



MEDIA RELEASE

HG Metal’s 1H2026 net profit remained stable at S\$6.0 million with gross profit margin improving to 17.1%

- Net profit of S\$6.0 million broadly stable year-on-year and profit before tax improved to S\$7.2 million
- Gross profit margin up 3.8 percentage points to 17.1% despite a 5.2% decrease in revenue to S\$81.0 million

Singapore, 8 May 2026 – SGX Mainboard-listed HG Metal Manufacturing Limited (“**HG Metal**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) today announced its unaudited results for the six months ended 31 March 2026 (“**1H2026**”).

The Group’s 1H2026 results remained stable against the backdrop of a continued decline in steel prices and a moderating global economic environment. Revenue for 1H2026 was S\$81.0 million, compared to S\$85.4 million in the corresponding period of the preceding financial year (“**1H2025**”), and the Group recorded net profit after tax of S\$6.0 million (1H2025: S\$6.3 million), with profit before tax increasing slightly to S\$7.2 million from S\$7.0 million.

Key 1H2026 Financial Highlights

S\$ '000	1H2026	1H2025	% Change
Revenue	80,970	85,363	(5)
Gross Profit	13,806	11,372	21
Gross Profit Margin	17.1%	13.3%	3.8 % pts
Net Profit	6,015	6,252	(4)
Net Profit Margin	7.43%	7.32%	0.11 % pts
EPS (Diluted)	S\$ 0.0219	S\$ 0.0257	(14.8)

Condensed Financial Position

S\$ '000	As at 31 March 2026	As at 30 September 2025
Cash and Cash Equivalents	55,532	68,547
Total Assets	176,210	175,326
Total Liabilities	20,790	21,838
Total Equity / Net Assets	155,420	153,488
NAV per share	S\$ 0.57	S\$ 0.56

The Group recorded revenue of S\$81.0 million in 1H2026, a decrease of 5% from S\$85.4 million in 1H2025, attributed to a 1% drop in sales volume and a 4% reduction in average selling prices amid continued weakness in steel prices. Despite the lower revenue, gross profit rose 21.1% to S\$13.8 million from S\$11.4 million in 1H2025, with gross profit margin expanding to 17.1% from 13.3%, reflecting lower average material costs.

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

Selling and distribution expenses decreased by 8% to S\$0.8 million in 1H2026 from S\$0.9 million in 1H2025, primarily driven by internal fleet optimisation and reduced outsourced logistics services. Administrative expenses increased by approximately S\$0.5 million, mainly due to higher salary costs. Other operating expenses rose to S\$2.2 million in 1H2026 from S\$1.8 million in 1H2025 owing to higher repair and maintenance costs. Finance costs decreased by 30% in 1H2026, mainly due to lower utilisation of trade financing and repayment of bank loans.

As a result of the factors mentioned above, profit before tax was S\$7.2 million in 1H2026, a slight improvement on S\$7.0 million in 1H2025. Taxation expense was S\$1.1 million in 1H2026 (1H2025: S\$0.8 million), bringing net profit after tax to S\$6.0 million in 1H2026, compared to S\$6.3 million in 1H2025. Basic earnings per share for 1H2026 was 2.19 Singapore cents (1H2025: 2.57 Singapore cents), based on a weighted average number of 274,740,678 shares (1H2025: 243,733,414 shares).

Notably, the Group recognised foreign exchange and fair value gains on foreign currency contracts of S\$2.2 million in 1H2025, significantly higher than the S\$0.4 million recorded in 1H2026. Excluding

these gains, profit before tax would have been S\$6.8 million in 1H2026 against S\$4.8 million in 1H2025, reflecting a stronger underlying performance.

The Group's financial position remains sound with a net asset position of S\$155.4 million, total bank borrowings having decreased to S\$4.4 million as at 31 March 2026 from S\$5.1 million as of 30 September 2025 following loan repayments made during the period. Cash and cash equivalents decreased from S\$68.5 million as at 30 September 2025 to S\$55.5 million as at 31 March 2026, mainly due to net cash used in investing activities of S\$7.0 million, which included the S\$5.7 million Eden Flame Sdn Bhd subscription and a S\$1.0 million deposit paid for 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; and net cash used in operating activities of S\$0.9 million.

Ms Xiao Xia, Executive Director and Chief Executive Officer of HG Metal, commented:

"We are pleased that our 1H2026 results remained stable despite the continued decline in steel prices. Our gross profit margin improved to 17.1%, underpinned by disciplined procurement and cost management, and our balance sheet remains robust with cash of S\$55.5 million and minimal borrowings of S\$4.4 million. We continue to make progress on our strategic priorities, including the Eden Flame low-carbon EAF steel facility targeted for commissioning by the end of the third quarter of 2026 and the planned acquisition of 47 Tuas View Circuit, which will expand our capacity. We remain focused on operational efficiency and long-term value creation for our shareholders, while staying watchful of the evolving macroeconomic and geopolitical landscape."

Business Outlook

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, while contracting by 0.3% on a quarter-on-quarter seasonally adjusted basis. 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.

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 both public and private sector construction works. This is broadly consistent with the Building and Construction Authority ("BCA")

projection of construction demand of S\$47–53 billion in 2026, before moderating to S\$39–46 billion annually between 2027 and 2030.

Looking ahead, the Monetary Authority of Singapore (“MAS”) has highlighted 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. Against this backdrop, the Group expects construction activity to remain supported by existing project pipelines, although a softer macroeconomic environment may weigh on the pace of new project awards.

In December 2025, the Group announced two strategic investments: a subscription for 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 the 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 the Group’s steady progress in building a stronger 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 its plans to broaden its sustainable product offerings, and advancing capacity-building initiatives to support stable, long-term growth.

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Note: This media release is to be read in conjunction with the SGXNET announcement issued on the same date.

ABOUT HG METAL MANUFACTURING LIMITED

With more than 40 years of experience in the industry, HG Metal Manufacturing Limited (“HG Metal” or the “Company”), has a strong reputation as one of the largest steel distributors and processors around the region.

By understanding its clients’ unique and changing needs amidst evolving market trends, HG Metal bridges the gap between upstream steel producers and end users of steel. Through its three main

business units – HG Distribution, HG Construction Steel, HG Coupler & Thread – the Company provides one-stop, end-to-end customised solutions for its strong clientele base across diverse industries.

The Company prides itself as one of the most established steel distributors and services providers in the market. Armed with an extensive network of suppliers and solid sourcing capabilities, HG Metal offers customised solutions for its regional customer base along the entire supply chain.

HG Metal was listed on Singapore Exchange's SESDAQ on 21 March 2002 and was upgraded to the Mainboard in May 2004.

For more information, please visit www.hgmetal.com

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