HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

USE OF PROCEEDS FROM SHARE PLACEMENTS AND RIGHTS ISSUE

The Board of Directors (the "**Board**") of HG Metal Manufacturing Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to provide shareholders with an update on the utilisation of net proceeds raised from previous share placements and rights issues ("**Net Proceeds**"), as set out below:

Date of share placement/ rights issue	Use of net proceeds	Amount of Net Proceeds S$'000*	Balance as at 26 December 2025 S$'000**	Net Proceeds utilised as at the date of this announcement S$'000	Balance Net Proceeds as at the date of this announcement S$'000
19-Sept-2023	General Working Capital	6,890	424	-	424
28-Jun-24 & 15-Aug-24	Capital Expenditure & Business Expansion, General Working Capital ***	13,052	11,919	5,393	6,526
16-Dec-2024	General Working Capital, Business Expansion, Investment & Acquisition****	19,436	13,565	5,831	7,734
	Total	**39,378**	**25,908**	**11,224**	**14,684**

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

** Extracted from the Company's announcement dated 26 December 2025 being the latest update on the Company's use of proceeds from the share placements and rights issues.

*** As previously disclosed, 50% of the net proceeds from the share placement of S$13.05 million was allocated for capital expenditure and business expansion, while the remaining 50% was allocated for general working capital purposes. As at the date of this announcement, the amount allocated for capital expenditure and business expansion has been fully utilised.

**** As previously disclosed, approximately 25%-30% of the net proceeds from the rights issue was 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 utilisation of the Rights Issue proceeds for the respective purposes is set out in the table below and is in accordance with the allocations and limits stipulated in the Offer Information Statement.

Use of net proceeds	Percentage of net proceeds allocated %	Aggregate amount utilised as at the date of this announcement S$'000	Percentage of net proceeds utilised %	Purpose
General Working Capital	35 - 40	170	0.9	Professional fees and other related expenses incurred in connection with the Green Esteel Pte. Ltd. general offer in 2024
Core business expansion	25 - 30	5,831	30.0	Amount applied towards the acquisition of the property located at 47 Tuas View Circuit, Singapore 637357
Making strategic investment and/or acquisitions	30 - 40	5,701	29.3	Subscription of preference shares in Eden Flame Sdn Bhd
Total	**100**	**11,702**	**60.2**	

The Net Proceeds of approximately S$11.22 million was used to pay the purchase price for the proposed acquisition of the property located at 47 Tuas View Circuit, Singapore 637357, in accordance with the intended use of the proceeds as previously disclosed to shareholders.

The Company will continue to provide updates on the use of the net proceeds from its fund-raising exercises as and when such proceeds are materially disbursed.

By Order of the Board
HG METAL MANUFACTURING LIMITED

Xiao Xia
Executive Director & Chief Executive Officer
26 October 2026