853)	(1,221)
Amortisation of intangible assets	(11)	(16)	(26)	(29)
Gain on disposal of property, plant and equipment	35	105	44	167
(Allowance)/reversal of impairment loss on financial assets	(6)	(2)	42	(80)
Fair value (loss)/gain on derivatives, net	(3)	(446)	309	109
Foreign exchange gain/(loss), net	136	(50)	453	(192)
Interest income	414	209	678	413
Finance costs	(292)	(353)	(620)	(987)
Write down/(write back) of inventories	(262)	439	(456)	(557)

9. Related companies and related parties transactions

The following are significant transactions between the Company and its related companies on rates and terms agreed between the parties during the financial year:

	Company	
	12 months ended 31 December 2024	12 months ended 31 December 2023
	S\$'000	S\$'000
<i>With subsidiaries</i>		
Sales	34,520	38,068
Dividend income	3,134	1,567
Management fee income	2,278	1,344
Interest income	512	66
Other income	855	875
Rental expenses	(770)	(766)
Other expenses	(141)	(77)

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Selected notes to the condensed interim consolidated financial statements (cont'd)

9. Related companies and related parties transactions (cont'd)

	Group		Company	
	12 months ended 31 December 2024	12 months ended 31 December 2023	12 months ended 31 December 2024	12 months ended 31 December 2023
	S\$'000	S\$'000	S\$'000	S\$'000
<i>With a company related to a director of the Company</i>				
Other charges	-	(2)	-	(2)
<i>With a company related to a substantial shareholder of the Company</i>				
Sales	91	-	-	-
Purchases	(24,003)	-	(5,241)	-
Other charges	(28)	-	-	-

10. Discontinued operations

On 7 February 2023, the Group announced its plan to cease the business operations of its subsidiary, First Fortune International Company Limited (“FFI”), in Myanmar, in view that the economic conditions of Myanmar were not expected to improve in the near future, especially after the Financial Action Task Force (“FATF”) moved to place Myanmar on its blacklist of countries effective from October 2022. Accordingly, this had been classified as a disposal group held for sale and the related operations in Myanmar were presented as discontinued operations.

On 13 February 2024, the Group announced that it had entered into a sale and purchase agreement (the “SPA”) with Aung Tin Htut (the “Buyer”), in relation to the disposal of all the ordinary shares it owned in the capital of its subsidiary, namely FFI to the buyer.

The disposal was completed concurrently with the signing of the SPA.

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Selected notes to the condensed interim consolidated financial statements (cont'd)

10. Discontinued operations (cont'd)

a) The results of FFI were as follows:

	1 January 2024 to 13 February 2024	1 January 2023 to 31 December 2023
	S\$'000	S\$'000
Revenue	-	2,380
Cost of sales	-	(2,067)
Gross profit	-	313
Other gains	102	41
Selling, administrative and other operating expenses	(366)	(2,521)
Loss before income tax from discontinued operations	(264)	(2,167)
Income tax expense	-	(57)
Net loss for the period from discontinued operations	(264)	(2,224)

b) The net cash flow incurred by FFI were as follows:

	1 January 2024 to 13 February 2024	1 January 2023 to 31 December 2023
	S\$'000	S\$'000
Operating cash inflows	19	934
Investing cash inflows	-	134
Financing cash outflows	(61)	(1,616)
Total cash outflows	(42)	(548)

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Selected notes to the condensed interim consolidated financial statements (cont'd)

10. Discontinued operations (cont'd)

c) Loss on disposal of FFI

	13 February 2024
	S\$'000
FFI carrying amounts of assets and liabilities as at the date of disposal	
Property, plant and equipment	2,297
Right-of-use assets	1,782
Inventories	8
Income tax recoverable	88
Cash and bank balances	71
Total assets	<u>4,246</u>
Trade and other payables	(1,493)
Bank borrowings	<u>(3,349)</u>
Total liabilities	<u>(4,842)</u>
Net liabilities derecognised	(596)
Less: Non-controlling interests	<u>(291)</u>
Net liabilities disposal of FFI	<u>(305)</u>
Cash proceed on disposal of FFI	2,427
Net liabilities disposal of FFI	305
The Company paid off outstanding bank borrowings of FFI and related expenses*	(3,417)
Other disposal expenses	<u>(337)</u>
	(1,022)
Net loss arising from waiver of intercompany debts owed by FFI **	<u>(2,230)</u>
Loss on disposal of FFI attributable to the owners of the Company***	<u>(3,252)</u>

*The Company has provided a corporate guarantee for the bank borrowings extended to FFI. On 13 February 2024, the Company divested all the ordinary shares it owned in the capital of FFI to the Buyer. During the financial year, the Company paid off FFI's outstanding bank loans in accordance with the terms of the SPA, under which the Company assumed responsibility for the loan settlement.

**On the date of disposal, the intercompany debts owed by FFI to the parent company were waived as part of the disposal arrangement. This was previously fully provided by the Group and has no cashflow impact on completion of the disposal transaction.

***The Company suffered a loss of S\$3,252,000 on disposal of FFI. This amount included a loss of S\$685,000 which was recognised in the previous financial year. The additional loss recognised includes net loss of \$2,230,000 from waiver of intercompany debts and \$337,000 attributed to the disposal expenses incurred in current financial year.

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Selected notes to the condensed interim consolidated financial statements (cont'd)

10. Discontinued operations (cont'd)

d) Cash outflow on disposal of FFI:

	13 February 2024
	S\$'000
Cash proceeds on disposal of FFI	2,427
Less:	
The Company paid off outstanding bank borrowings of FFI and related expenses	(3,417)
Other disposal expenses	(337)
Cash and bank balances in FFI	(71)
Cash outflow on disposal	(1,398)

11. Income tax expenses

The Group calculates the period income tax expenses using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expenses in the condensed interim consolidated statement of profit or loss are:

	Group			
	6 months ended 31 December 2024 S\$'000	6 months ended 31 December 2023 S\$'000	12 months ended 31 December 2024 S\$'000	12 months ended 31 December 2023 S\$'000
Current income tax expense				
Current financial year				
- Attributable to continuing operations	798	3	1,524	13
(Over)/under provision in respect of prior year				
- Attributable to continuing operations	-	(378)	-	(378)
- Attributable to discontinued operations	-	-	-	57
Deferred income tax expenses relating to origination and reversal of temporary differences				
Current financial year				
- Attributable to continuing operations	120	57	120	57
Over provision in respect of prior year				
- Attributable to continuing operations	(180)	-	(180)	-
Total income tax expenses/(credit) recognised in the statement of comprehensive income	738	(318)	1,464	(251)

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Selected notes to the condensed interim consolidated financial statements (cont'd)

12. Earnings per shares

	Group			
	6 months ended 31 December 2024	6 months ended 31 December 2023	12 months ended 31 December 2024	12 months ended 31 December 2023
<u>Earnings per ordinary share for continuing operations:</u>				
Basic (cents)	2.58	2.29	5.06	0.34
Diluted (cents)	2.58	2.29	5.06	0.34
<u>Earnings per ordinary share for discontinued operations:</u>				
Basic (cents)	0.00	(0.69)	(1.45)	(1.11)
Diluted (cents)	0.00	(0.69)	(1.45)	(1.11)
<u>Total earnings per ordinary shares for continuing and discontinued operations:</u>				
Basic (cents)	2.58	1.60	3.61	(0.77)
Diluted (cents)	2.58	1.60	3.61	(0.77)

- (a) Earnings per share were calculated based on weighted average number of shares of 198,628,114 and 139,461,047 for the six months ended 31 December 2024 and for the six months 31 December 2023 respectively.
- (b) Earnings per share were calculated based on weighted average number of shares of 174,756,380 and 132,437,249 for the financial year ended 31 December 2024 and for the financial year ended 31 December 2023 respectively.

Diluted earnings per share were calculated based on adjusted weighted average number of shares during the year. There was no dilution in earnings per ordinary share this year and the comparative last year.

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Selected notes to the condensed interim consolidated financial statements (cont'd)

13. Property, plant and equipment

	Group									
	Freehold land	Buildings	Leasehold buildings	Plant and machinery	Furniture and fittings	Office equipment	Renovation	Motor vehicles	Construction in progress	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cost										
At 31 December 2023	172	228	19,382	21,524	314	573	70	2,502	293	45,058
Additions	-	-	28	638	24	16	-	-	127	833
Disposal and write-off	-	-	-	(1,791)	-	(37)	-	(110)	-	(1,938)
Reclassifications	-	-	-	404	-	-	-	-	(404)	-
Exchange difference	11	13	-	-	-	-	-	-	-	24
At 31 December 2024	183	241	19,410	20,775	338	552	70	2,392	16	43,977
Accumulated depreciation										
At 31 December 2023	-	68	9,065	13,713	289	469	34	1,997	-	25,635
Charge for the year	-	5	663	994	19	51	14	67	-	1,813
Disposal and write-off	-	-	-	(1,683)	-	(36)	-	(110)	-	(1,829)
Exchange difference	-	4	-	-	-	-	-	-	-	4
At 31 December 2024	-	77	9,728	13,024	308	484	48	1,954	-	25,623
Net carrying amount										
At 31 December 2023	172	160	10,317	7,811	25	104	36	505	293	19,423
At 31 December 2024	183	164	9,682	7,751	30	68	22	438	16	18,354

During the financial year ended 31 December 2024, the Group acquired property, plant and equipment with aggregate cost S\$833,000 (31 December 2023: S\$2,200,000). The Group disposed property, plant and equipment for S\$152,000 (31 December 2023: S\$268,000).

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Condensed Interim Financial Statements for the Six Months and Full Year Ended 31 December 2024

Selected notes to the condensed interim consolidated financial statements (cont'd)

13. Property, plant and equipment (cont'd)

	Company					Total S\$'000
	Plant and machinery S\$'000	Furniture and fittings S\$'000	Office equipment S\$'000	Renovation S\$'000	Motor vehicles S\$'000	
Cost						
At 31 December 2023	9,419	264	444	56	2,312	12,495
Additions	-	-	2	-	-	2
Disposal and write-off	(16)	-	(1)	-	(34)	(51)
At 31 December 2024	9,403	264	445	56	2,278	12,446
Accumulated depreciation						
At 31 December 2023	5,463	255	359	29	1,879	7,985
Charge for the period	264	5	40	11	75	395
Disposal and write-off	(9)	-	(1)	-	(34)	(44)
At 31 December 2024	5,718	260	398	40	1,920	8,336
Net carrying amount						
At 31 December 2023	3,956	9	85	27	433	4,510
At 31 December 2024	3,685	4	47	16	358	4,110

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Selected notes to the condensed interim consolidated financial statements (cont'd)

14. Intangible assets

	Group		
	Computer software S\$'000	Club membership S\$'000	Total S\$'000
Cost			
At 31 December 2023	1,061	143	1,204
Additions	49	-	49
At 31 December 2024	1,110	143	1,253
Accumulated amortisation			
At 31 December 2023	1,041	-	1,041
Amortisation	26	-	26
At 31 December 2024	1,067	-	1,067
Net carrying amount			
At 31 December 2023	20	143	163
At 31 December 2024	43	143	186

	Company		
	Computer software S\$'000	Club membership S\$'000	Total S\$'000
Cost			
At 31 December 2023	944	143	1,087
Additions	12	-	12
At 31 December 2024	956	143	1,099
Accumulated amortisation			
At 31 December 2023	933	-	933
Amortisation	16	-	16
At 31 December 2024	949	-	949
Net carrying amount			
At 31 December 2023	11	143	154
At 31 December 2024	7	143	150

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Selected notes to the condensed interim consolidated financial statements (cont'd)

15. Trade and other receivables

	Group	
	31 December 2024	31 December 2023
	S\$'000	S\$'000
Trade receivables	54,701	42,715
Allowance for expected credit loss	(1,647)	(1,685)
Total trade receivables	53,054	41,030
Advances to suppliers	8,025	8,974
Deposits	279	207
Other receivables	8	60
GST receivables	-	147
Allowance for expected credit loss	(4)	(35)
Total other receivables	8,308	9,353
Total trade and other receivables	61,362	50,383

Trade receivables are non-interest bearing and are generally on 30 to 90 days' credit terms. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

Expected credit losses

Receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

Movement in allowance accounts (trade receivables)

	Group	
	12 months ended 31 December 2024	12 months ended 31 December 2023
	S\$'000	S\$'000
At beginning of the year	1,685	4,253
Reclassification to assets of disposal group classified as held for sale	-	(2,207)
(Reversal)/allowance for expected credit loss	(38)	74
Write off during the year	-	(430)
Translation difference	-	(5)
At end of year	1,647	1,685

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Selected notes to the condensed interim consolidated financial statements (cont'd)

15. Trade and other receivables (cont'd)

Movement in allowance accounts (other receivables)

	<u>Group</u>	
	12 months ended 31 December 2024	12 months ended 31 December 2023
	S\$'000	S\$'000
At beginning of the year	35	31
(Reversal)/allowance for expected credit loss	(4)	6
Write off during the year	(28)	-
Translation difference	1	(2)
At end of year	<u>4</u>	<u>35</u>

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Selected notes to the condensed interim consolidated financial statements (cont'd)

15. Trade and other receivables (cont'd)

Credit risk of trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The expected credit losses below also incorporate forward-looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix, grouped by geographical region:

	Trade receivables					
	Less than 3 months past due	3 months to 6 months past due	6 months to 12 months past due	More than 12 months past due	Total	
	Current S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Singapore:						
31 December 2024						
Gross amount	21,083	28,158	1,368	2,520	1,564	54,693
Loss allowance provision	(4)	(19)	(7)	(53)	(1,564)	(1,647)
	<u>21,079</u>	<u>28,139</u>	<u>1,361</u>	<u>2,467</u>	<u>-</u>	<u>53,046</u>
31 December 2023						
Gross amount	18,348	20,689	1,291	807	1,476	42,611
Loss allowance provision	(11)	(34)	(33)	(135)	(1,472)	(1,685)
	<u>18,337</u>	<u>20,655</u>	<u>1,258</u>	<u>672</u>	<u>4</u>	<u>40,926</u>
Other geographical areas:						
31 December 2024						
Gross amount	8	-	-	-	-	8
Loss allowance provision	-	-	-	-	-	-
	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
31 December 2023						
Gross amount	55	49	-	-	-	104
Loss allowance provision	-	-	-	-	-	-
	<u>55</u>	<u>49</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104</u>

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Selected notes to the condensed interim consolidated financial statements (cont'd)

15. Trade and other receivables (cont'd)

Credit risk of concentration profiles

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables at the end of the reporting period is as follows:

	Group	
	31 December 2024	31 December 2023
	S\$'000	S\$'000
By country:		
Indonesia	-	63
Malaysia	8	41
Singapore	53,046	40,926
	<u>53,054</u>	<u>41,030</u>
By industry sectors:		
Trading	637	565
Construction	52,223	39,954
Others	194	511
	<u>53,054</u>	<u>41,030</u>

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Selected notes to the condensed interim consolidated financial statements (cont'd)

16. Trade and other payables

	<u>Group</u>	
	<u>31 December 2024</u>	<u>31 December 2023</u>
	S\$'000	S\$'000
Trade payables	2,923	7,731
Other payables:		
Deposits from customers	74	23
Accrued operating expenses	2,517	1,267
Other payables	1,488	1,401
GST payables	939	-
Total trade and other payables	<u>7,941</u>	<u>10,422</u>

Trade payables are non-interest bearing and are normally settled on 30 to 90 days' term.

Deposits from customers are unsecured and refundable upon the fulfilment of the contractual obligations.

Other payables, excluding GST payables, are unsecured, interest-free, repayable on demand and expected to be settled in cash.

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Selected notes to the condensed interim consolidated financial statements (cont'd)

17. Financial instruments

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 31 December 2024 and 31 December 2023.

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Trade and other receivables	53,337	41,262	38,186	42,022
Bank balances and fixed deposits	71,854	29,274	57,405	17,008
Investment securities	257	3,810	257	3,810
Total financial assets	125,448	74,346	95,848	62,840
Financial liabilities				
Trade and other payables	7,002	10,311	17,323	22,018
Bank borrowings	6,661	8,732	353	766
Lease liabilities	5,125	5,402	35	64
Derivative financial instruments	5	314	13	201
Total financial liabilities	18,793	24,759	17,724	23,049

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Selected notes to the condensed interim consolidated financial statements (cont'd)

18. Financial instruments carried on fair value

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

-Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

-Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

-Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There were no transfers between the levels of fair value measurements during the financial period.

	Group			
	31 December 2024			
	Quoted prices in active market for identical assets (level 1) S\$'000	Significant observable inputs other than quoted (Level 2) S\$'000	Unobservable inputs for the asset or liability (Level 3) S\$'000	Total fair value S\$'000
Liabilities				
Derivative financial instruments				
- Forward Currency contracts	-	(5)	-	(5)
	-	(5)	-	(5)

	Group			
	31 December 2023			
	Quoted prices in active market for identical assets (level 1) S\$'000	Significant observable inputs other than quoted (Level 2) S\$'000	Unobservable inputs for the asset or liability (Level 3) S\$'000	Total fair value S\$'000
Liabilities				
Derivative financial instruments				
- Forward Currency contracts	-	(314)	-	(314)
	-	(314)	-	(314)

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Selected notes to the condensed interim consolidated financial statements (cont'd)

19. Borrowings

	Group				Company			
	31 December 2024		31 December 2023		31 December 2024		31 December 2023	
	Secured [*]	Lease liabilities	Secured [*]	Lease liabilities	Secured [*]	Lease liabilities	Secured [*]	Lease liabilities
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Repayable within one year	1,910	578	2,064	537	353	35	413	29
Repayable after one year	4,751	4,547	6,668	4,865	-	-	353	35
Total	6,661	5,125	8,732	5,402	353	35	766	64

*The bank loans are secured by fixed charge over fixed deposits and investment in bonds that are pledged to banks, as well as mortgage over certain leasehold properties of the Group.

20. Contingent liabilities

Guarantees

- (i) Intra-group financial guarantees comprise corporate guarantees granted by the Company to banks in respect of banking facilities amounting to \$28,037,000 to secure banking facilities provided to certain subsidiaries. The financial guarantees will expire when the loans have been paid and discharged and/or when the banking facilities are no longer available to the subsidiaries.

The principal risk to which the Company is exposed is credit risk in connection with the guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the subsidiaries for which, the guarantees were given on behalf of.

- (ii) As requested by a customer, the Group has provided performance bond of S\$142,000 as security deposits to guarantee satisfactory supply and delivery of goods. The performance bond remains in full force until 31 January 2029. As at the end of the reporting period, no liability is expected to arise.

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Selected notes to the condensed interim consolidated financial statements (cont'd)

21. Share capital and treasury shares

21.1 Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

<u>Share capital</u>	FY2024 S\$'000	FY2023 S\$'000
At 1 January	77,463	70,496
Issuance from share placements*	12,983	6,967
Issuance from rights issue*	19,436	-
At 31 December	<u>109,882</u>	<u>77,463</u>

<u>Total number of issued shares</u>	FY2024	FY2023
At 1 January	155,670,771	130,611,365
Issuance from share placements	50,130,000	25,059,406
Issuance from rights issue	74,254,237	-
At 31 December	<u>280,055,008</u>	<u>155,670,771</u>
Treasury shares	<u>(5,314,330)</u>	<u>(5,314,330)</u>
Total number of issued shares excluding treasury shares	<u>274,740,678</u>	<u>150,356,441</u>

	31 December 2024	31 December 2023
Number of issued shares (excluding treasury shares)	274,740,678	150,356,441
Number of treasury shares	5,314,330	5,314,330
Percentage of number of treasury shares against the total number of issued shares (excluding treasury shares and subsidiary holdings)	<u>1.93%</u>	<u>3.53%</u>

*Amounts are net of the share issuance expenses of S\$69,000 and S\$598,000 in respective financial year 2023 and 2024.

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Selected notes to the condensed interim consolidated financial statements (cont'd)

21. Share capital and treasury shares (cont'd)

Issuance from share placement

On 28 June 2024 and 15 August 2024, the Company completed the allotment and issuance of 16,130,000 and 34,000,000 Placement Shares, respectively, to Green Steel Pte. Ltd at an issue price of S\$0.266 per share. This resulted in a cash consideration of S\$4,290,580 and S\$9,044,000 respectively, before deducting related expenses incurred

Issuance from rights issue

On 11 October 2024, the Company announced a renounceable non-underwritten rights issue of up to 74,254,237 new ordinary shares in the capital of the Company at an issue price of S\$0.266 for each rights Share, on the basis of 10 rights Shares for every 27 existing ordinary shares in the capital of the Company.

On 16 December 2024, the Company completed the allotment and issuance of 74,254,237 new ordinary shares for the rights issue. The Company received a cash consideration of S\$19,751,627 from the rights issue, before deducting related expenses incurred.

As at date of this announcement, the utilisation of net proceeds raised by the Company from above share placements and rights issue as well as previous share placement are as follows.

Date of shareplacement /Rights issue	Use of net proceed	Amount allocated	Amount utilised as the date of announcement	Balance as the date of announcement
		S\$'000 (*)	S\$'000	S\$'000
19/9/2023	General Working Capital	6,890	6,466 (**)	424
28/6/2024 & 15/1/2024	General working capital, capital expenditure & other business expansion needs	13,052	-	13,052
16/12/2024	General working capital, core business expansion , making strategic investment and/or acquisitions	19,436	170 (***)	19,266
	Total	39,378	6,636	32,742

*Amounts are net of the expenses for the share placement(s)/rights issue.

**General working capital consists of purely trade payment for purchase of inventory

***Being general working capital of approximately S\$170,000 which consists of professional fees and other expenses incurred in connection with the response to the mandatory cash offer by Green Steel Pte Ltd. Pursuant to the announcement dated 11 October 2024 and the Offer Information Statement dated 21 November 2024 made/ issued by the Company, 35% - 40% of the net proceeds from the Rights Issued is allocated to meet the Company's general working capital purposes.

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Selected notes to the condensed interim consolidated financial statements (cont'd)

21. Share capital and treasury shares (cont'd)

The use of the Net Proceeds is in accordance with the intended use as disclosed in the Company's announcements dated 31 August 2023, 11 October 2024 and 21 November 2024. The Company will make periodic announcements as and when the balance of the Net Proceeds is materially utilised.

The Company did not hold any options, convertibles or subsidiary holdings as at 31 December 2024 and 31 December 2023

21.2 to show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year.

	31 December 2024	31 December 2023
	S\$'000	S\$'000
Share capital	109,882	77,463

	31 December 2024	31 December 2023
Total number of issued shares	280,055,008	155,670,771
Treasury shares	(5,314,330)	(5,314,330)
Total number of issued shares excluding treasury shares	274,740,678	150,356,441

There was no sale, transfer, disposal, cancellation and use of treasury shares during the current financial year ended 31 December 2024.

22. Dividends

Group	
12 months ended 31 December 2024	12 months ended 31 December 2023
S\$'000	S\$'000

Ordinary dividend paid:

Final dividend in respect of the financial year ended 31 December 2022

2022: S\$0.025 per ordinary share	-	3,132
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23. Net asset value

	Group		Company	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
Net asset value per ordinary share (S\$)	0.53	0.72	0.37	0.47

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Selected notes to the condensed interim consolidated financial statements (cont'd)

24. Seasonality of operations

The Group's businesses are not significantly affected by seasonal or cyclical factor during the current financial year ended 31 December 2024.

25. Subsequent events

On 16 December 2024, Green Steel Pte. Ltd. (the "Offeror"), the controlling shareholder of the Company, announced that in compliance with Rule 14 of The Singapore Code on Take-overs and Mergers, the Offeror intended to make a mandatory conditional general cash offer for all the issued and paid-up ordinary shares in the capital of the Company and together with its subsidiaries, other than treasury shares and those Shares already owned, controlled or agreed to be acquired by the Offeror and its concert parties (the "Offeror Concert Party Group").

On 3 February 2025, the Offeror announced that the Offer had closed at 5.30 p.m. (Singapore time).

Accordingly, as at 5.30 p.m. (Singapore time) on 3 February 2025, the total number of Shares owned, controlled, acquired or agreed to be acquired by the Offeror and the Concert Parties (including valid acceptances of the Offer) amount to an aggregate of 144,498,391 Shares, representing approximately 52.59% of the total number of issued Shares in the capital of the Company.

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Other information required by Listing Rule Appendix 7.2

26. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The condensed consolidated statement of financial position of HG Metal Manufacturing Limited and its subsidiaries as at 31 December 2024 and related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month and twelve-month period then ended and certain explanatory notes have not been audited or reviewed.

27. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Financial performance of the Group (2H2024 vs 2H2023)

Continuing operations

Revenue and Gross Profit

The Group recorded revenue of S\$84.8 million in 2H2024 as compared to S\$83.5 million in 2H2023, the slight growth in revenue was mainly due to a 13% increase in the sales volume on a year-on-year basis. that was substantially offset by the drop in average selling price of steel in 2H2024 in tandem with the general decline in international steel prices.

The overall gross profit margin for 2H2024 improved to 14.3%, up from 10.4% in 2H2023, mainly due to a lower weighted average cost of material on hand. As a result, the Group achieved a gross profit of S\$12.2 million in 2H2024 compared to S\$8.7 million in 2H2023.

Other Operating Income

Other operating income increased by 67% in 2H2024 compared to 2H2023 primarily driven by a fair value gain in forward currency contracts and gains from foreign currency exchange.

Selling and Distribution, Administrative, Other Operating and Finance Expenses

The Group's selling and distribution expenses in 2H2024 were higher than 2H2023 mainly due to increased out-sourced logistic services in line with the increase in sales volume.

Administrative expenses for 2H2024 increased by 20% to S\$4.0 million in 2H2024 from S\$3.4 million in 2H2023, primarily due to increase in salary cost.

Other operating expenses for 2H2024 decreased to S\$1.7 million, down from S\$1.9 million in 2H2023. The decline was mainly attributed to lower depreciation expenses.

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Other information required by Listing Rule Appendix 7.2 (cont'd)

Total finance costs incurred in 2H2024 which were primarily related to trade financing, term loans from banks, construction loans and leases for properties redevelopment, decreased compared to 2H2023. The reduction was mainly due to lower bank borrowings.

Profitability

The Group reported a net profit before tax of S\$5.9 million from continuing operations in 2H2024, compared to a profit before tax of S\$2.9 million in 2H2023. The improved financial results was driven by higher gross profit generated and lower operating expenses incurred in 2H2024.

The income tax expense for 2H2024 was S\$0.7 million. In contrast, a tax refund of S\$0.3 million for 2H2023 was received due to over payment, resulting in a tax credit for 2H2023.

The Group recorded a net profit after tax of S\$5.1 million in 2H2024 compared to a net profit after tax of S\$3.2 million in 2H2023 from continuing operations.

Discontinued operations

No financial numbers for the discontinued operation were recorded in 2H2024 as it was divested on 13 February 2024.

Results for FY2024 versus FY2023

Continuing operations

Revenue and Gross Profit

The Group achieved revenue of S\$157.9 million in FY2024, compared to S\$149.8 million in FY2023. The slight revenue growth was primarily driven by a 19% increase in sales volume, although the gain was partially offset by a decline in average selling prices, in view of the softening of global steel prices compared to same period last year.

The overall gross profit margin for FY2024 increased to 14.0%, up from 8.5% in FY2023. This was mainly attributed to a lower weighted average cost of material on hand. As a result, the Group recorded a higher gross profit of S\$22.1 million in FY2024, compared to S\$12.8 million in FY2023.

Other Operating Income

Other operating income increased to S\$1.7 million in FY2024, up from S\$1.0 million in FY2023. This was mainly attributed to a fair value gain in forward currency contracts and a gain on from foreign currency exchange.

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Other information required by Listing Rule Appendix 7.2 (cont'd)

Selling and distribution, Administrative, Other Operating and Finance Costs

Total selling and distribution costs incurred rose to S\$1.5 million in FY2023 compared to S\$0.9 million in FY2023, driven by increased delivery volumes, higher use of outsourced logistics services and a rise in transport charges..

Administrative expenses increased to S\$8.0 million in FY2024 compared to S\$7.4 million mainly due to increase in staff cost.

Other operating expenses for FY2024 decreased to S\$3.4 million, down from S\$4.2 million in the previous financial year, primarily due to lower depreciation expenses.

Total finance costs incurred amounted to S\$0.6 million in FY2024, compared to S\$1.0 million in FY2023. The decrease was mainly due to lower bank borrowings.

The Group recorded a reversal of impairment loss on financial assets of S\$0.04 million in FY2024 as compared to an impairment loss of S\$0.08 million in FY2023 as the customers repaid the previously impaired amounts.

Profitability

The Group reported a net profit before tax from continuing operations of S\$10.3 million in FY2024 up from a net profit before tax of S\$0.1 million in FY2023 mainly driven by an increase in gross profit.

The income tax expense for FY2024 was S\$1.5 million. In FY2023, the Group recognized a tax credit of S\$0.3 million, resulting from a refund due to overpaid taxes.

The Group recorded a net profit after tax from continuing operations of S\$8.8 million in FY2024, compared to a net profit after tax of S\$0.5 million in FY2023.

Discontinued operations

The Group recorded a net loss after tax of S\$264,000 in FY2024 for its discontinued operation. The discontinued operation was divested on 13 February 2024.

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Other information required by Listing Rule Appendix 7.2 (cont'd)

Balance Sheet

The Group's non-current assets, which comprised mainly property, plant and equipment and right-of-use assets were S\$24.5 million as of 31 December 2024 compared to S\$26.0 million as at 31 December 2023.

As of 31 December 2024, the Group's inventory on hand reduced to S\$11.9 million from S\$24.2 million as at 31 December 2023 which is in line with the Group's strategy to optimize its inventory holding.

Trade and other receivables amounted to S\$61.4 million as of 31 December 2024, compared to S\$50.4 million as at 31 December 2023. The increase of S\$11.0 million was mainly attributed to an increase in trade receivables in line with higher revenue generated in FY2024. The Group will continue to closely track and manage its trade receivables.

Trade and other payables decreased to S\$7.9 million as of 31 December 2024, down from S\$10.4 million as of 31 December 2023 mainly due to repayments made to suppliers.

Total bank borrowings decreased to S\$6.7 million as of 31 December 2024 from S\$8.7 million as of 31 December 2023 mainly due to loan repayments.

Statement of Cash Flows

The Group generated cash flows from operating activities of S\$11.5 million in FY2024. This was due to profits from operations, offset by net decrease in working capital, primarily due to an increase in trade and other receivables.

Net cash used in investing activities for FY2024 amounted to S\$2.2 million. This included mainly S\$3.6 million for fixed deposit pledged with banks, S\$0.9 million for purchase of property, plant and equipment and intangible assets as well as S\$1.4 million in net cash outflow for the disposal of a subsidiary. These outflows were partially offset by S\$3.5 million in proceeds from maturity of investment securities and S\$0.1 million in proceeds from disposal of property, plant and equipment.

Net cash inflows from financing activities for FY2024 totaled S\$29.7 million. This amount included net proceeds of S\$13.0 million from a share placement and S\$19.4 million from a rights issue after accounting for S\$2.1 million in banks borrowings repayment and S\$0.6 million in principal lease repayments.

The Group's cash and cash equivalents increased to S\$55.4 million as at 31 December 2024, up from S\$16.5 million as at 31 December 2023.

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Other information required by Listing Rule Appendix 7.2 (cont'd)

- 28. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

The Group's financial results for financial year ended 31 December 2024 is in line with the Group's announcement on 21 February 2024.

- 29. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The Building and Construction Authority (BCA) has projected Singapore's construction demand for 2025 to range between S\$47 billion and S\$53 billion, driven by major projects such as the Changi Airport Terminal 5, Marina Bay Sands expansion, public housing, healthcare and educational facilities, and infrastructure developments like MRT projects and Tuas Port. In real terms, demand is expected to be between S\$35 billion and S\$39 billion, slightly surpassing pre-COVID levels. Looking ahead, BCA anticipates an average annual construction demand of S\$39 billion to S\$46 billion from 2026 to 2029, underpinned by ongoing and upcoming infrastructure and development projects.¹

Singapore's GDP grew by 4.4% in 2024, signaling a positive economic trajectory. This growth was driven by strong performances across key sectors, including wholesale trade, finance and insurance, and manufacturing. Additionally, the construction sector expanded by 4.5%, building on the 5.8% growth achieved in 2023.²

However, the Ministry of Trade and Industry (MTI) has maintained its GDP growth forecast for 2025 at a more modest 1.0% to 3.0%. This projection reflects a more measured pace of growth compared to the robust 4.4% expansion in 2024. MTI attributes the cautious outlook to significant global economic uncertainties, including trade tensions and geopolitical conflicts, which could pose risks to Singapore's trade-dependent economy.²

Hence, while BCA's outlook for construction demand remains positive, the more subdued GDP forecast for 2025 could present challenges for the construction sector as the potential realization of global economic risks and geopolitical uncertainties may impact the sector's growth path.

The Group's business fundamentals will continue to be supported by the growth of the Singapore construction sector. The Group posted a business volume growth of 19% in FY2024 compared to FY2023 and a net profit after tax of S\$8.6 million in FY2024, signifying our unwavering effort to pursue business growth and ensure a turnaround from the loss position of S\$1.8 million recorded in FY2023. This performance underscores our commitment to creating long-term value for our shareholders.

In FY2024, the Group completed a share placement and rights issue exercise to raise funds of approximately S\$32.4 million (net of the related expenses incurred), which strengthened our balance sheet and positioned us for further growth opportunities.

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Other information required by Listing Rule Appendix 7.2 (cont'd)

Meanwhile, effective 3 February 2025 Green EsteeL Pte Ltd has become the majority shareholder of the Group following the successful completion of a mandatory general cash offer. With its robust financial position, extensive business networks, and deep understanding of the regional business landscape, we are confident that this partnership will create valuable synergies, expand our capabilities and support the Group's long-term growth strategy.

¹<https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2025/01/23/construction-demand-to-remain-strong-for-2025>

²<https://www.mti.gov.sg/Newsroom/Press-Releases/2025/02/MTI-Maintains-2025-GDP-Growth-at-1-to-3-Per-Cent>

30. Dividend

(a) Current financial period reported on

Any dividend recommended for the current financial year reported on?

No.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Not Applicable

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

Condensed Interim Financial Statements for the Six Months and Full Year Ended 31 December 2024

Other information required by Listing Rule Appendix 7.2 (cont'd)

31. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended for the current financial year as the Company intends to conserve its cash for reinvestments and growth opportunities, while minimising reliance on interest-bearing debt. However, we remain committed to recommending dividends when the time is right, striking a balance between rewarding shareholders and supporting the Group's long-term goals.

32. Interested persons transactions

The shareholders approved a general mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited in the extraordinary general meeting of the Company held on 1 November 2024.

Pursuant to the approved mandate, contracts entered into with the Mandated Interested Person, namely BRC Asia Limited ("BRC") prior to Green Esteel Pte Ltd ("Esteel") became the controlling shareholder of the Group on 15 August 2024 do not constitute interested persons transactions under Chapter 9 of the Listing Manual. Other than the fulfilment of remaining contractual obligations for contracts executed with BRC prior to 15 August 2024, the Group has not entered into any new transactions with Esteel and its associates (including BRC) since 15 August 2024 to 31 December 2024.

There were no interested person transactions with aggregate value of more than S\$100,000 during financial year ended 31 December 2024 pursuant to Rule 907 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

33. Confirmation pursuant to Rule 720(1) of the Listing Manual

We confirm that the Group has procured undertakings to comply with the Listing Manual of the Singapore Exchange Securities Trading Limited from all its directors and executive officers.

34. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Not applicable

35. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Mainboard Rules

Not applicable

On behalf of the Board,

Ong Hwee Li

Xiao Xia

Chairman

Executive Director and Chief Executive Officer

28 February 2025