



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

**Condensed Interim Financial Statements  
for the Half Year Ended 31 March 2026**



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

**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

	Note	Group		
		6 months ended 31 March 2026	6 months ended 31 March 2025	%
		S\$'000	S\$'000	(+/-)
<b>Revenue</b>	7	<b>80,970</b>	<b>85,363</b>	<b>(5)</b>
Cost of sales		(67,164)	(73,991)	(9)
<b>Gross profit</b>		<b>13,806</b>	<b>11,372</b>	<b>21</b>
<b>Gross margin</b>		<b>17.1%</b>	<b>13.3%</b>	
Other operating income		1,252	2,950	(58)
Selling and distribution costs		(830)	(901)	(8)
Administrative expenses		(4,757)	(4,303)	11
Other operating expenses		(2,159)	(1,798)	20
Finance costs		(189)	(271)	(30)
Reversal/(allowance) of impairment loss on financial assets		27	(6)	nm*
<b>Profit before income tax</b>	8	<b>7,150</b>	<b>7,043</b>	<b>2</b>
Income tax expense	10	(1,135)	(791)	43
<b>Net Profit for the period</b>		<b>6,015</b>	<b>6,252</b>	<b>(4)</b>
<b>Profit attributable to:</b>				
Owners of the Company		6,015	6,252	(4)
		<b>6,015</b>	<b>6,252</b>	<b>(4)</b>
<b>Other comprehensive income:</b>				
Item that may be reclassified subsequently to profit or loss :				
Foreign currency translation		38	(106)	nm*
<b>Other comprehensive income for the period, net of tax</b>		<b>38</b>	<b>(106)</b>	<b>nm*</b>
<b>Total comprehensive income for the period</b>		<b>6,053</b>	<b>6,146</b>	<b>(2)</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company		6,053	6,146	(2)
		<b>6,053</b>	<b>6,146</b>	<b>(2)</b>
<b>Earnings per ordinary share:</b>				
Basic (cents)				
Earning per ordinary share	11	2.19	2.57	
Diluted (cents)				
Earning per ordinary share	11	2.19	2.57	

\*nm denotes not meaningful

**HG METAL MANUFACTURING LIMITED**  
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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

**Condensed interim statements of financial position**

	Note	Group		Company	
		30 September		30 September	
		31 March 2026	2025	31 March 2026	2025
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	12	16,779	17,363	3,836	3,997
Right-of-use assets		4,910	5,201	66	-
Intangible assets	13	261	290	147	161
Investment in subsidiaries		-	-	13,028	13,028
Investment securities		252	253	252	253
Investment in unquoted equity shares		5,701	-	-	-
Restricted deposits		142	142	-	-
		<u>28,045</u>	<u>23,249</u>	<u>17,329</u>	<u>17,439</u>
<b>Current assets</b>					
Investment securities		2	2	2	2
Cash and cash equivalents		55,532	68,547	40,885	55,635
Fixed deposits pledged with banks		16,325	16,325	12,325	12,325
Inventories		7,905	9,769	1,751	2,041
Trade and other receivables	14	67,920	57,056	41,679	36,004
Prepaid expenses		480	378	134	178
Derivative financial instruments*	17	1	-	-	-
		<u>148,165</u>	<u>152,077</u>	<u>96,776</u>	<u>106,185</u>
<b>Total assets</b>		<u>176,210</u>	<u>175,326</u>	<u>114,105</u>	<u>123,624</u>
<b>Current liabilities</b>					
Lease liabilities	18	460	582	11	-
Trade and other payables	15	7,556	7,839	10,385	16,329
Bank borrowings	18	943	1,198	-	36
Provision for income tax		1,876	1,428	-	-
Derivative financial instruments*	17	17	369	17	261
		<u>10,852</u>	<u>11,416</u>	<u>10,413</u>	<u>16,626</u>
<b>Non-current liabilities</b>					
Lease liabilities	18	4,260	4,346	57	-
Bank borrowings	18	3,483	3,881	-	-
Deferred tax liabilities		623	623	-	-
Provision for reinstatement costs		1,572	1,572	-	-
		<u>9,938</u>	<u>10,422</u>	<u>57</u>	<u>-</u>
<b>Total liabilities</b>		<u>20,790</u>	<u>21,838</u>	<u>10,470</u>	<u>16,626</u>
<b>Net assets</b>		<u>155,420</u>	<u>153,488</u>	<u>103,635</u>	<u>106,998</u>
<b>Equity attributable to owners of the Company</b>					
Share capital	20	109,882	109,882	109,882	109,882
Treasury shares		(3,034)	(3,034)	(3,034)	(3,034)
Other reserves		2,788	2,750	2,527	2,527
Accumulated profits/(losses)		45,783	43,889	(5,740)	(2,377)
		<u>155,419</u>	<u>153,487</u>	<u>103,635</u>	<u>106,998</u>
<b>Non-controlling interests</b>		<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>		<u>155,420</u>	<u>153,488</u>	<u>103,635</u>	<u>106,998</u>
<b>Total equity and liabilities</b>		<u>176,210</u>	<u>175,326</u>	<u>114,105</u>	<u>123,624</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 purchases.

**HG METAL MANUFACTURING LIMITED**  
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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

**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 October 2025	109,882	(3,034)	2,527	(212)	435	43,889	153,487	1	153,488
Profit for the period	-	-	-	-	-	6,015	6,015	-	6,015
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	-	-	38	-	38	-	38
Other comprehensive income for the period, net of tax	-	-	-	-	38	-	38	-	38
Total comprehensive income for the period	-	-	-	-	38	6,015	6,053	-	6,053
<u>Contribution by and distributions to owners</u>									
Dividend on ordinary shares	-	-	-	-	-	(4,121)	(4,121)	-	(4,121)
Total contribution by and distributions to owners	-	-	-	-	-	(4,121)	(4,121)	-	(4,121)
Total transactions with owners in their capacity as owners	-	-	-	-	-	(4,121)	(4,121)	-	(4,121)
At 31 March 2026	109,882	(3,034)	2,527	(212)	473	45,783	155,419	1	155,420

**HG METAL MANUFACTURING LIMITED**  
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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

**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 October 2024	90,798	(3,034)	2,527	(212)	672	31,818	122,569	1	122,570
Profit for the period	-	-	-	-	-	6,252	6,252	-	6,252
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	-	-	(106)	-	(106)	-	(106)
Other comprehensive income for the period, net of tax	-	-	-	-	(106)	-	(106)	-	(106)
Total comprehensive income for the period	-	-	-	-	(106)	6,252	6,146	-	6,146
<u>Contribution by and distributions to owners</u>									
Issuance of ordinary shares	19,084	-	-	-	-	-	19,084	-	19,084
Total contribution by and distributions to owners	19,084	-	-	-	-	-	19,084	-	19,084
Total transactions with owners in their capacity as owners	19,084	-	-	-	-	-	19,084	-	19,084
At 31 March 2025	109,882	(3,034)	2,527	(212)	566	38,070	147,799	1	147,800

**HG METAL MANUFACTURING LIMITED**  
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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

Company	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 October 2025	109,882	(3,034)	2,527	(2,377)	106,998
Profit for the period, representing total comprehensive income for the period	-	-	-	758	758
<u>Contributions by and distributions to owners</u>					
Dividend on ordinary shares	-	-	-	(4,121)	(4,121)
Total transactions by and distributions to owners	-	-	-	(4,121)	(4,121)
Total transactions with owners in their capacity as owners	-	-	-	(4,121)	(4,121)
At 31 March 2026	109,882	(3,034)	2,527	(5,740)	103,635
At 1 October 2024	90,798	(3,034)	2,527	(8,703)	81,588
Profit for the period, representing total comprehensive income for the period	-	-	-	1,902	1,902
<u>Contributions by and distributions to owners</u>					
Issuance of ordinary shares	19,084	-	-	-	19,084
Total transactions by and distributions to owners	19,084	-	-	-	19,084
Total transactions with owners in their capacity as owners	19,084	-	-	-	19,084
At 31 March 2025	109,882	(3,034)	2,527	(6,801)	102,574

**HG METAL MANUFACTURING LIMITED**  
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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

**Condensed interim consolidated statement of cash flows**

	<b>Group</b>	
	6 months ended 31 March 2026	6 months ended 31 March 2025
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	7,150	7,043
Adjustments for:		
Depreciation of property, plant and equipment	890	921
Depreciation of right-of-use assets	424	453
Amortisation of intangible assets	30	14
Gain on disposal of property, plant and equipment	-	(17)
Write down of inventories	151	262
(Reversal)/allowance of impairment loss on financial assets	(27)	6
Fair value gain on derivatives, net	(354)	(1,363)
Finance costs	189	271
Interest income	(256)	(578)
Unrealised foreign exchange (loss)/gain, net	29	(397)
<b>Operating cash flow before changes in working capital</b>	<b>8,226</b>	<b>6,615</b>
Working capital changes:		
Inventories	1,713	(2,891)
Trade and other receivables	(9,946)	(4,324)
Prepaid expenses	(102)	(22)
Trade and other payables	(283)	5,978
<b>Cash (used in)/generated from operations</b>	<b>(392)</b>	<b>5,356</b>
Interest expense paid	(189)	(271)
Interest income received	367	260
Income tax paid	(687)	(2)
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(901)</b>	<b>5,343</b>
<b>Cash flows from investing activities</b>		
Purchase of unquoted equity shares	(5,701)	-
Purchase of property, plant and equipment	(289)	(251)
Purchase of intangible assets	(1)	(61)
Deposits for capital commitment	(1,000)	-
<b>Net cash flows used in investing activities</b>	<b>(6,991)</b>	<b>(312)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares in the Company	-	19,153
Dividends paid on ordinary shares of the Company	(4,121)	-
Repayment of bank borrowings	(653)	(1,235)
Principal element of lease payments	(341)	(340)
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(5,115)</b>	<b>17,578</b>
Net (decrease)/increase in cash and cash equivalents	(13,007)	22,609
Effects on exchange rate changes on cash and cash equivalents	(8)	(310)
Cash and cash equivalents at beginning of financial period	68,547	28,249
<b>Cash and cash equivalents at end of financial period</b>	<b>55,532</b>	<b>50,548</b>

# HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

## Condensed Interim Financial Statements for the Half Year Ended 31 March 2026

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### 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. The immediate and ultimate holding company is Green Estee! Pte. Ltd., a company incorporated and domiciled in Singapore.

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. Change in financial year end and comparability of results

The Company changed its financial year end from 31 December to 30 September in the previous financial year. Accordingly, the financial year ended 30 September 2025 comprised a nine-month period from 1 January to 30 September.

The condensed interim consolidated income statement for the six-months ended 31 March 2026 covers the period from 1 October 2025 to 31 March 2026. The comparative figures for the six months ended 31 March 2025 relate to the period from 1 October 2024 to 31 March 2025 and do not correspond to the immediately preceding financial year.

#### 3. Basis of Preparation

The condensed interim financial statements for the six months ended 31 March 2026 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 annual financial statements for the period ended 30 September 2025.

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.

#### 4. 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 October 2025. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

**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 period ended 30 September 2025.

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.

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.

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.

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 in 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 14.

# HG METAL MANUFACTURING LIMITED

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## Condensed Interim Financial Statements for the Half Year Ended 31 March 2026

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

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

##### (a) *Allowance for expected credit losses of trade receivables (cont'd)*

The carrying amount of trade receivables as at 31 March 2026 was S\$53,045,000 (30 September 2025: S\$49,787,000) respectively. The ECLs provided are disclosed in Note 14.

##### (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 March 2026 was S\$7,905,000 (30 September 2025: S\$9,769,000). Included in the carrying amount of the inventories is an allowance of write-down of inventories of S\$747,000 (30 September 2025: S\$692,000).

#### 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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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

**6. Segment information (cont'd)**

	Trading	Manufacturing	Others	Adjustment/ elimination	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>1 October 2025 to 31 March 2026</u></b>					
<b>Revenue</b>					
Sales to external customers	2,745	78,225	-	-	80,970
Inter-segment sales	28,353	107	-	(28,460)	-
Total	<u>31,098</u>	<u>78,332</u>	<u>-</u>	<u>(28,460)</u>	<u>80,970</u>
<b>Results</b>					
Other income	2,420	3,014	19	(4,811)	642
Interest income	448	31	4	(227)	256
Fair value gain from derivatives	245	109	-	-	354
Write-down of inventories	(151)	-	-	-	(151)
Interest expense	(1)	(415)	-	227	(189)
Depreciation and amortisation of assets	(175)	(742)	(3)	-	(920)
Depreciation of right-of-use assets	(7)	(417)	-	-	(424)
Segment profit/(loss)	<u>758</u>	<u>6,492</u>	<u>(1)</u>	<u>(99)</u>	<u>7,150</u>
Income tax expenses					(1,135)
Profit for the period					<u>6,015</u>
<b>Assets and liabilities</b>					
*Additions to non-current assets	74	347	-	-	421
Segment assets	<u>114,106</u>	<u>112,348</u>	<u>12,769</u>	<u>(63,013)</u>	<u>176,210</u>
Segment liabilities	<u>10,469</u>	<u>48,153</u>	<u>5,732</u>	<u>(46,063)</u>	<u>18,291</u>
Tax payable					1,876
Deferred tax liabilities					623
Total liabilities					<u>20,790</u>

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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

**6. Segment information (cont'd)**

	Trading	Manufacturing	Others	Adjustment/ elimination	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1 October 2024 to 31 March 2025</b>					
<b>Revenue</b>					
Sales to external customers	5,480	79,883	-	-	85,363
Inter-segment sales	38,974	1,815	-	(40,789)	-
Total	44,454	81,698	-	(40,789)	85,363
<b>Results</b>					
Other income	3,113	2,905	17	(4,028)	2,007
Dividend income	704	-	-	(704)	-
Government grant income	23	4	-	-	27
Interest income	609	51	4	(86)	578
Gain from disposal property, plant and equipment	17	-	-	-	17
Fair value gain from derivatives	65	396	14	(154)	321
Write-down of inventories	(255)	(7)	-	-	(262)
Interest expense	(5)	(352)	-	86	(271)
Depreciation and amortisation of assets	(190)	(742)	(3)	-	(935)
Depreciation of right-of-use assets	(11)	(442)	-	-	(453)
Segment profit/(loss)	1,900	5,876	1,357	(2,090)	7,043
Income tax expense					(791)
Profit for the period					6,252
<b>Assets and liabilities</b>					
*Additions to non-current assets	5	510	-	-	515
Segment assets	125,936	107,982	11,933	(69,392)	176,459
Segment liabilities	23,359	55,288	105	(52,568)	26,184
Tax payable					1,905
Deferred tax liabilities					571
Total liabilities					28,660

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

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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

**7. Disaggregation of revenue**

	<b>Group</b>		
	6 months ended 31 March 2026		
	<b>Trading</b> S\$'000	<b>Manufacturing</b> S\$'000	<b>Group</b> S\$'000
Sales of goods (at a point in time)	1,678	7,926	9,604
Cut & bend (at a point in time)	-	70,299	70,299
Rental of steel plates (over time)	1,067	-	1,067
<b>Total Revenue</b>	<b>2,745</b>	<b>78,225</b>	<b>80,970</b>

	<b>Group</b>		
	6 months ended 31 March 2025		
	<b>Trading</b> S\$'000	<b>Manufacturing</b> S\$'000	<b>Group</b> S\$'000
Sales of goods (at a point in time)	4,627	6,990	11,617
Cut & bend (at a point in time)	-	72,893	72,893
Rental of steel plates (over time)	853	-	853
<b>Total Revenue</b>	<b>5,480</b>	<b>79,883</b>	<b>85,363</b>

**8. Profit before income tax**

	<b>Group</b>	
	6 months ended 31 March 2026	6 months ended 31 March 2025
	S\$'000	S\$'000
Profit before tax is arrived at after crediting/(charging) the following:		
Reversal/(allowance) of impairment loss on financial assets	27	(6)
Amortisation of intangible assets	(30)	(14)
Depreciation of property, plant and equipment	(890)	(921)
Depreciation of right-of-use assets	(424)	(453)
Fair value gain on derivatives, net	354	1,363
Foreign exchange gain, net	75	892
Finance costs	(189)	(271)
Gain on disposal of property, plant and equipment	-	17
Interest income	256	578
Write down of inventories	(151)	(262)

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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

**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 period:

	<b>Company</b>			
	6 months ended	6 months ended		
	31 March 2026	31 March 2025		
	S\$'000	S\$'000		
<i>With subsidiaries</i>				
Sales	28,353	38,974		
Dividend income	-	704		
Management fee income	2,163	1,553		
Interest income	227	86		
Other income	264	413		
Rental expenses	(513)	(469)		
Other expenses	(22)	(70)		
<hr/>				
	<b>Group</b>		<b>Company</b>	
	6 months ended	6 months ended	6 months ended	6 months ended
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
	S\$'000	S\$'000	S\$'000	S\$'000
<i>With a fellow subsidiary of the Company</i>				
Sales	166	-	-	-
Purchases	(51,512)	(23,334)	(27,758)	(1,931)
Other charges	(181)	(55)	-	-

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

**10. Income tax expense**

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

	<u>Group</u>	
	6 months ended 31 March 2026	6 months ended 31 March 2025
	S\$'000	S\$'000
<b>Current income tax expense</b>		
Current financial year	1,135	791
<b>Total income tax expenses recognised in the statement of comprehensive income</b>	<u>1,135</u>	<u>791</u>

**11. Earnings per shares**

	<u>Group</u>	
	6 months ended 31 March 2026	6 months ended 31 March 2025
<u>Earnings per ordinary share:</u>		
Basic (cents)	2.19	2.57
Diluted (cents)	<u>2.19</u>	<u>2.57</u>

Earnings per share were calculated based on weighted average number of shares of 274,740,678 and 243,733,414 for the period ended 31 March 2026 and 31 March 2025 respectively.

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

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

**12. Property, plant and equipment**

	<b>Group</b>									
	Freehold land S\$'000	Buildings S\$'000	Leasehold buildings S\$'000	Plant and machinery S\$'000	Furniture and fittings S\$'000	Office equipment S\$'000	Renovation S\$'000	Motor vehicles S\$'000	Construction in progress S\$'000	Total S\$'000
<b>Cost</b>										
At 1 January 2025	183	241	19,410	20,775	338	552	70	2,392	16	43,977
Additions	-	-	5	211	-	15	-	131	-	362
Exchange difference	1	1	-	-	-	-	-	-	-	2
At 30 September 2025 and 1 October 2025	184	242	19,415	20,986	338	567	70	2,523	16	44,341
Additions	-	-	-	244	-	2	-	-	43	289
Exchange differences	9	12	-	-	-	-	-	-	-	21
At 31 March 2026	193	254	19,415	21,230	338	569	70	2,523	59	44,651
<b>Accumulated depreciation</b>										
At 1 January 2025	-	77	9,728	13,024	308	484	48	1,954	-	25,623
Charge for the period	-	4	498	735	9	30	11	68	-	1,355
At 30 September 2025 and 1 October 2025	-	81	10,226	13,759	317	514	59	2,022	-	26,978
Charge for the period	-	3	333	467	6	20	7	54	-	890
Exchange differences	-	4	-	-	-	-	-	-	-	4
At 31 March 2026	-	88	10,559	14,226	323	534	66	2,076	-	27,872
<b>Net carrying amount</b>										
At 30 September 2025	184	161	9,189	7,227	21	53	11	501	16	17,363
At 31 March 2026	193	166	8,856	7,004	15	35	4	447	59	16,779

During the six months ended 31 March 2026, the Group acquired property, plant and equipment with aggregate cost S\$289,000 (31 March 2025: S\$264,000).

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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

**13. Intangible assets**

	<b>Group</b>		
	Computer software S\$'000	Club membership S\$'000	Total S\$'000
<b>Cost</b>			
At 1 January 2025	1,110	143	1,253
Additions	136		136
At 30 September 2025 and 1 October 2025	1,246	143	1,389
Additions	1	-	1
At 31 March 2026	1,247	143	1,390
<b>Accumulated amortisation</b>			
At 1 January 2025	1,067	-	1,067
Amortisation	32	-	32
At 30 September 2025 and 1 October 2025	1,099	-	1,099
Amortisation	30	-	30
At 31 March 2026	1,129	-	1,129
<b>Net carrying amount</b>			
At 30 September 2025	147	143	290
At 31 March 2026	118	143	261

**14. Trade and other receivables**

	<b>Group</b>	
	31 March 2026 S\$'000	30 September 2025 S\$'000
Trade receivables	54,677	51,446
Allowance for expected credit loss	(1,632)	(1,659)
<b>Total trade receivables</b>	<b>53,045</b>	<b>49,787</b>
Advances to suppliers for purchase of inventories	13,607	7,047
Deposits	1,264	220
Third parties	4	2
<b>Total other receivables</b>	<b>14,875</b>	<b>7,269</b>
<b>Total trade and other receivables</b>	<b>67,920</b>	<b>57,056</b>

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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

**14. Trade and other receivables (cont'd)**

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.

Other receivables, excluding advance to suppliers for purchase of inventories, are unsecured, interest-free, repayable in cash on demand.

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)

	<u>Group</u>	
	6 months ended 31 March 2026	6 months ended 31 March 2025
	S\$'000	S\$'000
At beginning of the period	1,659	1,641
Allowance/(reversal of allowance) for expected credit loss	(27)	6
At end of period	<u>1,632</u>	<u>1,647</u>

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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

**14. 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 with 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:

	<b>Trade receivables</b>					<b>Total</b>
	<b>Less than 3 months past due</b>	<b>3 months to 6 months past due</b>	<b>6 months to 12 months past due</b>	<b>More than 12 months past due</b>		
<b>Current</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Singapore:</b>						
<b>31 March 2026</b>						
Gross amount	13,008	32,684	6,408	684	1,893	54,677
Loss allowance provision	-	-	-	-	(1,632)	(1,632)
	<b>13,008</b>	<b>32,684</b>	<b>6,408</b>	<b>684</b>	<b>261</b>	<b>53,045</b>
<b>30 September 2025</b>						
Gross amount	22,856	25,122	738	200	2,530	51,446
Loss allowance provision	-	-	-	-	(1,659)	(1,659)
	<b>22,856</b>	<b>25,122</b>	<b>738</b>	<b>200</b>	<b>871</b>	<b>49,787</b>

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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

**15. Trade and other payables**

	<b>Group</b>	
	31 March 2026	30 September 2025
	S\$'000	S\$'000
Trade payables	2,968	1,992
Other payables:		
Deposits from customers	47	44
Accrued operating expenses	3,262	3,747
GST payables	646	1,029
Other payables	633	1,027
<b>Total trade and other payables</b>	<b>7,556</b>	<b>7,839</b>

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 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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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

**16. Financial instruments**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2026 and 30 September 2025.

	<b>Group</b>	
	Fair value through profit and loss S\$'000	Assets/liabilities at amortised cost S\$'000
<b>31 March 2026</b>		
<b>Financial assets</b>		
Trade and other receivables*	-	54,313
Bank balances and fixed deposits	-	71,999
Investment securities	-	254
Investment in unquoted equity shares	5,701	-
Derivative financial instruments	1	-
<b>Total</b>	5,702	126,566
<b>Financial liabilities</b>		
Trade and other payables**	-	6,719
Bank borrowings	-	4,426
Derivative financial instruments	17	-
<b>Total</b>	17	11,145
<b>30 September 2025</b>		
<b>Financial assets</b>		
Trade and other receivables*	-	50,009
Bank balances and fixed deposits	-	85,014
Investment securities	-	255
<b>Total</b>	-	135,278
<b>Financial liabilities</b>		
Trade and other payables**	-	6,582
Bank borrowings	-	5,079
Derivative financial instruments	369	-
<b>Total</b>	369	11,661

\* Excludes advances to suppliers for purchase of inventories

\*\* Excludes GST payables and provision for unutilised leave

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

**16. Financial instruments (cont'd)**

	<b>Company</b>	
	Fair value through profit and loss S\$'000	Assets/liabilities at amortised cost S\$'000
<b>31 March 2026</b>		
<b>Financial assets</b>		
Trade and other receivables*	-	35,970
Bank balances and fixed deposits	-	53,210
Investment securities	-	254
<b>Total</b>	<b>-</b>	<b>89,434</b>
<b>Financial liabilities</b>		
Trade and other payables**	-	9,904
Derivative financial instruments	17	-
<b>Total</b>	<b>17</b>	<b>9,904</b>
<b>30 September 2025</b>		
<b>Financial assets</b>		
Trade and other receivables*	-	36,004
Bank balances and fixed deposits	-	67,960
Investment securities	-	255
<b>Total</b>	<b>-</b>	<b>104,219</b>
<b>Financial liabilities</b>		
Trade and other payables**	-	16,156
Bank borrowings	-	36
Derivative financial instruments	261	-
<b>Total</b>	<b>261</b>	<b>16,192</b>

\* Excludes advances to suppliers for purchase of inventories

\*\* Excludes GST payables and provision for unutilised leave

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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

**17. 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.

	<b>Group</b>		
	31 March 2026		
	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
<b>Financial assets</b>			
Investment in unquoted equity shares	-	5,701	5,701
Derivative financial instrument			
- Forward Currency contracts	1	-	1
	<u>1</u>	<u>5,701</u>	<u>5,702</u>
<b>Financial liability</b>			
Derivative financial instrument			
- Forward Currency contracts	(17)	-	(17)
	<u>(17)</u>	<u>-</u>	<u>(17)</u>

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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

**17. Financial instruments carried on fair value (cont'd)**

	<b>Group</b>	
	30 September 2025	
	Significant observable inputs other than quoted (Level 2) S\$'000	Total fair value S\$'000
<b>Financial liability</b>		
Derivative financial instrument		
- Forward Currency contracts	(369)	(369)
	<u>(369)</u>	<u>(369)</u>

**18. Borrowings**

	<b>Group</b>				<b>Company</b>			
	31 March 2026		30 September 2025		31 March 2026		30 September 2025	
	Secured <sup>†</sup> S\$'000	Lease liabilities S\$'000	Secured <sup>†</sup> S\$'000	Lease liabilities S\$'000	Secured <sup>†</sup> S\$'000	Lease liabilities S\$'000	Secured <sup>†</sup> S\$'000	Lease liabilities S\$'000
Repayable within one year	943	460	1,198	582	-	11	36	-
Repayable after one year	3,483	4,260	3,881	4,346	-	57	-	-
Total	<u>4,426</u>	<u>4,720</u>	<u>5,079</u>	<u>4,928</u>	<u>-</u>	<u>68</u>	<u>36</u>	<u>-</u>

\*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.

**19. Contingent liabilities**

Guarantees

- (i) Intra-group financial guarantees comprise corporate guarantees granted by the Company to banks in respect of banking facilities amounting to \$20,637,645 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)**

**20. Share capital and treasury shares**

**20.1 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.**

	<b>6 months ended 31 March 2026</b>	<b>6 months ended 31 March 2025</b>
	S\$'000	S\$'000
<u>Share capital</u>		
At 1 October 2025/1 October 2024	109,882	90,798
Issuance from rights issue	-	19,084
At 31 March	<u>109,882</u>	<u>109,882</u>

	<b>6 months ended 31 March 2026</b>	<b>6 months ended 31 March 2025</b>
<u>Total number of issued shares</u>		
At 1 October 2025/1 October 2024	280,055,008	205,800,771
Issuance from rights issue	-	74,254,237
At 31 March	<u>280,055,008</u>	<u>280,055,008</u>
Treasury shares	(5,314,330)	(5,314,330)
Total number of issued shares excluding treasury shares	<u>274,740,678</u>	<u>274,740,678</u>

	<b>31 March 2026</b>	<b>31 March 2025</b>
Number of issued shares (excluding treasury shares)	274,740,678	274,740,678
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>1.93%</u>

There were no sales, transfers, disposal, cancellation and/or use of treasury shares in the 6 months ended 31 March 2026 (6 months ended 31 March 2025: Nil).

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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

**20. Share capital and treasury shares (cont'd)**

As at date of this announcement, the utilisation of net proceeds raised by the Company from previous placements and rights issue are as follows;

<b>Date of share placement / rights issue</b>	<b>Use of net proceeds</b>	<b>Amount allocated</b> <b>(S\$'000)<sup>(*)</sup></b>	<b>Amount utilised</b> <b>(S\$'000)</b>	<b>Balance as at date of this announcement</b> <b>(S\$'000)</b>
19-Sept-23	General Working Capital	6,890	6,466 (**)	424
28-Jun-24 & 15-Aug-24	Capital Expenditure & Business Expansion, General Working Capital	13,052	1,133 (***)	11,919
16-Dec-24	General Working Capital, Business Expansion, Investment & Acquisition	19,436	5,871 (****)	13,565
	<b>Total</b>	<b>39,378</b>	<b>13,470</b>	<b>25,908</b>

\*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

\*\*\* Amount utilised for core business expansion, comprising 1% option money and the remaining 4% deposit, inclusive of 9% GST paid upon exercise of the option towards the purchase of property at 47 Tuas View Circuit, Singapore 637357. Pursuant to the Company's announcement dated 25 March 2024 and the Circular to Shareholders dated 12 June 2024, the Company completed a placement of up to 50,130,000 new ordinary shares at an issue price of S\$0.266 per Placement Share in two tranches on 28 June 2024 and 15 August 2024. Approximately 50% of the net proceeds will be allocated to fund capital expenditure for the growth of the Group's business and other expansion needs, while the remaining 50% will be used for general working capital purposes.

\*\*\*\*The amount consists of S\$170,000 allocated to general working capital, covering professional fees and other related expenses incurred in connection with the Green Estee Pte. Ltd. general offer in FY2024, and S\$5,701,000 allocated to investment and acquisition activities, specifically for the subscription of shares in Eden Flame Sdn Bhd. Pursuant to the Company's announcement dated 11 October 2024 and the Offer Information Statement dated 21 November 2024 issued by the Company in relation to a renounceable, non-underwritten rights issue of up to 74,254,237 new ordinary shares at an issue price of S\$0.266 per Rights Share, on the basis of 10 Rights Shares for every 27 existing shares held by entitled shareholders as at the Record Date, which was completed on 16 December 2024, approximately 25% – 30% of the net proceeds from the Rights Issue will be allocated to support the Company's core business expansion, 35% – 40% for general working capital purposes, and the remaining 30% – 40% for strategic investments and/or acquisitions. As at the date of this announcement, the aggregate amount utilised for investment and acquisition is approximately S\$5.7 million, representing 29.3% of the net proceeds from the Rights Issue.

The use of the Net Proceeds disclosed above is in accordance with the intended use of the proceeds as outlined in the Company's announcements and Circular to Shareholders relating to the Share Placements and Rights Issue.

The Company will continue to provide updates on the use of the net proceeds from the Share Placements and Rights Issue as and when such proceeds are materially disbursed or utilised.

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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

**20. Share capital and treasury shares (cont'd)**

**20.2 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 March 2026	30 September 2025
	S\$'000	S\$'000
Share capital	109,882	109,882

	31 March 2026	30 September 2025
Total number of issued shares	280,055,008	280,055,008
Treasury shares	(5,314,330)	(5,314,330)
Total number of issued shares excluding treasury shares	274,740,678	274,740,678

There was no sale, transfer, disposal, cancellation and use of treasury shares during the current financial period ended 31 March 2026.

**21. Dividends**

Not applicable

**22. Net asset value**

	<b>Group</b>		<b>Company</b>	
	As at 31	As at 30	As at 31	As at 30
	March 2026	September 2025	March 2026	September 2025
Net asset value per ordinary share (S\$)	0.57	0.56	0.38	0.39

**23. Seasonality of operations**

The Group's businesses are not significantly affected by seasonal or cyclical factor during the current financial period ended 31 March 2026.

**24. Subsequent events**

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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**Other information required by Listing Rule Appendix 7.2**

**25. 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 March 2026 and related condensed consolidated profit and loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and certain explanatory notes have not been audited or reviewed.

**26. 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 [1H2026 (6 months ended 31 March 2026) vs 1H2025 (6 months ended 31 March 2025)]**

The Group's results for the six months ended 31 March 2026 should be read in the context of the change in financial year end. The comparative six-month period ended 31 March 2025 does not align with the immediately preceding financial year ended 30 September 2025 and is therefore not fully comparable.

**Revenue and Gross Profit**

The Group recorded revenue of S\$81.0 million in 1H2026, representing a decrease of 5% compared to S\$85.4 million reported in 1H2025. The year-on-year fall in revenue was primarily attributed to a 1% drop in sales volume and a 4% reduction in average selling prices, a consequence of continued decline in steel prices.

Notwithstanding a modest year-on-year drop in revenue, the Group achieved higher gross profit of S\$13.8 million in 1H2026, compared to S\$11.4 million in 1H2025. The improvement was primarily attributable to an increase in gross profit margin to 17.1% in 1H2026 from 13.3% in 1H2025, driven by lower average material cost.

**Other Operating Income**

Other operating income declined to S\$1.3 million in 1H2026, from S\$3.0 million in 1H2025. The decline was mainly due to a S\$1.8 million reduction in foreign exchange and fair value gains on foreign currency contracts and a reduction in interest income, partially offset by a one-off insurance compensation received for property repair cost. The corresponding repair cost was recognised in other operating expenses.

**Selling and Distribution, Administrative, Other Operating and Finance Expenses**

The Group's selling and distribution expenses in 1H2026 decreased by 8% to S\$0.8 million from S\$0.9 million in 1H2025, primarily driven by internal fleet optimisation which led to reduced outsourced logistics services.

# HG METAL MANUFACTURING LIMITED

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## Condensed Interim Financial Statements for the Half Year Ended 31 March 2026

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

Administrative expenses increased by approximately S\$0.5 million in 1H2026, primarily attributable to higher salary cost incurred.

Other operating expenses increased to S\$2.2 million in 1H2026 from S\$1.8 million in 1H2025, primarily due to higher repair and maintenance costs incurred.

Total finance costs incurred were primarily related to borrowings for trade financing, bank term loans, and leases related to property redevelopment. Total finance cost incurred in 1H2026 decreased by 30% compared to 1H2025, mainly due to lower utilisation of trade financing for trade purchases and repayment of bank loans.

#### **Profitability**

The Group reported a profit before tax of S\$7.2 million in 1H2026 compared to S\$7.0 million 1H2025, reflecting a slight year-on-year increase. Taxation expense incurred was S\$1.1 million in 1H2026 and S\$0.8 million in 1H2025, respectively. Consequently, the Group recorded a net profit after tax of S\$6.0 million in 1H2026 compared to S\$6.3 million in 1H2025.

Notably, the Group recognized a foreign exchange gain and fair value gain on foreign currency contracts of S\$2.2 million in 1H2025, which was significantly higher than the gain of S\$0.4 million recorded in 1H2026. Excluding these gains, the Group's profit before tax would have been S\$6.8 million in 1H2026 compared to S\$4.8 million in 1H2025, indicating a stronger underlying operating performance in 1H2026.

#### **Balance Sheet**

The Group's non-current assets increased from S\$23.2 million as at 30 September 2025 to S\$28.0 million as at 31 March 2026. This increase was mainly driven by an equity investment of S\$5.7 million, arising from the Group's subscription for preference shares in Eden Flame Sdn Bhd, a plant specialising in the manufacture of low-carbon electric arc furnace (EAF) steel, as previously announced by the Company in December 2025.

The Group's cash and cash equivalents decreased to S\$55.5 million as at 31 March 2026, compared to S\$68.5 million as at 30 September 2025. This was mainly attributable to net cash used in operating activities of S\$0.9 million; net cash used in investing activities of a S\$7.0 million, which included S\$5.7 million relating to the subscription of shares in Eden Flame Sdn Bhd, and a deposit of S\$1.0 million paid for the acquisition of an industrial property at 47 Tuas View Circuit and net cash used in financing activities of S\$5.1 million, of which S\$4.1 million related to dividend payments to shareholders.

As of 31 March 2026, the Group's inventory on hand decreased to S\$7.9 million from S\$9.8 million as at 30 September 2025, in line with the Group's efforts to optimise inventory levels.

Trade and other receivables amounted to S\$67.9 million as of 31 March 2026 compared to S\$57.1 million as at 30 September 2025, mainly attributable to an increase in advance payments to suppliers for purchase of raw materials.

Trade and other payables decreased to S\$7.6 million as of 31 March 2026, from S\$7.8 million as of 30 September 2025 mainly due to the settlement of outstanding suppliers' invoices.

Total bank borrowings decreased to S\$4.4 million as of 31 March 2026 from S\$5.1 million as of 30 September 2025 mainly due to repayment of bank borrowings.

**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

**Statement of Cash Flows**

The Group recorded net cash outflows from operating activities of S\$0.9 million during the current financial period, mainly due to a net decrease in working capital, arising from higher trade and other receivables, partially offset by operating profits.

Net cash flows used in investing activities for 1H2026 amounted to S\$7.0 million, mainly due to an equity investment of S\$5.7 million, a deposit of S\$1.0 million paid for the acquisition of an industrial property at 47 Tuas View and the purchase of property, plant and equipment amounting to S\$0.3 million.

Net cash flows used in financing activities for 1H2026 amounted to S\$5.1 million, primarily due to dividend payments of S\$4.1 million, repayments of bank borrowings of S\$0.7 million and principal lease repayments of S\$0.3 million.

The Group's cash and cash equivalents were S\$55.5 million as at 31 March 2026 in comparison to S\$50.5 million as at 31 March 2025.

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

Not applicable

**28. 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**

Singapore's economic outlook for 2026 has turned more cautious amid a weaker and increasingly uncertain external environment. According to advance estimates from the Ministry of Trade and Industry (MTI), Singapore's gross domestic product (GDP) grew by 4.6% year-on-year in 1Q2026, easing from 5.7% in 4Q2025. On a quarter-on-quarter seasonally adjusted basis, GDP declined by 0.3%, reversing the 1.3% expansion in the previous quarter.<sup>1</sup>

Growth in 1Q2026 remained firm, supported by manufacturing and services clusters linked to the global artificial intelligence capital expenditure cycle. The quarter-on-quarter contraction, however, reflected easing momentum in trade-related and modern services sectors following strong gains in late 2025.<sup>2</sup> Sector performance was mixed. Manufacturing growth moderated to 5.0% year-on-year from 11.4% in 4Q2025, while construction expanded by 9.0%, supported by public and private sector construction works.<sup>1</sup> This is broadly consistent with the Building and Construction Authority (BCA) outlook, which projects construction demand of S\$47–53 billion in 2026, before moderating to S\$39–46 billion annually over 2027–2030.<sup>3</sup>

Looking ahead, the Monetary Authority of Singapore (MAS) highlights downside risks to both growth and inflation amid persistent global uncertainty, including geopolitical tensions such as the Iran conflict. GDP growth is expected to moderate over the course of 2026, while higher imported costs may keep inflation elevated in the near term.<sup>2</sup> Against this backdrop, the Group expects construction activity to remain supported by existing project pipelines, although a softer macroeconomic environment may weigh on new project awards.

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

In December 2025, the Group announced two strategic investments: subscribing to preference shares in Eden Flame Sdn Bhd, a plant specialising in low carbon electric arc furnace (EAF) steel and the planned acquisition of an industrial property at 47 Tuas View Circuit to expand production capacity, subject to JTC approval. The Eden Flame facility in Pasir Gudang is targeted to commence operations by the end of third quarter of 2026, with an annual capacity of approximately 500,000 tonnes of low carbon steel, reinforcing the Group's access to sustainable steel supply. These initiatives reflect steady progress in strengthening the Group's operational base and supporting long term resilience.

Overall, despite external uncertainties and rising energy costs, which are expected to weigh on margins and profitability in the near term, the Group remains focused on strengthening operational efficiency, progressing with plans to broaden sustainable product offerings, and continuing capacity-building initiatives to support stable, long-term growth.

<sup>1</sup> <https://www.mti.gov.sg/newsroom/singapore-s-gdp-grew-by-4-6-per-cent-in-the-first-quarter-of-2026/>

<sup>2</sup> <https://www.mas.gov.sg/news/monetary-policy-statements/2026/mas-monetary-policy-statement-14apr26>

<sup>3</sup> <https://isomer-user-content.by.gov.sg/338/f540225f-ecf5-41b6-a0d7-940a8996c742/media-release-for-bca-redas-built-environment-and-real-estate-prospects-seminar-2026-final.pdf>

#### 29. Dividend

##### (a) Current financial period reported on

*Any dividend recommended for the current financial year reported on?*

No interim dividend is recommended.

##### (b) Corresponding period of the immediately preceding financial year

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

No dividend was declared for the financial period ended 31 March 2025.

##### (c) Date payable

Not applicable

##### (d) Books closure date

Not applicable

#### 30. 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 period as the Group considers it prudent to conserve cash to support its facilities expansion plans, working capital requirements, and business operations.

**HG METAL MANUFACTURING LIMITED**  
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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

**31. Interested persons transactions**

Name of interested person and nature of transaction	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions during the financial period conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000 )	
	S\$'000	S\$'000	S\$'000	S\$'000
	6 months ended 31 March 2026	6 months ended 31 March 2025	6 months ended 31 March 2026	6 months ended 31 March 2025
BRC Asia Limited				
- Purchase	-	-	69,338	19,606
- Sale	-	-	462	-
Eden Flame Sdn Bhd				
- Subscription of class B preference shares	5,701	-	-	-

Interested person transactions mandates with BRC Asia Limited had been renewed at the annual general meeting held on 23 January 2026.

**32. 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.

**33. Statement pursuant to Rule 705(5) of the Listing Manual**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of HG Metal Manufacturing Limited which may render the unaudited financial results for the period ended 31 March 2026 to be false or misleading in any material respect.

**HG METAL MANUFACTURING LIMITED**  
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**Condensed Interim Financial Statements for the Half Year Ended 31 March 2026**

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

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

Not applicable as the Company did not undertake any transactions in relation to Mainboard Rule 706A for the half-year ended 31 March 2026.

**On behalf of the Board,**

**Ong Hwee Li**

**Chairman**

**Xiao Xia**

**Executive Director and Chief Executive Officer**

**8 May 2026**