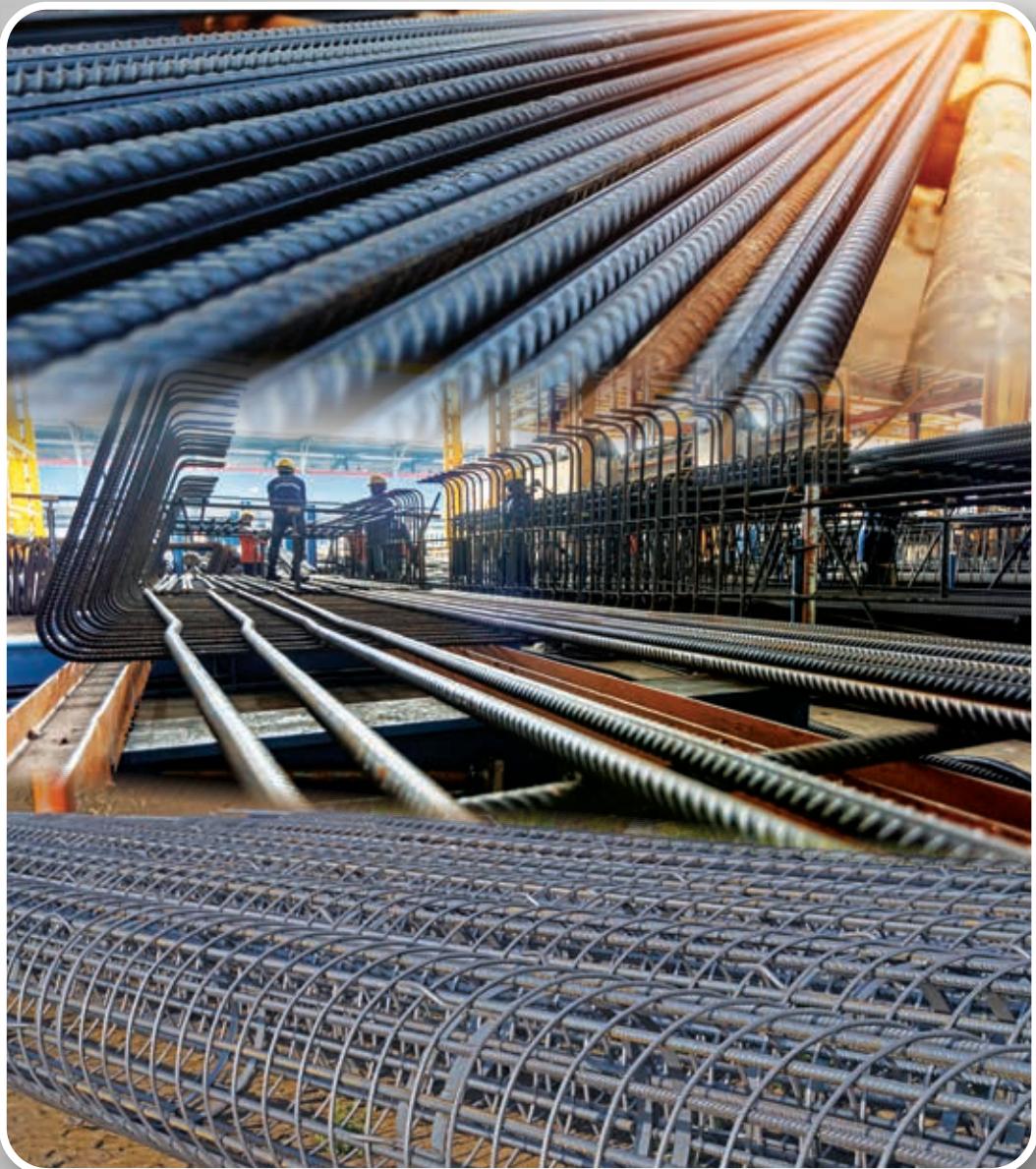




HG METAL MANUFACTURING LIMITED



ANNUAL REPORT 2025

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CORPORATE PROFILE



At HG Metal Manufacturing Limited (“**HG Metal**”), we are sturdy like steel, yet flexible enough to understand and meet our clients’ unique and changing needs. Change is constant and we believe in always gaining new perspectives to advance with evolving market trends.

With more than 40 years of experience in the industry, we have shaped a strong reputation as one of the largest steel distributors and processors around the region. We add value by bridging the gap between upstream steel producers and end users of steel. Through our three main business units – HG Distribution, HG Construction Steel, HG

Coupler & Thread – we provide one-stop, end-to-end customised solutions for our strong clientele base of more than 1,500.

We pride ourselves as one of the most established steel distributors and services provider in the market. Armed with an extensive network of suppliers and solid sourcing capabilities, HG Metal offers customised solutions for our regional customer base along the entire supply chain.

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

OUR BUSINESS



ONE-STOP CENTRE OFFERING INTEGRATED AND TAILORED SOLUTIONS

In today's ever changing and demanding business environment, we strive to provide quality steel products and one-stop customised solutions to meet our clients' steel needs. We offer end-to-end services ranging from distribution services to downstream value-added activities via our three business units.

HG DISTRIBUTION

Under our Distribution business, we provide a wide array of services including wholesale activities, retailing, trading, sourcing of products and distributing steel products to ASEAN countries. We have an extensive and competitively priced portfolio of quality steel products for a wide range of industries and applications, including BCA-compliant materials and higher grade niche products. We take pride in our strong and established sourcing capabilities from an extensive network of suppliers around the world. We also provide value-added services like steel finishing services, product customisation, logistics and local/export shipment.

HG CONSTRUCTION STEEL

To meet the rising demand for construction steel, we offer comprehensive packages that cater to just-in-time production for all forms of construction steel requirements. Our products range from cut and bend reinforcing bars to deformed bars, and straight rebars, while our services include customised steel finishing services like galvanising, coating, cutting and drilling, as well as rental of plates. Our state-of-the-art facilities in Singapore boast fully automated cut and bend production lines, with an annual production capacity of 180,000 tonnes.

HG COUPLER AND THREAD

With decades of experiences in the steel and construction businesses, we have partnered with China Academy of Building Research (CABR) to supply top quality rebars mechanical splice and anchor system for reinforced concrete construction. Our commitment is to deliver solutions that significantly enhance the strength and durability of reinforced concrete structures.

OUR BUSINESS



INTERNATIONAL NETWORK OF SUPPLIERS AND CLIENTS

Over the years, we have established a strong global network of suppliers and clients. Our extensive network of suppliers includes China, Japan, Korea, Turkey and other Eastern European countries. We also have a large and diversified customer base of more than 1,500 clients with our key markets being Singapore, Malaysia, and Indonesia.

LARGE-SCALE COMPREHENSIVE FACILITIES

We have approximately 300,000 sq ft of warehousing and processing facilities located at Jalan Buroh. The facilities have a steel storage capacity of 100,000 tonnes and a yearly handling capacity (in and out) of 200,000 tonnes.

ENSURING QUALITY, ENHANCING VALUE

At HG Metal, everything we do is driven by our desire to ensure quality and enhance value for our clients. Our large-scale facilities and ability to order steel in bulk ensure that we achieve economies of scale, which enable us to offer competitive prices in the market. Together with our one-stop tailored solutions, extensive procurement network and established geographical reach, these key

strengths have helped cement our 40-year position in the steel industry. Supported by highly experienced teams in management, operations and sales, we leverage on our decades of knowledge to deliver steel solutions more efficiently and effectively. From supply chain management, logistics and warehousing operation to quality assurance and dedicated customer service, we go the extra mile to provide greater value for our clients with products of the highest quality.

ADVANCING IN THE MARKET

To strengthen our foothold in the market, we adopt a multi-pronged growth strategy focused on:

- Diversifying our business model to include higher value-added services and direct sales to end-users
- Widening our geographical reach in South East Asia
- Strengthening customer relationships by directly engaging end-users of steel who require large and customised orders for specific projects
- Enhancing our processing capabilities by offering more downstream customisation services
- Providing one stop solutions for fabrication

MESSAGE TO SHAREHOLDERS

DEAR SHAREHOLDERS,

On behalf of the Board of Directors (“**Board**”), I am pleased once again to present the Annual Report of HG Metal Manufacturing Limited (“**HG Metal**”, the “**Company**” and together with its subsidiaries, the “**Group**”).

As you are aware, on 6 August 2025, the Group announced a change in the financial year end from 31 December to 30 September (“**FYE Change**”), which is why this Annual Report will cover a period of nine months from 1 January 2025 to 30 September 2025 (“**FP2025**”). The reason for the FYE Change was to align our financial year with that of our controlling shareholder, Green Esteel Pte. Ltd. (“**Esteel**”).

REVIEW OF FP2025 PERFORMANCE

The Group continued to operate in an uncertain global macroeconomic environment in FP2025, with geopolitical tensions and ongoing conflicts additionally contributing to global instability, disrupted trade flows and volatility in commodity prices, such as steel. Despite these challenges, the Group achieved a revenue of S\$130.3 million in FP2025, compared to S\$157.9 million in the financial year ended 31 December 2024 (“**FY2024**”). The lower revenue was primarily due to the shorter reporting period of nine months, following the FYE Change as well as the continued decline in steel prices which impacted the average selling price.

Despite the lower revenue, the Group’s gross profit margin improved slightly to 14.7% in FP2025 as compared to 14.0% in FY2024. This was mainly attributable to a reduction in cost of sales, driven by the lower average cost of materials during the financial period.

For FP2025, the Group reported a net profit before tax of S\$8.7 million, compared to a net profit before tax of S\$10.3 million in FY2024. Although the reported figure was lower in absolute terms, the nine-month FP2025 result represented stronger underlying profitability on an annualised basis. With a slightly lower income tax expense for FP2025 of S\$1.4 million (FY2024: S\$1.5 million), the Group achieved a creditable net profit after tax of S\$7.3 million in FP2025, compared to a net profit after tax of S\$8.8 million in FY2024.



MESSAGE TO SHAREHOLDERS



The Group's operating cash flow continues to remain very healthy, with cash and cash equivalents at approximately S\$68.5 million as at 30 September 2025, compared with approximately S\$55.4 million as at 31 December 2024.

UPDATE ON STRATEGIC BUSINESS TRANSFORMATION

We are making excellent progress in our strategic business transformation to become a leaner, more efficient, and forward-looking company as we pursue various corporate strategies to enhance growth and overall shareholder value. We remain focused on enhancing our market share, sales and profitability and this includes the development and application of steel products for the built environment in Singapore and overseas, either by acquisitions or organic growth, so as to broaden our product offerings, while strengthening our competitive position in the market by enhancing our production capacity and managing costs.

The two share placements and rights issue exercise conducted in FY2024 which raised a total of approximately S\$33.1 million has strengthened our balance sheet, and together with our operating cash flow, has provided us with the financial resources to undertake our business transformation, expand our core business, and make strategic investments, as and when such opportunities arise.

Strategic Upstream Investment

On 10 December 2025, we have announced the proposed subscription of Class B Preference Shares in Eden Flame Sdn. Bhd. ("Eden Flame") for a total consideration of RM18 million or approximately S\$5.68 million. These Class B Shares are convertible into ordinary shares based on 1:1 ratio and will represent approximately 4.4% of Eden Flame's post-completion enlarged shares on an as converted basis.

MESSAGE TO SHAREHOLDERS

Eden Flame is a Malaysian steel manufacturer and a wholly-owned subsidiary of Esteel, with a plant in Pasir Gudang, Johor Bahru. Targeted to commence operations by the third quarter of 2026, the plant will have a specialisation in low-carbon electric arc furnace ("EAF") steel¹ and has an estimated annual production capacity of approximately 500,000 metric tonnes. Its initial product focus will be on 10mm – 40mm rebars, which is a high-demand segment in Southeast Asia.

The proposed subscription is part of our broader strategic initiative to strengthen our supply chain position in the regional steel market. It will also support a transition towards low-carbon steel solutions, given Singapore's carbon tax trajectory and its regulatory direction under the Singapore Green Plan 2030 which have accelerated market demand for greener construction materials. We believe that our equity stake in Eden Flame will provide us with a source of reliable and competitive low-carbon steel, particularly for small-diameter rebars.

Expanding Production Capacity

The Group's current facilities at 28 Jalan Buroh, Singapore 619484 with a gross floor area of 22,017.90 square metres, is already operating near full capacity, limiting our ability to scale and meet growing customer demand. To address this, the Group's wholly-owned subsidiary, HG Construction Steel Pte Ltd, has exercised an Option-To-Purchase ("OTP") granted by Hai Leck Engineering (Private) Limited (the "Vendor") to acquire an industrial property at 47 Tuas View Circuit, Singapore 637357 (the "Property") for a consideration of S\$20.8 million (the "Proposed Acquisition") as announced on 16 December 2025.

The Property has 12 years remaining on its tenure and comprises a 3-storey ancillary office building, two 3-storey production buildings and a single-storey single-users industrial development comprising two factories, with a land area of approximately 24,163.8 square metres. The Property is being sold with vacant possession together with its existing plant and equipment.

The Proposed Acquisition will deliver tangible benefits by allowing the Group to expand its production facilities and capabilities, as well as to increase its storage capacity. Not only will we have the space and infrastructure to support future growth and enhance operational efficiency, but the existing plant and equipment to be transferred will also enable us to introduce additional value-added services without significant incremental investment.

BUSINESS OUTLOOK

Looking ahead, we continue to operate in an uncertain and challenging macroeconomic environment, with global growth is projected to slow down to 3.1% in 2026. Despite emerging challenges that include trade policy uncertainties and less severe-than-expected tariff disruptions, medium-term downside risks remain with continued inflationary pressures, geopolitical tensions, rising protectionism, and policy uncertainty.²

In the third quarter of 2025, the Singapore economy expanded by 4.2% on a year-on-year ("YoY") basis, extending the 4.7% growth in the previous quarter. Growth in the construction sector came in at 3.6% YoY, moderating from the 6.2% expansion in the second quarter. This growth was supported by expansions in both public sector and private sector construction works. For the first three quarters of 2025, Singapore's GDP growth averaged 4.3% YoY. With this better-than-expected performance in the third quarter of 2025, Singapore's GDP growth forecast for 2025 has been upgraded from 1.5% to 2.5% to around 4.0%, with Singapore's GDP growth for 2026 projected to be between 1.0% to 3.0%.³

¹ EAF steel is produced using an electric arc furnace ("EAF") and a feedstock of recycled steel scrap, resulting in significantly lower greenhouse gas emissions compared to traditional blast furnace steelmaking. The resulting steel is considered low carbon because of the reduced carbon intensity of the process, making EAF steel a more sustainable and environmentally friendly alternative for a wide range of applications.

² <https://www.imf.org/en/Publications/WEO/Issues/2025/10/14/world-economic-outlook-october-2025>

³ https://isomer-user-content-by.gov.sg/166/d90a2738-4f15-4452-a87d-949eba6a1c56/PR_3Q25.pdf

MESSAGE TO SHAREHOLDERS

Singapore's construction sector is expected to grow steadily, supported by the Urban Redevelopment Authority's Master Plan 2025 which prioritises sustainable growth, enhanced transport connectivity, and the creation of vibrant mixed-use districts.⁴ Aligned with these strategic priorities, the Building and Construction Authority projects annual construction demand to range between S\$39 billion and S\$46 billion from 2026 to 2029. This demand will be driven by public housing, MRT extensions, and major infrastructure developments such as Changi Airport Terminal 5, the Integrated Waste Management Facility, and Tengah General Hospital. While sustained public-sector investment, a robust housing pipeline, and renewed private development activity will reinforce the sector's momentum, global uncertainties and potential delays in large-scale projects may affect timelines and overall performance.⁵

As a key player in Singapore's construction steel supply chain, the Group is strategically positioned to benefit from the country's accelerating infrastructure development and large-scale project rollouts. This advantage supported a sales volume increase of approximately 29% in FP2025, compared to the same nine-month period in FY2024. However, China's subdued property market conditions have significantly dampened domestic steel demand, resulting in a global oversupply of steel rebar and downward pressure on prices, which has impacted profit margins and reduced contract competitiveness. To address these challenges, the Group will implement agile procurement strategies, deepen client engagement, and secure long-term contracts to build a resilient order book and maintain its financial stability.

We will continue our efforts to improve raw material procurement and closely monitoring steel prices fluctuations to dynamically adjust our inventory management and pricing strategies. We have also been actively working towards broadening our customer base to diversify beyond our current projects which are mainly focused on MRT and infrastructure, to new projects like Resorts World Sentosa. The Group has also been actively pursuing other significant projects including

MRT network expansion, private residential projects, high-specification industrial buildings, and educational facilities. These projects, once secured, are expected to contribute to both our top and bottom lines once they materialise in the coming years.

Barring unforeseen circumstances and taking into the account all the above, we remain cautiously optimistic for the financial year ending 30 September 2026.

IN APPRECIATION

To reward our loyal shareholders for their continued trust and support, the Board of Directors has recommended a Final Dividend of 1.5 Singapore cents per share for FP2025, which is subject to the approval of shareholders at the forthcoming annual general meeting of the Company. The Final Dividend represents approximately 56.2% of the net profit after tax of the Company for FP2025.

I would like to also extend my appreciation to our Board of Directors for their stewardship and guidance, and to our management and staff for their continued hard work and dedication in achieving a creditable set of results for FP2025 even as we navigate a continued challenging operating environment.

Lastly, I want to thank our valued customers, business associates and suppliers for their strong support over the years, and to many more years of partnership ahead. Together with the support of all our stakeholders, we look forward to another year of progress and performance as we embark on our next phase of growth.

MR ONG HWEE LI

Independent Non-Executive Chairman

⁴ <https://www.uradraftmasterplan.gov.sg/regional-plans/central-region/vibrant-city-living-for-all/?utm>

⁵ <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2025/01/23/construction-demand-to-remain-strong-for-2025>

OPERATING & FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS

For the nine months ended 30 September 2025 ("FP2025"), the Group posted a revenue of S\$130.3 million and a net profit after tax of S\$7.3 million, demonstrating its efforts to pursue sustained business growth so as to create long-term shareholder value.

The Group also reduced its borrowings in FP2025 while its cash and cash equivalents increased to S\$68.5 million as of 30 September 2025, with our strong operating cashflows and after two tranches of share placements and a rights issue, raised net proceeds of approximately S\$32.5 million in financial year ended 31 December 2024 ("FY2024"). With these financial resources, the Group is well positioned to make strategic investments as and when needed to allow it to capitalise on future growth opportunities.

The Group's core business fundamentals will continue to be supported by the growth of Singapore's construction sector. With Green Esteel Pte. Ltd. ("Esteel") as its majority shareholder from 3 February 2025 following the successful completion of a mandatory general cash offer triggered by the rights issue, the Group now has a strategic partner that can create synergy, help to expand its capabilities, and support its long-term growth strategy. While operating independently, the Group intends to leverage Esteel's robust financial position, extensive business networks, and deep understanding of the regional business landscape, to enhance its competitiveness and position in the market.

BUSINESS OUTLOOK

According to the International Monetary Fund, global growth is projected to slow gradually, from 3.3% in 2024 to 3.2% in 2025 and 3.1% in 2026. This is a reflection of continued resilience despite emerging challenges, which include trade policy uncertainties and less severe-than-expected tariff disruptions. However, the medium-term risks remain tilted towards the downside, driven by inflationary pressures, geopolitical tensions, rising protectionism, and policy uncertainty.¹

In the third quarter of 2025, the Singapore economy expanded by 4.2% on a year-on-year basis, extending the 4.7% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 2.4%, faster than the 1.7% expansion in the second quarter. For the first three quarters of 2025, Singapore's GDP growth averaged 4.3% year-on-year. On a year-on-year basis, GDP growth in the third quarter of 2025 was mainly driven by the manufacturing, wholesale trade and finance and insurance sectors. Growth in the construction sector was 3.6% year-on-year, moderating from the 6.2% expansion in the second quarter. This growth was supported by expansions in both public sector and private sector construction works. On a quarter-on-quarter seasonally-adjusted basis, the sector contracted by 0.7%, a pullback from the 6.5% expansion in the previous quarter. With the better-than-expected performance in the third quarter of 2025, Singapore's GDP growth forecast for 2025 has been upgraded from 1.5% to 2.5% to around 4.0% and for 2026, Singapore's GDP growth is projected to come in at 1.0% to 3.0%.²

Singapore's construction sector is expected to grow steadily, supported by the Urban Redevelopment Authority's Master Plan 2025, which is a long-term framework that guides land use planning over the next 10–15 years. The plan prioritises sustainable growth, enhanced transport connectivity, and the creation of vibrant mixed-use districts. Key initiatives of the plan include the redevelopment of the Greater Southern Waterfront, the growth of Jurong Lake District as a key economic hub, and the expansion of MRT lines to strengthen island-wide accessibility.^{3,4}

Aligned with these strategic priorities, the Building and Construction Authority projects annual construction demand to range between S\$39 billion and S\$46 billion from 2026 to 2029. This demand will be driven by public housing, MRT extensions, and major infrastructure developments such as Changi Airport Terminal 5, the Integrated Waste Management Facility, and Tengah

1 <https://www.imf.org/en/Publications/WEO/Issues/2025/10/14/world-economic-outlook-october-2025>

2 https://isomer-user-content-by.gov.sg/166/d90a2738-4f15-4452-a87d-949eba6a1c56/PR_3Q25.pdf

3 <https://www.ura.gov.sg/Corporate/Media-Room/Media-Releases/pr25-32?utm>

4 <https://www.uradraftmasterplan.gov.sg/regional-plans/central-region/vibrant-city-living-for-all/?utm>

OPERATING & FINANCIAL REVIEW

General Hospital. Sustained public-sector investment, a robust housing pipeline, and renewed private development activity will reinforce sector momentum.⁵ However, global uncertainties and potential delays in large-scale projects may affect timelines and the sector's overall performance.

As a key player in Singapore's construction steel supply chain, the Group is strategically positioned to benefit from the country's accelerating infrastructure development and large-scale project rollouts. This advantage supported a sales volume increase of approximately 29% in FP2025, compared to the same nine-month period in the previous financial year. However, subdued property market conditions in China have significantly dampened domestic steel demand, resulting in a global oversupply of steel rebar and downward pressure on prices.⁶ These dynamics have impacted profit margins and reduced contract competitiveness. To address these challenges, the Group will implement agile procurement strategies, deepen client engagement, and secure long-term contracts to build a resilient order book and maintain its financial stability.

REVENUE AND GROSS PROFIT

In FP2025, the Group achieved a revenue of S\$130.3 million, compared to S\$157.9 million in FY2024. The lower revenue in FP2025 was primarily due to the shorter reporting period of nine months, following the change of financial year end from 31 December to 30 September as well as the continued decline in steel prices which impacted the average selling price.

Despite the lower revenue, the Group's gross profit margin improved slightly to 14.7% in FP2025 compared to 14.0% in FY2024. This was mainly attributable to a reduction in cost of sales, driven by the lower average cost of material costs during FP2025.

OTHER OPERATING INCOME

Other operating income decreased to S\$1.0 million in FP2025, from S\$1.7 million in FY2024. This was mainly attributed to the absence of fair value gains from forward currency contracts and foreign currency exchange gains.

EXPENSES

Total selling and distribution costs incurred fell to S\$1.3 million in FP2025 compared to S\$1.5 million in FY2024, in line with less delivery volumes in FP2025.

Administrative expenses decreased to S\$6.7 million in FP2025 compared to S\$8.0 million in FY2024 mainly due to a decrease in staff cost that came with the nine months of operations in FP2025 compared to twelve months of operations in FY2024.

For FP2025, other operating expenses decreased to S\$3.1 million, from S\$3.4 million in FY2024. The decline in operating expenses was mainly due to a loss of S\$0.5 million in fair value of forward currency contracts and foreign exchange difference, which was offset by lower operation costs incurred during the shorter reporting period in FP2025 compared to FY2024.

Total finance costs incurred amounted to S\$0.4 million in FP2025, compared to S\$0.6 million in FY2024. This was mainly due to decrease in bank borrowings from FY2024 to FP2025 amounting to S\$1.6 million.

PROFITABILITY

The Group reported a net profit before tax from continuing operations of S\$8.7 million in FP2025 in comparison to net profit before tax of S\$10.3 million in FY2024. Although the reported figure was lower in absolute terms, the nine-month FP2025 result represented stronger underlying profitability on an annualised basis.

The Group's income tax expense for FP2025 was S\$1.4 million compared to S\$1.5 million in FY2024. As a result, the Group recorded a net profit after tax from continuing operations of S\$7.3 million in FP2025, compared to a net profit after tax of S\$8.8 million in FY2024.

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

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

6 <https://www.ainvest.com/news/china-steel-overcapacity-crisis-global-industry-crossroads-2507/>

OPERATING & FINANCIAL REVIEW

BALANCE SHEET

The Group's non-current assets, comprising mainly property, plant and equipment and right-of-use assets amounted to S\$23.2 million as of 30 September 2025 compared to S\$24.5 million as at 31 December 2024. There were no significant additions during the financial period.

As of 30 September 2025, the Group's inventory on hand reduced to S\$9.8 million from S\$11.9 million as at 31 December 2024, reflecting the Group's ongoing efforts to optimise inventory levels.

Trade and other receivables amounted to S\$57.1 million as of 30 September 2025, compared to S\$61.4 million as at 31 December 2024 mainly due to improved collections. There was no significant change in trade and other payables, which stood at S\$7.8 million as of 30 September 2025 and S\$7.9 million as of 31 December 2024.

Total bank borrowings decreased to S\$5.1 million as of 30 September 2025 from S\$6.7 million as of 31 December 2024 mainly due to loan repayments made to banks.

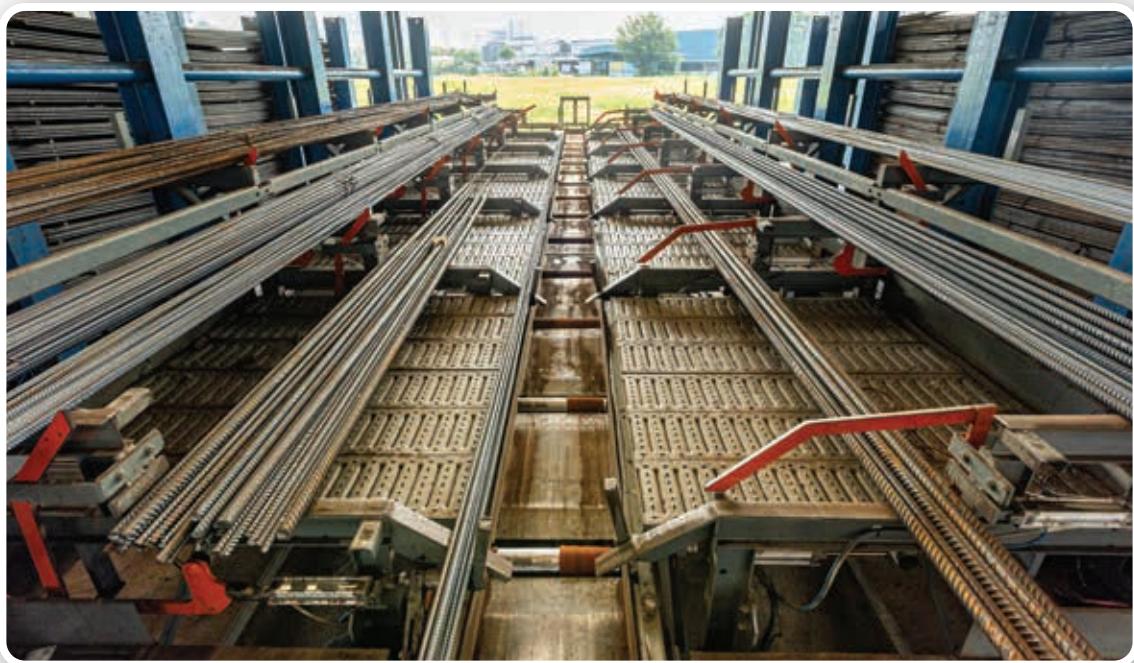
CASH POSITION

The Group generated cash flows from operating activities of S\$15.7 million in FP2025. This was due to profits from operations and net increase in working capital, primarily due to a decrease in trade and other receivables and inventories.

Net cash used in investing activities for FP2025 amounted to S\$0.5 million. This included S\$0.4 million for the purchase of property, plant and equipment and S\$0.1 million for the purchase of intangible assets.

Net cash used in financing activities for FP2025 totalled S\$2.1 million and this included S\$1.6 million in banks borrowings repayment and S\$0.5 million in principal lease repayments.

As at 30 September 2025, the Group's cash and cash equivalents rose to S\$68.5 million as compared to S\$55.4 million as at 31 December 2024.



FP2025* FINANCIAL HIGHLIGHTS



REVENUE

S\$130.27
million



LIQUIDITY RATIO

12.47



NET PROFIT

S\$7.34
million

BANK BALANCES, FIXED DEPOSITS
AND RESTRICTED DEPOSITS

S\$85.01
million

EARNINGS
PER SHARE

2.67
cents

NET ASSET VALUE
PER SHARE ATTRIBUTABLE
TO EQUITY HOLDERS

S\$0.56



DEBT-TO-EQUITY

0.07x



NET ASSET VALUE

S\$153.49
million

FIVE-YEAR FINANCIAL SUMMARY

FOR THE PERIOD/YEAR (S\$mil)	FP2025 ⁽¹⁾	FY2024 ⁽²⁾	FY2023 ⁽²⁾	FY2022	FY2021
Revenue	130.27	157.87	152.14	158.37	142.27
Gross profit	19.21	22.07	13.10	21.15	29.15
Profit/(loss) Before Tax	8.73	10.04	(2.02)	(5.25)	12.43
Net Profit/(loss) After Tax	7.34	8.58	(1.77)	(5.78)	11.17
Profit/(loss) attributable to owners of the Company ("PATOC")	7.34	6.31	(1.02)	(0.53)	12.07
Operating Cash Flow	15.67	11.40	22.31	(14.94)	7.78
Cash Flow from Investing	(0.49)	(2.21)	(1.30)	(1.54)	(2.41)
Free Cash Flow	15.18	9.19	21.01	(16.48)	5.37
AT PERIOD END/YEAR END (S\$mil)					
Total Assets	175.33	169.70	137.06	158.28	171.93
Total Liabilities	21.84	23.41	31.90	55.21	57.85
Shareholders' Funds	153.49	146.29	107.66	104.85	110.75
Bank Balances and Fixed Deposits including restricted deposit	85.01	71.85	29.39	24.57	35.91
Total borrowings ⁽³⁾	10.01	11.79	17.42	41.03	32.21
Gearing Ratio ⁽⁴⁾	n.m*	n.m*	n.m*	0.14	n.m*
PER SHARE DATA (Singapore Cents)					
Basic Earnings Per Share	2.67	3.61	(0.77)	(0.42)	9.48
SHAREHOLDER'S RETURN					
ROE (%) (PATOC/Average shareholders' Fund)	4.90%	4.97%	(0.96%)	(0.49%)	11.47%
ROA (%) (Net Profit/total assets)	4.19%	5.06%	(1.29%)	(3.65%)	6.50%
Gross Dividend (S\$) per share	0.015	—	—	0.025	0.04
Share Price at end of year (S\$)	0.545	0.275	0.28	0.365	0.355

(1) Financial period from 1 January 2025 to 30 September 2025

(2) FY2024 and FY2023 financial results include both continuing and discontinued operations

(3) Total borrowings: bank borrowings (loan, bills payable) & lease liabilities

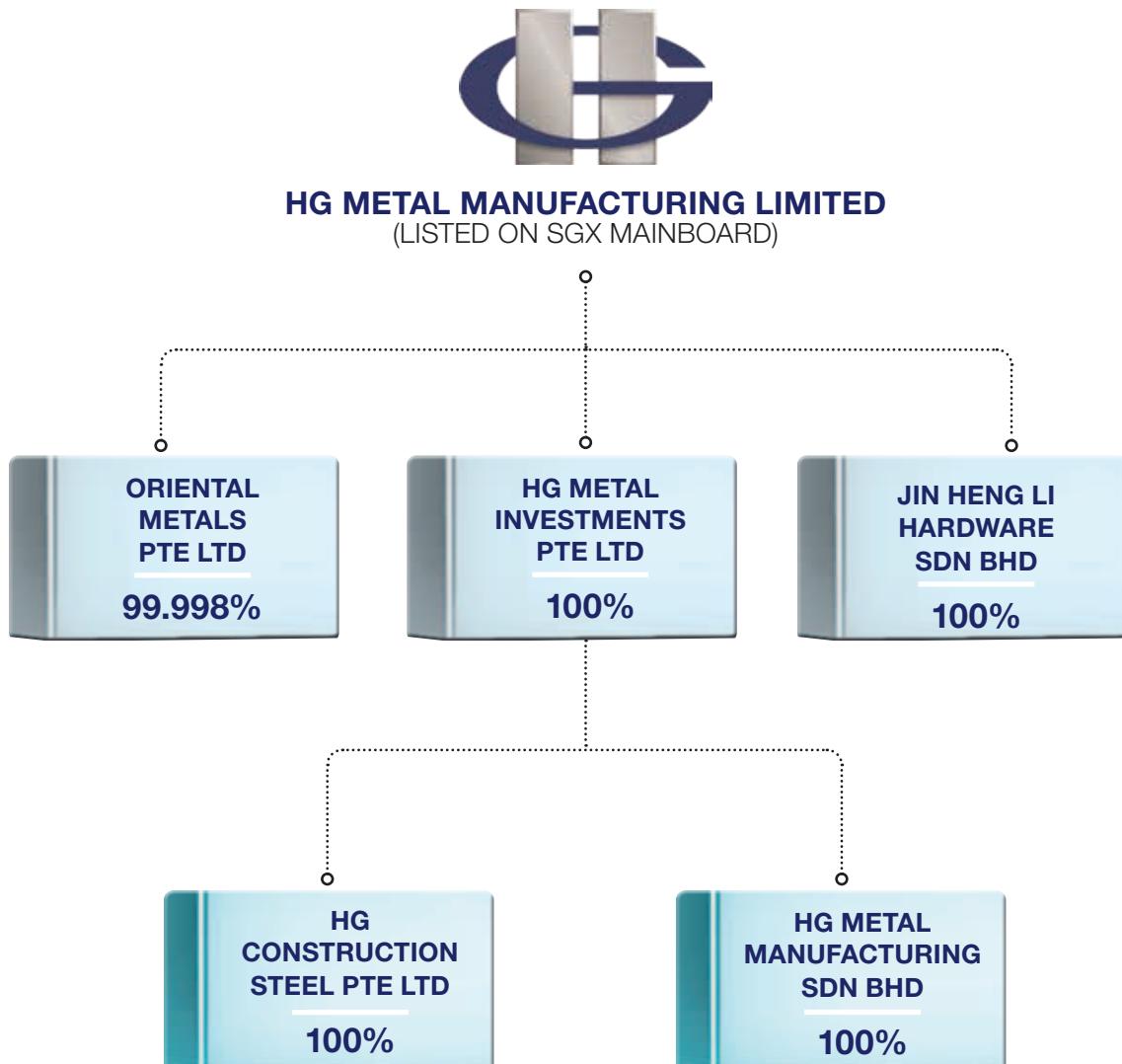
(4) Gearing ratio: net debt⁽⁵⁾/total capital⁽⁶⁾

(5) Net debt: total borrowings – (cash and cash equivalents + fixed deposits pledged with banks + restricted deposits)

(6) Total capital: total equity + net debt

* n.m denotes not meaningful

CORPORATE STRUCTURE



BOARD OF DIRECTORS



ONG HWEE LI
Independent
Non-Executive Chairman



XIAO XIA
Executive Director
and Chief Executive Officer

Mr Ong Hwee Li (“**Mr Ong**”) is the Group’s Independent Non-Executive Chairman and was appointed to the Board on 22 June 2023. Mr Ong is also the Chairman of the Nominating Committee, and a member of the Audit & Risk Committee and Remuneration Committee.

Mr Ong is the Chief Executive Officer of SAC Capital Private Limited. With more than 20 years of experiences in the Singapore Capital Markets, Mr Ong advises private and listed companies on a wide range of transactions including listings, take-overs, M&A, capital raising, as well as corporate strategy and investments.

Prior to co-founding SAC Capital in July 2004, he worked in the investment banking departments of various local and foreign financial institutions.

Mr Ong holds a Bachelor of Business (Banking & Finance) degree from Monash University.

Further information

Date of first appointment as a Director: 22 June 2023

Present Directorships (on 30 September 2025)

Listed companies: Nil

Others

ICAP-SAC Private Limited
SAC Capital Private Limited
SAC Holdings Private Limited

Past Directorships held over the preceding three years

Nil

Ms Xiao Xia (“**Ms Xiao**”) is the Group’s Executive Director and Chief Executive Officer and was appointed to the Board on 27 April 2023. Ms Xiao is also a significant investor of the Group. She is responsible for the formulation of corporate strategies, charting future growth plans and driving overall performance of the Group.

Ms Xiao has more than 20 years of experience in steel and commodity trading. Prior to joining the Group, she was a commodities trader in Bright Point Pte Ltd, a steel trading company. Ms Xiao previously held directorships in various non-listed companies.

Ms Xiao holds a degree in Business Administration from the East China University of Science and Technology.

Further information

Date of first appointment as a Director: 27 April 2023

Present Directorships (on 30 September 2025)

Listed companies: Nil

Others (Supervisor)

Shanghai Hongyi Investment Management Co., Ltd
Shanghai Huazang Electric Fuel Co., Ltd

Past Directorships held over the preceding three years

Shanghai Emetal Hong Energy Co., Ltd., Dongming Emetal Hong Energy Trading (Fujian) Co., Ltd.

BOARD OF DIRECTORS



ONG LIZHEN, DAISY
Independent
Non-Executive Director

Ms Ong Lizhen, Daisy ("Ms Ong") is the Group's Independent Non-Executive Director and was appointed to the Board on 22 June 2023. Ms Ong is also the Chairman of the Audit & Risk Committee, and a member of the Nominating Committee and Remuneration Committee.

Ms Ong has more than 20 years of experience in audit, accounting, investments, and finance with a big four accounting firm and public listed companies in construction, real estate, and manufacturing industries. Ms Ong is currently the Chief Financial Officer of Fu Yu Corporation Limited. Prior to joining Fu Yu Group, she was the Chief Financial Officer of Allied Technologies Limited previously listed on the Singapore Exchange from February 2019 to December 2022. Ms Ong started her career as an auditor with Ernst & Young LLP from July 2005 to April 2012. From 2012 to 2019, she held various leadership positions in companies listed on the Singapore Exchange, Hong Kong Exchange, and Australia Exchange.

Ms Ong holds a Bachelor of Accountancy degree from Nanyang Technological University. She is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

Further information

Date of first appointment as a Director: 22 June 2023

Present Directorships (on 30 September 2025)

Listed companies: Nil

Others

Fu Yu Investments Pte Ltd, Fu Yu Ventures Pte Ltd, Fu Yu Supply Chain Solutions Pte Ltd, LCTH Corporation Sdn Bhd, Classic Advantage Sdn Bhd, Fu Hao Manufacturing Sdn Bhd, Dolz Business Consulting Pte Ltd

Past Directorships held over the preceding three years

Allied Technologies Holdings Pte Ltd, ABO Labs Pte Ltd, Activpass Holdings Pte Ltd, Asia Box Office Pte Ltd, Asia Box Office (HK) Limited, Fu Yu Moulding & Tooling (Dong Guan) Co; Ltd, Fu Yu Moulding & Tooling (Suzhou) Co; Ltd



NG CHUEY PENG
Independent
Non-Executive Director

Ms Ng Chuey Peng ("Ms Ng") is the Group's Independent Non-Executive Director and was appointed to the Board on 22 June 2023. Ms Ng is also the Chairman of Remuneration Committee, and a member of the Audit & Risk Committee and Nominating Committee.

Ms Ng was the Managing Director of Wholesale Corporate Business Support of OCBC Ltd until May 2024. She was its Head of Global Commodities Finance, part of Global Corporate Banking Division until September 2022 and has more than 30 years of relevant experience in banking and commodities finance, having held leadership positions in various global banks including European commodity finance market leaders such as BNP Paribas, Fortis Bank and Abn Amro Bank, before joining OCBC Bank.

Ms Ng holds a Bachelor of Accountancy degree from the National University of Singapore. Ms Ng has been conferred the "IBF Fellow" title by the Monetary Authority of Singapore. She is also a certified executive coach, registered with the World Association of Business Coaches.

Further information

Date of first appointment as a Director: 22 June 2023

Present Directorships (on 30 September 2025)

Listed companies: Nil

Others

Nil

Past Directorships held over the preceding three years

Komgo SA

KEY MANAGEMENT PERSONNEL



SHARON TAY
Chief Financial Officer



**COCO
CHARLOTTE TAN**
Group Senior Sales
Manager

Ms Sharon Tay (“**Ms Tay**”) joined the Group in October 2013. She served as the Group’s Financial Controller before her appointment as Chief Financial Officer, effective 1 January 2021. She is responsible for managing all financial, taxation and corporate matters for the Group.

Ms Tay has over 20 years of working experience in finance, accounting and auditing. Prior to joining the Group, she had held various management appointments in listed companies and government- related organisations.

Ms Tay holds a Bachelor of Arts (Hons) degree in Accounting and Financial Management from the University of Sheffield (UK). She is a Chartered Accountant with the Institute of Singapore Chartered Accountants and a fellow member of the Association of Chartered Certified Accountants (UK). She holds the designation of Accredited Tax Practitioner with the Singapore Chartered Tax Professionals.

Ms Coco Charlotte Tan (“**Ms Tan**”) joined the Group in February 2012. Ms Tan has been appointed as Group Senior Sales Manager, effective 1 March 2024. She is responsible for developing and implementing the Group’s sales and marketing strategies, expanding the customer base as well as developing new market opportunities.

Ms Tan brings with her more than 20 years of extensive experiences in sales strategies and customer services in the steel industry, vast product knowledge of Structural Steel, Reinforcement Bar including Cut & Bend Services and Prefabrication services for the construction industry.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ong Hwee Li
Independent Non-Executive Chairman

Xiao Xia
Executive Director and Chief Executive Officer

Ong Lizhen, Daisy
Independent Non-Executive Director

Ng Chuey Peng
Independent Non-Executive Director

AUDIT & RISK COMMITTEE

Ong Lizhen, Daisy (Chairman)
Ng Chuey Peng
Ong Hwee Li

NOMINATING COMMITTEE

Ong Hwee Li (Chairman)
Ong Lizhen, Daisy
Ng Chuey Peng

REMUNERATION COMMITTEE

Ng Chuey Peng (Chairman)
Ong Lizhen, Daisy
Ong Hwee Li

COMPANY SECRETARIES

Wee Woon Hong
Sim Yok Teng

REGISTERED OFFICE

28 Jalan Buroh
Singapore 619484
Tel: (65) 6268 2828
Fax: (65) 6268 3838
Web: www.hgmetal.com

SHARE REGISTRAR

Tricor Barbinder Share
Registration Services
9 Raffles Place #26-01
Republic Plaza Tower I
Singapore 048619

EXTERNAL AUDITOR

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
Partner-in-charge:
Briston Loo
(With effect from financial period ended 30 September
2025)

INTERNAL AUDITOR

Deloitte & Touche
Enterprise Risk Services Pte Ltd

PRINCIPAL BANKERS

United Overseas Bank Limited
The Hongkong and Shanghai Banking Corporation
Limited
HL Bank Singapore
Oversea-Chinese Banking Corporation Limited

HG METAL MANUFACTURING LIMITED

SUSTAINABILITY REPORT 2025



SUSTAINABILITY REPORT

MESSAGE FROM THE BOARD

We continue to navigate the global green transition by strengthening resilience and competitiveness at the heart of our business. The Board of Directors ("Board") recognises the role HG Metal Manufacturing Limited ("HG Metal" or the "Group") can play in global, national and sectorial efforts to reduce environmental impact and promote long-term, responsible growth.

Responsible for overseeing the Group's sustainability strategy, the Board monitors and reviews the potential implications of climate change, geopolitical shifts, and regulatory compliance that present material factors which may affect the long-term value creation for the Group. The Audit & Risk Committee ("ARC") and Management team are supported by the Sustainability Committee and Task Force who are responsible for developing policies, setting targets, executing initiatives, reporting as well as ensuring performance is monitored and reviewed regularly throughout the organisation.

During the reporting year, we took steps to embed climate-related risks and opportunities into our enterprise risk management framework and business discussions. Our sustainability and decarbonisation roadmap forms the foundation for building a resilient and future-ready business. It reflects our ambition to address how we can positively impact the United Nations Sustainable Development Goals ("SDGs"), while meeting evolving regulatory expectations such as the transition to Sustainability Disclosure Standard IFRS S2 for climate-related disclosures. The Board, supported by the Audit & Risk Committee as well as Management, continues to oversee the execution of this roadmap, ensuring that sustainability considerations are fully integrated into our strategy, operations, and long-term value creation.

Sincerely

BOARD OF DIRECTORS



SUSTAINABILITY REPORT

ABOUT THIS REPORT

This report marks the 9th annual sustainability report (“Report” or “SR2025”) from **HG Metal** or the **Group** which outlines the Group’s sustainability commitments and actions, with primary focus on addressing HG Metal’s significant sustainability factors in its management, policies, and operations.

Reporting Frameworks and Compliance

This report discloses the Group’s management approach, policies, targets and performance on sustainability matters with reference to the Global Reporting Initiative (“GRI”) Standards. The GRI Reporting Principles of report quality, accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability are applied to HG Metal’s approach. The Group continues to select the GRI as its choice of sustainability reporting framework due to the wide adoption globally in all sectors. The GRI content index can be found on pages 49 to 53 of the report.

To address climate change impacts, we have embarked on the progressive journey to adopt the International Sustainability Standards Board (“ISSB”) International Financial Reporting Standards (“IFRS”) Sustainability Disclosure Standard for Climate-related Disclosures (“IFRS S2”). We supplement this journey with references to the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information as well as our previous Task Force on Climate-Related Financial Disclosure (“TCFD”) work. In addition, this report includes reference to the IFRS S2 industry-based guidance Volume 9 – Iron & Steel Producers. The GHG Protocol, is the world’s leading standard for greenhouse gas accounting and continues to be increasingly embedded into our methodology approach for emissions calculations. In addition to compliance with the Singapore Exchange Securities’ (“SGX”) requirements, these disclosure standards are increasingly the global benchmarks for climate-related disclosure, especially by the financial

sector and our stakeholders. Three-year comparison data has been included where feasible and where the available data is meaningful. This SR2025 has also been prepared in accordance with the reporting requirements of the SGX Listing Rule 711A, 711B with implementation guidance as stipulated in the Practice Note 7.6: Sustainability Reporting Guide issued by the SGX. It has also been developed with reference to the six primary components stated in SGX Listing Rule 711B, which includes 1. Material environmental, social and governance (“ESG”) factors; 2. Climate-related disclosures; 3. Policies, practices and performance; 4. Targets; 5. Sustainability reporting framework and 6. Board statement and associated governance structure for sustainability practices.

Scope of the Report

This report covers HG Metal’s sustainability performance in the financial period from 1 January 2025 to 30 September 2025 (“FP2025”) and presents an overview of the Group’s strategies, targets, initiatives, and performance concerning our material ESG topics. This nine-month period follows the change in the financial year end of the HG Metal.

The Group intends to adopt ISSB’s IFRS S1 and IFRS S2, including the industry-based climate-related disclosures under IFRS S2, in a phased and reasonable manner. SR2025 currently applies an operational control approach and the reporting period used is in line with its consolidated financial statements (refer to Basis of Consolidation in HG Metal Manufacturing Limited’s Financial Statements). Entities which are dormant as well as investment holdings have no ESG-related impacts, unless otherwise indicated in the respective sections; as such, most of the data in the SR2025 pertain largely to the Singapore-based HG Metal Manufacturing Limited (“HG Metal”), HG Construction Steel Pte Ltd (“HGCS”), and Oriental Metals Pte Ltd (“OM”). More information on our activities and locations can be found in the Our Corporate Structure of the Annual Report and Composition of the Group in the Financial Statements.



SUSTAINABILITY REPORT

Scope 3 disclosure remains voluntary by SGX regulations, but a selection of upstream and downstream elements of the value chain are discussed in this report.

There have been no significant changes in the Group's size, structure, ownership, activities, products, services market, value chain, or sector of operation compared to the reporting period of FY2024. This report contains no restatement.

HG Metal's sustainability report is published as part of the Group's annual report to provide a holistic experience, and can be found on our website <https://www.hgmetal.com> and <https://www.sgx.com/securities/company-announcements>.

Forward-looking Sustainability Statements

This report may contain forward-looking statements relating to the company's sustainability- and climate-related strategies, targets, transition plans, and future performance. These statements are based on current and publicly-available global and local assumptions, expectations, and projections about future events and are subject to uncertainties and risks beyond the Group's control. Actual outcomes may differ materially from those expressed or implied due to factors such as changes in regulatory environments, market conditions, technological developments, and the impacts of climate change.

Confirmation and Approval

The insights into policy, practices, targets and performance metrics provided in this report are derived from the analysis of formal corporate documents and operational statistics from HG Metal's authoritative records, unless otherwise stated in this report. This sustainability report has received endorsement from the Board of Directors.

Report Assurance and Review

In line with the requirements outlined in the SGX Practice Note 7.6 Sustainability Reporting Guide, HG Metal has conducted an internal review of its FP2025 sustainability reporting processes, relying on its internal verification mechanisms to ensure the accuracy of the data presented. This internal audit by a third party reviews the Group's existing governance structure, internal controls, and risk management systems to ensure the accuracy and reliability of the ESG data disclosed in this report. This represents our commitment to transparency and enhancement in reporting. External independent assurance has not been sought for this report in the reporting year.

Feedback

We value your feedback from our stakeholders for further improvement on this year's report. Please contact us via the following channels if you have any feedback and questions about this report.

Address: 28 Jalan Buroh, Singapore 619484

Email: corporate@hgmetal.com

Tel: +65 6268 2828



SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

Stakeholder Engagement

Understanding the perspectives of our stakeholders is central to shaping our sustainability direction and strategic priorities. Through multiple channels, the Group captures evolving expectations and assesses the mutual impacts between our business and its ecosystem. This enables us to monitor emerging issues, strengthen transparency, and collaborate more effectively with diverse stakeholder groups. By doing so, we ensure that our materiality assessment highlights the topics most critical to both our long-term success and the creation of shared value.

Seven key stakeholder groups across our business and value chain are monitored and engagement takes place through diverse, cross-functional platforms at different levels of the organisation to strengthen dialogue and gain deeper insights into both existing and emerging stakeholder priorities. This approach supports proactive management of issues and ensures our responses remain timely and relevant.

KEY STAKEHOLDERS	ENGAGEMENT PLATFORMS	KEY TOPICS AND RAISED EXPECTATIONS	HG Metal's RESPONSE
Investors/ Shareholders/Media	<ul style="list-style-type: none"> Half-yearly results announcement via SGXNET and website Annual General Meeting and Extraordinary General Meeting Annual report via SGXNET, website and publication News release statements via SGXNET 	<ul style="list-style-type: none"> Corporate governance ESG indicators Financial returns 	<ul style="list-style-type: none"> Regularly review and enhance governance mechanisms Keep shareholders informed on key business direction, financial results, and strategies
Regulatory Bodies	<ul style="list-style-type: none"> Facilitate forums and dialogues through networking events. Seminars Conduct briefings and consultations for effective communication and engagement 	<ul style="list-style-type: none"> Regulatory compliance 	<ul style="list-style-type: none"> Unwavering commitment to adhering to regulatory requirements
Trade Associations ¹	<ul style="list-style-type: none"> Forums and dialogues networking events Seminars Briefings and Consultation 	<ul style="list-style-type: none"> Sharing of best practice Sharing and update on government policies 	<ul style="list-style-type: none"> Stay abreast in regulatory affairs and review business strategies when necessary
Customers	<ul style="list-style-type: none"> Quality survey Meetings and site visits Hotline and website 	<ul style="list-style-type: none"> Product quality Customer service and experience Ethical business practice 	<ul style="list-style-type: none"> Collaborate closely with customers on products/project delivery timeline Develop contingency plans to minimise disruption to production and delivery schedule
Business Partners ²	<ul style="list-style-type: none"> Trade fairs Site visits website 	<ul style="list-style-type: none"> Legal compliance Productivity Product quality Ethical business practice 	<ul style="list-style-type: none"> Frequent communication Work closely with trading partners and expand the network of sourcing from new suppliers
Employees	<ul style="list-style-type: none"> Town hall meetings (annually) Seminars and trainings (ad hoc) Toolbox meeting (daily) Safety meeting (monthly) Performance appraisals (annually) 	<ul style="list-style-type: none"> Job security Occupational safety, health, and well-being 	<ul style="list-style-type: none"> Continuously manage the safety, health, and well-being of employees Regularly conduct compliance checks on the implementation of safe management measures
Community	<ul style="list-style-type: none"> Community engagement and outreach activities 	<ul style="list-style-type: none"> Support local community 	<ul style="list-style-type: none"> Launched community outreach programmes, where feasible and appropriate

¹ Refers to Singapore Business Federation, Singapore Institute of Directors, Singapore National Employer Federation, Singapore Metal Machinery, Prefabrication Association of Singapore for Precast & Steel and Singapore Iron Works Merchant.

² Refers to suppliers, distributors, and contractors.

SUSTAINABILITY REPORT



Materiality Assessment

Stakeholder engagement enables the identification and review of issues most significant to both the company and its stakeholders. A six-step stakeholder engagement process is applied – 1. Identifying a list of relevant sustainability issues to HG Metal's operations and stakeholders; 2. Collecting stakeholder's opinions and feedback through various channels; 3. Reviewing and assessing stakeholders' feedback; 4. Responding to stakeholders' issues and concerns; 5. Prioritising material topics; and 6. Validation from the Board. In addition to our regular interactions (as detailed in the Stakeholder Engagement section), a comprehensive engagement exercise was conducted in FY2023 through surveys to gather meaningful feedback. The survey received balanced participation, comprising 51% internal stakeholders and 49% external stakeholders in our value chain, including

customers, suppliers, and business partners. This inclusive process provides valuable insights into diverse perspectives, strengthening our ongoing commitment to transparent and effective stakeholder engagement.

The business model and value chain had no material changes for FP2025. The Sustainability Committee, senior management, and the Board reviewed and endorsed the material topics for FP2025, confirming their continued relevance and applicability for this reporting period. The findings from our materiality assessment guide our approach to our Sustainability strategy, risks and opportunities. More information can be found in the Strategy, Management of Risks and Opportunities sections and respective topic disclosures of the SR2025.

SUSTAINABILITY REPORT

FP2025 list of material topics and its boundaries

Material Topics	BOUNDARY, WHERE IMPACT OF THE MATERIAL TOPIC OCCURS										Impacts Addressed in the Report	
	Within HG Metal's Operation ³					Outside HG Metal's Operation ⁴						
	Directors	Management	Employees	Suppliers	Investors/ Shareholders/Medias	Business partners	Customers	Regulatory bodies	Trade associations	Community		
GRI MATERIAL TOPICS IDENTIFIED THROUGH THE STAKEHOLDER ENGAGEMENT SURVEY.												
(Based on the rank from the survey and grouping under economic, social and environment pillars)												
1	Anti-Corruption (GRI 205)	x	x	x	x	x	x	x			Marketplace	
2	Occupational Health and Safety (GRI 403)		x	x			x	x	x	x	People	
3	Diversity and Equal Opportunities (GRI 405)	x	x	x							People	
4	Marketing and Labelling (GRI 417)					x	x	x	x		Marketplace	
5	Employment (GRI 401)	x	x	x						x	People	
6	Emissions (GRI 305)		x	x				x		x	Environment	
7	Waste (GRI 306)		x	x				x		x	Environment	
8	Energy (GRI 302)		x	x				x		x	Environment	
9	Training and Education (GRI 404)	x	x	x							People	
NON-GRI MATERIAL TOPICS WHICH HAVE BEEN VOLUNTARILY DISCLOSED BY HG Metal												
10	Product Quality	x	x	x	x	x	x	x			Marketplace	

³ HG Metal's operation has contributed directly to this impact.

⁴ HG Metal contributes indirectly through business relationships, stakeholder legitimacy, etc.

SUSTAINABILITY REPORT

SUSTAINABILITY AND CLIMATE CHANGE GOVERNANCE

Through the progressive adoption of IFRS S1 and S2 disclosure frameworks, HG Metal aims to provide stakeholders with fairly-presented information about climate-related (and progressively, sustainability-related) risks and opportunities that could reasonably be expected to affect the Group's prospects, cash flows, access to finance or cost of capital over the short, medium or long term.

While the priority is on climate-related considerations, sustainability-related risks and opportunities will continue to be integrated progressively. Supplementary information on the Group's approach to sustainability materiality, scope and boundary of review and reporting and value chain can be found in the Materiality section (pages 22-24).

Governance

The Group seeks to achieve responsible growth which aligns with HG Metal's core values and sustainability goals, while monitoring and managing the company's impacts on the environment, society and stakeholders. To accomplish this, we believe it is important to incorporate sustainability considerations into our governance frameworks. Climate change matters are recognised as an element of our broader sustainability approach.

We embrace a culture of continuous improvement on environmental, social and governance matters and this is clearly spelt out in HG Metal's Sustainability Committee Terms of Reference. The Board has overall responsibility for the Group's sustainability strategy and disclosures. This includes ensuring that the approach is aligned with the corporate purpose and strategy of the Group, evaluating the potential impacts of sustainability-related risks and opportunities together with the ARC, as well as oversight on HG Metal's material topics. The Board stewards and regularly reviews the Group and management's implementation of sustainable development strategies (including those related to climate change).

All members of the Board of Directors and Sustainability Committee (which include the Management) are required to undergo pre-approved sustainability and climate change training. This supplements diversity in expertise, professional background and gender; strengthening the company's commitment to robust decision-making and inclusive representation. More information on Board composition, nomination, remuneration, competencies and selection processes, as well as mandatory sustainability-related training can be found in the Corporate Governance Report in this Annual Report. Additional information on Board diversity can be found in the Diversity and Equal Opportunity section of the SR2025.

The Board meets with Management at least twice a year to discuss sustainability-related matters. Management is accountable for implementing the Group's sustainability policies and integrating ESG considerations into day-to-day operations. A cross-functional Sustainability Committee coordinates efforts across HG Metal. Working together with a Sustainability Task Force, the Sustainability Committee's responsibilities include evaluating and exchanging information on emerging trends and stakeholders' perspectives, managing both sustainability and climate-related risks and opportunities, developing targets and roadmaps, monitoring performance, and preparing disclosures. The Sustainability Committee supports the evaluation and management of climate-related risks and opportunities through the Group's Enterprise Risk Management framework and Emerging Sustainability Factors Register, and reports regularly to ARC, which in turn updates the Board.

In FP2025, the Board attended a discussion on HG Metal's climate-related risks and opportunities. This included an update on the national and sectorial landscape, and a discussion with Management representatives to review the Group's opportunities as well as physical and transition risks that might have the potential to influence business strategy and approach. A Board member attended an additional ESG Masterclass to further enhance sustainability and climate change awareness.

SUSTAINABILITY REPORT

Sustainability Governance Structure

BOARD OF DIRECTORS

- Oversight on the governance structure, practices, and performance, as well as responsible for overseeing sustainability direction. Overall responsibility for the risk management process and the organisation's impacts on sustainability, climate as well as economic and financial matters.
- Review and validate material topics for the Group.

AUDIT & RISK COMMITTEE

- Oversight on broader sustainability trends, risks & opportunities to connect sustainability with the corporate and strategy of the Group.

SUSTAINABILITY COMMITTEE

- Chaired by the Executive Director and Chief Executive Officer (“CEO”) and comprised of managers from each company function. Manages the Emerging Sustainability Factors Register; works with the Management Risk Committee and senior management to update and manage climate and sustainability related risks and opportunities; has functional oversight of the Sustainability Task Force in corporate sustainability assessment, targets setting and implementation of sustainability strategies and initiatives.
- Support the ARC and Board on sustainability related matters, including those climate-related.

SUSTAINABILITY TASK FORCE

- Representatives from relevant operating entity.
- Support the implementation of strategies and initiatives, and data collection.

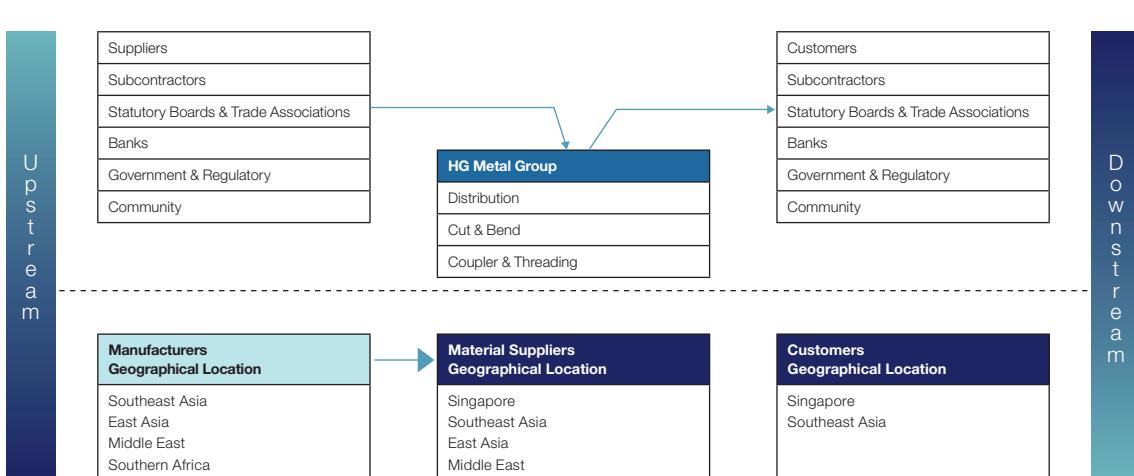
Strategy

HG Metal is in the process of integrating sustainability and climate change risks and opportunities into its strategic and operational systems. This aims to drive continuous improvement and to enhance our resilience, while nurturing value creation for HG Metal's business and connected communities.

Global climate goals such as the Paris Agreement's target of limiting global warming well below 2°C and national commitments such as Singapore's Green Plan 2030 is starting to guide key action through the value chain. Early efforts across the upstream steel sector as well as downstream green procurement guidelines and ecosystems were fragmented, but greater clarity is beginning to emerge as upstream producers and procurement decision makers strengthen their coordination. Global guidelines around environmentally-friendly commodities and Environmental Product Definitions (“EPDs”) are consolidating and become clearer.

In FP2025, HG Metal focused on reviewing the potential impacts of climate-related risks and opportunities on the business and value chain. We are committed to providing transparent and timely disclosures on climate-related risks and opportunities. Given the Group's early stages of adopting the new ISSB frameworks and the high levels of uncertainty in estimating quantitative financial effects, we have adopted a qualitative approach. As potential impacts become more visible through the availability of industry and market movement, and data availability and methodologies improve, we will enhance the depth and meaningful comparability of our disclosures. Information on assumptions can be found on page 29.

SUSTAINABILITY REPORT



Current and anticipated impacts

Input from the sustainability and climate discussions inform decision-making by the division leads, business units, senior management and Board. These are taken into consideration when discussing business plans for the Group.

Developed in 2023, the Group has in place a sustainability strategy that includes a Decarbonisation Pathway which takes into account the business model and value chain. The Decarbonisation Pathway currently spans 2024 to 2050. Leading up to 2030, HG Metal is focused on efficiency and potential for renewable energy solutions, such as solar power. Opportunities remain limited due to solutions accessibility and minimal influence on upstream production processes. 2030 and onwards, and in alignment with the longer-term climate change scenario horizon to 2100, the company aims to strengthen the resilience of its business and value chain. Initiatives include adopting supplier environmental assessment to encompass climate risk evaluations and mitigation measures implemented by our suppliers. We anticipate that national- and industry-level climate-friendly solutions will bring significant changes to Singapore's landscape, shaping our intended pathways beyond 2030.

HG Metal recognises that issues related to climate change and the marketplace's approach to developing mitigation and adaptation plans has significantly evolved in recent years due to improved science and shared expertise from a growing pool of use cases. The Group intends to conduct a review of its existing transition plans and decarbonisation plans over the next two years, but as at end FP2025 we do not expect any significant adjustment to the carrying amounts of assets and liabilities reported in the related financial statements. There were no immediate financial impacts from climate-related risks and opportunities during the reporting period.

Key ESG-related Risks and Opportunities

More information on current ESG-related risks and opportunities (in particular for human resource, environmental, health and safety risks) can be found in the Risk Management section of the Corporate Governance Report and the Message to Shareholders in the Annual Report. The Group is reviewing its risks and opportunities pertaining to our sustainability material topics (which include climate-related matters), and will provide further disclosures progressively in future reports as more information becomes available.

SUSTAINABILITY REPORT

Climate resilience and scenario analysis

Our climate scenario analysis findings compile input from stakeholders, Management and the Board to not only guide our decisions and planning, but also inform our approach to managing transition and physical climate aspects. Two scenarios provided by the Intergovernmental Panel on Climate Change (“**IPCC**”) form the foundation of our analyses. The IPCC is a leading global authority on climate science, providing data that underpins transboundary frameworks such as the United Nation Framework Convention on Climate Change (“**UNFCCC**”) and the Paris Agreement, as well as national and local climate change reports. Its scenarios are peer-reviewed and widely used for policy and research. The results of our discussions from these scenarios are subject to inherent uncertainties due to evolving science, emissions trajectories, policy changes, and market dynamics.

Scope

Entities under operational control:

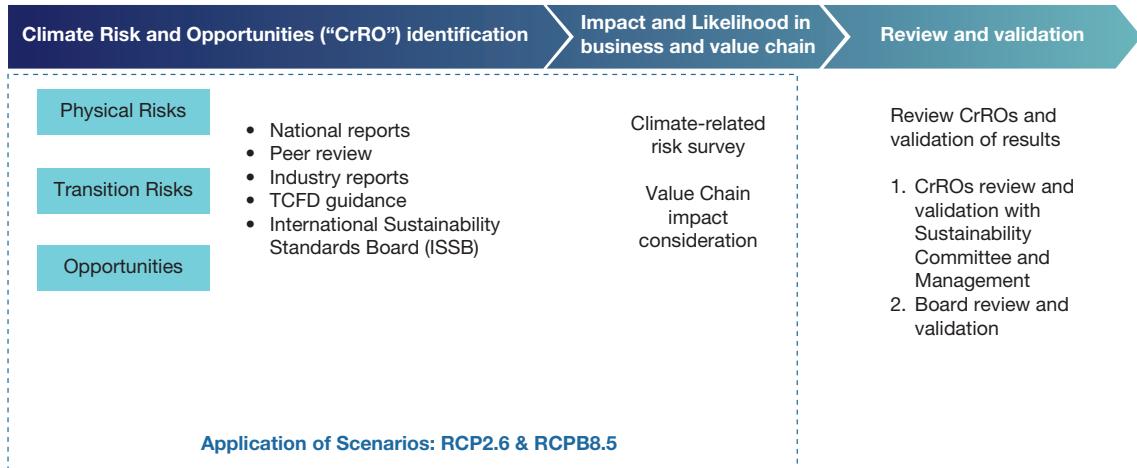
- HG Metal Manufacturing Limited, HG Construction Steel Pte Ltd, Oriental Metals Pte Ltd
- Remaining inactive entities described on page 144 are dormant and investment holdings with no unique assets or environmental footprint were excluded from analysis

Assets location: Office and facility at 28 Jln Buroh, Singapore 619484

Business planning horizon

- Short term: 1 year
- Medium term: 2-5 years
- Long term: > 5 years

Process



SUSTAINABILITY REPORT

Scenarios applied

	RCP 2.6	RCP 8.5
Basis for selection	Ambition scenario (Paris Agreement-aligned for business resiliency)	Business-as-usual (BAU) scenario
Scenario Time Horizons	Short term: 2024-2030 Medium term: 2030-2050 Long term: 2050-2100	Short term: 2024-2030 Medium term: 2030-2050 Long term: 2050-2100
Global Temperature Increase	<2°C by 2100	>4°C by 2100
Typical risk exposures	Higher transition risks, particularly in the short-mid term onwards	Higher physical risks, further into the long term
Impacts on Policies and Compliance	Aggressive carbon reduction policies and compliance Push for renewable and clean energy Push for increased carbon tax (globally and locally)	Little meaningful action on carbon reduction

In FY2023, a climate-scenario exercise (which integrated consideration of financial impacts) identified four major climate-related topics that translated to four risks and four potential opportunities. HG Metal's value chain was updated in FP2025 and the Group's climate-related risks and opportunities were again reviewed by the Sustainability Committee, Management and Board with the support of an external consultant. The physical risk sea level rise, which presents chronic concerns for the whole of Singapore as an island nation⁵ and potential financial impacts in corporate risks and adaptation measures, was removed. Given the extended time horizon, the limited direct impact to the Group's current business cycle, and the reliance on external variables beyond the Group's control, sea-level rise and its potential implications will be reassessed in future climate risk evaluations, once greater clarity emerges from national adaptation strategies and related developments. Our primary focus is on transition risks linked to energy use, materials and supply chain, alongside physical risks such weather and climate hazards that may disrupt supply chains or impact assets and facilities.

Assumptions

Climate scenario analysis exercises and reviews applied are based on existing publicly-available information and have inherent assumptions on policy developments, macroeconomic trends, energy source mix, and knowledge of physical climate hazards.

Where primary data is unavailable, certain metrics disclosed in our sustainability statements rely on third-party data (such as conversion factors) and/or the application of judgements, estimates, and assumptions. We apply industry-recognised emission factors or proxy data where feasible to ensure that these judgements and estimates are reasonable. Described alongside the respective disclosures throughout the SR2025, these will be annually reviewed and refined where available. Any significant changes in methodology or input data will be disclosed transparently in future reporting periods.

⁵ Singapore's mean sea level is anticipated to experience an increase between 0.23 metres and 1.15 metres by the end of the century, and relative sea level will potentially reach about 2 metres by 2150 in a high emissions scenario (NEA, 2024, Singapore's Third National Climate Change Study). Singapore's Coastal and Flood Protection Fund will see \$5-10 billion set aside for a range of national solutions through to 2100 (National Day Rally 2019, National Day Rally 2025, Budget 2025).

SUSTAINABILITY REPORT

Key Climate-related Risks and Opportunities

RISKS	NATURE OF RISK	HG METAL'S RESPONSE AND MITIGATION
Changes in precipitation patterns and extreme variability in weather patterns <ul style="list-style-type: none"> Risk: Physical (Chronic & Acute) Opportunity: Physical (Resilience) 	<p>Description: Changes in precipitation patterns and extreme variability in weather patterns is expected to impact HG Metal primarily through supply chain and logistics disruptions. These risks are prevalent as heavy rainfall, increased flooding, or heavy winds can lead to road closures, disruptions in transportation networks, and delays in the movement of goods. Extreme weather events may also permanently damage infrastructure, assets and corrode raw materials such as steel. Unchecked global GHG emissions will likely exacerbate climate and weather conditions.</p> <p>Potential Impacts:</p> <ul style="list-style-type: none"> Materially significant in the extended long-term of the business planning cycle (ie in the medium-long horizon of the climate-scenario analysis) Risks <ul style="list-style-type: none"> Chronic exposure to flooding, corrosion from high humidity, or storm damage can degrade facilities, raising capital, maintenance and insurance⁶ costs. Raw material supply chains could face prolonged disruption from weather-related transport issues or climate impacts at supplier locations, thereby impacting our perfect order index and on-time delivery plans. Decreased labour productivity in heat waves. Opportunities <ul style="list-style-type: none"> Future-proof worker safety and health management plans for climate change Fortify warehouse facilities and work areas as part of adaptation initiatives Potential optimisation of transportation that serve as both mitigation and adaptation actions 	<p>Response: While keeping a firm eye on the impact of physical risks, HG Metal has a dedicated team to monitor and manage the supply chain on its primary material, steel.</p> <p>Continued efforts to ensure that our supply chains remain resilient to withstand climate-related disruptions will become a strategic advantage. This involves diversifying our procurement channels, and planning counter measures to safeguard our assets.</p>
Increased cost of raw materials <ul style="list-style-type: none"> Risk: Transition (Market) Opportunity: Transition (Resilience) 	<p>Description: Cost of raw materials are influenced by production costs due to changing input prices (e.g. energy, water) and output requirements (e.g. waste treatment). HG Metal is not directly affected by Singapore's and global carbon tax regulations, but the likely increase in electricity prices may become potentially impactful on operational costs from 2030 onwards. Similar global trends indicate potential increase of cost of fossil-fuel energy and operational costs, which can impact our cost of goods and services purchased.</p> <p>Potential Impacts:</p> <ul style="list-style-type: none"> Particularly in the long-term of the business planning cycle (ie in the medium-long horizon of the climate-scenario analysis) Risks <ul style="list-style-type: none"> Increased Cost of Goods Sold ("COGS") and production costs due to changing input prices Decreased labour productivity Opportunities <ul style="list-style-type: none"> Diversifying approaches to contracts to increase business resilience 	<p>Response: Management intends to regularly monitor regulatory changes and global market trends. We are also looking to create processes to engage our employees in climate action initiatives which help us ensure our staff safety and overall production efficiency.</p> <p>More aggressive monitoring of the market and commodity prices will be implemented, and the team is reviewing alternative pricing strategies as well as looking to enhance our approach to hedging.</p>

⁶ Global estimates of insurance premiums are predicted to increase 70%-100% by 2100, and we expect local businesses to observe a similar trend (source: <https://www.adaptationclearinghouse.org/resources/the-impact-of-climate-change-and-population-growth-on-the-national-flood-insurance-program-through-2100.html> & <https://www.abc.net.au/news/2019-10-23/the-suburbs-facing-rising-insurance-costs-from-climate-risk/11624108>)

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RISKS	NATURE OF RISK	HG METAL'S RESPONSE AND MITIGATION
<p>Uncertainty in market signals</p> <ul style="list-style-type: none"> • Risk: Transition (Market) • Opportunity: Transition (Products and Services, Markets) 	<p>Description: The transition to a low-carbon economy has created a community of collaboration to jointly weather risks and the potential of rising costs together. Changes to the global supply chain's ability to meet the customer demand for environmentally-friendly metals can impact HG Metal's cost structure, pricing strategies, and overall financial performance. In the Singapore market, per Building and Construction Authority ("BCA") and as part of Singapore Green Plan, there is a regulatory push for green buildings by 2030. According to International Energy Agency ("IEA") 2DS, global demand for low carbon steel is likewise expected to grow⁷.</p> <p>Potential Impacts:</p> <ul style="list-style-type: none"> • Particularly in the mid to long-term of the business planning cycle (ie in the short-medium horizon of the climate-scenario analysis) • Risks <ul style="list-style-type: none"> ◦ Increased capital costs, COGS, per-unit production costs ◦ Price fluctuation due to uncertain market or demand ◦ Market preference for new certifications on products ◦ High energy consumption and greenhouse gas emissions in upstream may pose a risk to HG Metal's ability to offer green products • Opportunities <ul style="list-style-type: none"> ◦ Early mover advantages for expansion into low-carbon products (sustainable steel) to meet the potential market demand and changing trend ◦ Potential to collaborate with value chain partners on managing emissions and/or environmental footprint of steel products upstream, operations and downstream delivery activities ◦ Direct ability to influence provision of emissions-related information and/or certification for HG Metal products 	<p>Response: Global efforts to combat climate change intensify markets for sustainable products may expand, providing new business opportunities.</p> <p>The Group is embarking on efforts to review and enhance Internal capabilities to manage the risks and opportunities. We expect to disclose more information in the coming years.</p>

Management of Risks and Opportunities

Climate-related risks and opportunities are integrated into the Group's Enterprise Risk Management Framework ("ERM") and in Management and Board-level meetings. By systematically identifying challenges and opportunities unique to HG Metal in the climate and sustainability landscape, the Group is able to fortify its strategic positioning. We will continue to integrate all sustainability- and climate-related considerations by FY2030.

Information on the Group's approach to the process and use of scenario analysis can be found in the Strategy, Climate Resilience and Scenario Analysis as well as Assumptions section of this report.

⁷ <https://iea.blob.core.windows.net/assets/a86b480e-2b03-4e25-bae1-da1395e0b620/EnergyTechnologyPerspectives2023.pdf>

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Enterprise Risk Management

Each level of the ERM plays a defined role in HG Metal's governance, and is supported by continuous, coordinated activities across the organisation. Regular risk identification, assessment, and mitigation are carried out by risk owners and business units in partnership with the Management Risk Committee ("MRC"), which reports to the ARC and Board.

A risk-based approach is adopted and independent assurance is provided by a third-party Internal Auditor regularly, who reports directly to the Board of Directors. The Enterprise Risk Register is updated through a structured process led by the MRC across functions to highlight potential exposures spanning financial, legal/regulatory, reputation, safety, operations and IT aspects.

This hybrid of qualitative and quantitative analysis informs prioritisation and the design of targeted action plans to mitigate adverse outcomes and capture opportunities. In FP2025, the framework was enhanced to integrate frameworks used in assessing climate-related risks and opportunities. Key treatment strategies include transferring, avoidance, reduction and accepting. Where opportunities may arise from managing the risk, it also enables the development of levers for value growth.

More information can be found in the Corporate Governance Report section of this publication.

Emerging Sustainability Factors Register

The Group developed an Emerging Sustainability Factors ("ESF") Register of topics and trends that may not yet have a material impact but could shape the long-term strategy for our business and value chain. Managed by the Sustainability Committee, this list helps Management proactively and systematically monitor these factors, escalate topics into the enterprise risk register or for further deliberation, manage uncertainty and strengthen our ability to adapt to an evolving sustainability landscape. These will be subject to a twice-a-year review and update cycles as described by the Sustainability Committee Terms of Reference and updated to the ARC and Board at least once a year.

In FP2025, climate-related opportunities as well as risks that present lower immediate impacts (such as in the case where there is lack of reliable and quantified transition data, making detailed analysis less practicable at present) were introduced into the ESF Register and will be monitored by assigned issue owners.

Metrics and Targets

Information on our sustainability and climate impacts and targets can be found in the subsequent chapters. For energy as well as Scope 1, 2 and limited Scope 3 emissions performance and associated targets (including our Decarbonisation Pathway), please refer to the Energy and Emissions sections. In FP2025, IFRS S2's industry-based climate-related disclosures for the Iron and Steel Producers sector (Volume 9) were adopted for reporting and will be monitored.

As part of ongoing sustainability and risk management efforts, the Group continues to monitor regional and industry regulatory developments and market signals relating to carbon pricing mechanisms that may impact business planning and operations, such as utility and raw material costs. While an internal carbon price is not currently applied, the monitoring helps to inform medium-to long-term planning and ensures the organisation remains adaptable to potential future carbon-related cost exposures. HG Metal seeks to improve with evolving best practices and aims to review how we approach our metrics and targets in the coming years.

Information on climate-related and industry-specific metrics and performance against targets can be referenced from:

- Energy: pages 43 to 44
- GHG Emissions: pages 44 to 47
- Water: page 48
- Industry-based activity metrics: pages 43, 44, 46, 48

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MARKETPLACE

Integrity and Corruption Risk Management

At HG Metal, we believe that integrity is a fundamental value that guides our responsibility and accountability to stakeholders. By adhering to strong principles of business ethics and conduct, we aim to nurture trust and sustain long-term relationships with our customers and partners. The Group takes a clear position against fraud and corruption, reinforcing ethical practices throughout our operations. To support this, a structured governance framework of policies and procedures has been established to promote transparency, ethical behaviour, and accountability across all levels of the organisation.

We monitor fraud and corruption risk under our ERM framework, alongside operational, financial strategic and compliance risks. These topics are subject to the rigorous review as prescribed by the framework which include an annual internal review on risk levels, management plans and controls.

Anti-Bribery & Corruption Policy

An Anti-Bribery and Corruption Policy establishes HG Metal's zero-tolerance approach to ensure all business is conducted ethically and in compliance with the law. Encompassing employees, management, the Board as well as third parties, the policy sets out processes to identify and manage corruption risks, provides guidelines to manage fraud, corruption, anti-competitive practices, and anti-trust behaviour, and provide for clear communication and the reinforcement of this policy.

All employees undergo mandatory training and/or receive information on the Group's Anti-Bribery & Corruption Policy. HG Metal's Board of Directors are also required to attend similar training, such as courses organised by the Singapore Institute of Directors which detail expectations of their roles and responsibilities on integrity, corporate governance and regulatory compliance.

In FP2025, the policy was updated and uploaded onto the website for enhanced access. We also place emphasis on strengthening employee awareness through ongoing education on anti-corruption, anti-bribery, the Code of Conduct, and the whistleblowing policy.

HG Metal performance and targets for anti-bribery & corruption

HG Metal	FY2023	FY2024	FP2025	FP2025 Target	FY2026 Target	FY2030 Target
No. of reports of any corruption risks or cases of suspected or actual corruption	0.00	0.00	0.00	Zero incidents of reports of any corruption risks or cases of suspected or actual corruption		

SUSTAINABILITY REPORT

Whistleblowing Policy

The Group has established a Whistleblowing Policy to provide a secure and confidential channel for employees, contractors, business partners, and other stakeholders to raise concerns about potential misconduct, including breaches of the Code of Conduct, bribery, corruption, fraud, harassment, or any other unethical or unlawful behaviour. The Group will make every effort to protect the anonymity of whistleblowers, while recognising that disclosures may need to be substantiated during investigations to ensure fairness and accuracy.

During the reporting year, this policy was updated to underscore our commitment to maintain the highest standards of integrity and accountability. It details processes to handle all concerns with impartiality, investigate promptly and protect whistleblowers with a strict non-retaliation principle. Written reports are received directly by the ARC Chairman and/or members. Training and awareness initiatives are conducted regularly to encourage responsible reporting and to foster a culture of accountability and openness. Information on the Group's Whistleblowing Policy is communicated and made readily accessible to all stakeholders through a variety of mediums such as onboarding programmes, the corporate website and in the Corporate Governance section of the Annual Report. Through accessible and dependable reporting mechanisms, the Company demonstrates its dedication to ethical conduct and reinforces stakeholder confidence.

There were no whistleblowing reports received in FP2025.

Conflict of Interest Policy

HG Metal's Conflict of Interest Policy provides clear guidance and accountability mechanisms to ensure that decisions are made transparently and objectively as well as in the best interest of the organisation. All employees, executives and Board members are required to identify, manage, and mitigate any potential conflicts that may arise in the course of our business operations.

Under potential circumstances, all relevant individuals, including Directors, are expected to recuse themselves from the decision-making process to ensure impartiality and uphold the integrity of the outcome.

In FP2025, there were no incidents or public legal cases of non-compliance involving corruption, fraud, extortion, or money laundering against the Group or its employees. There were also no instances of contract termination or non-renewal with business partners due to corruption-related violations in the reporting year.

The Group is committed to annually sustaining this positive track record by reinforcing employee awareness through ongoing training programmes aimed to embed an ethical work culture that upholds high standards of honesty and integrity in both behaviour and decision-making at HG Metal.

Product Quality

HG Metal is committed to delivering products of consistently high quality, meeting customer expectations and industry standards across all operations.

Built on the Group's customer-oriented approach, our brand and reputation are a testament of a steadfast focus on quality, value, innovation, consistency, pursuit of excellence and customer satisfaction.

The Group's strict Quality Control and Assurance Process and Quality Check Process are ISO 9001:2015 certified, reflecting the rigorous standards of inspection and quality control applied to all materials and finished products.

A customer satisfaction survey is conducted annually to measure our customers' satisfaction rates. The feedback enables HG Metal to respond to customer needs and expectations in a timely and proactive manner.

HG Metal's Perfect Order System is a digitised tracking initiative developed to achieve complete accuracy across all stages of product and service delivery. It enables stringent oversight, documentation, and evaluation of every product-related activity through an end-to-end workflow that spans from receipt at the dock to the Group's delivery. The system enhances accuracy by minimising errors at every stage of the workflow, enhances traceability such as identification of specific product batches, while providing transparency and accountability. By streamlining processes, it improves efficiency and greater customer satisfaction through reliable, timely, and high-quality product delivery.

SUSTAINABILITY REPORT

HG Metal performance and targets for product quality

HG Metal	FY2023	FY2024	FP2025	FP2025 Target	FY2026 Target	FY2030 Target
On-time delivery as per customer schedule (%)	99.52	99.75	99.90	99.00	99.00	99.00
Reject or goods returned from customer orders (%)	0.04	0.48	0.01	0.10	0.10	0.10
Average percentage score from customer satisfaction rating from customer surveys (%)	91.05	95.13	94.94	90.00	90.00	90.00

Marketing and Labelling

HG Metal recognises the importance of providing accurate and trustworthy information through our marketing and labelling practices. Given that our products are widely used in buildings and infrastructure, mislabelling could have serious consequences for end users, communities, and the environment, while also creating significant trust and reputational risks for the company. To address this, we remain committed to responsible, comprehensive, and transparent labelling and communication, ensuring safety, compliance, and confidence across our value chain.

There is strong emphasis on quality assurance through the engagement of accredited inspection bodies and conducting independent third-party testing to meet the precise needs of our customers. Our processes are

aligned with globally recognised standards, including British Standards ("BS"), Singapore Standards ("SS"), European Standards ("EN"), American Society for Testing and Materials International ("ASTM"), and Japanese Industrial Standards ("JIS"), to thoroughly validate product origin, steel grades, and technical specifications. All our products are accompanied by mill test certificates which provide verified chemical and physical properties. All incoming materials are pre-tested, documented with unique heat lot identification numbers for both internal and external traceability. Customers receive their orders with the relevant mill test certificates for each product type, giving them assurance of quality and the right to reject goods not accompanied by proper documentation.

HG Metal performance and targets for marketing and labelling

HG Metal	FY2023	FY2024	FP2025	FP2025 Target	FY2026 Target	FY2030 Target
Number of non-compliance incidents concerning outgoing product and services information and labelling	0.00	0.00	0.00	Report on the number of incidents of noncompliance concerning product and services information and labelling		
Percentage of non-compliances concerning incoming products and labelling in annual schedule (%)	0.03	0.01	0.01	0.80	0.80	0.80

SUSTAINABILITY REPORT

PEOPLE

Employment

The Group's workforce constitutes the backbone of our operations, and their skills, safety, and development are central to our success. HG Metal believes in nurturing a motivated and productive team that is positioned to support the Group's vision and values.

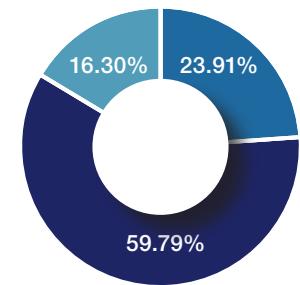
Through practical training, hands-on development, and robust health and safety measures, we strive to be a growth-oriented employer that focuses on the well-being, development and advancement of our employees, regardless of gender, age, ethnicity and background. All employees have equal and direct access to report to management any matters regarding their concerns on HG Metal's impact on economic, governance, environmental as well as employee well-being.

The Group is compliant with the Ministry of Manpower's Employment Act. Employment policies and practices have integrated the guidelines set forth by the Tripartite Alliance for Fair and Progressive Employment Practices ("TAFEP").

A fair and inclusive hiring process is instituted at HG Metal to ensure that selection of candidates is based on their skills, experience, and suitability for the role, without discrimination on the basis of race, gender, age, ethnicity nor nationality.

As at 30 September 2025, there was a total of 183 employees of which all were permanent and full-time employees. There was one contract worker in the reporting year but no other forms of contract or non-guaranteed hours employees⁸.

Employee by Age Group FP2025



■ Under 30 years old ■ 30-50 years old
■ Over 50 years old



⁸ Numbers are based on full-time equivalent and indicate the total headcount at the end of the reporting period.

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HG Metal's employment indicators

	FY2023	FY2024	FP2025
Total Employees by Gender (%)			
Male	86.39	85.88	85.87
Female	13.61	14.12	14.13
Total Employees by Age Group (%)			
Under 30 years old	22.52	20.90	23.91
30-50 years old	60.73	62.15	59.78
Over 50 years old	16.75	16.95	16.31
New employees hired (%)			
Annual rate	36.11	11.86	15.76
Employees turnover (%)			
Annual rate	30.00	20.34	11.96
Total Employees by length of service (%)			
Less than 5 years	67.01	55.37	57.92
5-10 years	18.85	29.94	26.23
More than 10 years	14.14	14.69	15.85

In FP2025, our annual new hire rate and turnover rate stood at 15.76% and 11.96% respectively.

HG Metal hiring and turnover for FP2025

	Age	Male	Female
Total number of new employees hires	Under 30 years old	16	3
	30-50 years old	8	1
	Over 50 years old	1	0
Employees hiring rate (%)	Under 30 years old	8.70	1.63
	30-50 years old	4.35	0.54
	Over 50 years old	0.54	0.00
Total number of employees turnover	Under 30 years old	10	0
	30-50 years old	8	3
	Over 50 years old	1	0
Employees turnover rate (%)	Under 30 years old	5.43	0.00
	30-50 years old	4.36	1.63
	Over 50 years old	0.54	0.00

In FP2025, there were no incidents of non-compliance with employment laws. We continue to maintain that target going forward.

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Employee Benefits

HG Metal offers a range of benefits to all permanent employees. These include access to flexible work arrangement initiatives for employee, insurance and healthcare medical coverage. The company has in place a Fitness Gym Club to encourage and promote self-care through gym exercises.

100% of all our 158 male and 26 female employees are entitled to nationally-specified parental and adoption leave regardless of gender, subject to eligibility conditions as provided by Singapore's Ministry of Manpower and if they have fulfilled three months of service with the Group. In FP2025, 13 eligible parents utilised their parental leave.

The Group values a labour-management relationship grounded in mutual trust and respect, supported by the shared dedication of both management and employees. HG Metal currently does not have any collective bargaining agreements in place, but takes steps to ensure that employee relations are guided by open communication with human resources, formal platforms such as the whistleblowing channel, regular engagement, and direct dialogue to address concerns and share feedback. Workplace health and safety committees at HG Metal include worker representatives in discussions on operational concerns and improvements. For more information please refer to the Occupational Health and Safety section. Additionally, the Group's benefits and welfare policies are regularly reviewed to introduce improvements to our employment care package such as flexible working arrangements.

Employees parental leave for FP2025

	Male	Female
Total number of employees that took parental leave in FP2025	9	4
Total number of employees that returned to work in the reporting period after parental leave ended	7	2
Total number of employees that returned to work in the reporting period after parental leave ended that were still employed 12 months after their return	9	3
Return to work of employees that took parental leave in FP2025	77.78%	50.00%
Retention rate: employees retained 12 months after returning to work after parental leave ended	100.00%	60.00%

Training and Education

Investing in the workforce's skills and knowledge is central to driving both individual growth and organisational excellence.

Employees are provided with equal opportunities to access learning and development programmes that i) enhance competency through core skills training; ii) cultivate Group values; and iii) ensure up-to-date awareness and compliance with regulations.

In FP2025, trainings were conducted for a range of topics which included data and statistical analysis, BIPO HR and payroll solutions, financial due diligence and valuation for

mergers and acquisitions. A Director attended an additional ESG Masterclass to further understanding of key issues. The organisation also implemented internal enhancements through an enterprise resource planning system, and training was rolled out in FP2025. This accounted for the significant increase in training hours. Additional information on workplace safety and health comprehensive can be found in the Occupational Health and Safety section.

For FY2026, we aim to develop training programmes together with line managers for staff, if needed, to enable them to stay relevant at work.

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HG Metal average training hours

Gender	FY2024		FP2025	
	Male	Female	Male	Female
Senior Management	0.00	16.25	0.00	34.50
Middle Management	15.31	9.70	34.79	42.13
General	9.53	8.28	8.80	37.56

Note: As part of ongoing improvement, data collection based on the current employee categorisation was enhanced in FY2024. Information for FY2023 has not been included as comparable data is not available.

Diversity and Equal Opportunity

By embracing diverse perspectives and equal opportunities, HG Metal aims to foster innovation, better decision-making, and nurture a more inclusive workplace. We are committed to providing merit-based access for growth and advancement, upholding fair employment practices, and creating an environment where all employees are valued and empowered to contribute fully.

In line with TAFEP principles, we aim to create an environment where everyone is treated with respect, irrespective of race, gender, age, disability, or background. We actively encourage diversity of thought and ensure that all individuals feel valued, empowered, and able to contribute meaningfully to our collective objectives.

Our recruitment, training, and promotion processes are guided by fairness, merit, and non-discrimination, ensuring opportunities are granted based on capability and qualifications.

HG Metal's Board Diversity Policy additionally seeks to ensure broad representation at our most senior leadership, so as to strengthen decision-making and advance our strategic goals in sustainable development. Further details can be found in our Corporate Governance Report.

In FP2025, there were no incidents of discrimination. For FY2026, we continue to look to equal opportunity for internal and external hiring.

HG Metal diversity of Board based on gender for FP2025

	Male (%)	Female (%)
Independent executive and non-executive director	25.00	75.00

HG Metal diversity of Board based on age group

	Under 30 years old (%)	30-50 years old (%)	Over 50 years old (%)
Independent executive and non-executive director	0.00	50.00	50.00

HG Metal diversity of employees based on gender for FP2025

Employee Category	Male (%)	Female (%)	Total (%)
Senior Management	0.00	1.09	1.09
Middle Management	6.52	3.26	9.78
General	79.35	9.78	89.13

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HG Metal diversity of employees based on age group

Employee Category	Under 30 years old (%)	30-50 years old (%)	Over 50 years old (%)
Senior Management	0.00	0.54	0.54
Middle Management	0.00	3.80	5.98
General	23.91	55.44	9.79

Occupational Health and Safety

The safety and well-being of employees, contractors, and communities is the foundation to responsible operations. We are committed to ensure that every individual returns home safely each day and the foundation of our safety-first approach lies in the collaborative dedication of both management and staff.

Our HSE Management System

Workplace health, safety, and environmental ("HSE") management is embedded across the Group through our integrated Quality, Occupational Health, Safety, and Environmental ("QHSE") Policy and management system. Certified to ISO 45001:2018 and recognised with Singapore BizSAFE STAR, the management system covers a wide range of HSE policies, procedures, and operational standards, from personal safety to process and operational safeguards. Our HSE management system extends to all employees, contractors, and visitors, including individuals whose work or workplace is under the HG Metal control.

Our HSE framework addresses both personal safety and the safeguards embedded in equipment and procedures to manage potential risks. Comprehensive risk assessments are conducted for all work activities in accordance with Singapore's Workplace Safety and Health (Risk Management) Regulations, and are regularly reviewed whenever activities change or at least once every three years. Measures are proactively implemented to eliminate or reduce risks, such as the application of technology, careful planning, enhanced training and awareness initiatives, as well as active worker participation and consultation in decision-making.

Hazard analysis, risk assessment processes and control measures are in place to identify occupational health hazards. Hazard mitigation plans are in place where risk levels are determined for each stage of an activity, and tailored control plans are applied. Employees on site are

empowered to issue stop-work orders if they identify potential safety concerns. The QHSE Management System supports these efforts through a Plan-Do-Check-Act ("PDCA") cycle that underpins ongoing risk management.

Noise exposure is a recognised occupational concern within the industry, and the Group addresses this by equipping employees with earplugs as standard personal protective equipment and providing additional hearing protection, such as earmuffs, where necessary. Employees identified as being at higher risk due to their work and the environment undergo annual audiometry testing. Regular noise mapping and monitoring assessments at the workplace ensure conditions are carefully managed. To further safeguard employee health and safety, qualified first aiders are available on-site to provide prompt assistance in the event of an emergency.

Employee Participation, Consultation and Communication on HSE

HG Metal takes an open communication approach on occupational health and safety to engage and consult with our employees. Each Business Unit has designated worker representatives who collect feedback and share concerns with management through monthly HSE Committee Meetings. This structured dialogue promotes two-way communication, strengthens decision-making, and supports continuous improvement. Updates on process enhancements, as well as lessons learned from incidents or near misses, are communicated promptly to employees to help prevent recurrence. Active worker participation and consultation are integral to driving the organisation's HSE performance.

Employee Training on HSE

All employees undergo a mandatory HSE induction programme. The QHSE Management System, along with relevant policies and operating procedures, is communicated across all business units through multiple channels such as displays in key areas, briefings, and

SUSTAINABILITY REPORT

email updates. Onsite personnel receive guidance on safety-critical aspects tailored to their work and environments and attend regular safety-awareness sessions.

To ensure employees have the skills and knowledge required to uphold safety standards in their specific roles, specialised training is offered across various areas, such as offices, production, and development units. These include courses on:

- BizSafe Level 2 Risk Management
- Construction Safety Re-Orientation Course
- Metalwork safety and health
- Forklift operation training
- Fire Emergency and Rescue training
- First Aid training
- Implementation of incident management processes

Promotion of Employee Health

Recognising that employee well-being underpins productivity and engagement, we provide comprehensive health insurance and coverage for medical expenses. The Group also prioritises mental health by organising regular engagement sessions to monitor wellbeing, where supervisors are enabled to cultivate a supportive workplace and encourage open dialogue with their team on mental health concerns. This proactive approach fosters a culture of care, enabling employees to thrive both personally and professionally.

More information on the provision of employee physical healthcare can be found in Employee Benefits on page 38.

Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships

Maintaining a safe and healthy working environment is a shared responsibility that extends across all stakeholders, including our contractor partners. HG Metal integrates rigorous, HSE requirements into its Selection, Evaluation, and Control of Contractors management system, providing a systematic approach to assess, monitor, and enhance the HSE performance of all contractors. Regular reviews ensure that our partners consistently meet HG Metal's safety and health compliance expectations and align with our commitment to preventing occupational incidents. To mitigate risks, a comprehensive hierarchy of controls is applied, such as procedural safeguards and the provision of appropriate Personal Protective Equipment ("PPE"), including hearing protection. This structured and proactive approach helps prevent workplace accidents and reinforces a culture of shared responsibility for health and safety across all business relationships.

Work-related Injuries

At HG Metal, all incidents are managed and investigated in accordance with our procedures. In FP2025, there were eight incidents that largely consisted of hand injuries, including the most significant injury for the reporting period which involved a bender machine. After emergency first aid and professional treatment, a thorough root cause analysis is undertaken following each incident to determine appropriate corrective and preventive measures. The outcomes are reviewed during Safety Committee Meetings and disseminated across the organisation to enhance employee understanding, reinforce safe working practices, and mitigate the risk of recurrence. Refresher training is conducted for key employees.

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Work-related injuries for employees

		HG Metal			Oriental Metals			HG Construction Steel		
		FY2023	FY2024	FP2025	FY2023	FY2024	FP2025	FY2023	FY2024	FP2025
Number of fatalities by work-related injuries		–	–	–	–	–	–	–	–	–
Rate of fatalities by work-related injuries		–	–	–	–	–	–	–	–	–
Number of high consequence work-related injuries (Excluding fatalities)		–	–	–	–	–	–	–	–	–
Rate of high consequence work-related injuries (Excluding fatalities)		–	–	–	–	–	–	–	–	–
Number of recordable work-related injuries	Major	–	–	–	–	–	–	–	–	–
	Minor	–	–	–	–	–	2	9	5	6
Rate of recordable work-related injuries		–	–	–	–	–	13.18	5.87	3.45	5.24
Percentage of lost work days as a result of work-related injuries (%)		–	–	–	–	–	0.13%	0.67%	0.11%	0.29%

FP2025 Target	FY2026 Target	FY2030 Target
<ul style="list-style-type: none"> • Maintain zero fatalities • To reduce the rate of major work-related injury • To reduce the rate of minor work-related injury 	<ul style="list-style-type: none"> • Maintain zero fatalities • To reduce the rate of major work-related injury • To reduce the rate of minor work-related injury 	<ul style="list-style-type: none"> • Maintain zero fatalities • To reduce the rate of major work-related injury • To reduce the rate of minor work-related injury

SUSTAINABILITY REPORT

ENVIRONMENT

Our industry and operations have an impact on the environment, and HG Metal strives to managing these impacts responsibly. Our focus includes careful use of energy and materials, reducing emissions, and managing waste effectively. By embedding environmental stewardship into our strategy, we aim not only to mitigate operational risks but also to strengthen trust with customers, investors, regulators, and other stakeholders. This approach helps enhance our brand reputation, identify opportunities in a transitioning economy, and build long-term business resilience, while ensuring sustainable practices across energy use, emissions, material efficiency, and waste management.

The Group has in place an Environmental Management System ("EMS") certified to ISO 14001:2015. Together with the QHSE management system, it underpins HG Metal's commitment to meeting compliance requirements, continuous assessment of environmental risks, and ongoing enhancement of environmental performance. A comprehensive framework of policies, systems, and procedures ensures the efficient use of resources and responsible stewardship of the environment across our operations.

Energy

Proactively managing energy consumption supports cost savings, operational efficiency, enhances our resilience for a green economy, mitigates negative environmental impacts, while reinforcing our reputation for responsible business practices. We emphasise shared responsibility, encouraging all employees conserve energy within our business premises.

Key energy sources are electricity and diesel, used to power equipment and vehicles. Regular maintenance programmes help ensure that our assets remain energy efficient. The Group has implemented a strategy with near- and mid-term energy targets to address climate change, which is further outlined in our Decarbonisation Roadmap in the next section.

In FP2025, solar energy consumption constituted 33.71% of grid energy consumption, which is a similar ratio to FY2024's, 35.04%. We endeavour to understand our impacts better and look to improve our efficiency.

HG Metal energy consumption (EM-IS-130a.1, EM-IS-130a.2)

Year	Fuel (Diesel) Consumption (GJ)	Electricity consumption (GJ)	Renewables (Solar) Energy Consumption (GJ)	Total Energy (GJ)	Diesel Consumption Energy Intensity (GJ/S\$1 million)	Electricity + Solar Consumption Energy Intensity (GJ/S\$1 million)
FP 2025	7,225.55 (58.19% of total energy)	3,441.52 (27.72% of total energy)	1,749.84 (14.09% of total energy)	12,416.91	55.47	39.85
FY 2024	9,599.86 (59.91% of total energy)	4,172.03 (26.04% of total energy)	2,250.74 (14.05% of total energy)	16,022.63	60.78	40.67
FY 2023	9,130.13 (61.50% of total energy)	3,665.33 (24.69% of total energy)	2,050.68 (13.81% of total energy)	14,846.14	60.92	38.14

Note: Total fuel consumed consists of 100% Diesel. HG Metal does not consume coal, natural gas nor renewable fuel (EM-IS-130a.2).

SUSTAINABILITY REPORT

FP2025 Target	FY2026 Target	FY2030 Target
<ul style="list-style-type: none"> Switching to renewable energy sources on a phased approach To maintain solar panel renewal sources as a minimum of 30% of grid energy consumption 	<ul style="list-style-type: none"> Switching to renewable energy sources on a phased approach To maintain solar panel renewal sources as a minimum of 30% of grid energy consumption 	<ul style="list-style-type: none"> Switching to renewable energy sources on a phased approach To maintain solar panel renewal sources as 35% of grid energy consumption In alignment with the SG Green Plan, we are actively monitoring the technological advancements in Electric Vehicles (EVs), particularly focusing on heavy-load lorries

Emissions

(EM-IS-110a.2)

Emissions are monitored and reported across our activities to identify reduction opportunities, enhance operational efficiency and green transition resilience, as well as position the business for long-term success with its stakeholders in an increasingly sustainability-driven market.

HG Metal's Decarbonisation Roadmap

HG Metal's sustainability strategy includes a decarbonisation roadmap that has been developed to reduce carbon emissions across all operations. Responsibility for implementing and executing emission-reduction initiatives rests with each facility and business unit, ensuring alignment with our environmental, economic, and social objectives. FY2023 was established as the baseline year, where Scope 1 and 2 emissions stood at 1,267.72 tCO2e and carbon emission intensity was 8.46 tCO2e/S\$1 million revenue. Initiatives and projects are reviewed annually to track progress and identify opportunities for improvement.

Through this roadmap, we aim to support a transition to a low-carbon economy, create long-term value for stakeholders, and demonstrate our commitment to global climate goals, reducing environmental impact, and exploring innovation in greener solutions.

A review of HG Metal's activities and decarbonisation roadmap is planned to take place over the next few years, and timely disclosure will be made in the coming reports.



SUSTAINABILITY REPORT

Our management approach for decarbonisation

Vision									
Guiding Principles									
Governance Goals									
Environmental Goals		Economic Goals		Social Goals					
<ul style="list-style-type: none"> Lower emissions Circular economy approach to waste management Energy efficiency 		<ul style="list-style-type: none"> Building resilience against climate related financial risk 		<ul style="list-style-type: none"> Internal Stakeholder: To foster continuous growth in employees, equal opportunity & protection from workplace harm External Stakeholders: To safeguard the well-being and interests of consumers through product quality and representation 					
<p>Our Vision is to provide high quality service and products to our clients while minimising the impact to the environment and promoting environmental stewardship to the public.</p>									
<p>Guiding Principles of promoting transparency, inclusiveness, accountability and ethical behavior are prioritized for the agenda for Sustainable Development</p>									
Lower Carbon Emissions		Reduce Waste	Senior Management	Internal Stakeholders	External Stakeholders				
Lower Direct Emissions (Scope 1)	Target/KPI <ul style="list-style-type: none"> Reduce fuel consumption 	Target/KPI <ul style="list-style-type: none"> Waste management program Annual waste Measurement & Monitoring 	Target/KPI <ul style="list-style-type: none"> Management buy in Self-directed initiatives by department heads 	Target/KPI <ul style="list-style-type: none"> Programmes for staff training & education Annual safety metric monitoring 	Target/KPI <ul style="list-style-type: none"> Quality assurance audits are conducted with ISO 9001:2015 standards of compliance Product Quality Quality Assurance (Marketing & labelling) 				
Lower Indirect Emissions (Scope 2)	Target/KPI <ul style="list-style-type: none"> Renewable energy Energy efficient program Annual energy consumption monitoring 								
Lower Indirect Emissions (Scope 3)	Target/KPI <ul style="list-style-type: none"> Supplier Assessment 								
<p>Governance Mechanism to manage risk and opportunities through Anti-Corruption, Transparency and Inclusive policies</p>									
<p>Goals for the organisation are set up to provide guidance, direction, facilitate planning and help organisations evaluate and control performance</p>									
<p>Strategic Pillars are based on the selected material topics</p>									
<p>Targets/KPI are set for all the departments/operations to achieve the set targets/ Goals</p>									

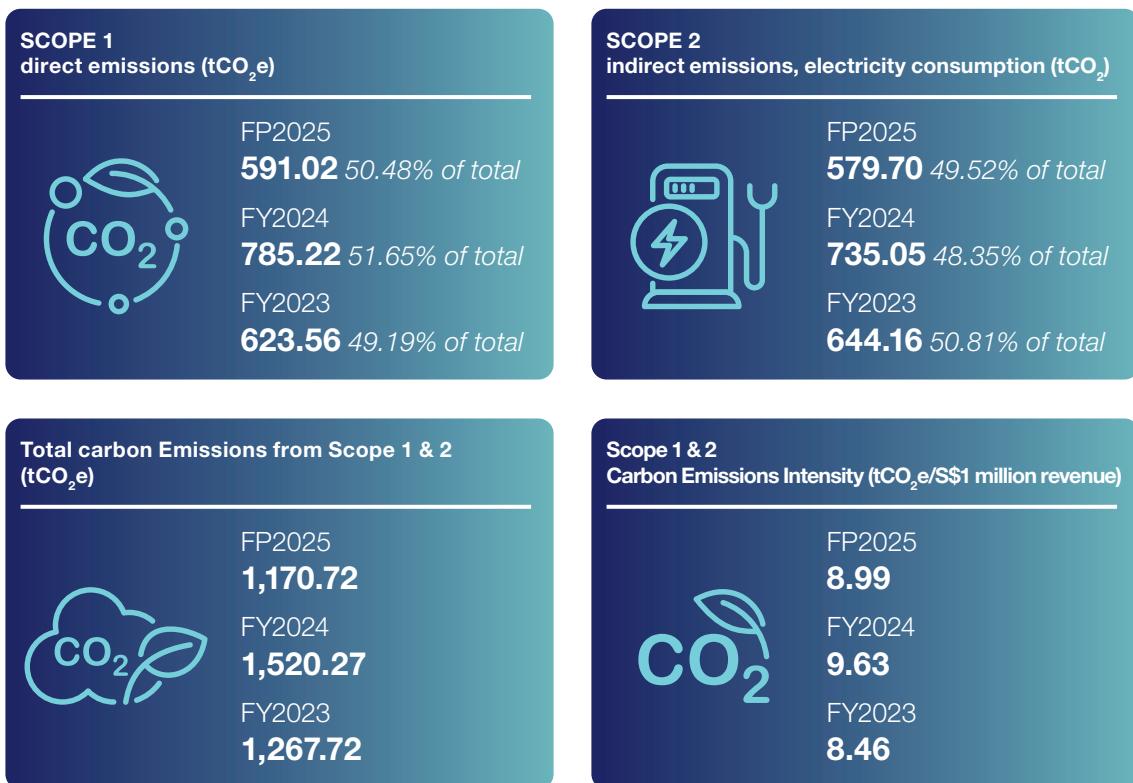
SUSTAINABILITY REPORT

HG Metal GHG Emissions (Scope 1 & 2)

Diesel and electricity consumption are the main sources of the Group's emissions. Carbon emissions are calculated under operational control as described on pages 20 to 21, following the GHG Protocol and are reported in tonnes of carbon dioxide equivalent (tCO₂e). Scope 1 emissions arise from diesel fuel used for mobile combustion, primarily to power our vehicle fleet. Scope 2 emissions cover electricity purchased from the national grid, which is consumed for general operations such as lighting, equipment, and air-conditioning.

The ratio between Scope 1 and 2 emissions have remained largely stable between FY2023 to FP2025.

HG Metal Scope 1 & 2 Emissions (EM-IS-110a.1)



SUSTAINABILITY REPORT

HG Metal Carbon Emissions (Scope 3)

The Group currently discloses a selection of Scope 3 data that is available which is monitored separately from our Scope 1 & 2 emissions. We endeavour to provide robust information but remain challenged by the availability of meaningful information. Monitoring currently focuses on four categories (Categories 4, 5, 6, and 7) along our value chain. We aim to review our approach to Scope 3 in the coming years.

HG Metal Carbon Emissions (Scope 3) for FP2025

Categories	Upstream/Downstream	Scope 3 emissions (tCO ₂ e)	Source of Emission Factors
Category 4	Upstream transportation and distribution	793.68	Supply Chain GHG Emission Factors for US Commodities and Industries v1.3.0_NAICS_CO2e_USD2022, Code 484110, 484121, 481112, 483111
Category 5	Waste generated in operations	18,123.84	UK Government GHG Conversion Factors for Company reporting 2025, full set, advance user
Category 6	Business travel	10.05	International Civil Aviation Organisation (ICAO), Carbon Emission Factor
Category 7	Employee commuting	66.43	UK Government GHG Conversion Factors for Company reporting 2025, full set, advance user, Business travel

Note: HG Metal currently uses the above emission factor sources which is in line with global practice.

Waste

Within our broader sustainability strategy, the Group aims to reduce waste at the source, encourage recycling, and divert waste materials away from landfills. Guided by circular economy principles and the 4R principles to Reduce, Reuse, Recycle and Recover, our approach looks to extend the useful life of products and materials while limiting the use of finite resources. Through responsible waste management, active employee participation, and ongoing monitoring, we aim to enhance performance, minimise environmental impact, and promote sustainable operations.

It is part of HG Metal's policy to work only with nationally-certified waste vendors. The key waste streams in HG Metal's waste segregation system are 1) general waste from the office and a small third-party operated food stall; 2) packaging wood from packaging (such as pallets and boxes used to deliver materials to the HG Metal), and

3) scrap metal from production. In FP2025, the team took additional steps to enhance the identification, management and monitoring of its waste by materials. This allows the Group to work closely with its waste vendors to explore areas to reduce incinerated waste. In FP2025, HG Metal directed 97.44% of its total waste away from incineration, which included scrap metal, plastics, glass, paper and board. The remaining 2.56% incinerated consisted mostly of general commercial and industrial waste.

The Group embraces maximising resource efficiency in its operations and has a recovery and recycling programme for most material types, especially for its largest waste material – metal waste and scrap. This enables us to not only conserve natural resources, it significantly contributes to reducing lifecycle GHG emissions, while creating enhanced value for our business and stakeholders.

SUSTAINABILITY REPORT

HG Metal performance and targets of material waste

Description	FY2023	FY2024	FP2025	FP2025 Target	FY2026 Target	FY2030 Target
Material Waste from Production (%)	3.01	3.87	3.17	<3.5	<3.5	<3.5

Water

The Group acknowledges water as a key resource in the ecosystems we operate in and we plan to voluntarily disclose this additional information annually.

Water in HG Metal is used for general washing purposes. All of HG Metal's water is withdrawn from Singapore's water grid which is sourced from four pillars – water from local waterways and reservoirs; imported water from Johor, Malaysia; recycled used water; and desalinated water.

HG Metal's water withdrawal and consumption (EM-IS-140a.1) for FP2025

Total water withdrawn and consumed in FP2025	3,707.30 m ³
Percentage of water withdrawn in high or extremely high baseline water stress	0%
Total water consumed	<i>HG Metal does not track water discharge nor actual consumption. However, the majority of usage occurs in general washing, pantries and toilets where the effluent is returned to the national sewage and drainage network.</i>
Percentage of water consumed in high or extremely high baseline water stress	0%

Note: All of the Group's water is withdrawn from Singapore's national water grid which is in a low (<10%) baseline water stress region (based on scoring extracted on 30 Oct 2025 from World Resources Institute's Aqueduct tool).

Our water management approach focuses on reducing consumption, enhancing recycling, and mitigating wastewater discharge to protect local ecosystems and comply with relevant regulations. Water-saving technologies such as closed-loop cooling systems and efficient treatment processes have been implemented to minimise water use and ensure the safe reuse of water within our operations. Regular monitoring and reporting enable us to track progress, identify issues early, develop opportunities for improvement, and align our practices with global sustainability standards. Through these efforts, we aim to contribute to the sustainable management of water resources and support the resilience of communities and ecosystems in the regions where we operate.



SUSTAINABILITY REPORT

GRI CONTENT INDEX

Statement of use	HG Metal Manufacturing Limited has reported the information cited in this GRI content index for the period 1 January 2025 to 30 September 2025 with reference to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	REASONS FOR OMISSION	PAGE NUMBER(S) AND/OR URL(S)	SGX REQUIREMENT
GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-1 Organisation details		17	
	2-2 Entities included in the organisation's sustainability reporting		20-21	
	2-3 Reporting period, frequency, and contact point		20, 21	PN7.6-6.1
	2-4 Restatements of information		21 (No restatements)	
	2-5 External assurance		21	PN7.6-5.1
	2-6 Activities, value chain and other business relationships		1-3, 27	
	2-7 Employees		36	
	2-8 Workers who are not employees	Not applicable		
	2-9 Governance structure and composition		14-17	PN7.6-3.1
	2-10 Nomination and selection of the highest governance body		62-70	
	2-11 Chair of the highest governance body		60	
	2-12 Role of the highest governance body in overseeing the management of impacts		55-59	
	2-13 Delegation of responsibility for managing impacts		55-59, 25-26	
	2-14 Role of the highest governance body in sustainability reporting		25-26	
	2-15 Conflicts of interest		34	
	2-16 Communication of critical concerns		34	
	2-17 Collective knowledge of the highest governance body		14-15	
	2-18 Evaluation of the performance of the highest governance body		68-69	
	2-19 Remuneration policies		70-74	
	2-20 Process to determine the remuneration		70-74	
	2-21 Annual total compensation ratio		93-94	PN7.6-4.1f

SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE	REASONS FOR OMISSION	PAGE NUMBER(S) AND/OR URL(S)	SGX REQUIREMENT
	2-22 Statement on sustainable development strategy		19, 25	
	2-23 Policy commitments		Governance Structure – 25, 33	
	2-24 Embedding policy commitments		Corruption – 33 Product Quality – 34 Marketing and Labelling – 35 Employment – 36-39 Occupational Health and Safety – 40-42 Energy – 43 Emissions – 44-46	
	2-25 Processes to remediate negative impacts		34, 82-83	
	2-26 Mechanisms for seeking advice and raising concerns		34	
	2-27 Compliance with laws and regulations		No significant fines for the Group	
	2-28 Membership associations		22	
	2-29 Approach to stakeholder engagement		22	PN7.6-3.6, PN7.6-4.35
	2-30 Collective bargaining agreements		38	
MATERIAL TOPICS				
GRI 3: Material Topics 2021	3-1 Process to determine material topics		23	PN7.6-4.2, PN7.6-4.35
	3-2 List of material topics		24	PN7.6-4.1.a
ANTI-CORRUPTION				
GRI 3: Material Topics 2021	3-3 Management of material topics		33	PN7.6-4.1.C; PN7.6-4.1.d; PN7.6-4.4; LR711B-1 b&c
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		33	
	205-2 Communication and training about anti-corruption policies and procedures		33	
	205-3 Confirmed incidents of Corruption and actions taken management		33	

SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE	REASONS FOR OMISSION	PAGE NUMBER(S) AND/OR URL(S)	SGX REQUIREMENT
PRODUCT QUALITY				
	Management approach disclosures		34	
	Performance of product quality management		35	
MARKETING AND LABELLING				
GRI 3: Material Topics 2021	3-3 Management of material topics		35	PN7.6-4.1.C; PN7.6-4.1.d; LR711B-1 b&c
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling		35	
	417-2 Incidents of non-compliance concerning product and service information and labelling		35	
	417-3 Incidents of non-compliance concerning marketing communications		35	
EMPLOYMENT				
GRI 3: Material Topics 2021	3-3 Management of material topics		36	PN7.6-4.1.C; PN7.6-4.1.d; LR711B-1 b&c
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		37	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		38	
	401-3 Parental leave		38	
TRAINING AND EDUCATION				
GRI 3: Material Topics 2021	3-3 Management of material topics		36, 38	PN7.6-4.1.C; PN7.6-4.1.d; LR711B-1 b&c
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		39	
	404-2 Programs for upgrading employee skills and transition assistance programs		39, 41	
	404-3 Percentage of employees receiving regular performance and career development reviews	HG Metal will disclose this once comprehensive data is available		

SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE	REASONS FOR OMISSION	PAGE NUMBER(S) AND/OR URL(S)	SGX REQUIREMENT
DIVERSITY AND EQUAL OPPORTUNITY				
GRI 3: Material Topics 2021	3-3 Management of material topics		36, 39	PN7.6-4.1.C; PN7.6-4.1.d; LR711B-1 b&c
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		39-40	
OCCUPATIONAL HEALTH & SAFETY				
GRI 3: Material Topics 2021	3-3 Management of material topics		40	PN7.6-4.1.C; PN7.6-4.1.d; LR711B-1 b&c
GRI 403: occupational Health and Safety 2018	403-1 Occupational health and safety management system		40	
	403-2 Hazard identification, risk assessment, and incident investigation		40	
	403-3 Occupational health services		41	
	403-4 Worker participation, consultation, and communication on occupational health and safety		40	
	403-5 Worker training on occupational health and safety		40-41	
	403-6 Promotion of worker health		41	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		41	
	403-8 Workers covered by an occupational health and safety management system		40	
	403-9 Work-related injuries		40-42	
ENERGY				
GRI 3: Material Topics 2021	3-3 Management of material topics		43	PN7.6-4.1.C; PN7.6-4.1.d; LR711B-1 b&c
GRI 302: Energy 2016	302-1 Energy consumption within the organisation		43	
	302-2 Energy consumption outside the organisation	Not applicable		
	302-3 Energy intensity		43	
	302-4 Reduction of energy consumption		43-44	
	302-5 Reductions in energy requirements of products and services	Not applicable		

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GRI STANDARD	DISCLOSURE	REASONS FOR OMISSION	PAGE NUMBER(S) AND/OR URL(S)	SGX REQUIREMENT
EMISSION				
GRI 3: Material Topics 2021	3-3 Management of material topics		43, 44-45	PN7.6-4.1.C; PN7.6-4.1.d; LR711B-1 b&c
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		44-46	
	305-2 Energy indirect (Scope 2) GHG emissions		44-46	
	305-3 Other indirect (Scope 3) GHG emissions		47	
	305-4 GHG emissions intensity		46	
	305-5 Reduction of GHG emissions		46	
WASTE				
GRI 3: Material Topics 2021	3-3 Management of material topics		43, 47	PN7.6-4.1.C; PN7.6-4.1.d; LR711B-1 b&c
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		47-48	
	306-2 Management of significant waste-related impacts		47	
	306-3 Waste generated		47-48	
	306-4 Waste diverted from disposal		47-48	
	306-5 Waste diverted to disposal		47	
WATER AND EFFLUENTS				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		48	
	303-3 Water withdrawal		48	

SUSTAINABILITY REPORT

IFRS S2 CONTENT INDEX

IFRS S2 disclosure pillars		Page Number and/or urls	
Governance		25-26	
Strategy		26-27	
Risk Management		27-32	
Metrics and Targets		32	
IFRS S2 INDUSTRY METRICS: VOLUME 09 – IRON & STEEL PRODUCERS			
IFRS S2 Code	Topic	Metric	Page Number and/or urls
EM-IS-110a.1	Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	43
EM-IS-110a.2	Greenhouse Gas Emissions	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	43-45
EM-IS-130a.1	Energy Management	(1) Total energy consumed	46
EM-IS-130a.1	Energy Management	(2) percentage grid electricity	46
EM-IS-130a.1	Energy Management	(3) percentage renewable	46
EM-IS-130a.2	Energy Management	(1) Total fuel consumed	46
EM-IS-130a.2	Energy Management	(2) percentage coal,	46
EM-IS-130a.2	Energy Management	(3) percentage natural gas	46
EM-IS-130a.2	Energy Management	(4) percentage renewable	46
EM-IS-140a.1	Water Management	(1) Total water withdrawn,	48
EM-IS-140a.1	Water Management	(2) total consumed; % in High/Extremely High Baseline Water Stress regions	48
EM-IS-430a.1	Supply Chain Management	Discussion of the process for managing iron ore or coking coal sourcing risks arising from environmental and social issues	Not Applicable to HG Metal operations
EM-IS-000.A	Activity Metrics	Raw steel production, percentage from: (1) basic oxygen furnace processes, (2) electric arc furnace processes	Not Applicable to HG Metal operations
EM-IS-000.B	Activity Metrics	Total iron ore production	Not Applicable to HG Metal operations
EM-IS-000.C	Activity Metrics	Total coking coal production	Not Applicable to HG Metal operations

CORPORATE GOVERNANCE REPORT

HG Metal Manufacturing Limited (the “**Company**”) and its subsidiaries (the “**Group**”) is committed to complying with the Code of Corporate Governance 2018 (“**Code**”) so as to ensure greater transparency and to safeguard the interests of shareholders. This report describes the Company’s corporate governance practices and activities with specific reference to the Code established by the Singapore Corporate Governance Committee and relevant sections of the Listing Manual issued by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

BOARD MATTERS

THE BOARD’S CONDUCT OF AFFAIRS

Principle 1

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Provision 1.1 **Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.**

The Board of Directors (the “**Board**”) comprises 1 Executive Director and Chief Executive Officer, and 3 Non-Executive Directors. All of the Non-Executive Directors are Independent Non-Executive Directors. The Board’s primary role is to protect and enhance long-term shareholder value. To fulfill this, apart from its statutory responsibilities, the Board’s principal functions include the following:

- (a) approving the Group’s corporate and strategic directions taking into account the key investor relations of the Group;
- (b) establishing goals for the Management and monitoring the achievement of these goals;
- (c) ensuring the quality, effectiveness and integrity of management leadership;
- (d) approving annual budgets, investment and divestment proposals;
- (e) appointment of Board Directors and key managerial personnel;
- (f) ensuring an effective risk management framework is in place to safeguard shareholders’ interests and the Group’s assets;
- (g) reviewing financial performance and implementing financial policies which incorporate risk management, internal controls and reporting compliance;
- (h) consider sustainability issues such as environmental and social factors as part of its strategic formulation; and
- (i) assuming responsibility for corporate governance.

CORPORATE GOVERNANCE REPORT

Every Director, in the course of carrying out his or her duties, acts in good faith and considers at all times, the interests of the Group to discharge their duties and responsibilities at all times as fiduciaries in the interest of the Group.

All Directors are required to disclose their business interests and any potential or actual conflicts of interest that they are aware of, or as soon as such conflicts become apparent. On quarterly basis, each director is required to submit details of his/her associates for the purpose of monitoring interested person transactions (“**IPT**”), and review the list of new suppliers and customers of the Group to confirm that there is no omission in disclosure of his/her associates. Where a director has a conflict or potential conflict of interest in relation to any matter, he/she is required to immediately declare his/her interest, recuse himself/herself and refrain from participating in discussions regarding a transaction or proposed transaction in which he/she has an interest or is conflicted, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he/she should abstain from voting in relation to the conflict-related matters.

Provision 1.2

Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.

Our Directors are provided with extensive background information about our Group's history, mission, values and business operations. Changes to regulations and accounting standards are monitored closely by Management. To keep pace with such regulatory changes, the Company provides opportunities for ongoing education on Board processes and best practices as well as updates on relevant new laws and regulations. Directors also have the opportunity to visit the Group's operational facilities and meet with Management to gain a better understanding of the business operations. In addition, Directors are regularly updated on the Group's business activities and regulatory and industry specific environments in which the Group operates during the Board meetings. The Company will issue appointment letters to new Non-Executive Directors and service agreements to Executive Directors (as the case may be) setting out the Directors' duties and obligations. Newly appointed Directors shall also be briefed on the business and organisational structure of the Group and its strategic directions. The Company encourages Directors to attend training courses organised by the Singapore Institute of Directors (“**SID**”) or other training institutions in connection with their duties at the Company's expense. Newly appointed directors who do not have prior experience or are not familiar with the duties and obligations required of a Director of a listed company in Singapore, will undergo the necessary training and briefing as prescribed by the SGX-ST. The Directors are also provided with updates on the relevant new laws, regulations and accounting standards related to the Group's operating environment through e-mails and regular briefings at the Audit & Risk Committee (“**ARC**”) meeting by the Company Secretaries and the external auditors each year. The Executive Director and Chief Executive Officer (“**CEO**”) also updated the Board at each meeting on the business and strategic development of the Group. For financial period from 1 January 2025 to 30 September 2025 (“**FP2025**”), one of the Directors attended an additional ESG Master class.

CORPORATE GOVERNANCE REPORT

Provision 1.3

The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.

The Board has in place an authority matrix to provide guidelines on the approval for material transactions which are reviewed on a regular basis and revised accordingly when necessary. The Board approves transactions exceeding certain threshold amounts while delegating authority to Management for transactions below those limits.

The Company has adopted and documented in its internal guidelines a comprehensive list of matters that are reserved for Board's approval which are clearly communicated to the Management. The Directors have identified a few areas for which the Board has direct responsibility for decision making, such as:

- approval of financial results announcements, annual reports and audited financial statements;
- matters as specified under the SGX-ST's listing rules on interested person transaction;
- annual budgets and business plans of the Group;
- declaration of interim dividends and proposal of final dividends;
- convening of shareholders' meetings;
- approval of corporate strategy;
- authorisation of major transactions;
- approval of Board changes and appointments on Board committees;
- increase in investment in businesses and subsidiaries;
- divestment in any of the Group's companies; and
- commitments to term loans and lines of credit from banks and financial institutions by the Company.

While matters relating in particular to the Company's objectives, strategies and policies require the Board's direction and approval, Management is responsible for the day-to-day operation and administration of the Company in accordance with the objectives, strategies and policies set by the Board. In addition, the Board also considers sustainability issues such as environmental and social factors as part of its strategic formulation, and assuming responsibility for corporate governance.

CORPORATE GOVERNANCE REPORT

Provision 1.4

Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.

To assist the Board in the discharge of its oversight function, certain functions have been delegated to various Board Committees, namely, the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the ARC, each of which has its own written terms of reference. The minutes of meetings of these committees are circulated among the Board. The composition of the NC, RC and ARC are disclosed under Provisions 4.2, 6.2 and 10.2 respectively.

The Board will meet at least twice every year to coincide with the announcement of the Group's half year and full year financial results as well as to oversee the business affairs of the Group and approve any financial or business decisions and/or strategies. Where necessary, additional Board meetings are held to deliberate on urgent substantive matters. The Board held three scheduled meetings in FP2025. Board and Board Committees' meetings for the calendar year 2026 have been scheduled in advance in consultation with the Directors to ensure maximum attendance. Telephone and video-conference attendance at Board meetings is allowed under the Company's Constitution. The Board also approves transactions through written resolutions which are circulated to the Board together with all relevant information relating to the proposed transaction.

If a director is unable to attend a Board or Board Committee meeting, he/she will still receive all the papers and materials for discussion at that meeting. He/She will review them and advise the Chairman of the Board or the Board Committee of his/her views and comments on the matters to be discussed so that they can be conveyed to other members at the meeting.

The agenda for Board and Board Committees meetings is prepared in consultation with the respective Chairmen. The agenda and relevant board papers are circulated in advance of the scheduled meetings.

Provision 1.5

Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

Please refer to Table A set out on page 93 of this Annual Report for the attendance of the Directors at meetings for FP2025.

The NC reviews and assesses the number of board representations, attendance records, preparedness, participation and candour of each Director in determining whether to nominate a retiring Director for re-election and the contribution of each individual Director to the effectiveness of the Board.

CORPORATE GOVERNANCE REPORT

The NC reviews and assesses the time and attention given by the Directors to the Group in accordance with the procedures disclosed in Provision 4.5.

Provision 1.6

Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

Directors receive a regular supply of information from Management about the Group so that they are equipped to play as full a part as possible in Board meetings. Detailed Board papers are circulated to all Directors prior to the scheduled meetings so that members may better understand the issues beforehand, allowing for more time at such meetings for questions that members may have. The Board papers provided include background or explanatory information relating to matters to be brought before the Board meeting. Management also keeps the Board appraised of the Group's operations and performance through quarterly meetings and informal discussions. Management accounts, as well as financial, business and corporate matters of the Group are provided to members of the Board on timely basis prior to meetings and whenever required to enable the Directors to oversee the Company's operational and financial performance. Directors are also informed of any significant developments or events relating to the Company.

Provision 1.7

Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.

All Directors have separate and independent access to the advice and services of the Company Secretaries. The Company Secretaries and/or their representatives attend the Board and Board Committee meetings (except where such meetings relate to internal or operational updates), assist the Chairman of the Board's and Board Committee's meetings in ensuring that the relevant procedures, applicable rules and regulations are followed as well as ensuring good information flow within the Board and its Committees, between Key Management Personnel ("KMP") and the Non-Executive Directors. The Company Secretaries also assist in facilitating orientation and professional development, if required. The appointment and removal of the Company Secretaries are matters which are to be approved by the Board.

The Board also has separate and independent access to the Company's KMP.

Each Director has the right, at the Company's expense, to seek independent legal and other professional advice concerning any aspect of the Group's operations or undertakings in order to fulfill their duties and responsibilities as Directors.

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION AND GUIDANCE

Principle 2

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1 An “independent director” is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgement in the best interests of the company.

All Directors exercise independent judgement and make decisions objectively in the best interest of the Company. The assessment criteria in the Chairman’s assessment of Directors include intensity of participation at meetings, quality of interventions and special contribution.

During FP2025 and up to the date of this report, the Board comprises the following Directors:

EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

Ms Xiao Xia

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Ong Hwee Li (Independent Non-Executive Chairman) (the “**Chairman**”)

Ms Ong Lizhen, Daisy

Ms Ng Chuey Peng

The Company does not have any alternate director.

The profiles of the Board members are set out in pages 14 to 15 of this Annual Report.

The composition of the Board is determined in accordance with the following principles:

- to form a strong independent element on the Board, at least one-third of the Board should be Independent Non-Executive Directors;
- the Board should have enough Directors to serve on various committees of the Board without over-burdening the Directors or making it difficult for them to fully discharge their responsibilities;
- the Board should comprise Directors with a broad range of competencies and expertise; and

CORPORATE GOVERNANCE REPORT

- Directors appointed by the Board are subject to election by shareholders at the following Annual General Meeting (“**AGM**”) and thereafter, Directors are subject to re-election according to the provisions in the Company’s Constitution. Regulation 89 of the Company’s Constitution states that one-third of the Directors shall retire from office by rotation.

The NC is responsible for reviewing the independence of each Director based on the guidelines set out in the Code. The NC conducts the review annually and requires each Independent Non-Executive Director to submit a confirmation of independence based on the guidelines provided in the Code.

For the year under review, the NC examined the different relationships that might impair the directors’ independence. Based on the confirmation of independence submitted by the Independent Non-Executive Directors, the NC was of the view that each Independent Non-Executive Director is independent in accordance with the Code. As a majority of the Board comprises independent Directors, there is a strong and independent element on the Board and no individual or small group of individuals dominate the Board’s decision making.

Any director who has served on the Board beyond nine years from the date of his/her appointment will be subject to more rigorous review, taking into account their continuing contributions and the need for progressive refreshing of the Board and decide if they should continue with the appointment. On 11 January 2023, the SGX RegCo introduced a mandatory nine-year tenure limit for an Independent Director, beyond which such Director will no longer be considered as independent pursuant to Listing Rule 210(5). None of the Directors is subjected to the aforesaid tenure limit at the forthcoming AGM.

Particulars of interests of Directors who held office at the end of this financial year in shares and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors’ Statement.

Provision 2.2 **Independent directors make up a majority of the Board where the Chairman is not independent.**

The Board consists of three Independent Non-Executive Directors (including the independent Chairman), namely Mr Ong Hwee Li, Ms Ong Lizhen Daisy, and Ms Ng Chuey Peng. Accordingly, Independent Directors make up a majority of the Board.

Provision 2.3 **Non-executive directors make up a majority of the Board.**

Independent Non-Executive Directors comprise a majority of the Board for FP2025.

CORPORATE GOVERNANCE REPORT

Provision 2.4

The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.

The Board regularly examines its size and, with a view to determining the impact of its number upon effectiveness, decides on what it considers an appropriate size for itself, taking into account the scope and nature of the Company's operations. The Board and NC conducts annual review of its Board composition to ensure the Board comprises an appropriate balance of skills, experience and knowledge required to effectively oversee and support the management and strategic objectives of the Company and that the Board's composition is adequate and meet with the requirements of the Group at the point in time. Any potential conflicts of interest will also be taken into consideration.

The NC and Board had approved the adoption of Board Diversity Policy and Director Nomination Policy. The policies are made available on the Company's website <https://hgmetal.listedcompany.com/misc/HGMML-Board-Diversify-Policy.pdf>. The Board Diversity Policy recognises and embraces the importance and benefits of having a diverse Board to better support the Company's strategic objectives for sustainable development by enhancing the decision-making process of the Board through the perspectives garnered from the various skills, business experience, industry discipline, gender, age, ethnicity and other distinguishing qualities of the Directors. We aim to ensure that our Directors, as a group, represent geographically diverse backgrounds and experiences in alignment with the business strategy and the Group's key operations.

To assist the NC in its annual review of the Board composition, the Board has adopted a set of skills matrix which guides the NC in its assessment of skills and diversity that the Board has or is looking for and assists to identify any gaps in skills in the current Board composition, or that may be required going forward, as part of the Company's broader board renewal and succession process.

The Board acknowledges the importance of promoting gender diversity and add a broader perspective on the Board. To this end, the Board is committed to having regard to the profile and timing of the appointment and retirement of Directors, endeavours to have a minimum of one (1) female member on the Board and to include at least one (1) female candidate in any search process for appointment of new director and KMP.

In line with the Board's goal of maintaining a diversity of expertise, skills, attributes and gender among its Directors, an executive non-independent female director, Ms Xiao Xia and two independent non-executive female directors, Ms Ong Lizhen, Daisy and Ms Ng Chuey Peng, were appointed in 2023, each bring a unique skill set to the Board. These appointments reflect the Company's ongoing commitment to promoting diversity, especially gender diversity, on its Board.

CORPORATE GOVERNANCE REPORT

The Board currently has 4 Board members (including 3 female directors). A majority of the Directors, including the Chairman, are Non-Executive and Independent Directors, and there are no alternate Directors on our Board. The make-up of the Board reflects diversity of gender, ethnicity, skills and knowledge. The NC is satisfied that there is diversity of thought and background in its Board composition that will enable it to lead and govern the Group effectively. Board comprises business leaders and professionals with diverse expertise and experience in the steel industry, corporate finance, banking and finance, accountancy, corporate mergers and acquisitions and corporate governance knowledge. This diversity enables them, in their collective wisdom, to contribute effectively during Board and Board Committee meetings. In addition, the current Board comprises Directors from different age groups spanning a range of approximately 15 years.

As such, the Board concurs with the NC's view that there is an appropriate diversity mix of expertise to lead and govern the Group effectively avoid to groupthink and foster constructive debate, in accordance with the Company's diversity policy.

Details of Composition of the Board as at 30 September 2025:

	Number of Directors	Proportion of the Board
Board Independence		
Independent Director	3	75%
Non-independent Director	1	25%
Directors' Length of Services		
More Than 9 years	0	0%
Less than 9 years	4	100%
Gender Diversity		
Male	1	25%
Female	3	75%
Age Group		
40-49 years old	2	50%
50-59 years old	1	25%
60-69 years old	1	25%

Major proposals and decisions made by the Board are subject to majority approval by the members of the Board. The appointment of new Board members, nomination of directors for re-election and review of the Board and individual Directors' performance are carried out by the NC. All Board appointments are made based on merit, in the context of the skills, experience, independence, knowledge and other diversity attributes which the Board as a whole requires to be effective. The remuneration packages of the Executive Director and KMP, as well as the Directors' fees payable to the Non-Executive Directors are reviewed by the RC. The Board believes that there are sufficiently strong and adequate safeguards to ensure an appropriate balance of power and authority within the spirit of good corporate governance. In addition, all Directors make decisions objectively in the interests of the Company.

CORPORATE GOVERNANCE REPORT

Provision 2.5

Non-executive directors and/or independent directors, led by the independent chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

All Non-Executive Directors, led by the Independent Non-Executive Chairman, confer regularly with the Executive Director and Management to develop strategies for the Group, review the performance of Management, assess remuneration and discuss corporate governance matters. Where warranted, the Independent Non-Executive Directors meet for discussions before the Board meetings in the absence of Management. The Group's Non-Executive Directors had held periodic conference calls and/or meetings without the presence of Management during FP2025.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1

The Chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

Mr Ong Hwee Li is the Independent Non-Executive Chairman while Ms Xiao Xia has been the Executive Director and Chief Executive Officer.

Mr Ong Hwee Li and Ms Xiao Xia are not related to each other. There is a clear division of responsibilities between Mr Ong Hwee Li and Ms Xiao Xia, ensuring a balance of power and authority at the top of the Group.

Provision 3.2

The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.

The Chairman plays a key role in promoting high standards of corporate governance, ensures that Board meetings are held when necessary and sets the Board meeting agenda (with the assistance of the Company Secretaries and in consultation with the Executive Director). The Chairman ensures that the Board members are provided with complete, adequate and timely information. The Chairman ensures that procedures are introduced to comply with the Code and ensures effective communication within the Board and with the shareholders.

The Board has delegated the daily operations of the Group to the Executive Director and CEO, Ms Xiao Xia. The Executive Director and CEO leads the Management team and execute the strategic plans in alignment with the strategic decisions and goals set out by the Board. They also ensure that the Directors are kept updated and informed of the Group's businesses.

CORPORATE GOVERNANCE REPORT

Provision 3.3

The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent.

The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

The Company has Mr Ong Hwee Li as Independent Non-Executive Chairman, and therefore is not required to appoint a lead independent director. Shareholders may contact the Chairman where they have concerns and for which contact through the normal channels of communication with the Management are inappropriate or inadequate.

BOARD MEMBERSHIP

Principle 4

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1

The Board establishes a NC to make recommendations to the Board on relevant matters relating to:

- (a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;**
- (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;**
- (c) the review of training and professional development programmes for the Board and its directors; and**
- (d) the appointment and re-appointment of directors (including alternate directors, if any).**

The Board has delegated to the NC the functions of developing and maintaining a transparent and formal process for the appointment of new Directors, making recommendations for Directors who are due for retirement by rotation to seek re-election at general meeting and determining the independent status of each Director.

CORPORATE GOVERNANCE REPORT

The NC is regulated by its terms of reference and its key functions include:

- making recommendations to the Board on new appointments to the Board;
- determining orientation programs for new Directors and recommending opportunities for the continuing training of the Directors;
- making recommendations to the Board on the re-nomination of retiring Directors standing for re-election at the Company's AGM, having regard to the Directors' contribution and performance (e.g. attendance, preparedness, participation and candour);
- ensuring that all Directors submit themselves for re-nomination and re-election at regular intervals and at least every three years;
- determining annually whether or not a Director is independent;
- reviewing the size and composition of the Board with the objective of achieving a balanced Board in terms of the mix of experience and expertise;
- implementing the Board Diversity Policy and Director Nomination Policy and reviewing their effectiveness;
- reviewing the appointment of immediate family members (spouse, child, adopted child, step-child, sibling and parent) of any of the Company's Directors or substantial shareholders to managerial positions in the Company;
- determining whether a Director who has multiple board representations is able to and has been adequately carrying out his duties as Director of the Company;
- reporting to the Board on its activities and proposals (including succession and/or replacements plans for the Chairman, CEO and key management personnel); and
- carrying out such other duties as may be agreed to by the NC and the Board.

The Company's Constitution provides that, at each AGM, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. A retiring Director is eligible for re-election by the shareholders of the Company at the AGM, and prior to nominating a retiring Director for re-election, the NC will evaluate the Director's contribution and performance taking into consideration factors such as attendance, preparedness, participation, competing time commitments and candour. The details of the Directors seeking re-election are set out on pages 95 to 97 in this Annual Report.

CORPORATE GOVERNANCE REPORT

Provision 4.2

The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.

As at the date of this report, the NC comprises the following members, majority are independent:

Mr Ong Hwee Li (Chairman, Independent Non-Executive Chairman)
Ms Ong Lizhen, Daisy (Member, Independent Non-Executive Director)
Ms Ng Chuey Peng (Member, Independent Non-Executive Director)

Provision 4.3

The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.

When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new Director with particular skills and knowledge, the NC, in consultation with the Board, determines the selection criteria for the position based on the skills and knowledge deemed necessary for the Board to best carry out its responsibilities. Candidates may be suggested by Directors or Management or sourced from external sources. The NC will interview the candidates and assess them based on objective criteria approved by the Board such as integrity, diversity, independent mindedness, possession of the relevant skills required or skills needed to complement the existing Board members, ability to commit the time and effort to carry out his responsibilities, track record of good-decision making, relevant experience and financial literacy. The NC will make a recommendation to the Board on the appointment and the Board then appoints the most suitable candidate who must stand for election at the next AGM of shareholders.

Provision 4.4

The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.

The NC meets at least once a year. Please refer to the disclosures in Provision 2.1 in relation to the NC's review of Directors' independence.

CORPORATE GOVERNANCE REPORT

Provision 4.5

The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.

All Directors are required to attend courses organised by the SID on their duties and obligations as a Director within 1 year from their appointment. In addition, the responsibilities of a Director are clearly delineated in their appointment letter or service agreement (as the case may be).

All Directors declare their board memberships and principal commitments as and when practicable. The details of the listed company directorships and principal commitments of the Board members are set out in pages 14 to 15 of this Annual Report.

The NC has reviewed and is satisfied that all Directors have devoted sufficient time and attention to the affairs of the Group to adequately perform their duties as Directors of the Group after taking into consideration the number of listed company Board representations and their principal commitments which is evident in their level of attendance and participation at the Company's Board and Committee meetings held in FP2025. In assessing the capacity of the Directors, the NC takes into consideration the expected and/or competing time commitments of the Directors, size and composition of the Board, and nature and scope of the Group's operations and size.

Currently, the NC does not determine the maximum number of listed company Board representations which a Director may hold as the NC is of the view that it is for each Director to assess his/her own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The Board and the NC will review the requirement to determine the maximum number of listed Board representations as and when they deem fit. As at the date of this report, the NC is satisfied that each Director is able to devote sufficient time and attention to the discharge of his or her duties, having regard to his or her listed company board representation.

BOARD PERFORMANCE

Principle 5

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision 5.1

The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.

The performance criteria recommended by the NC for the Board and Board Committees' evaluation are amongst other criteria, board structure, conduct of meetings, corporate strategy and planning and risk management and internal controls.

CORPORATE GOVERNANCE REPORT

The individual directors' assessment parameters recommended by the NC are broadly based on the attendance records at the meetings of the Board and the relevant Board Committees, intensity of participation at meetings, sense of independence, quality of contributions and workload requirements.

Notwithstanding the above, the Company believes that Board performance is ultimately reflected in the performance of the Group and the Company. The Board should ensure compliance with applicable laws and Board members should act in good faith, with due diligence and care in the best interests of the Group and the shareholders. In addition to these fiduciary duties, the Board is charged with two key responsibilities of setting the strategic direction of the Group and ensuring that the Group is ably led. The Board, through the delegation of its authority to the NC, reviews the Board's composition annually to ensure that the Board has the appropriate mix of expertise and experience to lead the Group.

The NC assesses the effectiveness of the Board as a whole, its Board Committees and the contribution of each individual Director to the effectiveness of the Board on an annual basis. Objective performance criteria used to assess the performance of the Board include both quantitative and qualitative criteria. The Board and the NC believe that the financial indicators are mainly used to measure the Management's performance and hence are less applicable to the Board.

Provision 5.2

The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.

The NC has conducted a Board's performance evaluation as a whole in FP2025 and received the individual directors' self-assessment. The Board's performance evaluation and the individual directors' self-assessment is to assess the effectiveness of the Board as a whole and its Board Committees and the contribution by the Chairman and each individual Director to the effectiveness of the Board on an annual basis.

In its assessment of the Board's and its Board Committees effectiveness, the NC takes into consideration the frequency of the Board meetings and the Board Committee meetings, the rate at which issues raised are adequately dealt with and the reports from the various committees. In like manner, the NC is able to assess the contribution of each individual Director to the effectiveness of the Board.

No external facilitator was engaged by the Company in FP2025.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1 **The Board establishes a Remuneration Committee (“RC”) to review and make recommendations to the Board on:**

- (a) a framework of remuneration for the Board and key management personnel; and**
- (b) the specific remuneration packages for each director as well as for the key management personnel.**

The Group's remuneration policy is to provide compensation packages at market rates which reward successful performance and attract, retain and motivate Directors and KMP.

The RC meets at least once each year and at other times as required to discharge its functions.

The RC is responsible for recommending to the Board a framework of remuneration for the Directors and KMP which is submitted to the whole Board for endorsement. The RC reviews and approves recommendations on remuneration policies and packages for Directors and KMP in the interests of improved corporate performance.

Provision 6.2 **The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.**

As at the date of this report, the RC comprises the following members, the majority of whom are independent:

Ms Ng Chuey Peng (Chairman, Independent Non-Executive Director)

Mr Ong Hwee Li (Member, Independent Non-Executive Chairman)

Ms Ong Lizhen, Daisy (Member, Independent Non-Executive Director)

Provision 6.3 **The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.**

The RC's review of remuneration packages covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, profit sharing (where applicable) and benefits-in-kind. The RC has full authority to obtain any external professional advice on matters relating to remuneration as and when the need arises.

The RC also reviews the Company's obligations arising from termination clauses and termination processes in relation to Executive Directors and KMP's contracts of service to ensure that such clauses and processes are fair and reasonable.

CORPORATE GOVERNANCE REPORT

In setting out the remuneration packages, the RC would take into consideration pay and employment conditions within the industry and in comparable companies. The remuneration packages take into account the Company's relative performance and the performance of the individual Directors or KMP.

The RC's recommendations are submitted to the entire Board. Each member of the RC shall abstain from voting on any resolution concerning his own remuneration.

Provision 6.4

The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.

No remuneration consultant was engaged by the Company during FP2025. The RC may consider utilising external expert advice and data, as and when necessary, to assist in the evaluation of its compensation recommendations.

LEVEL AND MIX OF REMUNERATION

Principle 7

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision 7.1

A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.

The remuneration policy of the Company is to provide compensation packages at market rates, which reward successful performance and attract, retain and motivate Directors and KMP.

The remuneration packages of the Executive Director, CEO and KMP are determined based on the framework recommended by the RC. In doing so, the RC reviews amongst others, their scope of duties, responsibilities, skills and experience, corporate and individual performances and achievement of annual key performance indicators as well as prevailing market practice and economic situation. The RC considers length of the fixed appointment period, the notice period for termination and the terms of the compensation package in the event of the termination of any Executive Director's or KMP contract of service to ensure that the terms of such clauses are not onerous to the Company. The framework of remuneration for Executive Directors and KMP framework includes a fixed element as well as a variable element in the form of a bonus and a profit sharing incentive which is linked to the Company's and individual's performance to align their interests with the shareholders and other stakeholders and to promote the long-term sustainability of the Group.

The Company does not have any share incentive scheme.

CORPORATE GOVERNANCE REPORT

Provision 7.2

The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

All Non-Executive Directors are paid a director's fee, with additional fees for serving as the chairman or member of a Board Committee and attendance fees for Board and Board Committee meetings. These fees are recommended by the RC and submitted to the Board for endorsement. The remuneration of Non-Executive Directors are appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Directors, number of Board Committees served as well as prevailing market practice and economic situation. The Directors' fees of the Independent Non-Executive Directors are subject to approval by shareholders at each AGM thereby ensuring that their independence is not compromised.

Each member of the RC abstains from deliberating on or making recommendations in respect of any proposed amounts to be paid by the Company to him.

Provision 7.3

Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long-term.

The RC exercises its discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of shareholders and promote the long-term success of the Group.

The RC is of the view that the remuneration is appropriate to attract, retain and motivate the Directors and KMP, considering the low attrition rate of Directors and KMP.

DISCLOSURE ON REMUNERATION

Principle 8

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1

The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

- (a) each individual director and the CEO; and**
- (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.**

The performance criteria used to assess the variable component of the remuneration (short-term and long-term incentive) of the CEO, Executive Director and KMP are determined by having regards to the performance of the Group, leadership, as well as industry benchmarks, which include the profitability of the Group, leadership, as well as the CEO's, Executive Director's and KMP's compliance in all audit matters. The CEO's, Executive Director's and KMP's short-term incentives (namely the performance-related variable component) are recommended by the RC and approved by the Board.

CORPORATE GOVERNANCE REPORT

For FP2025, the CEO, Executive Director and KMP have met the relevant performance conditions.

The RC is of the view that the variable component of the remuneration packages of the Executive Director and KMP are moderate. In view of this, there is no necessity for the Company to institute contractual provisions to reclaim the incentives or any related payments from the parties involved should there be any misstatements of financial results, or of misconduct resulting in financial loss to the Group.

Please refer to Table B set out on pages 93 to 94 of this Annual Report for the remuneration of the Directors and KMP for FP2025. The Group had two KMP during FP2025.

The Company has disclosed all the remuneration details of the KMP in bands of S\$250,000, but is of the opinion that it would be more beneficial to the Group not to name the individual KMP corresponding to the relevant remuneration band. Given the competitive labour market for skilled personnel, it is in the best interest of the Company and the Group to keep KMP remuneration confidential due to the sensitive nature and potential negative impact (such as poaching by competitors by referencing remuneration disclosures).

As the Company has a small and tightly-knit team, such disclosure would also be disadvantageous to the Company in relation to its competitors and may affect adversely the cohesion and spirit of teamwork prevailing amongst the employees of the Company.

Notwithstanding the above, the Company has further set out information regarding its remuneration policies, procedures for setting remuneration and relationships between remuneration, performance and value creation under Provisions 6 and 7 in (from pages 70 to 72). The fee scale for determining the applicable directors' fees payable to the independent directors are also published at page 94. Accordingly, the Company is of the view that its practices are consistent with the intent of Principle 8 of the Code, taking into account the strategic objectives of the Company pursuant to Principle 7 of the Code.

Provision 8.2

The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

Save for Ms Xiao Xia, the Executive Director and Chief Executive Officer, and substantial shareholder of the Company, there is no employee who is a substantial shareholder or is related to a Director, CEO or substantial shareholder of the Company, whose remuneration exceeds S\$100,000 in the Group's employment for FP2025.

CORPORATE GOVERNANCE REPORT

Provision 8.3

The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.

Please refer to Table B set out on pages 93 to 94 of this Annual Report for the remuneration and other payments and benefits, paid by the Company and its subsidiaries to Directors, CEO and key management personnel of the Company for FP2025. The Company does not have any share incentive scheme.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1

The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.

The Company manages risks under an overall strategy determined by the Board and supported by the ARC. The Company sets acceptable risk management standards and periodically reviews the risks that the Group is subject to.

The Board recognises that it is responsible for the overall internal control framework, but accepts that no cost-effective internal control system will preclude all errors and irregularities, as the system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The ARC will annually:

- satisfy itself that adequate measures are being made to identify and mitigate any material business risks associated with the Group;
- ensure that a review of the effectiveness of the Group's material internal controls, including financial, operating, information technology and compliance controls and risk management, is conducted at least annually. Such review can be carried out by internal auditors;
- ensure that the internal control recommendations made by internal auditors and the management letter recommendations by external auditors (noted during the course of the statutory audit) have been implemented; and
- ensure the Board is in a position to comment on the adequacy and effectiveness of the internal controls of the Group.

The Board with the assistance of the internal auditors, determines the Company's levels of risk tolerance and risk policies and oversees Management in the design, implementation and monitoring of the risk management and internal control systems.

CORPORATE GOVERNANCE REPORT

Provision 9.2

The Board requires and discloses in the company's annual report that it has received assurance from:

- (a) **the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and**
- (b) **the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.**

The Board has received assurance from the Executive Director and the CFO that (a) the financial records have been properly maintained and the financial statements for FP2025 give a true and fair view of the Company's operations and finances; and (b) the Company's risk management and internal control systems are adequate and effective.

AUDIT COMMITTEE

Principle 10

The Board has an Audit Committee ("AC") which discharges its duties objectively.

Provision 10.1 **The duties of the AC include:**

- (a) **reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;**
- (b) **reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;**
- (c) **reviewing the assurance from the CEO and the CFO on the financial records and financial statements;**
- (d) **making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;**
- (e) **reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and**
- (f) **reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.**

CORPORATE GOVERNANCE REPORT

The ARC's main objective is to assist the Board in fulfilling its fiduciary responsibilities relating to internal controls, overseeing the external audit process, reviewing the financial information to be disclosed to the public and ensuring that arrangements are in place for the independent investigation and follow up of reports by staff of improprieties in financial reporting and other matters. To achieve this, the ARC ensures that its members have the appropriate qualifications to provide independent, objective and effective oversight.

Specifically, the ARC meets periodically to perform the following functions:

- reviewing the audit plans of the external and internal auditors;
- reviewing the external and internal auditors' reports;
- reviewing the co-operation given by the Company's officers to the external and internal auditors;
- reviewing the adequacy of the internal audit function;
- evaluating the adequacy and effectiveness of the Group's system of internal controls, including financial, information technology, operational and compliance controls, and risk management, by reviewing written reports from internal auditors and management letters issued by external auditors (in the course of the statutory audit) and management responses and actions to correct any deficiencies;
- reviewing the financial statements of the Company and the Group before their submission to the Board;
- reviewing non-audit services provided by the external auditors to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors;
- nominating external auditors for appointment or re-appointment and approve the remuneration and terms of engagement of the external auditors;
- reviewing the Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual issued by SGX-ST, and by such amendments made thereto from time to time;
- reviewing IPT (as defined in Chapter 9 of the Listing Manual issued by SGX-ST) to ensure that they are on normal commercial terms and arms' length basis and not prejudicial to the interests of the Company or its shareholders in any way;

CORPORATE GOVERNANCE REPORT

- overseeing the Company's risk management systems, practices and procedures to ensure effectiveness of risk identification and management, and compliance with internal guidelines and external requirements by, *inter alia*, assessing the Company's risk management framework for appropriateness and adequacy, and monitoring Management accountability for risk management processes and compliance with risk policies; and
- reviewing and making recommendations to the Board in relation to risk management.

Apart from the duties listed above, the ARC may commission and review the findings of internal investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore and other applicable law, rule or regulation which has or is likely to have material impact on the Company's or Group's operating results and/or financial position.

The ARC is also authorised to investigate any matter within its terms of reference and has full access to and co-operation of the Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The ARC meets annually with the internal auditors and the external auditors, without the presence of the Management to review the adequacy of audit arrangements, with particular emphasis on the scope and quality of their audits, and the independence and objectivity of the internal and external auditors.

Based on the internal controls established and maintained by the Group, works performed by the internal and external auditors, reviews performed, the Board, with concurrence of the ARC are of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology controls and risk management systems were adequate and effective for FP2025.

The aggregate amount of fees paid or payable to the external auditors of the Company, broken down into audit and non-audit services during FP2025 are as follows:

Audit fees: S\$168,000

Non-audit fees: Nil

The ARC will review all non-audit services provided by the external auditors to the Group, to satisfy themselves that the nature and extent of such services will not affect the independence of the external auditors. The ARC, having reviewed and considered that no non-audit services were provided by the external auditors for FP2025, is of the opinion that Ernst & Young LLP is suitable for re-appointment and has accordingly recommended to the Board that Ernst & Young LLP be nominated for re-appointment as the external auditors of the Company at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

The Company is in compliance with Rules 712, 715 and 716 of the Listing Manual in relation to its external auditors.

It is the Company's practice for the external auditors to present to the ARC its audit plan and with updates relating to any change of accounting standards impacting on the financial statements before an audit commences. Save as disclosed in pages 116 to 117 in this Annual Report, the adoption of the new Singapore Financial Reporting Standards (International) (SFRS(I)), amendments and interpretations of SFRS(I) did not result in any material impact on the Group's financial statements for the financial period under review.

Provision 10.2

The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

The ARC comprises 3 members who are Non-Executive Director, all of whom are independent. The ARC's members are:

Ms Ong Lizhen, Daisy (Chairman, Independent Non-Executive Director)

Ms Ng Chuey Peng (Member, Independent Non-Executive Director)

Mr Ong Hwee Li (Member, Independent Non-Executive Chairman)

At least 2 members of the ARC (including the ARC chairman), namely Ms Ong Lizhen, Daisy and Ms Ng Chuey Peng have recent and relevant accounting or related financial management expertise or experience. The Board is of the view that the members of ARC have the necessary expertise to discharge their duties and responsibilities.

Provision 10.3

The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

None of the ARC members were previous partners or directors of the Company's existing auditing firm within the last two years and none of the ARC members hold any financial interest in the Company's existing external auditing firm.

CORPORATE GOVERNANCE REPORT

Provision 10.4

The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.

The Group has outsourced its internal audit function to Deloitte & Touche Enterprise Risk Services Pte Ltd. The ARC is satisfied that the internal audit function is staffed by suitably qualified and experienced professionals. The ARC approves the hiring, removal, evaluation and compensation of the internal auditors.

The aim of the internal audit function is to promote internal control in the Group and to monitor the performance and effective application of internal audit procedures. It supports the Directors in assessing key internal controls through a structured review programme. The internal audit function is expected to meet the standard set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel and access to the ARC to perform internal audit function.

The internal audit function reports functionally to the Chairman of the ARC and administratively to the Executive Director and Chief Executive Officer. The ARC is satisfied that the internal audit function has adequate resources and has appropriate standing within the Group. The ARC, on an annual basis, assesses the effectiveness of the internal auditors by examining:

- the scope of the internal auditors' work;
- the quality of the internal audit reports;
- the internal auditors' relationship with the external auditors; and
- the internal auditors' independence of the areas reviewed.

The AC has reviewed and is satisfied with the independence, adequacy and effectiveness of the Company's internal audit function.

Provision 10.5

The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.

The ARC meets from time to time with the Group's external and internal auditors, in each case without the presence of the Management of the Company, at least once a year. The ARC meets with the Management to review accounting, auditing and financial reporting matters so as to provide the necessary checks and balances to ensure that an effective control environment is maintained in the Group. The ARC also studies proposed changes in accounting policies, examines the internal audit functions and discusses the accounting implications of major transactions. Furthermore, the ARC advises the Board regarding the adequacy of the Group's internal controls and the contents and presentation of its interim and annual reports.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1 The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

Shareholders are encouraged to attend the AGM to ensure a high level of accountability and to be updated on the Company's strategies and goals. The Company's Constitution allows a shareholder to appoint up to two proxies to attend a shareholder's meeting on his behalf. In line with the amendments to the Singapore Companies Act 1967 (the "**Companies Act**"), corporate shareholders of the Company which provide nominee or custodial services to third parties may appoint more than two proxies to attend and vote on their behalf at general meetings. The notice of the AGM is sent to our shareholders, together with explanatory notes, appendices or a circular on items of special business, at least 14 days before the meeting. The Chairmen of the ARC, NC and RC are normally present and available to address questions relating to the work of their respective committees at general meetings. Furthermore, the external auditors are present to assist our Board in addressing any relevant queries by our shareholders. During the general meetings, the shareholders will be informed of the rules governing general meetings, including voting procedures.

The Company will also address the substantial and relevant questions from shareholders, if any, on 16 January 2026 by electronic means via publication on the Company's website and the SGXNET.

Provision 11.2 The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.

Separate resolutions are proposed for substantially separate issues at the meeting. In line with the new Rule 730A of the SGX-ST Listing Manual, all the resolutions are voted on by way of poll and the Company announces the detailed results showing the number of votes cast for and against each resolution and the respective percentages to the public.

CORPORATE GOVERNANCE REPORT

Provision 11.3

All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.

Both Executive and Non-Executive Board members meet or speak with shareholders regularly, primarily through general meetings of shareholders, to gather their views and address concerns. The external auditors are also present at the annual general meetings to address shareholders' queries about the conduct of audit and the preparation and content of the auditor's report.

All the Board members attended the AGM held on 25 April 2025.

Provision 11.4

The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

Voting in absentia, which is currently not permitted, may only be possible following careful study to ensure that the integrity of information and authentication of the identity of shareholders through the internet are not compromised, and legislative changes are effected to recognise remote voting.

Provision 11.5

The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

Only shareholders and selected invitees are entitled to attend general meetings. The proceedings of the general meetings of the Company are properly recorded and detailed in the minutes, including substantial and relevant comments or queries raised by shareholders relating to the agenda of the general meetings and responses from the Board and Management.

The minutes of general meetings held since the COVID-19 pandemic have been posted on SGXNET and the Company's website within 1 month after the date of the general meeting.

Provision 11.6

The company has a dividend policy and communicates it to shareholders.

The Company does not have a fixed dividend policy at present. The issue of payment of dividends is deliberated by the Board annually, having regards to various factors (e.g. Company's profit, cash flow, capital requirements for investment and growth, general business conditions and other factors as the Board deems appropriate).

CORPORATE GOVERNANCE REPORT

ENGAGEMENT WITH SHAREHOLDERS

Principle 12

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1 The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

The Company firmly believes in high standards of transparent corporate disclosure, pursuant to the SGX-ST's Listing Rules and the Companies Act, whereby shareholders are informed of all major developments that affect the Group. Information is communicated to our shareholders on a timely basis. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.

In presenting the annual financial statements and half-yearly announcements to shareholders as well as any price sensitive reports to the public, the Board aims to provide the shareholders with a balanced and understandable assessment of the Company's and the Group's performance, position and prospects.

Please refer to the disclosures in Provision 12.2 on the avenue of communication between the Board and its shareholders.

Provision 12.2 The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

The Company has adopted an Investor Relations Policy. The policy is made available on the Company's website <https://hgmetal.listedcompany.com/misc/HGMetal-Investor-Relations-Policy.pdf>. It establishes a framework for clear, consistent, and timely communication to promote transparency, build trust, and ensure compliance with applicable regulatory requirements. The Policy governs the dissemination of financial and strategic information to ensure that shareholders and the investment community receive accurate and up-to-date information to support informed decision making. All shareholders are to be informed simultaneously and comprehensively regarding all material developments affecting the Group via SGXNET, in accordance with the Group's disclosure obligations under the Listing Manual and the Companies Act. Investor Relations function serves as a bridge between the Company, our shareholders and the investment community. The Group's investor relations team comprises an internal team and an external team. The internal team is responsible for stakeholder engagements as well as timely, complete, and accurate disclosures. The external team, through an appointed investor relations agency, Cogent Media Pte Ltd, facilitates regular communications with the investment community. Collectively, the team is committed to enhancing transparency and fostering long-term relationships with the Group's stakeholders.

CORPORATE GOVERNANCE REPORT

Communication is made through:

- annual reports that are prepared and issued to all shareholders. The Board ensures that the annual report includes all relevant information about the Company and the Group, including future developments and other disclosures required by the Companies Act and Singapore Financial Reporting Standards;
- half-yearly and full-year financial results announcements containing a summary of the financial information and affairs of the Group for that period;
- notices of and explanatory memoranda for AGMs and Extraordinary General Meetings (“**EGMs**”);
- press releases on major developments of the Company and the Group;
- disclosure to the SGX-ST; and
- the Company’s website at <https://www.hgmetal.com> at which our shareholders can access information on the Group.

The Company also releases half-yearly announcements containing a summary of the financial information and affairs of the Group for that period, and announcements with disclosures as required by the Listing Manual via SGXNET. Shareholders can also access the Company’s website at <https://www.hgmetal.com> to access information on the Group.

Further, the Group has adopted a constructive whistle-blowing policy and guidelines in order to detect and deter any fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement, financial reports and records of the Company.

Demonstrating its commitment to good corporate governance, the Group provides a channel for employees to responsibly report any concerns or potential improprieties, including those related to financial reporting, to the ARC or any committee established by the ARC for this purpose, without fear of reprisal. The establishment of the whistle-blowing structure also augments the Group’s commitment to detect potential fraud, providing another level of comfort and assurance to investors.

Under the whistle-blowing policy, all concerns expressed anonymously will be investigated although consideration will be given to the seriousness of the issue raised, the credibility of the concern and the likelihood of confirming the allegation from attributable sources. In addition, every effort will be made to protect the complainant’s identity, if so requested, so long as it is compatible with a proper investigation.

Once a complaint has been made, the action taken will depend on the nature of the concern and initial inquiries will be made to determine whether an investigation is appropriate, and the form it should take.

CORPORATE GOVERNANCE REPORT

The ARC maintains a record of concerns raised under this policy and the outcomes, and will report as necessary to the Board. There were no fraud and whistle blowing reports received during FP2025.

Provision 12.3

The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

Shareholders may contact the Company by completing the "Contact Us" form on the Company's website at <https://www.hgmetal.com/contact-us/> or by sending an email to corporate@hgmetal.com. The Company will respond directly to the querying shareholder using the contact information provided therein.

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1

The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

The Company is committed in maintaining close communication with those stakeholders whom will have an impact on the Company's business and operating performance and long-term sustainability. To this end, the Company has established relevant communication channels to engage with its stakeholders as detailed in pages 80 to 85 in this Annual Report.

Provision 13.2

The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

The Company recognises the needs for ensuring the business interests of the Company and its stakeholders are properly aligned as part of its sustainability journey. As in previous years, the Company has undertaken a process of identifying material environmental, social and governance issues which are important and will impact the stakeholders. Having identified these material topics, the Company seeks to map out its processes and align its business practices and strategies to address the concerns of these stakeholders. The Company's efforts and approaches in ensuring the respective stakeholders' concerns are properly addressed are set out on pages 22 to 24 under the "Sustainability Report" section of this Annual Report.

Provision 13.3

The company maintains a current corporate website to communicate and engage with stakeholders.

The Company updates its corporate website <https://www.hgmetal.com> regularly with information released on the SGXNET and business developments of the Group to communicate and engage with stakeholders.

CORPORATE GOVERNANCE REPORT

DEALINGS IN SECURITIES

In accordance with Rule 1207(19) of the Listing Manual issued by SGX-ST, the Company has implemented an internal policy in relation to dealings in securities. Pursuant to such policy, the Company notifies all employees and officers that they are prohibited from trading in the Company's shares one month prior to the announcement of the Company's half-year and full-year financial results.

In addition, the Company, the Directors and its officers are expected to observe insider trading laws at all times even when dealing in securities within permitted trading periods. The Company prohibits its officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information.

UPDATE ON USE OF PROCEEDS FROM SHARE PLACEMENT AND RIGHTS ISSUES

On 19 September 2023, the Company issued and allotted 25,059,406 new ordinary shares in the capital of the Company (the "Placement Shares") pursuant to a private placement at an issue price of S\$0.278 for each Placement Share to raise net proceeds of approximately S\$6.89 million.

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 Esteel Pte. Ltd at an issue price of S\$0.266 per share. This resulted in net proceeds of approximately S\$13.05 million after deducting the expenses pertaining to the placement.

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 an approximate net proceeds of S\$19.44 million from the rights issue, after deducting related expenses incurred.

CORPORATE GOVERNANCE REPORT

The table below sets out the cumulative utilisation of the net proceeds raised by the Company from the share placements and rights issue, up to the date of the Company's latest announcement on 16 December 2025:

Date of share placement/ rights issue	Use of net proceeds	Amount allocated S\$'000 ^(*)	Amount utilised	Balance as at 16 December 2025
19-Sep-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	3,013 ^(****)	16,423
	Total	39,378	10,612	28,766

* Amounts are net of the share issuance expenses.

** 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 Esteel Pte. Ltd. general offer in FY2024, and S\$2,843,000 allocated to investment and acquisition activities, specifically for the subscription of shares in Eden Flame Sdn Bhd.

The use of the net proceeds disclosed above is in line with the Company's intended use of proceeds, as set out in the Company's announcements and Circular to Shareholders relating to the Share Placements and Rights Issue.

INTERESTED PERSON TRANSACTIONS

As a listed company on the SGX-ST, all interested person transactions ("IPTs") are consistently monitored and all findings were reported during the AC meetings. The Company has also obtained a shareholders' approval for the renewal of mandate for IPTs on 25 April 2025 and is seeking renewal of the said mandate at the upcoming AGM. Details of the shareholders' mandate for IPTs can be found in the Appendix to this Annual Report.

CORPORATE GOVERNANCE REPORT

Details of the interested person transactions for FP2025 as required pursuant to Rule 907 of the Listing Manual of SGX-ST are as follows:-

Name of Interested Person and Nature of Transaction	Nature of Relationship	Aggregate value of all IPTs during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs during the financial period conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
BRC Asia Limited			
– Purchase	Associate to controlling shareholder of the Company, Green Esteel Pte. Ltd. under Chapter 9 of the Listing Manual	–	47,436
– Sale		–	472

MATERIAL CONTRACTS

Save for:

- (a) The IPTs as disclosed in this report; and
- (b) The material contracts as disclosed in the audited financial statements of this Annual Report,

there were no other material contracts of the Company and its subsidiaries involving the interests of the Directors or controlling shareholder(s), either subsisting at the end of FP2025 or if not then subsisting, which were entered into since the end of the previous financial year.

Subsequent to the end of FP2025, the Group also entered into a subscription agreement for the subscription of 18,000,000 Class B preference shares in Eden Flame Sdn. Bhd., an associate of the Company's controlling shareholder Green Esteel Pte. Ltd.. Further details of the subscription are found in the Company's announcements dated 10 December 2025 and 15 December 2025.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT

Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as deliberate on appropriate measures to control and mitigate these risks. Management is accountable to the Board for ensuring the effectiveness of risk management and adherence to risk appetite limits.

On a day-to-day basis, business units have primary responsibility for risk management. The various business units provide the key management with a timely assessment of key risk exposures and the associated management responses. These units also recommend risk appetite and control limits.

The significant risk management policies are as disclosed in the audited financial statements of this Annual Report. The Group's principal business risks and approaches in managing those risks are outlined below:

STRATEGIC AND BUSINESS RISKS	
Principal Risks	Management Approach
Competition Risk The expansion of competitors in metal processing and distribution can intensify competition, as larger, more diversified players leverage greater resources for Research & Development, technology, and marketing, challenging the Group's market position. Increased price competition may also drive prices down, pressuring profitability and market standing.	The Group uses its industry expertise to quickly adjust strategies, aligning with customer demand to stay competitive. By monitoring market trends and the Building and Construction Authority (BCA) material price index, it optimises pricing and inventory levels for strategic product offerings. Additionally, the Group enhanced its customer base through strategic tenders and increase production capacity by optimising existing equipment, thereby distinguishing the quality, value and efficiency of our products and services.
Macroeconomic Risk The potential impact of global and regional economic downturns on the Group's sales and profitability due to reduced construction activities and demand for metals products offered by the Group.	The Group monitors economic trends globally and regionally, adapting strategies to align with changes. To maintain flexibility, it keeps a strong cash reserve, follows a financial contingency plan, optimises inventory to prevent over-or understocking during fluctuations, and enhances workforce adaptability with flexible staffing, including contracts.

CORPORATE GOVERNANCE REPORT

OPERATIONAL RISKS

Principal Risks	Management Approach
<h3 data-bbox="250 492 464 509">Product and Operational Risks</h3>	
<p data-bbox="250 509 464 764">The Group faces risks in product quality, production delays, and space limitations, which may affect its ability to meet Singapore's high standards for construction metals, maintain customer satisfaction, and support growth. Quality issues or delays could lead to customer dissatisfaction, financial losses, and reputational damage. Space constraints at facilities may cause inefficiencies, overcrowding, and limited scalability, impacting inventory management, safety standards, productivity, and competitiveness.</p>	<p data-bbox="464 509 1117 764">The Group maintains high product and service quality across operations, from sales to delivery. Precise procurement and inventory management ensure a steady, cost-effective supply of materials, safeguarded with proper storage. Internal and independent quality checks uphold strict standards, backed by ISO 9001:2015 certification and regular supplier reviews.</p>
<h3 data-bbox="250 764 464 781">Commodity Price Risk and Supply Chain Risks</h3>	
<p data-bbox="250 781 464 1037">Fluctuations in commodity prices and raw material availability present significant risks to the Group, affecting cost structure and production stability. Metal market volatility can increase costs, squeezing profit margins, or cause price drops that devalue inventory, complicating financial planning and potentially weakening competitiveness, profitability, and stability. Securing essential resources is vital for consistent production and operational resilience.</p>	<p data-bbox="464 781 1117 1037">The Group has strengthened its supply chain for a steady raw material supply, closely monitoring regulatory changes, market trends, and the BCA material price index to guide pricing and stock strategies. By analysing market conditions, it identifies optimal purchasing opportunities and adjusts orders to price shifts.</p>
	<p data-bbox="464 1037 1117 1153">To manage price volatility, the Group uses commercial hedging aligned with sales contracts, production levels, and market outlook. It also considers long-term purchasing contracts based on the steel debar futures index.</p>
	<p data-bbox="464 1153 1117 1261">To protect profit margins, the Group balances fixed and variable-price sales contracts per the BCA index. Anticipating supply disruptions, it is diversifying supply chains across regions to enhance resilience.</p>

CORPORATE GOVERNANCE REPORT

OPERATIONAL RISKS	
Principal Risks	Management Approach
Human Resource Risk The Group faces Human Resources (HR) risks in attracting and retaining talent, with a significant reliance on foreign workers. These challenges may impact its ability to maintain a skilled workforce, meet operational needs, and adapt to regulatory changes, highlighting the need for effective talent management and workforce diversification.	The Group manages HR risks with a clear HR policy focused on diversity, inclusion, and a strong code of conduct. Competitive pay, comprehensive benefits, and grievance mechanisms are supported by regular market research. Training needs analyses drive employee development, while close monitoring of work permit regulations and inter-department collaboration address foreign workforce reliance. Long-term contracts with manpower suppliers further ensure workforce stability.
Health and Safety Risk Health and safety risks in metal cut & bend, fabrication services include labor incidents, noise exposure, and fire hazards. Safety incidents, like burn or machinery-related injuries, pose direct risks to worker health. Processes such as cutting, grinding, and welding create high noise levels, potentially affecting workers' hearing over time. Fire hazards present additional risks, potentially damaging equipment, disrupting operations, and causing delays, which can impact delivery timelines and customer commitments.	The Group manages health and safety risks through prevention, preparedness, and proactive monitoring. Our health and safety guidelines ensure compliance with local laws, regulations, and standards, with a primary focus on protecting employees, communities, and business operations from harm and disruptions. To uphold workplace safety, we have established a Workplace Safety & Health (WSH) Committee to oversee and review safety matters. Regular WSH inspections help identify hazards and ensure compliance with the WSH Act and relevant regulations. We conduct routine hazard assessments to ensure the availability of personal protective equipment (PPE), such as earplugs, fall prevention gear, and noise-absorbing materials. An emergency response team is in place to conduct fire drills and maintain fire prevention equipment, while routine equipment inspections, periodic maintenance, and reinforced safety guidelines help sustain a safe work environment. Additionally, periodic audiometric testing monitors and protects workers' hearing, ensuring comprehensive workplace safety. To address pandemic risks, we have implemented a pandemic response plan that includes training and awareness programs to safeguard the health and well-being of employees.

CORPORATE GOVERNANCE REPORT

FINANCIAL RISKS	
Principal Risks	Management Approach
Liquidity Risk The Group faces liquidity risk in meeting short-term obligations if cash flow or liquid asset access is limited, potentially affecting operational continuity and reducing flexibility to address opportunities or unexpected costs.	The Group manages liquidity by closely monitoring cash flow with detailed forecasting and maintaining sufficient cash reserves for operations and funding needs. Strong relationships with banks also secure flexible credit facilities, ensuring financial agility to meet short-term obligations.
Foreign Exchange Exposure Exchange rate fluctuations pose a risk to the cost of goods purchased, as expenses are primarily in USD while revenue is mainly in SGD. Consequently, shifts in the exchange rate between these currencies can affect profit margins.	The Group manages exchange rate risk by closely monitoring its foreign exchange position and market trends, and employs a mix of forward contracts and options to hedge against known exposures to currency fluctuations.
Credit Risk Credit risk for the Group arises from the possibility that customers may default on payments within the 30 to 90-day credit terms offered, which could impact cash flow and financial stability.	The Group mitigates credit risk with thorough customer background checks, regular credit limit reviews, and third-party credit insurance covering most customers. A diversified customer portfolio, credit holds, and careful management of credit risk concentrations further protect cash flow and reduce default risk.
COMPLIANCE RISK	
Principal Risks	Management Approach
Regulatory and Re-certification Risk The risk of loss resulting from breaching or non-compliance with applicable laws, regulations, or contractual obligations. Evolving regulatory framework may have material impact on financial and operations. Certification and regulatory risk involves challenges in maintaining compliance with ISO 9001, ISO 45001, ISO 14001 standards, Occupational Safety and Health (OSH) regulations, and adapting to evolving HR rules, including Ministry of Manpower (MOM) guidelines and the Personal Data Protection Act (PDPA). Non-compliance could affect the Group's operational efficiency and legal standing.	The Group seeks to comply with applicable laws and regulatory requirements. We track compliances, understand changes to regulatory standards in a timely manner and integrate these changes into the business strategies and process, policies and procedures, delegation of authority of matrix, risk management initiatives and corporate governance practice to prevent any lapses. We do not condone fraudulent and corrupt activities and operate a grievance mechanism for reporting any compliance issues or concerns. The Group manages certification and regulatory risk by monitoring changes in ISO standards, OSH regulations, MOM guidelines, and PDPA requirements. Regular training and inspections ensure compliance and employee awareness, while thorough documentation supports audit readiness and regulatory adherence across quality, safety, and HR functions.

CORPORATE GOVERNANCE REPORT

ENVIRONMENTAL RISKS

Principal Risks

Environmental Impact and Sustainability Risk

The Group faces environmental and sustainability risk due to its metal processing operations, which require high energy consumption, leading to greenhouse gas emissions and waste byproducts like scrap metal and industrial residues.

Management Approach

The Group manages environmental risks by investing in solar energy and promoting energy-saving practices. Regular machine maintenance targets high energy consumption, while a 3R (Reduce, Reuse, Recycle) strategy minimises waste. Scrap levels are closely monitored, with disposal managed by licensed vendors, all in line with ISO 14001 standards to support compliance and sustainability goals.

Climate-related risks

The Group recognises the significant environmental challenges the world faces due to climate change and the implications that this can have for our business and supply chains. Apart from physical risks arising from extreme weather events, there are also transitional risk that we have to consider as we move towards a low carbon economy.

For more information on our approach to managing climate related risks, please refer to pages 25 to 31 under the Sustainability Report section of this Annual Report.

CYBER AND INFORMATION SECURITY RISKS

Principal Risks

Information Technology Risk

The Group's reliance on IT infrastructure for operations and communication exposes it to cyber risks like phishing and ransomware. Dependence on third-party vendors for application support adds vulnerability, as their security weaknesses could impact the Group's operations. Outdated technology further challenges threat response, emphasising the need for continuous investment in IT security.

Management Approach

The Group has secured workstations and strong network defenses to counter cyber-attacks, with regular hardware and software updates. A comprehensive recovery plan supports business continuity in case of a breach or failure. Credible IT vendors are carefully evaluated to ensure reliable support for critical applications.

CORPORATE GOVERNANCE REPORT

TABLE A

Name of Director	Board of Directors		Audit & Risk Committee		Remuneration Committee		Nominating Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Xiao Xia	3	3	4	3 [#]	1	1 [#]	1	1 [#]
Ong Hwee Li	3	3	4	4	1	1	1	1
Ong Lizhen, Daisy	3	3	4	4	1	1	1	1
Ng Chuey Peng	3	3	4	4	1	1	1	1

Note: # In attendance by invitation

TABLE B

The remuneration of the Directors and CEO from the Company for FP2025 is as follows:

Directors and CEO	Amount of Remuneration (S\$)	Base Salary (%)	Bonus (%)	Director Fees* (%)	Allowances and Others (%)	TOTAL (%)
Xiao Xia	1,342,244	23.60	74.32	–	2.08	100
Ong Hwee Li**	60,039	–	–	100	–	100
Ong Lizhen, Daisy**	54,424	–	–	100	–	100
Ng Chuey Peng**	53,128	–	–	100	–	100

* Directors' fees paid were approved by Shareholders at the FY2024 AGM.

** Directors' fees paid period covered from 1 January 2025 to 30 September 2025 due to financial year end changed.

CORPORATE GOVERNANCE REPORT

The Non-Executive Directors receive Directors' fees in accordance with their contributions, taking into account factors such as responsibilities, effort and time spent for serving on the Board and the Board Committees. The Non-Executive Directors' fees were derived using the fee structure as follows:

	S\$ (Full year)
Basic fee	57,750
Board chairmanship	9,240
ARC chairmanship	9,240
NC chairmanship	5,775
RC chairmanship	5,775
ARC membership	4,620
NC membership	2,888
RC membership	2,888

The Company had only 2 Key Executive Officers for FP2025. A breakdown of the remuneration of KMP for FP2025 is set out below:

Remuneration Band	Number of KMP	Base Salary (%)	Bonus (%)	Allowances and Others (%)	TOTAL (%)
S\$250,000 – S\$499,999	1	48.40	49.40	2.20	100
Below S\$250,000	1	56.77	39.72	3.51	100

The total remuneration paid to the top 2 key executive officers during FP2025 was S\$498,488.

CORPORATE GOVERNANCE REPORT

DETAILS OF DIRECTORS SEEKING RE-ELECTION

Mr Ong Hwee Li and Ms Xiao Xia are the Directors seeking re-election at the upcoming AGM (collectively, the “**Retiring Directors**” and each a “**Retiring Director**”).

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

	ONG HWEE LI	XIAO XIA
Date of first appointment	22 June 2023	22 June 2023
Date of last re-appointment (if applicable)	–	–
Age	52	48
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Upon the recommendation of the Nominating Committee and the Board, which had reviewed the qualification and experience of Mr Ong Hwee Li, the Board of Directors approved his appointment as the Independent Non-Executive Chairman, Chairman of Nominating Committee and member of Remuneration Committee and Audit & Risk Committee of the Company. The Board considered Mr Ong Hwee Li to be independent for the purpose of Rule 704(8) of the Listing Manual.	Upon the recommendation of the Nominating Committee, which had reviewed the qualification and experience of Ms Xiao Xia, the Board of Directors approved her appointment as Executive Director and Chief Executive Officer.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive. Ms Xiao Xia will be responsible for managing and overseeing the overall business strategy and development of the Group.
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Chairman Chairman of Nominating Committee Member of Remuneration Committee Member of Audit & Risk Committee	Executive Director and Chief Executive Officer

CORPORATE GOVERNANCE REPORT

	ONG HWEE LI	XIAO XIA
Professional qualifications	Bachelor of Business (Banking & Finance), Monash University Chartered Valuer and Appraiser	Bachelor Degree in Business Administration
Working experience and occupation(s) during the past 10 years	July 2004 to Present Chief Executive Officer – SAC Capital Private Limited	January 2023 to April 2023 Bright Point Trading Pte Ltd Commodities Trader November 2022 to January 2023 Esteel Enterprise Pte Ltd Commodities Trader (Financial) March 2019 to November 2022 Shanghai Emetal Hong Energy Co., Ltd General Manager September 2013 to March 2019 Zhejiang Future Investment Co., Ltd General Manager of the Business unit
Shareholding interest in the listed issuer and its subsidiaries	No	35,642,600 shares in the listed issuer (deemed interest)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

CORPORATE GOVERNANCE REPORT

	ONG HWEE LI	XIAO XIA
Other principal commitments including directorships	<u>Past</u> (for the last 5 years) NA <u>Present</u> Directorship: ICAP-SAC Private Limited SAC Holdings Private Limited Other Principal Commitment: SAC Capital Private Limited	<u>Past</u> (for the last 5 years) Shanghai Emetal Hong Energy Co. Ltd Dongming Emetal Hong Energy Trading (Fujian) Co. Ltd <u>Present</u> Directorship: HG Metal Manufacturing Limited and its subsidiaries Other Principal Commitments: Supervisor: Shanghai Hongyi Investment Management Co., Ltd Shanghai Huazang Electric Fuel Co., Ltd

The Retiring Directors confirm that there are no circumstances or matters requiring to be disclosed in relation to the queries provided in Appendix 7.4.1 of the Listing Rules.

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DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of HG Metal Manufacturing Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial period from 1 January 2025 to 30 September 2025.

Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2025 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial period from 1 January 2025 to 30 September 2025; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Ong Hwee Li (Chairman)

Xiao Xia

Ong Lizhen Daisy

Ng Chuey Peng

In accordance with Regulation 88 of the Company's Constitution, Ong Hwee Li and Xiao Xia retire and, being eligible, offer themselves for re-election.

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial period, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Companies Act 1967, an interest in shares of the Company and related corporations as stated below:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial period or date of appointment	At the end of financial period	At the beginning of financial period or date of appointment	At the end of financial period
Ordinary shares of the Company				
Xiao Xia	–	–	35,642,600	35,642,600

There was no change in any of the above-mentioned interests in the Company between the end of the financial period and 21 October 2025.

Except as disclosed in this statement, no director who held office at the end of the financial period had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial period, or date of appointment if later, or at the end of the financial period.

Options

During the financial period, there were:

- (i) no options granted by the Company to any person take up unissued shares in the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial period, there were no unissued shares of the Company under option.

Audit and Risk Committee

The Audit and Risk Committee ("ARC") carried out its functions in accordance with Section 201B (5) of the Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors.
- Reviewed the half-yearly and annual financial statements and the independent auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors.
- Reviewed the effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor.

DIRECTORS' STATEMENT

- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARC.
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators.
- Reviewed the cost effectiveness and independence and objectivity of the external auditor.
- Reviewed the nature and extent of non-audit services provided by the external auditor.
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit.
- Reported actions and minutes of the ARC to the board of directors with such recommendations as the ARC considered appropriate.
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The ARC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The ARC has also conducted a review of interested person transactions.

The ARC convened three meetings during the financial period. The ARC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the ARC are disclosed in the Report on Corporate Governance.

Auditor

Ernst & Young LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Ong Hwee Li
Director

Xiao Xia
Director

Singapore

22 December 2025

INDEPENDENT AUDITOR'S REPORT

For the financial period from 1 January 2025 to 30 September 2025

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HG Metal Manufacturing Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 30 September 2025, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the financial period from 1 January 2025 to 30 September 2025, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) (the "SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial period from 1 January 2025 to 30 September 2025.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (the "SSAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (the "ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the "ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

For the financial period from 1 January 2025 to 30 September 2025

Key audit matter (cont'd)

Carrying amount of inventories at lower of cost and net realisable value

The carrying amount of the Group's inventories of \$9,769,000 (31 December 2024: \$11,923,000) as at 30 September 2025 is significant to the Group. The inventories mainly comprise trading inventories and raw materials. Significant management judgement is required in estimating the net realisable value of these inventories, which is affected by fluctuations in market prices and demand for steel. As such, we determined that this is a key audit matter.

Management assesses net realisable value based on expected selling price which factors in management's estimate of future market demand and price changes, Building and Construction Authority steel price index and adjustments for slow-moving inventories.

Our audit procedures included, amongst others, testing the costing of these inventories in accordance with the Group's weighted average inventory valuation accounting policy. We performed net realisable value testing by comparing the carrying amounts of these inventories with sales transactions made in current period/year and subsequent to financial period/year end. We also performed a sensitivity analysis on the net realisable value of these inventories, taking into account possible future changes in steel selling prices with reference to the market steel price index.

In addition, we assessed the adequacy of the Group's disclosure on inventories in the financial statements.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

For the financial period from 1 January 2025 to 30 September 2025

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT

For the financial period from 1 January 2025 to 30 September 2025

Auditor's responsibilities for the audit of the financial statements (cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Briston Loo.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

22 December 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial period from 1 January 2025 to 30 September 2025

	Note	1.1.2025 to 30.9.2025 \$'000	1.1.2024 to 31.12.2024 \$'000
Continuing operations			
Revenue	4	130,273	157,867
Cost of sales		(111,065)	(135,795)
Gross profit		19,208	22,072
Other operating income	5	1,020	1,685
Selling and distribution costs		(1,316)	(1,474)
Administrative expenses		(6,724)	(8,020)
Other operating expenses		(3,079)	(3,380)
Finance costs	6	(363)	(620)
(Allowance)/reversal of impairment loss on financial assets	7	(12)	42
Profit before income tax	8	8,734	10,305
Income tax expense	9	(1,397)	(1,464)
Net profit for the period/year from continuing operations		7,337	8,841
Discontinued operations			
Net loss for the year after tax from discontinued operations	15	–	(264)
Net profit for the period/year		7,337	8,577
Profit/(loss) attributable to:			
Owners of the Company		7,337	8,841
Profit from continuing operations		–	(2,527)*
Loss from discontinued operations		7,337	6,314
Non-controlling interests		–	2,263*
Profit from discontinued operations		–	2,263
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation		(136)	(101)
Reclassification of foreign currency translation reserve to profit or loss		–	(59)
Other comprehensive income for the period/year, net of tax		(136)	(160)
Total comprehensive income for the period/year		7,201	8,417

* This amount includes \$2,230,000, which represents 48.96% of the intercompany debts of \$4,554,000 owed by First Fortune International Company Limited ("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 financial year ended 31 December 2024. Please refer to Note 15 for further information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial period from 1 January 2025 to 30 September 2025

	Note	1.1.2025 to 30.9.2025 \$'000	1.1.2024 to 31.12.2024 \$'000
Total comprehensive income attributable to:			
Owners of the Company			
Profit from continuing operations		7,201	8,781
Loss from discontinued operations		—	(2,578)
		7,201	6,203
Non-controlling interests			
Profit from discontinued operations		—	2,214
		—	2,214
Earnings per share:			
Basic (cents)			
Profit from continuing operations	10	2.67	5.06
Loss from discontinued operations	10	—	(1.45)
Diluted (cents)			
Profit from continuing operations	10	2.67	5.06
Loss from discontinued operations	10	—	(1.45)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 30 September 2025

Note	Group		Company	
	30.9.2025 \$'000	31.12.2024 \$'000	30.9.2025 \$'000	31.12.2024 \$'000
Assets				
Non-current assets				
Property, plant and equipment	11	17,363	18,354	3,997
Right-of-use assets	12	5,201	5,535	—
Intangible assets	13	290	186	161
Investment in subsidiaries	14	—	—	13,028
Investment securities	16	253	255	253
Restricted deposits	17	142	142	—
		23,249	24,472	17,439
				17,557
Current assets				
Investment securities	16	2	2	2
Cash and cash equivalents	17	68,547	55,387	55,635
Fixed deposits pledged with banks	17	16,325	16,325	12,325
Inventories	18	9,769	11,923	2,041
Trade and other receivables	19	57,056	61,362	36,004
Prepaid expenses		378	226	178
		152,077	145,225	106,185
		175,326	169,697	123,624
				120,744
Total assets				
Equity and liabilities				
Current liabilities				
Lease liabilities	12	582	578	—
Trade and other payables	20	7,839	7,941	16,329
Bank borrowings	21	1,198	1,910	36
Provision for income tax		1,428	1,535	—
Derivative financial instruments	23	369	5	261
		11,416	11,969	16,626
				17,897
Non-current liabilities				
Lease liabilities	12	4,346	4,547	—
Bank borrowings	21	3,881	4,751	—
Deferred tax liabilities	24	623	571	—
Provision for reinstatement costs	22	1,572	1,572	—
		10,422	11,441	—
		21,838	23,410	16,626
				17,897
Total liabilities				
Net assets				
		153,488	146,287	106,998
				102,847

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 30 September 2025

Note	Group		Company	
	30.9.2025 \$'000	31.12.2024 \$'000	30.9.2025 \$'000	31.12.2024 \$'000
Equity attributable to owners of the Company				
Share capital	25	109,882	109,882	109,882
Treasury shares	26	(3,034)	(3,034)	(3,034)
Other reserves	27	2,750	2,886	2,527
Accumulated profits/(losses)		43,889	36,552	(2,377)
		153,487	146,286	106,998
Non-controlling interests				
Total equity		1	1	—
Total equity and liabilities		153,488	146,287	106,998
		175,326	169,697	123,624
				120,744

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial period from 1 January 2025 to 30 September 2025

Equity attributable to owners of the Company								
2025	Group	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Premium paid on acquisition of non-controlling interest \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total equity \$'000
At 1 January 2025		109,882	(3,034)	2,527	(212)	571	36,552	146,286
Profit for the period		-	-	-	-	7,337	7,337	-
Other comprehensive income		-	-	-	-	(136)	-	(136)
Foreign currency translation		-	-	-	-	(136)	-	(136)
Other comprehensive income for the period, net of tax		-	-	-	-	(136)	-	(136)
Total comprehensive income for the period		-	-	-	-	(136)	7,337	7,201
At 30 September 2025		109,882	(3,034)	2,527	(212)	435	43,889	153,487
							1	153,488

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial period from 1 January 2025 to 30 September 2025

Equity attributable to owners of the Company

2024 Group	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Premium paid on acquisition of non- controlling interest \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'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
Other comprehensive income									
Foreign currency translation	–	–	–	–	(52)	–	(52)	(49)	(101)
Reclassification of foreign 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 income for the year	–	–	–	–	(111)	6,314	6,203	2,214	8,417
<u>Contributions by and distributions to owners</u>									
Issuance of ordinary shares	32,419	–	–	–	–	–	32,419	–	32,419
Total contributions by and distributions to owners	32,419	–	–	–	–	–	32,419	–	32,419
<u>Change in ownership interest in a 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

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial period from 1 January 2025 to 30 September 2025

2025 Company	Equity attributable to owners of the Company				
	Share capital \$'000	Treasury shares \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 January 2025	109,882	(3,034)	2,527	(6,528)	102,847
Profit for the period, representing total comprehensive income for the period	–	–	–	4,151	4,151
At 30 September 2025	109,882	(3,034)	2,527	(2,377)	106,998
 2024 Company					
At 1 January 2024	77,463	(3,034)	2,527	(6,668)	70,288
Profit for the year, representing total comprehensive income for the year	–	–	–	140	140
<u>Contributions by and distributions to owners</u>					
Issuance of ordinary shares	32,419	–	–	–	32,419
Total contributions 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

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial period from 1 January 2025 to 30 September 2025

	Note	1.1.2025 to 30.9.2025 \$'000	1.1.2024 to 31.12.2024 \$'000
Cash flows from operating activities			
Profit before income tax from continuing operations		8,734	10,305
Loss before income tax from discontinued operations		–	(264)
<i>Adjustments for:</i>			
Bad debts write-off, net		–	2
Depreciation of property, plant and equipment	11	1,355	1,813
Depreciation of right-of-use assets	12	705	853
Amortisation of intangible assets	13	32	26
Gain on disposal of property, plant and equipment		–	(44)
Gain on termination of lease	12	(30)	–
Write-down of inventories	18	113	456
Loss on disposal of a subsidiary		–	337
Allowance/(reversal) of impairment loss on financial assets		12	(42)
Fair value loss/(gain) on derivatives, net	8	364	(309)
Finance costs		363	575
Interest income		(834)	(677)
Unrealised foreign exchange gain, net		(235)	(399)
Operating cash flows before changes in working capital		10,579	12,632
Working capital changes:			
Inventories		2,041	11,849
Trade and other receivables		4,247	(10,078)
Prepaid expenses		(152)	(11)
Trade and other payables		(89)	(3,115)
Cash generated from operations		16,626	11,277
Interest received		857	729
Interest paid		(363)	(603)
Income tax paid		(1,452)	(3)
Net cash flows generated from operating activities		15,668	11,400
Cash flows from investing activities			
Net cash outflow from disposal of a subsidiary	15	–	(1,398)
Fixed deposits pledged with banks		–	(3,575)
Purchase of property, plant and equipment	A	(375)	(820)
Proceeds from disposal of property, plant and equipment	B	24	129
Purchase of intangible assets	13	(136)	(49)
Proceeds from maturity of investment securities		–	3,500
Net cash flows used in investing activities		(487)	(2,213)

CONSOLIDATED CASH FLOW STATEMENT

For the financial period from 1 January 2025 to 30 September 2025

	Note	1.1.2025 to 30.9.2025 \$'000	1.1.2024 to 31.12.2024 \$'000
Cash flows from financing activities			
Proceeds from issuance of ordinary shares in the Company		–	32,488
Proceeds from bank borrowings	C	–	10,402
Repayment of bank borrowings	C	(1,582)	(12,473)
Principal element of lease payments		(538)	(631)
Net cash flows (used in)/generated from financing activities		(2,120)	29,786
Net increase in cash and cash equivalents			
Effects of exchange rate changes on cash and cash equivalents		13,061	38,973
Cash and cash equivalents at beginning of financial period/year		99	(79)
Cash and cash equivalents at end of financial period/year	17	55,387	16,493
		68,547	55,387

Note A: Purchase of property, plant and equipment

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of \$362,000 (31 December 2024: \$833,000). The additions were by way as follows:

	Note	1.1.2025 to 30.9.2025 \$'000	1.1.2024 to 31.12.2024 \$'000
Settled in cash		362	820
Other payables		–	13
	11	362	833

Cash outflows for the period also include payments in respect of the purchase of property, plant and equipment in the previous year of \$13,000 (31 December 2024: \$ Nil).

Note B: Disposal of property, plant and equipment

During the financial period, the Group received S\$24,000 (31 December 2024: \$153,000) from disposal of property plant and equipment in the previous year.

CONSOLIDATED CASH FLOW STATEMENT

For the financial period from 1 January 2025 to 30 September 2025

Note C: Reconciliation of liabilities arising from financing activities

	Cash flows			Non-cash changes			
	1 January	Proceeds received \$'000	Repayment made \$'000	Addition			
				during the period/year \$'000	Accretion of interest \$'000	Others \$'000	31 December \$'000
30 September 2025							
Bank borrowings	6,661	–	(1,582)	–	–	–	5,079
Lease liabilities	5,125	–	(714)	371	176	(30)	4,928
Total	11,786	–	(2,296)	371	176	(30)	10,007
31 December 2024							
Bank borrowings	8,732	10,402	(12,473)	–	–	–	6,661
Lease liabilities	5,402	–	(869)	354	238	–	5,125
Total	14,134	10,402	(13,342)	354	238	–	11,786

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

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 Company's immediate and ultimate holding company is Green Esteel Pte Ltd., which is incorporated and domiciled in Singapore.

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 disclosed in Note 14.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (the "SFRS(I)s").

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

The financial statements are presented in Singapore Dollars (SGD or \$) and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year 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 2025. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 9 <i>Financial Instruments</i> and SFRS(I) 7 <i>Financial Instruments: Disclosures</i> : Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to SFRS(I)s Volume 11	1 January 2026
SFRS(I) 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
SFRS(I) 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to SFRS(I) 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application, apart from SFRS(I) 18 Presentation and Disclosure in Financial Statements issued on 4 October 2024, effective for financial years beginning on or after 1 January 2027.

SFRS(I) 18 is a new standard that replaces SFRS(I) 1-1 Presentation of Financial Statements. SFRS(I) 18 introduces new categories of subtotals in the statement of profit or loss. Entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, wherein the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for the location, aggregation and disaggregation of financial information.

In addition, narrow-scope amendments have been made to SFRS(I) 1-7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. SFRS(I) 18 will apply retrospectively.

The amendments will have an impact on the disclosures in the financial statements but not on the measurement or recognition of items in the Group's financial statements. The Group is in the process of analysing the new disclosure requirements and to assess if changes are required to their internal information systems.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Basis of consolidation and business combinations

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Foreign currency

The financial statements are presented in Singapore Dollars ("SGD"), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 Foreign currency (cont'd)

(b) *Consolidated financial statements*

For consolidation purposes, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 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.

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.

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

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

Additional disclosures are provided in Note 15. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land, are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has unlimited useful life and therefore is not depreciated.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Buildings	–	50 years
Leasehold buildings	–	20 years
Plant and machinery	–	5 to 10 years
Furniture and fittings	–	4 to 5 years
Office equipment	–	3 years
Renovation	–	5 years
Motor vehicles	–	5 to 10 years

Construction in progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.9 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.9 Intangible assets (cont'd)

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

(a) *Computer software*

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Direct expenditure, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Computer software licences are stated at cost less accumulated amortisation and impairment in value, if any. These costs are amortised using the straight-line method over their estimated useful lives of 3 to 5 years.

(b) *Club membership*

Club membership was acquired separately and is stated at cost less impairment in value, if any.

The useful life of club membership is indefinite as it is a membership with no date of expiry.

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.10 Impairment of non-financial assets (cont'd)

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.11 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investment in subsidiaries are accounted for at cost less impairment losses.

2.12 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12 Financial instruments (cont'd)

(a) *Financial assets (cont'd)*

Subsequent measurement

Investments in debt instruments

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12 Financial instruments (cont'd)

(b) *Financial liabilities (cont'd)*

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.13 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a weighted average cost basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for reinstatement costs

Provision for reinstatement costs arose from the estimated cost of dismantling, removing and restoring the leasehold properties at the end of their lease terms.

The reinstatement costs which are provided at the present value of estimated costs required to settle the obligation are recognised as part of the cost of that particular asset. The estimated future cost of reinstatement is reviewed annually and adjusted as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.17 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit losses determined in accordance with the policy set out in Note 2.13 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.18 Employee benefits

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the balance sheet date is recognised for services rendered by employees up to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

2.19 Leases

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The cost of a right-of-use asset also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office equipment 5 years
- Motor vehicles 10 years
- Workers dormitories 2 years
- Land 20 years

The right-of-use assets are also subject to impairment. Please refer to Note 2.10 for Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.19 Leases (cont'd)

(a) As lessee (cont'd)

(ii) Lease liabilities (cont'd)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.20. Contingent rents are recognised as revenue in the period in which they are earned.

2.20 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.20 Revenue recognition (cont'd)

(a) *Sale of goods*

The Group supplies steel products to the customers.

Revenue is recognised when the goods are delivered to the customers and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the contractual price. Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(b) *Cut and bend services*

Revenue from cut and bend services is recognised when the services have been performed and rendered.

(c) *Rental of steel plates*

Revenue from rental of steel plates is accounted for on a straight-line basis over the lease terms.

(d) *Dividend income*

Dividend income is recognised in profit or loss when the Group's right to receive payment is established.

(e) *Rental income*

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentive provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(f) *Warehouse and handling fee income*

Warehouse rental is accounted for on a straight-line basis over the lease terms.

Related handling fee income is accounted when the services have been performed and rendered.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.21 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.21 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

2.22 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.23 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.24 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Management is of the opinion that there is no significant judgment made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

Key sources of estimation uncertainty

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONT'D)

Key sources of estimation uncertainty (cont'd)

(a) *Allowance for expected credit losses ("ECLs") 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 carrying amount of the Group's trade receivables as at the end of the reporting period and information on the related ECLs are disclosed in Note 19 and Note 34(a) respectively.

A 5% increase/decrease in the allowance for expected credit losses estimated by the management would result in a decrease/increase of \$83,000 in the Group's profit before income tax (31 December 2024: a decrease/increase of \$82,000 in the Group's profit before income tax).

(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 Group's inventories at the end of the reporting period is disclosed in Note 18.

A 5% increase/decrease in the allowance for stock obsolescence estimated by the management would result in a decrease/increase of \$35,000 in the Group's profit before income tax (31 December 2024: a decrease/increase of \$34,000 in the Group's profit before income tax).

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

4. REVENUE

Disaggregation of revenue

	Group	
	1.1.2025 to 30.9.2025 \$'000	1.1.2024 to 31.12.2024 \$'000
Sale of goods (<i>at a point in time</i>)	16,159	25,969
Cut and bend (<i>at a point in time</i>)	112,644	129,965
Rental of steel plates (<i>over time</i>)	1,470	1,933
	130,273	157,867

5. OTHER OPERATING INCOME

	Group	
	1.1.2025 to 30.9.2025 \$'000	1.1.2024 to 31.12.2024 \$'000
Interest income		
– Cash held with banks	831	637
– Investment securities	3	40
Warehouse and handling fee income	75	100
Gain on termination of lease	30	–
Income from subleasing	27	6
Government grant income	13	48
Gain on disposal of property, plant and equipment	–	44
Fair value gain on derivatives, net	–	309
Foreign exchange gain, net	–	454
Sundry income	41	47
	1,020	1,685

6. FINANCE COSTS

	Group	
	1.1.2025 to 30.9.2025 \$'000	1.1.2024 to 31.12.2024 \$'000
Interest on lease liabilities	12	176
Interest expense		
– Bridging loans	11	40
– Trust receipts	–	23
– Construction loan	154	290
– Term loans	22	29
	363	620

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

7. ALLOWANCE/(REVERSAL) OF IMPAIRMENT LOSS ON FINANCIAL ASSETS

	Note	Group	
		1.1.2025 to 30.9.2025	1.1.2024 to 31.12.2024
		\$'000	\$'000
Trade receivables	19	12	(38)
Other receivables	19	–	(4)
		12	(42)

8. PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS

Profit before income tax is arrived at after charging/(crediting) the following:

		Group	
		1.1.2025 to 30.9.2025	1.1.2024 to 31.12.2024
		\$'000	\$'000
Depreciation of property, plant and equipment recognised as an expense in cost of sales		629	863
Inventories recognised as an expense in cost of sales (Note 18)		93,323	112,065
Audit fees:			
– Auditor of the Company		168	168
– Other auditors – non-network firms		2	2
Directors' fees		168	204
Staff cost (including directors):			
– Salaries, bonuses and allowances		6,788	8,186
– Employer's contributions to defined contribution plan		378	372
– Other staff welfare expenses		228	165
Legal and professional fees		210	320
Fair value loss/(gain) on derivatives, net		364	(309)
Depreciation of property, plant and equipment		726	950
Depreciation of right-of-use assets (Note 12)		705	853
Amortisation of intangible assets		32	26
Short-term lease expenses (Note 12)		144	83
Foreign exchange loss/(gain), net		182	(454)
Write-down of inventories (Note 18)		113	456

There is no audit-related services and non-audit-related services provided by the auditor of the Company, its network firms and other non-network firms during the financial period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

9. INCOME TAX EXPENSE/(CREDIT)

(a) *Major components of income tax expense/(credit)*

The major components of income tax expense/(credit) for the period/year ended 30 September 2025 and 31 December 2024 were:

	Group	1.1.2025 to 30.9.2025 \$'000	1.1.2024 to 31.12.2024 \$'000
Current income tax			
– Current financial period	1,469	1,524	
– Attributable to continuing operations			
– Over-provision in respect of prior year	(124)	–	
– Attributable to continuing operations	1,345	1,524	
Deferred income tax			
– Origination and reversal of temporary differences (Note 24)	46	120	
– Current financial period			
– Attributable to continuing operations	6	(180)	
– Under-provision in respect of prior year			
– Attributable to continuing operations	52	(60)	
Total income tax expense recognised in the statement of comprehensive income	1,397	1,464	

(b) *Relationship between tax expense and accounting profit/(loss)*

The reconciliation between tax expense and the accounting profit multiplied by the applicable corporate tax rate for the period/year ended 30 September 2025 and 31 December 2024 were as follows:

	Group	1.1.2025 to 30.9.2025 \$'000	1.1.2024 to 31.12.2024 \$'000
Profit before income tax from continuing operations	8,734	10,305	
Loss before income tax from discontinued operations	–	(264)	
Tax at the domestic rates applicable to profits in the countries where the Group operates	1,554	1,819	
Non-deductible expenses	127	473	
Non-taxable income	(106)	(410)	
Over-provision in respect of prior year	(124)	–	
Under/(over) provision of deferred tax in respect of prior year	6	(180)	
Tax exemption and tax relief	(35)	(35)	
Deferred tax assets not recognised	20	–	
Utilisation of previously unrecognised deferred tax assets	(35)	(212)	
Others	(10)	9	
Total income tax expense recognised in the statement of comprehensive income	1,397	1,464	

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

9. INCOME TAX EXPENSE/(CREDIT) (CONT'D)

(b) Relationship between tax expense and accounting profit/(loss) (cont'd)

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

At the balance sheet date, the Group has tax losses of approximately \$101,028,000 (31 December 2024: \$100,911,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The tax losses have no expiry date. Tax rates of the jurisdictions the Group operates in range from 17% to 24%.

Under the Group Relief Scheme, a company belonging to a group may transfer its current year unabsorbed capital allowances, current year unabsorbed trade losses and current year unabsorbed donations (loss items) to another company belonging to the same group, to be deducted against the assessable income of the latter company.

For the financial period from 1 January 2025 to 30 September 2025, the Company transferred unutilised current year tax losses of \$777,000 (31 December 2024: \$383,000) to a subsidiary, subjected to compliance with the relevant rules and procedures and agreement of the Inland Revenue Authority of Singapore.

10. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the Group's profit/(loss) for the period/year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period/year.

Diluted earnings per share are calculated by dividing the Group's profit/(loss) for the period/year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period/year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The profit/(loss) and share data are presented in the table below:

	Group	
	1.1.2025 to 30.9.2025 \$'000	1.1.2024 to 31.12.2024 \$'000
Profit/(loss) for the period/year attributable to owners of the Company		
Profit from continuing operations	7,337	8,841
Loss from discontinued operations	–	(2,527)
	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for basic earnings per share computation and diluted earnings per share computation	274,741	174,756

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

11. PROPERTY, PLANT AND EQUIPMENT

Freehold land		Buildings \$'000	Leasehold buildings \$'000	Plant and machinery and fittings \$'000	Furniture equipment \$'000	Office Renovation \$'000	Motor vehicles \$'000	Construction in progress \$'000	Total \$'000
172	228	19,382	21,524	314	573	70	2,502	293	45,058
-	-	28	638	24	16	-	-	127	833
-	-	-	(1,791)	-	(37)	-	(110)	-	(1,938)
-	-	-	-	404	-	-	-	(404)	-
11	13	-	-	-	-	-	-	-	24
183	241	19,410	20,775	338	552	70	2,392	16	43,977
-	-	5	211	-	15	-	-	131	-
1	1	-	-	-	-	-	-	-	2
184	242	19,415	20,986	338	567	70	2,523	16	44,341
-	68	9,065	13,713	289	469	34	1,997	-	25,635
-	5	663	994	19	51	14	67	-	1,813
-	-	-	(1,683)	-	(36)	-	(110)	-	(1,829)
-	4	-	-	-	-	-	-	-	4
-	77	9,728	13,024	308	484	48	1,954	-	25,623
-	4	498	735	9	30	11	68	-	1,335
-	81	10,226	13,759	317	514	59	2,022	-	26,978
183	164	9,682	7,751	30	68	22	438	16	18,354
184	161	9,189	7,227	21	53	11	501	16	17,363

Accumulated depreciation

23

Net carrying amount	At 31 December 2024	At 30 September 2025
183	164	9,682
		7,751
	30	68
	68	22
	438	16
		18,354

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Plant and machinery \$'000	Furniture and fittings \$'000	Office equipment \$'000	Renovation \$'000	Motor vehicles \$'000	Total \$'000
Company						
Cost						
At 1 January 2024	9,419	264	444	56	2,312	12,495
Additions	–	–	2	–	–	2
Disposals and write-off	(16)	–	(1)	–	(34)	(51)
At 31 December 2024 and 1 January 2025	9,403	264	445	56	2,278	12,446
Additions	–	–	6	–	131	137
Disposals and write-off	(10)	–	–	–	–	(10)
At 30 September 2025	9,393	264	451	56	2,409	12,573
Accumulated depreciation and impairment loss						
At 1 January 2024	5,463	255	359	29	1,879	7,985
Charge for the year	264	5	40	11	75	395
Disposals and write-off	(9)	–	(1)	–	(34)	(44)
At 31 December 2024 and 1 January 2025	5,718	260	398	40	1,920	8,336
Charge for the period	150	2	25	8	59	244
Disposals and write-off	(4)	–	–	–	–	(4)
At 30 September 2025	5,864	262	423	48	1,979	8,576
Net carrying amount						
At 31 December 2024	3,685	4	47	16	358	4,110
At 30 September 2025	3,529	2	28	8	430	3,997

The net carrying amounts of property, plant and equipment of the Group and the Company that were mortgaged as security for bank borrowings (Note 21) were as follows:

	Group		Company	
	30.9.2025	31.12.2024	30.9.2025	31.12.2024
	\$'000	\$'000	\$'000	\$'000
Leasehold buildings	9,189	9,682	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

As lessee

The Group has lease contracts for various items of land, workers dormitories, office equipment and motor vehicles. The Group's obligations under these leases are secured by the lessor's title to the leased assets. There are no contingent rents included in the agreements or restrictions on subleasing the leased assets.

The Group also has certain other leases with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

(a) Carrying amounts of right-of-use assets

	Land \$'000	Workers dormitories \$'000	Group Office equipment \$'000	Motor vehicles \$'000	Total \$'000
At 1 January 2024	5,701	182	43	108	6,034
Additions	–	354	–	–	354
Depreciation	(536)	(272)	(24)	(21)	(853)
At 31 December 2024 and 1 January 2025	5,165	264	19	87	5,535
Additions	–	371	–	–	371
Depreciation	(401)	(269)	(19)	(16)	(705)
At 30 September 2025	4,764	366	–	71	5,201

	Workers dormitories \$'000	Company Office equipment \$'000	Total \$'000
At 1 January 2024	13	34	47
Depreciation	(13)	(20)	(33)
At 31 December 2024 and 1 January 2025	–	14	14
Depreciation	–	(14)	(14)
At 30 September 2025	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

As lessee (cont'd)

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the period/year were as follows:

	Group		Company	
	30.9.2025 \$'000	31.12.2024 \$'000	30.9.2025 \$'000	31.12.2024 \$'000
At 1 January	5,125	5,402	35	64
Additions	371	354	—	—
Accretion of interest	176	238	—	1
Payments	(714)	(869)	(10)	(30)
Termination of lease	(30)	—	(25)	—
At 30 September/31 December	4,928	5,125	—	35
Current	582	578	—	35
Non-current	4,346	4,547	—	—
	4,928	5,125	—	35

(c) Amounts recognised in profit or loss

	Group	
	30.9.2025 \$'000	31.12.2024 \$'000
Depreciation expense of right-of-use assets	705	853
Interest expense on lease liabilities (Note 6)	176	238
Lease expense not capitalised in lease liabilities:		
– Expense relating to short-term leases (included in other operating expenses)	144	83
Total amount recognised in profit or loss	1,025	1,174

(d) Total cash outflows

During the financial period, the Group had total cash outflows for leases of \$858,000 (2024: \$952,000).

As lessor

The Group acts as an intermediate lessor under arrangement in which it subleases out office and land spaces to third parties for monthly lease payments for periods ranging 12 to 36 months. The sublease periods do not form a major part of the remaining lease terms under the head leases and there are no options for renewal. Accordingly, the subleases are classified as operating leases. Income from subleasing is disclosed in Note 5.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

As lessor (cont'd)

The undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	Group	
	30.9.2025	31.12.2024
	\$'000	\$'000
Not later than one year	25	100

13. INTANGIBLE ASSETS

Group	Computer software	Club membership	Total
	\$'000	\$'000	\$'000
Cost			
At 1 January 2024	1,061	143	1,204
Additions	49	–	49
At 31 December 2024 and 1 January 2025	1,110	143	1,253
Additions	136	–	136
At 30 September 2025	1,246	143	1,389
Accumulated amortisation			
At 1 January 2024	1,041	–	1,041
Amortisation	26	–	26
At 31 December 2024 and 1 January 2025	1,067	–	1,067
Amortisation	32	–	32
At 30 September 2025	1,099	–	1,099
Net carrying amount			
At 31 December 2024	43	143	186
At 30 September 2025	147	143	290

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

13. INTANGIBLE ASSETS (CONT'D)

	Computer software \$'000	Club membership \$'000	Total \$'000
Company			
Cost			
At 1 January 2024, 31 December 2024 and 1 January 2025	956	143	1,099
Additions	27	–	27
At 30 September 2025/31 December 2024	983	143	1,126
Accumulated amortisation			
At 1 January 2024	933	–	933
Amortisation	16	–	16
At 31 December 2024 and 1 January 2025	949	–	949
Amortisation	16	–	16
At 30 September 2025/31 December 2024	965	–	965
Net carrying amount			
At 31 December 2024	7	143	150
At 30 September 2025	18	143	161

Intangible assets relate to computer software licenses and have an average remaining amortisation period of 3 to 5 years (2024: 2 to 4 years). The amortisation of intangible assets is included in the "Other operating expenses" line item in the consolidated statement of comprehensive income.

14. INVESTMENT IN SUBSIDIARIES

	Company 30.9.2025 \$'000	31.12.2024 \$'000
Unquoted equity shares, at cost		
Less: Accumulated impairment losses		
	13,378	14,346
	(350)	(1,318)
	13,028	13,028
Movement in unquoted equity shares, at cost:		
Balance at 1 January	14,346	14,346
Liquidation of a subsidiary	(968)	–
Balance at 30 September/31 December	13,378	14,346
Movement in allowance on impairment losses		
Balance at 1 January	1,318	1,318
Liquidation of a subsidiary	(968)	–
Balance at 30 September/31 December	350	1,318

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Composition of the Group

The Group has the following investment in subsidiaries:

Name of subsidiary	Principal activities	Country of incorporation and principal place of business	Proportion of ownership interest	
			30.9.2025	31.12.2024
Held by the Company				
Jin Heng Li Hardware Sdn Bhd ⁽²⁾	Dormant	Malaysia	100.00	100.00
Oriental Metals Pte Ltd ⁽¹⁾	Manufacturing and supply of steel material to the construction industry	Singapore	99.99	99.99
HG Metal Investments Pte Ltd ⁽¹⁾	Investment holding	Singapore	100.00	100.00
PT HG Metal Distribution Indonesia ⁽³⁾	Dormant	Indonesia	—	100.00
Held by HG Metal Investments Pte Ltd				
HG Construction Steel Pte Ltd ⁽¹⁾	Manufacturing and supply of steel material to the construction industry	Singapore	100.00	100.00
HG Metal Manufacturing Sdn Bhd	Dormant	Malaysia	100.00	100.00
Held by HG Metal Manufacturing Sdn Bhd				
HG Metal Distribution Sdn Bhd ⁽⁴⁾	Dormant	Malaysia	—	100.00

⁽¹⁾ Audited by Ernst & Young LLP, Singapore

⁽²⁾ Audited by Baker Tilly Malaysia

⁽³⁾ Liquidated with effect from 20 May 2025

⁽⁴⁾ Liquidated with effect from 5 September 2025

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

15. 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 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.

Loss on disposal of FFI:

	13 February 2024 \$'000
FFI carrying amounts of assets and liabilities as at 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	4,246
Trade and other payables	(1,493)
Bank borrowings	(3,349)
Total liabilities	(4,842)
Net liabilities derecognised	(596)
Less: Non-controlling interests	(291)
Net liabilities attributable to the Company derecognised upon disposal	(305)
Cash proceeds on disposal of FFI	2,427
Net liabilities of FFI derecognised	305
Settlement of FFI outstanding bank borrowings and other relevant expenses on behalf*	(3,417)
Other disposal expenses	(337)
Net loss arising from waiver of intercompany debts owed by FFI **	(1,022)
Loss on disposal of FFI attributable to the owners of the Company***	(2,230)
	(3,252)

* 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 ended 31 December 2024, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

15. DISCONTINUED OPERATIONS (CONT'D)

Loss on disposal of FFI: (cont'd)

** 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 incurred a loss of \$3,252,000 on disposal of FFI. This amount included a loss of \$685,000 which was recognised in the financial year ended 31 December 2023. 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 financial year ended 31 December 2024.

Cash outflow on disposal of FFI:

	13 February 2024 \$'000
Cash proceeds on disposal of FFI	2,427
Less:	
Settlement of FFI outstanding bank borrowings and other relevant expenses on behalf	(3,417)
Other disposal expenses	(337)
Cash and bank balances in FFI	(71)
Cash outflow on disposal	(1,398)

16. INVESTMENT SECURITIES

	Group and Company 30.9.2025 \$'000	31.12.2024 \$'000
<i>At amortised cost</i>		
– 2.32% p.a. SGD government bonds due on 24 January 2028	255	257
	255	257
Net carrying amount		
Current	2	2
Non-current	253	255
	255	257

Investments pledged as security

The Group's investments in corporate and government bonds amounting to \$255,000 (31 December 2024: \$257,000) have been pledged as partial security to secure trade facilities during the financial period. Under the terms and conditions of the trade facilities, the Group is prohibited from disposing of these investments or subjecting them to further charges without furnishing a replacement security of similar value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	30.9.2025 \$'000	31.12.2024 \$'000	30.9.2025 \$'000	31.12.2024 \$'000
Cash and bank balances	67,991	54,811	55,529	44,956
Fixed deposits with banks	556	576	106	124
Cash and cash equivalents	68,547	55,387	55,635	45,080
Fixed deposits pledged with banks	16,325	16,325	12,325	12,325
Restricted deposits	142	142	—	—
Bank balances and fixed deposits	85,014	71,854	67,960	57,405

For the financial period from 1 January 2025 to 30 September 2025, fixed deposits earn weighted average effective interest rate of 1.56% per annum (31 December 2024: 2.27% per annum) and for tenures ranging from 1 month to 12 months (31 December 2024: 1 month to 12 months).

The purpose of the pledged fixed deposits is to secure credit facilities with the banks as disclosed in Note 21.

Restricted deposits are cash deposits placed as collateral with a bank to guarantee satisfactory supply and delivery of goods as sub-contractor. These deposits are restricted in use until 31 January 2029.

Cash and bank balances denominated in foreign currencies mainly comprise:

	Group		Company	
	30.9.2025 \$'000	31.12.2024 \$'000	30.9.2025 \$'000	31.12.2024 \$'000
United States Dollar	1,899	1,937	1,237	1,034
Malaysia Ringgit	11	11	11	11

18. INVENTORIES

	Group		Company	
	30.9.2025 \$'000	31.12.2024 \$'000	30.9.2025 \$'000	31.12.2024 \$'000
Trading inventories	2,041	2,453	2,041	2,488
Finished goods	1,013	1,815	—	—
Work-in-progress	38	321	—	—
Raw materials	6,677	7,334	—	—
Inventories (at lower of cost and net realisable value)	9,769	11,923	2,041	2,488

Included in the above balances is an allowance for write-down of inventories of \$692,000 (31 December 2024: \$689,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

18. INVENTORIES (CONT'D)

Movement in allowance for write-down of inventories during the financial period/year as follows:

	Group		Company	
	30.9.2025 \$'000	31.12.2024 \$'000	30.9.2025 \$'000	31.12.2024 \$'000
Balance at the beginning of the period/year	689	569	669	557
Allowance charged	113	456	123	448
Allowance utilised	(110)	(336)	(110)	(336)
Balance at the end of the period/year	692	689	682	669

	Group	
	30.9.2025 \$'000	31.12.2024 \$'000
Inventories recognised as an expense in cost of sales (Note 8)	93,323	112,065

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	30.9.2025 \$'000	31.12.2024 \$'000	30.9.2025 \$'000	31.12.2024 \$'000
Trade receivables				
Third parties	49,787	53,054	1,548	2,849
Amounts due from subsidiaries	–	–	2,763	30,160
	49,787	53,054	4,311	33,009
Other receivables				
Third parties	2	4	2	4
Rental, utilities and other deposits	220	279	136	109
Amounts due from subsidiaries	–	–	6,655	2,514
Loan due from a subsidiary	–	–	24,900	2,550
Advance to suppliers for purchase of inventories	7,047	8,025	–	4,956
	7,269	8,308	31,693	10,133
Total trade and other receivables	57,056	61,362	36,004	43,142

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 loan due from a subsidiary and advance to suppliers for purchase of inventories, are unsecured, interest-free, repayable in cash on demand. Loan due from a subsidiary is unsecured, bears interest between 3.03% to 5.12% per annum and repayable on demand.

No trade and other receivables were denominated in foreign currencies as at 30 September 2025 and 31 December 2024 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

19. TRADE AND OTHER RECEIVABLES (CONT'D)

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 movements in allowance for expected credit losses of trade and other receivables computed based on lifetime ECL were as follows:

	Group		Company	
	30.9.2025 \$'000	31.12.2024 \$'000	30.9.2025 \$'000	31.12.2024 \$'000
Movement in allowance accounts (trade receivables):				
Balance as at 1 January	1,647	1,685	364	1,836
Provision/(reversal) for expected credit losses (Note 7)	12	(38)	40	(21)
Bad debts written off against allowance	–	–	–	(1,451)
Balance as at 30 September/31 December	1,659	1,647	404	364
Movement in allowance accounts (other receivables):				
Balance as at 1 January	4	35	53	4,456
Reversal for expected credit losses (Note 7)	–	(4)	–	(101)
Bad debts written off against allowance	(4)	(28)	(53)	(4,302)
Exchange differences	–	1	–	–
Balance as at 30 September/31 December	–	4	–	53

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

20. TRADE AND OTHER PAYABLES

	Group		Company	
	30.9.2025 \$'000	31.12.2024 \$'000	30.9.2025 \$'000	31.12.2024 \$'000
Trade payables				
Third parties	1,931	2,923	170	328
Related parties	61	–	–	–
	1,992	2,923	170	328
Other payables				
Accrued operating expenses	3,519	2,321	1,755	1,759
Amounts due to subsidiaries	–	–	14,122	14,750
Deposits from customers	44	74	15	35
GST payables, net	1,029	939	37	173
Sundry payables	1,027	1,488	94	375
Provision for unutilised leave	228	196	136	76
	5,847	5,018	16,159	17,168
Total trade and other payables	7,839	7,941	16,329	17,496

Trade payables including amounts due to related parties 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 and provision for unutilised leave, are unsecured, interest-free, repayable on demand and expected to be settled in cash.

21. BANK BORROWINGS

	Group		Company	
	30.9.2025 \$'000	31.12.2024 \$'000	30.9.2025 \$'000	31.12.2024 \$'000
Current				
Secured				
– Construction loan	732	639	–	–
– Bridging loans	89	882	36	353
– Term loans	377	389	–	–
Total current borrowings	1,198	1,910	36	353
Non-current				
Secured				
– Construction loan	3,881	4,472	–	–
– Term loans	–	279	–	–
Total non-current borrowings	3,881	4,751	–	–
Total	5,079	6,661	36	353

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

21. BANK BORROWINGS (CONT'D)

The bank borrowings of the Group and the Company as at 30 September 2025 and 31 December 2024 are secured by way of:

- (i) legal mortgage over leasehold buildings (Note 11) held by Oriental Metals Pte Ltd, a subsidiary of the Group with net carrying amount of \$9,189,000 as at 30 September 2025 (31 December 2024: \$9,682,000);
- (ii) investment securities pledged with a bank (Note 16); and
- (iii) fixed deposits pledged with a bank (Note 17).

The Group's bank borrowings bear the following interest rates:

	Interest rates per annum		
	30.9.2025	31.12.2024	
Construction loan	(Floating rate)	3.21% – 4.78%	4.78% – 5.53%
Bridging loans	(Fixed rate)	2.75%	2.75%
Term loans	(Fixed rate)	1.40% – 2.60%	1.40% – 2.60%

22. PROVISION FOR REINSTATEMENT COSTS

	Group		Company	
	30.9.2025	31.12.2024	30.9.2025	31.12.2024
	\$'000	\$'000	\$'000	\$'000
Non-current, representing the total	1,572	1,572	–	–

Provision for reinstatement costs is made in respect of the Group's leasehold buildings and right-of-use assets to fulfil the obligations under the lease agreements. Cash outflows are expected only at the end of the lease tenure.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

23. DERIVATIVE FINANCIAL INSTRUMENTS

	30.9.2025		31.12.2024	
	Contract notional amount \$'000	Liabilities \$'000	Contract notional amount \$'000	Liabilities \$'000
Group				
Forward currency contracts	10,422	369	22,356	5
Company				
Forward currency contracts	7,271	261	19,315	13

Forward currency contracts are used to hedge foreign currency risk arising from the Group's sales and purchases denominated in United States Dollar ("USD") for which firm commitments existed at the end of the reporting period.

The Group does not apply hedge accounting.

24. DEFERRED TAX LIABILITIES

The movements in deferred tax liabilities were as follows:

	Group					
	At		31 December 2024 and 1 January 2025	At		
	At 1 January 2024	Recognised in profit or loss (Note 9) \$'000		At 1 January 2025	Recognised in profit or loss (Note 9) \$'000	At 30 September 2025
Deferred tax liabilities						
– Differences in depreciation for tax purposes	631	(60)		571	52	623

25. SHARE CAPITAL

	Group and Company			
	30.9.2025		31.12.2024	
	No. of shares '000	\$'000	No. of shares '000	\$'000
<i>Issued and fully-paid:</i>				
Ordinary shares				
At 1 January	280,055	109,882	155,670	77,463
Issuance from share placements	–	–	50,130	13,334
Issuance from rights issue	–	–	74,255	19,752
Issuance expenses	–	–	–	(667)
At 30 September/31 December	280,055	109,882	280,055	109,882

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

25. SHARE CAPITAL (CONT'D)

Issuance from share placements

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 Esteel Pte. Ltd at an issue price of \$0.266 per share. This resulted in a cash consideration of approximately \$4,290,000 and \$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 \$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 approximately \$19,752,000 from the rights issue, before deducting related expenses incurred.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

26. TREASURY SHARES

No. of shares '000	Group and Company	
	30.9.2025	31.12.2024
	No. of shares '000	\$'000
Issued and fully-paid:		
Ordinary shares		
At 1 January and 30 September/		
31 December	5,314	3,034
	5,314	3,034

Treasury shares relate to ordinary shares of the Company that are held by the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

27. OTHER RESERVES

	(a)	Group		Company	
		30.9.2025 \$'000	31.12.2024 \$'000	30.9.2025 \$'000	31.12.2024 \$'000
Capital reserve	(a)	2,527	2,527	2,527	2,527
Foreign currency translation reserve	(b)	435	571	–	–
Premium paid on acquisition of non-controlling interest	(c)	(212)	(212)	–	–
		2,750	2,886	2,527	2,527

(a) *Capital reserve*

In 2005, the Company entered into a \$10,000,000 convertible loan agreement (2005 Convertible Loan Agreement) with Oversea-Chinese Banking Corporation Limited ("OCBC") for the purpose of expansion and/or to be applied to general working capital requirements. On 15 August 2006, the Company and OCBC entered into a revised Convertible Loan Agreement for refinancing the 2005 Convertible Loan Agreement which granted OCBC the right to convert the loan amount into new ordinary shares of the Company at any time until maturity date on 5 July 2008.

The net proceeds received from the issue of the convertible loan were split into the liability element and equity component, representing the fair value of the embedded option to convert the liability into equity of the Group and the Company. Accordingly, \$101,000 was credited to capital reserve in the financial year ended 30 September 2006.

OCBC exercised its option to convert the entire convertible loan of \$10,000,000 into 31,171,147 new ordinary shares of the Company during the financial year ended 30 September 2007. In accordance with the terms of the revised convertible loan agreement, the Company was entitled to a certain percentage of share of profits earned by OCBC from the sale of these conversion shares, net of certain expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

27. OTHER RESERVES (CONT'D)

(a) *Capital reserve (cont'd)*

Subsequently, OCBC sold the shares and a sum of \$2,426,000 was received by the Company as its share from the net profit earned by OCBC on the disposal of the conversion shares. The Company has recorded the consideration received as capital reserve.

(b) *Foreign currency translation reserve*

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. Movement in this account is set out in the consolidated statement of changes in equity.

(c) *Premium paid on acquisition of non-controlling interest*

Premium paid on acquisition of non-controlling interest was recognised on the difference between the consideration and the carrying value of the additional interest in subsidiary acquired without a change in control.

28. DIVIDENDS

	Group and Company	
	30.9.2025	31.12.2024
	\$'000	\$'000
Proposed but not recognised as a liability as at 30 September 2025:		
Dividend on ordinary shares, subject to shareholders' approval at forthcoming AGM:		
Final tax-exempt (one-tier) dividend of \$0.015 per ordinary share in respect of the financial period ended 30 September 2025 (FY2024: Nil)	4,121	—

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

29. SIGNIFICANT TRANSACTIONS WITH RELATED COMPANIES AND RELATED PARTIES

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant transactions between the Company and its related companies and related parties at rates and terms agreed between the parties during the financial period/year:

	Company	
	30.9.2025 \$'000	31.12.2024 \$'000
<i>With subsidiaries</i>		
Sales	36,583	34,520
Dividend income	4,894	3,134
Management fee income	1,646	2,278
Interest income	428	512
Other income	616	855
Rental expenses	(827)	(770)
Other expenses	(70)	(141)

	Group	
	30.9.2025 \$'000	31.12.2024 \$'000
<i>With a fellow subsidiary of the Company</i>		
Sales	472	91
Purchases	(55,657)	(24,003)
Other charges	(120)	(28)

	Company	
	30.9.2025 \$'000	31.12.2024 \$'000
<i>Purchases</i>		
Purchases	(3,690)	(5,241)
Other charges	(28)	—

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

29. SIGNIFICANT TRANSACTIONS WITH RELATED COMPANIES AND RELATED PARTIES (CONT'D)

Compensation of key management personnel

The remuneration of the directors and other members of key management of the Group and of the Company during the financial period/year were as follows:

	Group	
	30.9.2025	31.12.2024
	\$'000	\$'000
Directors of the Company		
Salaries and other short-term employee benefits	1,510	1,773
Employer's contributions to defined contribution plan	–	–
Key management personnel (non-directors)		
Salaries and other short-term employee benefits	478	533
Employer's contributions to defined contribution plan	20	36
	2,008	2,342

30. CONTINGENT LIABILITIES

Guarantees

(i) Intra-group financial guarantees comprise corporate guarantees granted by the Company to banks in respect of banking facilities amounting to \$23,637,000 (31 December 2024: \$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.

The fair values of the financial guarantee contracts have not been recognised on the balance sheet of the Company as management is of the view that the fair values of the corporate guarantees are not significant and that no material losses in respect of the guarantees provided at the date of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

31. SEGMENT INFORMATION

In the current period, the Group's operations have been classified into continuing and discontinued operations (Note 15).

For management purposes, the Group's continuing operations 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.

Transactions between operating segments are generally based on terms determined on commercial basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

31. SEGMENT INFORMATION (CONT'D)

30.9.2025	Continuing operations					Group \$'000
	Trading \$'000	Manufacturing \$'000	Others \$'000	Adjustment/ elimination \$'000	Total \$'000	
Revenue						
Sales to external customers	5,707	124,566	–	–	130,273	130,273
Inter-segment sales (Note A)	36,583	2,554	–	(39,137)	–	–
Total	42,290	127,120	–	(39,137)	130,273	130,273
Results						
Other operating income	2,288	3,791	27	(5,933)	173	173
Dividend income	4,894	–	–	(4,894)	–	–
Government grant income	6	7	–	–	13	13
Interest income	1,189	66	7	(428)	834	834
Gain from disposal of property, plant and equipment	12	–	–	(12)	–	–
Fair value loss from derivatives (Write-down)/write back of inventories	(248)	(116)	–	–	(364)	(364)
Interest expenses	(5)	(786)	–	428	(363)	(363)
Depreciation and amortisation of assets	(260)	(1,123)	(4)	–	(1,387)	(1,387)
Depreciation of right-of-use assets	(14)	(691)	–	–	(705)	(705)
Segment profit/(loss)	4,151	9,300	1,292	(6,009)	8,734	8,734
Income tax expenses					(1,397)	(1,397)
Profit for the period					7,337	7,337
Assets and liabilities						
Additions to non-current assets (Note B)	163	723	–	(17)	869	869
Segment assets (Note A)	123,624	110,189	11,933	(70,420)	175,326	175,326
Total assets					175,326	175,326
Segment liabilities (Note A)	16,625	51,803	4,929	(53,570)	19,787	19,787
Tax payable					1,428	1,428
Deferred tax liabilities					623	623
Total liabilities					21,838	21,838

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

31. SEGMENT INFORMATION (CONT'D)

31.12.2024	Continuing operations					Discontinued operations		
	Trading \$'000	Manufacturing \$'000	Others \$'000	Adjustment/ elimination \$'000	Total \$'000	Manufacturing \$'000	Group \$'000	
Revenue								
Sales to external customers	13,132	144,735	–	–	157,867	–	157,867	
Inter-segment sales (Note A)	34,520	3,698	–	(38,218)	–	–	–	
Total	47,652	148,433	–	(38,218)	157,867	–	157,867	
Results								
Other operating income	3,374	4,200	10	(6,977)	607	57	664	
Dividend income	3,134	–	–	(3,134)	–	–	–	
Government grant income	23	25	–	–	48	–	48	
Interest income	1,057	122	10	(512)	677	–	677	
Gain from disposal of property, plant and equipment	35	–	–	9	44	–	44	
Fair value gain from derivatives	188	121	–	–	309	–	309	
Write-down of inventories	(449)	(7)	–	–	(456)	–	(456)	
Bad debts write-off	–	(2)	–	–	(2)	–	(2)	
Interest expenses	(18)	(1,114)	–	512	(620)	45	(575)	
Depreciation and amortisation of assets	(410)	(1,453)	(5)	29	(1,839)	–	(1,839)	
Depreciation of right-of-use assets	(33)	(820)	–	–	(853)	–	(853)	
Segment profit/(loss)	477	9,529	1,319	(1,020)	10,305	(264)	10,041	
Income tax expenses					(1,464)	–	(1,464)	
Profit for the year					8,841	(264)	8,577	
Assets and liabilities								
Additions to non-current assets								
(Note B)	14	1,111	–	111	1,236	–	1,236	
Segment assets (Note A)	120,744	106,575	12,653	(70,275)	169,697	–	169,697	
Total assets					169,697	–	169,697	
Segment liabilities (Note A)	17,896	56,044	817	(53,453)	21,304	–	21,304	
Tax payable					1,535	–	1,535	
Deferred tax liabilities					571	–	571	
Total liabilities					23,410	–	23,410	

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

31. SEGMENT INFORMATION (CONT'D)

Notes:

- (A) Segment assets and liabilities include balances with companies in the Group. Inter-segment sales, assets and liabilities are eliminated on consolidation.
- (B) Additions to non-current assets consist of additions to property, plant and equipment, right-of-use assets and intangible assets.

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:

	External sales		Non-current assets	
	30.9.2025 \$'000	31.12.2024 \$'000	30.9.2025 \$'000	31.12.2024 \$'000
Singapore	130,153	157,459	22,503	23,722
Malaysia	44	48	351	353
Indonesia	76	360	—	—
	130,273	157,867	22,854	24,075

Information about a major customer

Revenues of \$40,529,000 (2024: \$24,204,000) are derived from a single external customer which made up 31% (2024: 15%) of total revenue for current financial period. These revenues are attributable to the manufacturing segment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

32. FINANCIAL INSTRUMENTS

Classification of financial instruments

	Group	Fair value through profit and loss	Assets/liabilities at amortised cost
	\$'000	\$'000	\$'000
30 September 2025			
Assets			
Investment securities (Note 16)	-	255	
Bank balances and fixed deposits (Note 17)	-	85,014	
Trade and other receivables ⁽¹⁾ (Note 19)	-	50,009	
Total	-	135,278	
Liabilities			
Trade and other payables ⁽²⁾ (Note 20)	-	6,582	
Bank borrowings (Note 21)	-	5,079	
Derivative financial instruments (Note 23)	369	-	
Total	369	11,661	
31 December 2024			
Assets			
Investment securities (Note 16)	-	257	
Bank balances and fixed deposits (Note 17)	-	71,854	
Trade and other receivables ⁽¹⁾ (Note 19)	-	53,337	
Total	-	125,448	
Liabilities			
Trade and other payables ⁽²⁾ (Note 20)	-	6,806	
Bank borrowings (Note 21)	-	6,661	
Derivative financial instruments (Note 23)	5	-	
Total	5	13,467	

⁽¹⁾ Excludes advances to suppliers for purchase of inventories

⁽²⁾ Excludes GST payables and provision for unutilised leave

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

32. FINANCIAL INSTRUMENTS (CONT'D)

Classification of financial instruments (cont'd)

	Company	
	Fair value through profit and loss	Assets/ liabilities at amortised cost
	\$'000	\$'000
30 September 2025		
Assets		
Investment securities (Note 16)	–	255
Bank balances and fixed deposits (Note 17)	–	67,960
Trade and other receivables ⁽¹⁾ (Note 19)	–	36,004
Total	–	104,219
Liabilities		
Trade and other payables ⁽²⁾ (Note 20)	–	16,156
Bank borrowings (Note 21)	–	36
Derivative financial instruments (Note 23)	261	–
Total	261	16,192
31 December 2024		
Assets		
Investment securities (Note 16)	–	257
Bank balances and fixed deposits (Note 17)	–	57,405
Trade and other receivables ⁽¹⁾ (Note 19)	–	38,186
Total	–	95,848
Liabilities		
Trade and other payables ⁽²⁾ (Note 20)	–	17,247
Bank borrowings (Note 21)	–	353
Derivative financial instruments (Note 23)	13	–
Total	13	17,600

(1) Excludes advance to suppliers for purchase of inventories

(2) Excludes GST payables and provision for unutilised leave

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

33. FAIR VALUE OF ASSETS AND LIABILITIES

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.

(a) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value by level at the end of the reporting period:

	Group	
	Significant observable inputs other than quoted prices (Level 2)	Total \$'000
As at 30 September 2025		
Financial liability:		
Derivative financial instruments (forward currency contracts)	(369)	(369)
As at 31 December 2024		
Financial liability:		
Derivative financial instruments (forward currency contracts)	(5)	(5)

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) *Assets and liabilities measured at fair value (cont'd)*

	Company	
	Significant observable inputs other than quoted prices	
	(Level 2) \$'000	Total \$'000
As at 30 September 2025		
Financial liability:		
Derivative financial instruments (forward currency contracts)	(261)	(261)
As at 31 December 2024		
Financial liability:		
Derivative financial instruments (forward currency contracts)	(13)	(13)

Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The model incorporates various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and forward rate curves.

(b) *Assets and liabilities that are not carried at fair value but for which fair value is disclosed*

The following table shows an analysis of the assets and liabilities not measured at fair value at the end of reporting period but for which fair value is disclosed:

	Group and Company Quoted prices in active markets for identical assets	(Level 1) \$'000	Carrying amount \$'000
As at 30 September 2025			
Asset			
Investment securities	253	255	
As at 31 December 2024			
Asset			
Investment securities	245	257	

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(c) *Assets and liabilities not measured at fair value*

The carrying amounts of trade and other receivables, trade and other payables, bank balances and fixed deposits reasonably approximate their fair values as these are either short term in nature or are subject to normal trade credit terms.

The carrying amounts of bank borrowings approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

34. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposits and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the management.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which is derived based on the Group's historical information.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

34. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) *Credit risk (cont'd)*

The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations
- Actual or expected significant changes in the operating results of the customer
- Significant increases in credit risk on other financial instruments of the same customer
- Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customers in the group and changes in the operating results of the customers.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the customer
- A breach of contract, such as a default or past due event
- It is becoming probable that the customer will enter bankruptcy or other financial reorganisation

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

34. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

Trade receivables (cont'd)

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					Total \$'000	
	Less than 3 months	3 months to 6 months	6 months to 12 months	More than 12 months			
	Current \$'000	past due \$'000	past due \$'000	past due \$'000	past due \$'000		
Group							
Singapore:							
30 September 2025							
Gross amount	22,856	25,122	738	200	2,530	51,446	
Loss allowance provision	-	-	-	-	(1,659)	(1,659)	
	22,856	25,122	738	200	871	49,787	
Singapore and other geographical areas:							
31 December 2024							
Gross amount	21,091	28,158	1,368	2,520	1,564	54,701	
Loss allowance provision	(4)	(19)	(7)	(53)	(1,564)	(1,647)	
	21,087	28,139	1,361	2,467	-	53,054	

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

34. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

Trade receivables (cont'd)

Company	Trade receivables					Total \$'000	
	Less than 3 months	3 months to 6 months	6 months to 12 months	More than 12 months			
	Current \$'000	past due \$'000	past due \$'000	past due \$'000	past due \$'000		
Singapore:							
30 September 2025							
Gross amount	650	803	2,735	33	494	4,715	
Loss allowance provision	-	-	-	-	(404)	(404)	
	650	803	2,735	33	90	4,311	
Singapore and other							
Geographical areas:							
31 December 2024							
Gross amount	13,430	13,075	6,523	35	310	33,373	
Loss allowance provision	(2)	(16)	(1)	(35)	(310)	(364)	
	13,428	13,059	6,522	-	-	33,009	

Information regarding loss allowance movement of trade receivables are disclosed in Note 19.

Exposure to credit risk

At the end of reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amount of each class of financial assets recognised in the balance sheets.
- an amount of \$23,637,000 (31 December 2024: \$28,037,000) relating to corporate guarantees provided by the Company to banks on its subsidiaries' borrowings and other banking facilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

34. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (cont'd)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Credit risk 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		Company	
	30.9.2025 \$'000	31.12.2024 \$'000	30.9.2025 \$'000	31.12.2024 \$'000
By country:				
– Singapore	49,787	53,046	4,311	33,001
– Malaysia	–	8	–	8
	49,787	53,054	4,311	33,009
By industry sectors:				
– Construction	49,401	52,223	3,925	32,177
– Trading	187	637	187	637
– Others	199	194	199	195
	49,787	53,054	4,311	33,009

At the end of the reporting period, approximately 51% (31 December 2024: 45%) of the Group's trade receivables were due from 3 (31 December 2024: 3) major customers who are located in Singapore (2024: Singapore).

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

34. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and Company's exposure to liquidity risks arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manages its liquidity risk by ensuring the availability of funding through an adequate amount of committed credit facilities from financial institutions. In addition, the Group and Company also maintain surplus cash for future investment opportunities.

The following are the contractual maturities of financial assets and liabilities of the Group and Company at balance sheet date based on contractual undiscounted payments:

	Within one year \$'000	One to five years \$'000	After five years \$'000	Total \$'000
Group				
As at 30 September 2025				
Financial assets:				
Trade and other receivables ⁽¹⁾	50,009	–	–	50,009
Bank balances and fixed deposits	84,872	142	–	85,014
Investment securities	4	258	–	262
Total undiscounted financial assets	134,885	400	–	135,285
Financial liabilities:				
Trade and other payables ⁽²⁾	6,582	–	–	6,582
Derivative financial instruments	369	–	–	369
Bank borrowings	1,364	3,476	713	5,553
Lease liabilities	788	1,818	3,870	6,476
Total undiscounted financial liabilities	9,103	5,294	4,583	18,980
Total net undiscounted financial assets/(liabilities)	125,782	(4,894)	(4,583)	116,305

⁽¹⁾ Excludes advance to suppliers for purchase of inventories

⁽²⁾ Excludes GST payables and provision for unutilised leave

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

34. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Liquidity risk (cont'd)*

	Within one year \$'000	One to five years \$'000	After five years \$'000	Total \$'000
Group				
As at 31 December 2024				
Financial assets:				
Trade and other receivables ⁽¹⁾	53,337	–	–	53,337
Bank balances and fixed deposits	71,712	142	–	71,854
Investment securities	4	258	–	262
Total undiscounted financial assets	125,053	400	–	125,453
Financial liabilities:				
Trade and other payables ⁽²⁾	6,806	–	–	6,806
Derivative financial instruments	5	–	–	5
Bank borrowings	2,180	3,777	1,648	7,605
Lease liabilities	795	1,837	4,199	6,831
Total undiscounted financial liabilities	9,786	5,614	5,847	21,247
Total net undiscounted financial assets/(liabilities)	115,267	(5,214)	(5,847)	104,206
Company				
As at 30 September 2025				
Financial assets:				
Trade and other receivables ⁽¹⁾	36,004	–	–	36,004
Bank balances and fixed deposits	67,960	–	–	67,960
Investment securities	4	258	–	262
Total undiscounted financial assets	103,968	258	–	104,226
Financial liabilities:				
Trade and other payables ⁽²⁾	16,156	–	–	16,156
Derivative financial instruments	261	–	–	261
Bank borrowings	36	–	–	36
Total undiscounted financial liabilities	16,453	–	–	16,453
Total net undiscounted financial assets	87,515	258	–	87,773

⁽¹⁾ Excludes advance to suppliers for purchase of inventories

⁽²⁾ Excludes GST payables and provision for unutilised leave

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

34. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) *Liquidity risk (cont'd)*

	Within one year \$'000	One to five years \$'000	After five years \$'000	Total \$'000
Company				
As at 31 December 2024				
Financial assets:				
Trade and other receivables ⁽¹⁾	38,186	–	–	38,186
Bank balances and fixed deposits	57,405	–	–	57,405
Investment securities	4	258	–	262
Total undiscounted financial assets	95,595	258	–	95,853
Financial liabilities:				
Trade and other payables ⁽²⁾	17,247	–	–	17,247
Derivative financial instruments	13	–	–	13
Bank borrowings	357	–	–	357
Lease liabilities	36	–	–	36
Total undiscounted financial liabilities	17,653	–	–	17,653
Total net undiscounted financial assets	77,942	258	–	78,200

⁽¹⁾ Excludes advance to suppliers for purchase of inventories

⁽²⁾ Excludes GST payables and provision for unutilised leave

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from bank borrowings. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 3 months from the balance sheet date.

Sensitivity analysis for interest rate risk

At the balance sheet date, if interest rates had been 50 (31 December 2024: 50) basis points lower/higher with all other variables held constant, the Group's profit before income tax would have been approximately \$61,000 higher/lower (31 December 2024: profit before income tax would have been approximately \$59,000 higher/lower), arising mainly as a result of lower/higher interest expense on debt obligations with financial institutions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

34. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily the SGD and USD.

The Group is exposed to currency translation risk arising from its net investments in foreign operations, including Malaysia. The Group's net investments in Malaysia are not hedged as currency positions in Malaysian Ringgit and USD are considered to be long-term in nature.

The Group manages foreign currency risks by monitoring the timing of the inception and settlement of foreign currency transactions and ensuring that net exposure is kept to an acceptable level. The Group uses forward currency contracts to hedge its exposure to foreign currency exchange risk.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit/(loss) before income tax to a reasonably possible change in the USD and SGD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Increase/(decrease)	
	Profit/(loss) before income tax	
	30.9.2025 \$'000	31.12.2024 \$'000
Group		
USD/SGD	– strengthened 2% (31 December 2024: 2%)	38
	– weakened 2% (31 December 2024: 2%)	(38)
Company		
USD/SGD	– strengthened 2% (31 December 2024: 2%)	25
	– weakened 2% (31 December 2024: 2%)	(25)

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the period/year ended 30 September 2025 and 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 January 2025 to 30 September 2025

35. CAPITAL MANAGEMENT (CONT'D)

The Group will continue to be guided by prudent financial policies which are to finance the operations and repayment of borrowings mainly through cash generated from operating activities.

	Group	
	30.9.2025 \$'000	31.12.2024 \$'000
Total gross debt*	5,079	6,661
Equity attributable to owners of the Company	153,487	146,286
Gross debt equity ratio	3.31%	4.55%
Cash and cash equivalents	68,547	55,387
Less: Total gross debt*	(5,079)	(6,661)
Net borrowing position	63,468	48,726

* Gross debt relates to principal amount of borrowings for continuing operations

36. COMPARATIVE FIGURES

During the current financial period, HG Metal Manufacturing Limited and its subsidiaries (the "Group") changed its financial year end from 31 December to 30 September to align with the financial year end of the immediate and ultimate holding company. The current financial statements are prepared for the financial period from 1 January 2025 to 30 September 2025, which are not comparable with the comparative financial statements for the previous financial year from 1 January 2024 to 31 December 2024.

37. EVENT OCCURRING AFTER REPORTING PERIOD

On 10 December 2025, the Company's wholly-owned subsidiary HG Metal Investments Pte Ltd, has entered into a subscription agreement with Eden Flame Sdn. Bhd. for the subscription of 18,000,000 Class B Preference Shares at an issue price of RM1.00 per Class B Share, equivalent to approximately S\$5,679,667.

On 16 December 2025, the Company's wholly-owned subsidiary HG Construction Steel Pte Ltd, has exercised an option to purchase granted by Hai Leck Engineering (Private) Limited for the acquisition of the property located at 47 Tuas View Circuit, Singapore 637357 at the total purchase price of S\$20,800,000.

38. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 22 December 2025.

APPENDIX

APPENDIX DATED 31 DECEMBER 2025

THIS APPENDIX TO THE ANNUAL REPORT 2025 IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY AND IN ITS ENTIRETY.

This Appendix is circulated to Shareholders of HG Metal Manufacturing Limited (the “**Company**”) together with the Company’s Annual Report 2025. Its purpose is to explain to Shareholders the rationale and provide information to the Shareholders for (i) the proposed renewal of the IPT Mandate for interested person transactions and (ii) the proposed renewal of the Share Purchase Mandate to be tabled at the Annual General Meeting to be held on 23 January 2026 at 2.00 p.m. at 28 Jalan Buroh, Singapore 619484. The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report.

If you are in any doubt as to the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately. If you have sold or transferred all your shares in the capital of the Company, you should immediately forward the Annual Report 2025, this Appendix, the Notice of Annual General Meeting and the enclosed Proxy Form to the purchaser or the transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited takes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Appendix.



HG METAL

HG METAL MANUFACTURING LIMITED

Registration Number 198802660D

(Incorporated in the Republic of Singapore)

APPENDIX

IN RELATION TO

- 1. THE PROPOSED RENEWAL OF THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS; AND**
- 2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

APPENDIX

DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:–

“Act”	: The Companies Act 1967 of Singapore
“AGM”	: The annual general meeting of the Company
“Approving Executives”	: Being the CEO and/or such other senior executive(s) of the Company designated by the ARC from time to time to approve Mandated Transactions in accordance with the approval thresholds, provided that each such senior executive(s) (including the CEO) are persons who are unrelated to the Mandated Interested Person. As at the Latest Practicable Date, “senior executive(s)” refers to the Group Senior Sales Manager and the Chief Financial Officer
“Associate”	: (a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:– (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“ARC”	: The audit & risk committee of the Company
“Board” or “Directors”	: The directors of the Company as at the date of this Appendix
“BRCA”	: BRC Asia Limited
“CDP”	: The Central Depository (Pte) Limited
“CEO”	: Chief Executive Officer
“Constitution”	: The Constitution of the Company
“Company”	: HG Metal Manufacturing Limited

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“Controlling Shareholder”	: <p>A person who:</p> <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding treasury shares and subsidiary holdings) unless the SGX-ST determines that such a person is not a controlling shareholder of the Company; or (b) in fact, exercises control over the Company
“Directors”	: <p>The Directors of the Company for the time being</p>
“Esteel”	: <p>Green Esteel Pte. Ltd., the controlling shareholder of the Company holding approximately 52.59% of the Shares as at the Latest Practicable Date</p>
“FP”	: <p>The financial period of the Company ended or ending 30 September, as the case may be</p>
“Goods”	: <p>Being materials and products required for the Group’s ordinary course of business, further details as set out in Section 2.3.1(i) of this Appendix</p>
“Group”	: <p>The Company and its subsidiaries</p>
“Interested Person”	: <p>A Director, CEO, or Controlling Shareholder of the Company or an Associate of any such Director, CEO, or Controlling Shareholder</p>
“IPT Mandate”	: <p>The shareholders’ general mandate pursuant to Chapter 9 permitting the Company, its subsidiaries and associated companies or any of them, to enter into certain types of recurrent transactions of a revenue or trading nature necessary for day-to-day operations with specific classes of Interested Persons, which was approved by Shareholders at the annual general meeting held on 25 April 2025</p>
“Latest Practicable Date”	: <p>11 December 2025, being the latest practicable date prior to the printing of this Appendix</p>
“Listing Manual”	: <p>The listing manual of the SGX-ST</p>
“Mandated Interested Person”	: <p>The interested person to be covered under the IPT Mandate, namely BRC, further details as set out in Section 2.2 of this Appendix</p>
“Mandated Transactions” or each a “ Mandated Transaction ”	<p>The categories of recurrent interested person transactions, namely the sale and/or purchase of Goods, and/or the provision and/or receipt of Services to, or from, the Mandated Interested Person, further details as set out in Section 2.3 of this Appendix</p>
“Market Day”	: <p>A day on which the SGX-ST is open for trading in securities</p>

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“Market Purchase”	: Has the meaning ascribed to it in Section 4.4.3(i)(a) of this Appendix
“NTA”	: Net Tangible Assets
“Off-Market Purchase”	: Has the meaning ascribed to it in Section 4.4.3(i)(b) of this Appendix
“Other Contracts”	: Contracts for the sale of Goods and provision of Services by the Group to the Mandated Interested Person, and the receipt of Services from the Mandated Interested Person as set out in Section 2.5.2(i)(b) of this Appendix
“Purchase of Goods Contracts”	: Contracts for the purchase of Goods by the Group from the Mandated Interested Person as set out in Section 2.5.2(i)(a) of this Appendix
“Services”	: Comprising prefabrication services and value added services, further details of which are set out in Section 2.3.1(iii) of this Appendix
“SFA”	: The Securities and Futures Act 2001 of Singapore
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholders”	: Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors whose securities accounts maintained with CDP are credited with Shares
“Share Purchase Mandate”	: The shareholders’ general mandate authorising the Directors to purchase or otherwise acquire, on behalf of the Company, Shares in accordance with the terms set out in this Appendix and in compliance with the rules and regulations set forth in the Act and the Listing Manual
“Shares”	: Ordinary shares in the capital of the Company
“Substantial Shareholder”	: A person who holds directly or indirectly 5% or more of the total number of issued Shares (excluding treasury shares and subsidiary holdings)
“Take-over Code”	: The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“S\$” or “\$” and “cents”	: Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
“%” or “per cent”	: Per centum or percentage

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA or any statutory modification thereof, as the case may be.

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The terms “subsidiary holdings” and “treasury shares” shall have the same meanings ascribed to them respectively in the Act or any statutory modification thereof, as the case may be.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the SFA, the Listing Manual or any modification thereof and not otherwise defined in this Appendix shall have the same meaning assigned to it under the Act, the SFA, the Listing Manual or any modification thereof, as the case may be.

Any reference to a time of day in this Appendix is made by reference to Singapore time unless otherwise stated.

Opal Lawyers LLC has been appointed as the legal advisor to the Company as to Singapore law in relation to the Share Buyback Mandate.

APPENDIX

HG METAL MANUFACTURING LIMITED

Registration Number 198802660D
(Incorporated in the Republic of Singapore)

Directors

Xiao Xia, Executive Director and Chief Executive Officer
Ong Hwee Li, Independent Non-Executive Chairman
Ong Lizhen, Daisy, Independent Non-Executive Director
Ng Chuey Peng, Independent Non-Executive Director

Registered Office

28 Jalan Buroh,
Singapore 619484

31 December 2025

To: **The Shareholders of the HG Metal Manufacturing Limited**

Dear Sir/Madam

1. INTRODUCTION

- 1.1 The Directors wish to seek Shareholders' approval for the following:
 - 1.1.1. a proposed renewal of the IPT Mandate; and
 - 1.1.2. a proposed renewal of the Share Purchase Mandate.
- 1.2 The purpose of this Appendix, to be circulated to Shareholders together with the Company's Annual Report 2025, is to provide Shareholders with information relating to, and to explain the rationale for, the proposed renewal of the IPT Mandate and the proposed renewal of the Share Purchase Mandate to be tabled at the AGM of the Company to be held on 23 January 2026 at 2.00 p.m. at 28 Jalan Buroh, Singapore 619484. Details of the IPT Mandate and Share Purchase Mandate, including the rationale for and the benefits to the Company, are set out respectively in **Sections 2 and 4** below.
- 1.3 General information relating to Chapter 9 of the Listing Manual are set out in the annexure of this Appendix.

2. THE IPT MANDATE**2.1 The Existing IPT Mandate**

- 2.1.1. Chapter 9 of the Listing Manual applies to transactions which a listed company or any of its unlisted subsidiaries or unlisted associated companies proposes to enter with an Interested Person of the listed company.
- 2.1.2. Chapter 9 of the Listing Manual allows a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations which may be carried out with the listed company's Interested Persons, but not the purchase or sale of assets, undertakings or businesses provided such transactions are entered into at arm's length basis and on normal commercial terms and are not prejudicial to the interests of the listed company and its minority shareholders.

APPENDIX

2.1.3. Shareholders had previously approved the renewal of the general mandate pursuant to Chapter 9 of the Listing Manual permitting the Group to enter into certain types of transactions of a recurrent nature with the Interested Persons set out in **Section 2.2 and 2.3** of this Appendix at the AGM of the Company held on 25 April 2025. Particulars of the existing IPT Mandate were set out in the Appendix dated 3 April 2025.

2.1.4. The existing IPT Mandate will continue to be in force until the forthcoming AGM. Accordingly, the Directors propose that the IPT Mandate be renewed at the AGM to be held on 23 January 2026.

2.2 Mandated Interested Person

The proposed renewal of the IPT Mandate will apply to transactions in the categories described in **Section 2.3** between the Company and BRC as the Interested Person, being an associate of Esteel. BRC is listed on the Main Board of the SGX-ST and is principally engaged in the business of prefabrication of steel reinforcement for use in concrete, trading of steel reinforcing bars, and manufacturing and sale of wire mesh fences.

2.3 Categories of Mandated Transactions

2.3.1. Interested Persons Transactions to which the IPT Mandate will apply, and the benefits to be derived therefrom, comprise:

- (i) the purchase of Goods (comprising all materials and products which the Group requires for its ordinary course of business including but not limited to raw materials, commodities and intermediate goods, comprising steel, steel products, steel-related products and steel by-products, such as steel bars (including steel reinforcing bars), rods, wire meshes, plates and prefabricated steel products) by the Group from the Mandated Interested Person;
- (ii) the sale of Goods by the Group to the Mandated Interested Person;
- (iii) the receipt of Services (comprising (a) reinforcing steel bars cut and/or bent to requirement; and (b) prefabrication services and value-added services. Prefabrication services include fabrication of steel structures and components, such as prefabricated cages for use in reinforced concrete construction and value-added services such as supply of reinforcing steel splicing solutions and/or concreting accessories, where applicable) by the Group from the Mandated Interested Person; and
- (iv) the provision of Services by the Group to the Mandated Interested Person.

2.3.2. Transactions between the Group and the Mandated Interested Person in the ordinary course of business for the provision and/or procurement of Services to and from the Mandated Interested Person may also encompass the supply of Goods such as materials necessary for fabricating the specified reinforcing steel products, and accordingly, the relevant contracts may be for a combination of Goods and Services.

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- 2.3.3. The IPT Mandate will not cover any interested person transaction which has a value below S\$100,000 as, pursuant to Rules 905(3) and 906(2) of the Listing Manual, the threshold and aggregation requirements of Chapter 9 of the Listing Manual do not apply to such transactions. However, the SGX-ST may aggregate any such transactions below S\$100,000 that are entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902 of the Listing Manual.
- 2.3.4. Transactions with interested persons (including the Mandated Interested Person) that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

2.4 Rationale for and Benefits of the IPT Mandate

- 2.4.1. Given that BRC has been a major supplier of the Group prior to Esteel becoming a Controlling Shareholder of the Company, it is in the interests of the Group to continue entering into, certain recurrent transactions with BRC, as set out in **Section 2.3** above, in the ordinary course of business, provided that such Mandated Transactions are entered into on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.
- 2.4.2. The proposed renewal of the IPT Mandate enables the Group to continue to purchase Goods and/or procure Services from a well-established and reliable supplier, namely BRC, for the Group's operational needs, and also enables the Group to, from time to time, sell Goods and/or provide Services to BRC, and to generate revenue and improve the utilisation rate of its production facilities from such transactions. The Group envisages that such Mandated Transactions will occur with some degree of frequency and could arise at any time and from time to time, as they are recurring transactions and are part of the day-to-day operations of the Group.
- 2.4.3. In lieu of seeking the specific approval of Shareholders for such contracts which are in the Group's ordinary course of business whenever the need arises and in view of the time-sensitive nature of commercial transactions, the Company is proposing the renewal of the IPT Mandate, pursuant to Chapter 9 of the Listing Manual, to enable the Group to enter in the ordinary course of business into the Mandated Transactions with BRC as the Mandated Interested Person, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such transactions.
- 2.4.4. The proposed renewal of the IPT Mandate will:
 - (i) facilitate the entry into Mandated Transactions (as defined in **Section 2.3** above) with the Mandated Interested Person in the ordinary course of the Group's businesses;
 - (ii) give the Group the ability to select transactions, suppliers, customers or business relationships on the basis of which provides the best commercial advantage to the Group regardless of the Mandated Interested Person's relationship as an interested person of the Company; and

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- (iii) eliminate the need to convene separate general meetings under Chapter 9 of the Listing Manual, to seek Shareholders' approval as and when material Mandated Transactions occur, thereby:
 - (a) substantially reducing administrative time and costs associated with the convening of such meetings;
 - (b) avoiding delay in the execution of the Mandated Transactions which are time sensitive in nature;
 - (c) enabling the Group to maintain its overall competitiveness and not be disadvantaged as compared to its competitors which may not require Shareholders' approval to be obtained for entering into such transactions; and
 - (d) allowing manpower resources and time to be channeled towards attaining corporate objectives rather than to the convening of repeated Shareholders' meetings.

2.5 Methods and Procedures for Mandated Transactions

2.5.1. To ensure that the Mandated Transactions with Mandated Interested Person are undertaken at:

- (i) arm's length and on normal commercial terms, being consistent with the Group's usual business practices and on terms which, taken as a whole, are not less favourable than those obtained by the Group from unrelated third parties (in the case of purchase or procurement of Goods and/or Services by the Group) or not more favourable than those extended by the Group to unrelated third parties (in the case of sale or provision of Goods and/or Services by the Group); or
- (ii) in any event on terms, which taken as a whole, are not prejudicial to the interests of the Company and the minority Shareholders, the Company will continue to comply with the following methods and/or procedures:

Purchase of Goods by the Group from the Mandated Interested Person

- (1) All purchases of Goods by the Group from the Mandated Interested Person will be carried out after the Group compares the terms offered by the Mandated Interested Person with the terms offered by at least two (2) other unrelated third-party suppliers for the same or similar Goods. There are no publicly available market prices for the Goods. The Group will only enter into such contract with the Mandated Interested Person if the terms offered by the Mandated Interested Person are the same or more favourable as compared to the terms offered by unrelated third-party suppliers. When comparing terms, the Group will take into account pertinent factors such as the product specifications (including the geographical locations of the Goods), the quantity required, the delivery schedules, the credit terms, shipment logistics and shipping/collection fees, and the preferential rates or rebates or discounts accorded for bulk purchases, where applicable.

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- (2) In the event that the Group is unable to obtain comparable quotations from unrelated third-party suppliers, where possible, the Group shall compare the terms offered by the Mandated Interested Person against the terms offered by the Group to at least two (2) unrelated third-party customers for the same or similar Goods.
- (3) In the event that there are no such comparable quotations, the Approving Executives (who must have no interest, direct or indirect, in the Mandated Transaction) will determine whether the terms offered by the Mandated Interested Person are on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders, in accordance with the Group's usual business practices and pricing policies or in accordance with industry norms (as the case may be), after taking into account additional factors such as, but not limited to, the nature of the product, delivery schedule, order quantity, duration of contract, preferential rates, discounts or rebates for bulk purchases or sales, cost of freight, customer requirements and specifications, the credit terms, the margin which may be generated by the Group from the transaction, and the delivery deadlines requested by the Group's customers.

Sale of Goods to the Mandated Interested Person

- (a) When selling Goods to the Mandated Interested Person, the Group shall determine the terms to be offered to the Mandated Interested Person based on the terms of at least two (2) recent successful sale transactions by the Group of the same or similar Goods to its unrelated third-party customers. As stated in (1) above, there are no publicly available market prices for the Goods. The terms offered by the Group to the Mandated Interested Person shall not be more favourable as compared to the terms offered by the Group to its unrelated third-party customers. When comparing terms, the Group will take into account pertinent factors such as the product specifications, the quantity required, the freight costs, the delivery schedules, the credit terms, and the preferential rates or rebates or discounts accorded for large contracts, where applicable.
- (b) In the event that there is no recent successful sale transactions with unrelated third-party customers for comparison, the Approving Executives (who must have no interest, direct or indirect, in the Mandated Transaction) will determine whether the terms to be offered to the Mandated Interested Person are on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders after taking into account factors such as, the margin which may be generated by the Group from the transaction, the Group's production capacity and resources, and the usual business and/or industry practices or norm.

Receipt of Services by the Group from the Mandated Interested Person

- (l) All procurement of Services by the Group from the Mandated Interested Person will be carried out after the Group compares the terms offered by the Mandated Interested Person with the terms offered by at least two (2) other unrelated third-party suppliers for the same or similar Services. The Group will only enter into such contract with the Mandated Interested Person if the terms offered by the Mandated Interested Person are the same or more favourable as compared to the terms offered by unrelated third-party suppliers. When comparing terms, the Group will take into account pertinent factors such as the complexity of the Services required, the volume of Services required, the duration of the contracts, and the preferential rates or rebates or discounts accorded for bulk purchases, where applicable.

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- (II) In the event that the Group is unable to obtain comparable quotations from unrelated third-party suppliers, where possible, the Group shall compare the terms offered by the Mandated Interested Person against the terms offered by the Group to at least two (2) unrelated third-party customers for same or similar Services.
- (III) In the event that there are no such comparable quotations for the same or similar Services, the Approving Executives (who must have no interest, direct or indirect, in the Mandated Transaction) will determine whether the terms offered by the Mandated Interested Person are on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders after taking into account additional factors such as, the Group's production capacity and schedule vis-à-vis the delivery deadlines requested by the Group's customers, and the margin which may be generated by the Group from the transaction.

Provision of Services by the Group to the Mandated Interested Person

- (A) When providing Services to the Mandated Interested Person, the Group shall determine the terms to be offered to the Mandated Interested Person based on the terms of at least two (2) recent successful sale transactions by the Group of the same or similar Services to its unrelated third-party customers. The terms offered by the Group to the Mandated Interested Person shall not be more favourable as compared to the terms offered by the Group to its unrelated third-party customers. When comparing terms, the Group will take into account pertinent factors such as the complexity of the Services, the volume of Services required, and the delivery schedules, where applicable.
- (B) In the event that the Mandated Transaction required significant customisation and there is no recent successful sale transaction with unrelated third party customer for comparison, the Approving Executives (who must have no interest, direct or indirect, in the Mandated Transaction) will determine whether the terms to be offered to the Mandated Interested Person are on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders after taking into account factors such as to, the margin which may be generated by the Group from the transaction, the Group's production capacity and resources, and the usual business and/or industry practices or norm.

It is relevant to note that the Group has had sufficient transactions involving sale of Goods with unrelated third-party customers for comparison to determine the preferential rates or rebates or discounts accorded for large contracts with the Mandated Interested Person.

Combination of Mandated Transactions

In the case of provision and/or procurement of Services, the contracts between the Group and the Mandated Interested Person may be for a combination of Goods and Services (as described in **Section 2.3**). In such circumstances, when assessing the terms to be offered to the Mandated Interested Person or the terms offered by the Mandated Interested Person, the Group shall take into account all relevant factors as set out under the respective categories of Mandated Transactions to ensure that the gross profit margin to be generated by the Group from such transactions are in line with the usual business practices and norms of the Group.

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2.5.2. Threshold Limit

(i) The following approval thresholds have been adopted in respect of the Mandated Transactions:

(a) In respect of purchase of Goods by the Group from the Mandated Interested Person (**“Purchase of Goods Contracts”**):

Contractual volume	Approving authority
Each Purchase of Goods Contract of volume equal to or less than 15,000 tonnes	Approving Executives
Each Purchase of Goods Contract volume of more than 15,000 tonnes	Approving Executives and ARC

The above threshold limits were determined based on the historical transacting prices of steel reinforcing bars as well as the historical volume and frequency of purchases by the Group from the Mandated Interested Person for the period from 1 January 2023 to 14 August 2024 (being the date immediately preceding the date on which Esteel became a Controlling Shareholder of the Company). No changes are proposed to the threshold limits as they remain suitable for the Group’s current scope of business operations.

The Company believes that the threshold effectively balances the need for ARC oversight on major contracts without burdening them with nearly every single agreement. Given the potential for material price fluctuations in Goods, which can in turn affect contract values, the Company has decided that using contractual volume is a more suitable benchmark for Purchase of Goods Contracts with the Mandated Interested Person.

(b) In respect of all other Mandated Transactions, namely, for the sale of Goods and provision of Services by the Group to the Mandated Interested Person, and the receipt of Services from the Mandated Interested Person (**“Other Contracts”**):

Value of Mandated Transaction of Other Contracts	Approving authority
Each Other Contract with value below 3% of the Group’s then latest audited NTA	Approving Executives
Each Other Contract with value equal to or above 3% of the Group’s then latest audited NTA	Approving Executives and ARC

The threshold limits are arrived at with the view to strike a balance between maximising the efficiency of the day-to-day operations of the Group, and maintaining adequate internal controls and governance in relation to the Mandated Transactions. The above threshold limits also act as an additional safeguard to supplement the existing approval procedures of the Group.

The Approving Executives and the ARC, may, as he/it deems fit, request additional information pertaining to the transaction under review from independent sources or advisers, including requesting for an independent financial adviser’s opinion and/or the obtaining of valuations from independent professional valuer.

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2.5.3. Abstention from decision making in relation to the Mandated Transaction

In the event that any of the relevant approving authority has an interest in the Mandated Transaction, s/he shall abstain from reviewing and approving the Mandated Transaction:

- (i) If any of the Approving Executives has any interest, direct or indirect, in the Mandated Transaction, such Mandated Transaction shall be approved by the Approving Executives who have no interest, direct or indirect, in the Mandated Transaction and a Director of the Company who has no interest, direct or indirect, in the Mandated Transaction.
- (ii) If all Approving Executives are deemed interested in the Mandated Transaction, such Mandated Transaction shall be approved by the ARC.
- (iii) If a member of the ARC is deemed to be interested in the Mandated Transaction, s/he shall abstain from participating in the review and approval process of the ARC in relation to that Mandated Transaction.

2.5.4. Other Guidelines and Procedures

In addition to the methods and procedures set out above, the Group will implement the following additional guidelines to ensure that the Mandated Transactions carried out under the IPT Mandate will be undertaken on normal commercial terms and on terms not prejudicial to the interest of the Company and its minority Shareholders:

- (i) The Company will maintain a register of interested persons and a register of interested person transactions, which shall include the Mandated Transactions and interested person transaction which has a value of not more than S\$100,000 in value, although such transactions are not required to be aggregated under Chapter 9 of the Listing Manual.
- (ii) The Company shall also maintain in a separate file, documents relating to the Mandated Transactions such as the requisition form, the approval form, the contracts, to facilitate the review of the Mandated Transactions by the internal auditors and the ARC.
- (iii) The ARC will review the registers and the documents file on a quarterly basis to ascertain that the Mandated Transactions have been entered into on normal commercial terms and on terms not prejudicial to the interest of the Company and its minority Shareholders.
- (iv) The Company's internal auditors shall carry out a review on the Mandated Transactions annually on whether such Mandated Transactions are carried out in compliance of the methods and procedures for the Mandated Transactions and will report its findings to the ARC.
- (v) The internal auditors shall also conduct reviews annually to determine whether the established methods and procedures for Mandated Transactions continue to be appropriate and sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and on terms not prejudicial to the interest of the Company and its minority Shareholders.

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(vi) If during any of the reviews by the ARC, the ARC is of the view that the established methods and procedures for the Mandated Transactions have become inappropriate or insufficient for whatever reason, such as in the event of changes to the nature of, or manner in which, the business activities of the Group or the Mandated Interested Person are conducted, the Company will seek a fresh mandate from the Shareholders based on new methods and procedures with a view to ensuring that the Mandated Transactions will be carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders. In such a situation, prior to obtaining the new Shareholders' mandate for the Mandated Transactions, all Mandated Transactions will be reviewed and approved by the ARC.

2.6 Validity Period of the IPT Mandate

If approved by Shareholders at the AGM, the renewal of the IPT Mandate will take effect from the passing of the ordinary resolution relating thereto at the AGM, and will (unless revoked or varied by the Company in a general meeting) continue in force until the next AGM. Approval from Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM of the Company, subject to satisfactory review by the ARC of its continued application to the transactions with the Interested Persons.

2.7 Disclosure in Annual Report

In accordance with the requirements of Chapter 9 of the Listing Manual, the Company will disclose the IPT Mandate and the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate in the annual report of the Company for the current financial year, and in the annual reports of the Company for the subsequent financial years during which the IPT Mandate is in force. Such disclosures shall be in the form set out in Rule 907 of the Listing Manual. The aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate for FP2025 may be found in page 87 of the Annual Report 2025.

In addition, the Company will announce the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate for the financial periods which it is required to report on (pursuant to Rule 705 of the Listing Manual) within the time required for the announcement of such report.

3. ARC'S STATEMENTS

3.1 The ARC has reviewed the terms of the proposed renewal of the IPT Mandate and is satisfied that the review procedures for the Mandate Transactions, as well as the reviews to be made periodically by the ARC in relation thereto, are sufficient to ensure that the Interested Person Transactions will be made with the Mandated Interested Person at arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. The ARC confirms that the methods and procedures for determining the transaction prices have not changed since the approval of the Shareholders was last sought at the AGM of the Company held on 25 April 2025.

3.2 If, during the periodic reviews by the ARC, the ARC is of the view that the established guidelines and procedures are not sufficient to ensure that the Mandate Transactions will be at arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with the Interested Persons.

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4. THE SHARE PURCHASE MANDATE

4.1 The Existing Share Purchase Mandate

- 4.1.1. Shareholders had previously approved the renewal of the Share Purchase Mandate to enable all the Directors to exercise all powers of the Company to purchase or otherwise acquire Shares on the terms of the Share Purchase Mandate at the AGM of the Company held on 25 April 2025. Particulars of the Share Purchase Mandate were set out in the Appendix to the Annual Report 2024 to Shareholders dated 3 April 2025.
- 4.1.2. The Share Purchase Mandate was expressed to take effect until the conclusion of the next AGM of the Company, being the AGM of the Company to be held on 23 January 2026 at 2.00 p.m.. Accordingly, the Directors propose that the Share Purchase Mandate be renewed at the upcoming AGM, to take effect until the next AGM of the Company. The terms of the Share Purchase Mandate which are sought to be renewed remain unchanged.

4.2 Rationale for Share Purchase Mandate

- 4.2.1. The approval of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions up to the three per cent. (3%) limit described in **Section 4.4.1** below at any time, during the period when the Share Purchase Mandate is in force.
- 4.2.2. The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:
 - (i) In managing the business of the Group, the management team strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. In addition to growth and expansion of business, share purchase is one of the ways through which the return on equity of the Group may be enhanced.
 - (ii) The Share Purchase Mandate is an expedient, effective and cost-efficient way for the Company to return surplus cash/funds over and above its ordinary capital requirements, if any, which is in excess of the financial and investment needs of the Company to its Shareholders. In addition, the Share Purchase Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure, cash reserves and its dividend policy.
 - (iii) The Share Purchase Mandate will provide the Company the flexibility to undertake share purchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.
 - (iv) The Share Purchase Mandate will help buffer short-term share price volatility and offset the effects of short-term share price speculation, thereby boosting Shareholders' confidence.

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4.2.3. While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the said three per cent. (3%) limit during the duration referred to in **Section 4.4.2** below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full three per cent. (3%) limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate would be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Purchase Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

4.3 Issued Shares as at the Latest Practicable Date

As at the Latest Practicable Date, the total number of issued Shares of the Company (excluding 5,314,330 treasury shares and nil subsidiary holdings) is 274,740,678 Shares.

4.4 Authority and Limits on the Share Purchase Mandate

The authority and limits placed on share purchases or acquisitions of Shares by the Company under the Share Purchase Mandate are summarised below:

4.4.1. Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than three per cent. (3%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (ascertained as at the date of the AGM), unless the Company has, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Act, in which event the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be taken to be the total number of issued Shares (excluding treasury shares and subsidiary holdings) as altered. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for purposes of computing the three per cent. (3%) limit.

For illustrative purposes only, on the basis of 274,740,678 Shares in issue (excluding treasury shares and subsidiary holdings) assuming that (a) no further Shares are issued on or prior to the AGM, and (b) the Company does not reduce its share capital, not more than 8,242,220 Shares (representing three per cent. (3%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at that date may be purchased by the Company pursuant to the Share Purchase Mandate during the duration referred to in **Section 4.4.2** below.

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Rationale for limit

Although Section 76B of the Act permits the Company to purchase or acquire up to 20% of its Shares, the Directors, after taking into consideration the requirement in Rule 882 of the Listing Manual that share purchases may not exceed 10% of the Company's Shares (excluding treasury shares and subsidiary holdings) and the take-over implications arising from any purchase or acquisition by the Company of its Shares, would be seeking the renewal of the Share Purchase Mandate to authorise the Directors, from time to time, to purchase Shares either through market purchases or off-market purchases on an equal access scheme as defined in Section 76C of Act of up to a maximum of three per cent. (3%) of the Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM at which the Share Purchase Mandate is renewed, at such price up to but not exceeding the Maximum Price (as defined in **Section 4.4.4**).

4.4.2. **Duration of Authority**

Purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may be made, at any time and from time to time, on and from the date of the AGM of the Company held on 23 January 2026, at which the Share Purchase Mandate is approved, up to:

- (i) the date on which the next AGM is held or required by law to be held;
- (ii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest.

The authority conferred on the Directors by the Share Purchase Mandate to purchase Shares may be renewed at the next AGM or any other general meeting of the Company. When seeking the approval of the Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Purchase Mandate made during the previous twelve (12) months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

4.4.3. **Manner of Purchases or Acquisitions of Shares**

- (i) Purchases or acquisitions of Shares may be made by way of:
 - (a) on-market purchases (“**Market Purchase**”), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
 - (b) off-market purchases (“**Off-Market Purchase**”) effected pursuant to an equal access scheme in accordance with Section 76C of the Act.

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(ii) The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all of the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, (2) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable) and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

(iii) Pursuant to Rule 885 of the Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share buy-back;
- (d) the consequences, if any, of the Share purchases by the Company that will arise under the **Take-over Code** or other applicable take-over rules;
- (e) whether the Share buy-back, if made, could affect the listing of the Company's equity securities on the SGX-ST;
- (f) details of any Share buy-back made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Share purchased by the Company will be cancelled or kept as treasury Shares.

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4.4.4. Maximum Purchase Price

- (i) The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) (“**related expenses**”) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Purchase Mandate. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:
- (ii) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as defined hereinafter); and
- (iii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent. (120%) of the Average Closing Price (as defined hereinafter),

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, and is deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days.

4.5 Status of Purchased Shares

- 4.5.1. Under Section 76B of the Act, any Shares purchased or acquired by the Company through a Share purchase shall be deemed to be cancelled immediately on purchase or acquisition unless such Shares are held by the Company as treasury shares in accordance with Section 76H of the Act. Upon such cancellation, all rights and privileges attached to that Share will expire. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.
- 4.5.2. All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Act) will be automatically de-listed by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

4.6 Treasury Shares

- 4.6.1. Under the Act, the Shares purchased or acquired by the Company may be held or dealt with as treasury shares.
- 4.6.2. Some of the provisions on treasury shares under the Act are summarised below:
 - (i) The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

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- (ii) The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.
- (iii) In addition, no dividend may be paid, and no other distribution of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.
- (iv) Where Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code:
 - (a) sell the treasury shares (or any of them) for cash;
 - (b) transfer the treasury shares (or any of them) for the purposes of or pursuant to an employees' share scheme and/or performance share plan;
 - (c) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
 - (d) cancel the treasury shares (or any of them); or
 - (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Singapore Minister for Finance.

4.6.3. The Shares purchased or acquired under the Share Purchase Mandate will be held as treasury shares or cancelled by the Company taking into consideration the then prevailing circumstances and requirements of the Company at the relevant time.

4.7 Reporting Requirements

- 4.7.1. Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the Registrar.
- 4.7.2. The Company shall notify the Registrar within 30 days of a purchase of Shares by the Company on the SGX-ST or otherwise. Such notification shall include details of the purchase, including the date of the purchase, the total number of Shares purchased by the Company, the number of Shares cancelled and the number of Shares held as treasury shares, the Company's issued ordinary share capital before and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, whether the shares were purchased or acquired out of the profits or capital of the Company, and such other information as required by the Act.

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4.7.3. Listing Rule 886(1) specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

- (i) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (ii) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the closing of acceptances of the offer for the Off-Market Purchase.

4.7.4. The notification of such purchases or acquisitions of Shares to the SGX-ST shall include details of the total number of Shares authorised for purchase, the date of purchase, prices paid for the total number of Shares purchased, the purchase price per Share or the highest and lowest purchase price per Share, the number of Shares cancelled, the number of Shares held as treasury shares, and the number of issued Shares excluding treasury shares after purchase, in the form prescribed under the Listing Rules. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

4.7.5. The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(28) of the Listing Manual, which provides that an issuer must make an immediate announcement thereof, stating the following:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (v) percentage of the number of treasury shares against the total number of Shares outstanding before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

4.8 Source of Funds

4.8.1. The Company may only apply funds for the purchase or acquisition of its Shares as provided in the Constitution and in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

4.8.2. The Company intends to use internal sources of funds or borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Purchase Mandate. In purchasing or acquiring Shares pursuant to the Share Purchase Mandate, the Directors will principally consider the availability of internal resources. In addition, the Directors will also consider the availability of external financing. However, in considering the option of external financing, the Directors will consider particularly the prevailing gearing level of the Group and the costs of such financing.

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4.8.3. The Directors will only make purchases or acquisitions pursuant to the Share Purchase Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

4.9 Financial Effects

4.9.1. It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Purchase Mandate on the NTA and earnings per Share of the Company and the Group as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase price paid for such Shares, the amount (if any) borrowed by the Company to fund such purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

4.9.2. The repurchased Shares may be cancelled or held as treasury shares. Any Share purchase will:

- (i) reduce the number of issued Shares in the capital of the Company where the Shares were purchased or acquired out of the capital of the Company;
- (ii) reduce the amount of the Company's profits where the Shares were purchased or acquired out of the profits of the Company; or
- (iii) reduce the amount of the Company's share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company;

by the total amount of the purchase price paid by the Company upon the cancellation of such repurchased Shares.

4.9.3. Under the Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company upon cancellation of the repurchased Shares. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

4.9.4. The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirements, the availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The Share Purchase Mandate will be exercised with a view to enhancing the earnings and/or the NTA per Share of the Group.

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4.9.5. **For illustrative purposes only**, the financial effects of the Share Purchase Mandate on the Company and the Group, based on the unaudited financial statements of the Group for for FP2025 are based on the assumptions set out below:

- (i) based on 274,740,678 Shares in issue (excluding treasury shares and subsidiary holdings) and assuming that (i) no further Shares are issued, and (ii) no Shares are held by the Company as treasury shares on or prior to the AGM, not more than 8,242,220 Shares (representing three per cent. (3%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at that date) may be purchased by the Company pursuant to the Share Purchase Mandate;
- (ii) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 8,242,220 Shares at the Maximum Price of S\$0.5145 for one (1) Share (being the price equivalent to five per cent. (5%) above the Average Closing Price of the Shares for the last five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 8,242,220 Shares (excluding related expenses) is approximately S\$4,240,622; and
- (iii) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires the 8,242,220 Shares at the Maximum Price of S\$0.5880 for one (1) Share (being the price equivalent to twenty per cent. (20%) above the Average Closing Price of the Shares on the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 8,242,220 Shares (excluding related expenses) is approximately S\$4,846,425.
- (iv) assuming that the purchase or acquisition of Shares is financed by internal sources of funds and/or external borrowings, the Share Purchase Mandate had been effective on 1 January 2025, and the Company had purchased or acquired the 8,242,220 Shares (representing three per cent. (3%) of its issued ordinary share capital at the Latest Practicable Date, the financial effects of the purchase or acquisition of the 8,242,220 Shares by the Company pursuant to the Share Purchase Mandate:
 - (a) by way of purchases made entirely out of capital and held as treasury shares; and

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(b) by way of purchases made entirely out of capital and cancelled, or as summarised for ease of reference in the following table:

	Purchased out of:	Type of purchase	Held as Treasury Shares or Cancelled	Maximum Price per Share (\$\$)
1(A)	Capital	Market Purchase	Held as treasury shares	0.5145
1(B)	Capital	Off-Market Purchase	Held as treasury shares	0.5880
2(A)	Capital	Market Purchase	Cancelled	0.5145
2(B)	Capital	Off-Market Purchase	Cancelled	0.5880

on the unaudited financial statements of the Group for FP2025, are set out below:

(1) Purchases made entirely out of capital and held as treasury shares

(A) Market Purchases

	Group Before Share Purchase S\$'000	Group After Share Purchase S\$'000	Company Before Share Purchase S\$'000	Company After Share Purchase S\$'000
As at 30 September 2025				
Share capital	109,882	109,882	109,882	109,882
Capital and other reserve	2,750	2,750	2,527	2,527
Retained earnings	43,889	43,889	(2,377)	(2,377)
	156,521	156,521	110,032	110,032
Treasury shares	(3,034)	(7,275)	(3,034)	(7,275)
Shareholders' fund	153,487	149,246	106,998	102,757
Net tangible assets	153,197	148,956	106,837	102,596
Minority interests	1	1	–	–
Current assets	152,077	147,836	106,185	101,944
Current liabilities	11,416	11,416	16,626	16,626
Working capital	140,661	136,420	89,559	85,318
Number of issued shares	274,740,678	266,498,458	274,740,678	266,498,458
Weighted average number of shares	274,740,678	266,498,458	274,740,678	266,498,458
Financial ratios				
NTA/Share (\$\$)	0.56	0.56	0.39	0.38
Current ratio (times)	13.32	12.95	6.39	6.13
EPS (cents)	2.67	2.75	1.51	1.56

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(B) Off-Market Purchases

	Group Before Share Purchase S\$'000	Group After Share Purchase S\$'000	Company Before Share Purchase S\$'000	Company After Share Purchase S\$'000
As at 30 September 2025				
Share capital	109,882	109,882	109,882	109,882
Capital and other reserve	2,750	2,750	2,527	2,527
Retained earnings	43,889	43,889	(2,377)	(2,377)
	156,521	156,521	110,032	110,032
Treasury shares	(3,034)	(7,880)	(3,034)	(7,880)
Shareholders' fund	153,487	148,641	106,998	102,152
Net tangible assets	153,197	148,351	106,837	101,991
Minority interests	1	1	–	–
Current assets	152,077	147,231	106,185	101,339
Current liabilities	11,416	11,416	16,626	16,626
Working capital	140,661	135,815	89,559	84,713
Number of issued shares	274,740,678	266,498,458	274,740,678	266,498,458
Weighted average number of shares	274,740,678	266,498,458	274,740,678	266,498,458
Financial ratios				
NTA/Share (S\$)	0.56	0.56	0.39	0.38
Current ratio (times)	13.32	12.90	6.39	6.10
EPS (cents)	2.67	2.75	1.51	1.56

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(2) *Purchases made entirely out of capital and cancelled*

(A) Market Purchases

	Group Before Share Purchase S\$'000	Group After Share Purchase S\$'000	Company Before Share Purchase S\$'000	Company After Share Purchase S\$'000
As at 30 September 2025				
Share capital	106,848	102,607	106,848	102,607
Capital and other reserve	2,750	2,750	2,527	2,527
Retained earnings	43,889	43,889	(2,377)	(2,377)
Shareholders' fund	153,487	149,246	106,998	102,757
Net tangible assets	153,197	148,956	106,837	102,596
Minority interests	1	1	–	–
Current assets	152,077	147,836	106,185	101,944
Current liabilities	11,416	11,416	16,626	16,626
Working capital	140,661	136,420	89,559	85,318
Number of issued shares	274,740,678	266,498,458	274,740,678	266,498,458
Weighted average number of shares	274,740,678	266,498,458	274,740,678	266,498,458
Financial ratios				
NTA/Share (S\$)	0.56	0.56	0.39	0.38
Current ratio (times)	13.32	12.95	6.39	6.13
EPS (cents)	2.67	2.75	1.51	1.56

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(B) Off-Market Purchases

	Group Before Share Purchase S\$'000	Group After Share Purchase S\$'000	Company Before Share Purchase S\$'000	Company After Share Purchase S\$'000
As at 30 September 2025				
Share capital	106,848	102,002	106,848	102,002
Capital and other reserve	2,750	2,750	2,527	2,527
Retained earnings	43,889	43,889	(2,377)	(2,377)
Shareholders' fund	153,487	148,641	106,998	102,152
Net tangible assets	153,197	148,351	106,837	101,991
Minority interests	1	1	–	–
Current assets	152,077	147,231	106,185	101,339
Current liabilities	11,416	11,416	16,626	16,626
Working capital	140,661	135,815	89,559	84,713
Number of issued shares	274,740,678	266,498,458	274,740,678	266,498,458
Weighted average number of shares	274,740,678	266,498,458	274,740,678	266,498,458
Financial ratios				
NTA/Share (S\$)	0.56	0.56	0.39	0.38
Current ratio (times)	13.32	12.90	6.39	6.10
EPS (cents)	2.67	2.75	1.51	1.56

Shareholders should note that the financial effects set out above are purely for illustrative purposes only based on the abovementioned assumptions. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to three per cent. (3%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as determined in accordance with the applicable provisions of the Act, the Company may not necessarily purchase or be able to purchase the entire three per cent. (3%) of the total number of its issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased in treasury.

Shareholders who are in doubt as to their tax positions or any tax implications in their respective jurisdictions should consult their own professional advisers.

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4.10 Take-over Code implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

4.10.1. Obligations to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

4.10.2. Persons acting in concert

Under the Take-over Code, persons acting in concert (“**concert parties**”) comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of the company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert:

- (i) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (ii) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client’s equity share capital;

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- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders (including Directors) and persons acting in concert with each of them, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

4.10.3. Effect of Rule 14 and Appendix 2 of the Take-over Code

- (i) In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, a Shareholder and his concert parties will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Shareholder and his concert parties would increase to 30% or more, or in the event that such Shareholder and his concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Shareholder and his concert parties would increase by more than 1% in any period of 6 months. In calculating the percentages of voting rights of such Shareholder and his concert parties, treasury shares shall be excluded.
- (ii) Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.
- (iii) If the Company decides to cease the Share Purchase Mandate before it has purchased in full such number of Shares authorised by its Shareholders at the AGM, the Company will promptly inform its Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation under Rule 14.

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4.10.4. Based on the shareholdings of the Directors in the Company as at the Latest Practicable Date, none of the Directors will become obligated to make a mandatory offer by reason only of the buy-back of three per cent. (3%) Shares by the Company pursuant to the Share Purchase Mandate. The Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer in the event that the Directors exercise the power to repurchase Shares pursuant to the Share Purchase Mandate. **Shareholders who are in doubt as to their obligations, if any, to make a mandatory takeover offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the SIC and/or their professional advisers at the earliest opportunity.**

4.11 Taxation

Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisors.

4.12 Listing Manual

4.12.1. While the Listing Manual does not expressly prohibit any purchase of shares by an issuer during any particular time, because the issuer would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. Further, in conformity with the best practices on dealing with securities under the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases:

- (i) during the period commencing from one month immediately preceding the announcement of the Company’s interim (half-year) results or the annual (full-year) results; or
- (ii) if there is any unpublished material price-sensitive information of the Group.

4.12.2. The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of its Shares are in the hands of the public. The “public”, as defined under the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company or its subsidiaries, as well as the associates of such persons.

Based on the Register of Directors’ Shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, approximately 34.44% of the issued Shares (excluding treasury shares and subsidiary holdings), are in the hands of the public.

Assuming the Company were to purchase or acquire the entire 3% of the total number of its issued Shares, there will be approximately 32.40% of the issued Shares (excluding treasury shares and subsidiary holdings), being held in the hands of the public. In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that a sufficient float in the hands of the public will be maintained so that such purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

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4.13 Previous Share Purchases

The Company has not purchased any Shares during the 12-month period immediately preceding the Latest Practicable Date.

5. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on information in the Register of Directors maintained by the Company, as at the Latest Practicable Date, the number of Shares in which the Directors have an interest, are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	(%) ⁽¹⁾	Number of Shares	(%) ⁽¹⁾
Ong Hwee Li	–	–	–	–
Xiao Xia	–	–	35,642,600 ⁽²⁾	12.97
Ong Lizhen, Daisy	–	–	–	–
Ng Chuey Peng	–	–	–	–

Notes:

(1) Based on total issued and paid-up ordinary share capital (excluding treasury shares and subsidiary holdings) comprising 274,740,678 Shares as at the Latest Practicable Date.

(2) Xiao Xia is deemed to be interested in the 35,642,600 Shares held by Dhu Holding Pte. Ltd., by virtue of Section 4 of the SFA.

Based on information in the Register of Substantial Shareholders maintained by the Company, as at the Latest Practicable Date, the Substantial Shareholders and the number of Shares in which they have an interest are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	(%) ⁽¹⁾	Number of Shares	(%) ⁽¹⁾	Number of Shares	(%) ⁽¹⁾
Dhu Holding Pte. Ltd.	35,642,600	12.97	–	–	35,642,600	12.97
Xiao Xia	–	–	35,642,600 ⁽²⁾	12.97	35,642,600	12.97
Yu Zengqiang	–	–	35,642,600 ⁽²⁾	12.97	35,642,600	12.97
Esteel	144,498,391	52.59	–	–	144,498,391	52.59
You Zhenhua	–	–	144,498,391 ⁽³⁾	52.59	144,498,391	52.59
Advance Venture Investments Limited	–	–	144,498,391 ⁽³⁾	52.59	144,498,391	52.59
Theme International Holdings Limited	–	–	144,498,391 ⁽³⁾	52.59	144,498,391	52.59
Wide Bridge Limited	–	–	144,498,391 ⁽³⁾	52.59	144,498,391	52.59

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Notes:

- (1) Based on total issued and paid-up ordinary share capital (excluding treasury shares and subsidiary holdings) comprising on 274,740,678 Shares as at the Latest Practicable Date.
- (2) Each of Xiao Xia and Yu Zengqiang is deemed to be interested in the 35,642,600 Shares held by Dhu Holding Pte. Ltd., by virtue of Section 4 of the SFA.
- (3) Each of You Zhenhua, Advance Venture Investments Limited, Wide Bridge Limited and Theme International Holdings Limited is deemed interested in the Shares held by Esteel, by virtue of Section 4 of the SFA.

6. DIRECTORS' RECOMMENDATION AND ABSTENTION FROM VOTING BY INTERESTED PERSON

6.1 Proposed Renewal of the IPT Mandate

All the Directors who are considered independent for the purposes of the proposed renewal of the IPT Mandate. The Directors are of the opinion that the proposed renewal of the IPT Mandate is in the best interests of the Company, and for reasons set out in Section 2.4 of this Appendix, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution 9 relating to the renewal of the IPT Mandate.

6.2 Proposed Renewal of the Share Purchase Mandate

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution 8 relating to the renewal of the Share Purchase Mandate.

6.3 Abstention from Voting

In accordance with Rule 920(1)(b)(viii) of the Listing Manual, Esteel (being an Interested Person in the IPT Mandate) and its Associates shall abstain from voting in respect of Ordinary Resolution 9 at the AGM to be held on 23 January 2026 at 2.00 p.m.. Esteel and its Associates will also not act as proxies in respect of the aforesaid resolution unless voting instructions have been given by the relevant Shareholder on resolutions involving themselves and the Group.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

7.1

Shareholders who are unable to attend the AGM and wish to appoint a proxy to attend and vote at the AGM on their behalf must complete, sign and return the Proxy Form attached to the Annual Report 2025 in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 28 Jalan Buroh, Singapore 619484 or email to sg.is.proxy@vistra.com not less than 48 hours before the time fixed for the AGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the AGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

7.2

A Depositor shall not be regarded as a shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the AGM.

APPENDIX

8. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the IPT Mandate, the proposed renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 28 Jalan Buroh, Singapore 619484 during normal business hours from the date of this Appendix up to the date of the forthcoming AGM:

9.1.1. the Company's Annual Report 2025;

9.1.2. the Constitution of the Company.

Yours faithfully,
For and on behalf of the Board of Directors of
HG Metal Manufacturing Limited

Xiao Xia
Executive Director and Chief Executive Officer
Singapore

APPENDIX

Annexure

GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

Scope

Chapter 9 of the Listing Manual applies to transactions which a listed company or any of its subsidiaries (other than a subsidiary that is listed on an approved stock exchange) or associated companies (other than an associated company that is listed on an approved stock exchange or over which the listed group and/or its interested person(s) has no control) proposes to enter into with a counter-party who is an interested person of the listed company.

General Requirements

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and are hence excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement, or, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated NTA), are reached or exceeded. In particular, shareholders' approval is required where:

- (a) the value of such transaction is equal to or exceeds 5% of the latest audited consolidated NTA of the group; or
- (b) the value of such transaction when aggregated with the value of all other transactions previously entered into with the same interested person in the same financial year of the group is equal to or exceeds 5% of the latest audited consolidated NTA of the group. However, a transaction which has been approved by shareholders, or is the subject approved by shareholders, need not be included in any subsequent aggregation.

Immediate announcement of a transaction is required where:

- (a) the value of such transaction is equal to or exceeds 3% of the latest audited consolidated NTA of the group, or
- (b) the value of such transaction when aggregated with the value of all other transactions previously entered into with the same interested person in the same financial year of the group is equal to or exceeds 3% of the latest audited consolidated NTA of the group.

The above requirements for immediate announcement and for shareholders' approval do not apply to any transaction below \$100,000.

General Mandate

A listed company may seek a general mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

SHAREHOLDINGS STATISTICS

AS AT 11 DECEMBER 2025

Number of Shares	- 274,740,678 (excluding treasury shares)
Treasury Shares	- 5,314,330
Subsidiary Holdings Held	- Nil
Class of Shares	- Ordinary Shares
Voting Rights	- 1 vote for each ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of Holdings	No of Holders	%	No of Shares	%
1 – 99	324	13.61	14,418	0.01
100 – 1,000	372	15.62	225,553	0.08
1,001 – 10,000	1,232	51.74	5,115,263	1.86
10,001 – 1,000,000	438	18.40	25,245,402	9.19
1,000,001 and above	15	0.63	244,140,042	88.86
Total	2,381	100.00	274,740,678	100.00

SHAREHOLDING HELD IN HANDS OF PUBLIC

As at 11 December 2025 the percentage of shareholdings held in the hands of the public was approximately 34.44% and Rule 723 of the Listing Manual is complied with.

TOP 20 SHAREHOLDERS LIST

S/No	Shareholder's Name	No of Shareholdings	%
1	UOB Kay Hian Pte. Ltd.	191,163,185	69.58
2	Citibank Nominees Singapore Pte Ltd	13,369,903	4.87
3	Moomoo Financial Singapore Pte. Ltd.	6,928,232	2.52
4	Phillip Securities Pte Ltd	6,381,106	2.32
5	Aye Ko Ko	6,200,000	2.26
6	Daiwa Capital Markets Singapore Limited	3,638,800	1.32
7	Chua Sze Bok	3,468,000	1.26
8	DBS Nominees Pte Ltd	2,915,940	1.06
9	Maybank Securities Pte. Ltd.	2,229,152	0.81
10	Htay Htay Naing	1,708,200	0.62
11	United Overseas Bank Nominees (Private) Limited	1,485,445	0.54
12	Yap Xi Ming	1,282,400	0.47
13	Raffles Nominees (Pte) Limited	1,184,972	0.43
14	OCBC Securities Private Ltd	1,094,707	0.40
15	Sia Ling Sing	1,090,000	0.40
16	Ong Chee Khoon	910,000	0.33
17	ABN AMRO Clearing Bank N.V.	741,211	0.27
18	CGS International Securities Singapore Pte. Ltd.	687,644	0.25
19	Lim Chin Loon	685,000	0.25
20	David Leoric	666,600	0.24
Total:		247,830,497	90.20

* The percentage of shareholdings was computed based on the issued share capital of the Company as at 11 December 2025 of 274,740,678 shares (which excludes 5,314,330 shares which are held as treasury shares representing approximately 1.93 % of the total number of issued shares excluding treasury shares and subsidiary holdings).

SHAREHOLDINGS STATISTICS

AS AT 11 DECEMBER 2025

Any discrepancies in this Annual Report between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Annual Report may not be an arithmetic aggregation of the figures which precede them.

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholder	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	(%) ⁽¹⁾	Number of Shares	(%) ⁽¹⁾	Number of Shares	(%) ⁽¹⁾
Dhu Holding Pte. Ltd.	35,642,600	12.97	–	–	35,642,600	12.97
Xiao Xia	–	–	35,642,600 ⁽²⁾	12.97	35,642,600	12.97
Yu Zengqiang	–	–	35,642,600 ⁽²⁾	12.97	35,642,600	12.97
Green Esteel Pte. Ltd.	144,498,391	52.59	–	–	144,498,391	52.59
You Zhenhua	–	–	144,498,391 ⁽³⁾	52.59	144,498,391	52.59
Advance Venture Investments Limited	–	–	144,498,391 ⁽³⁾	52.59	144,498,391	52.59
Theme International Holdings Limited	–	–	144,498,391 ⁽³⁾	52.59	144,498,391	52.59
Wide Bridge Limited	–	–	144,498,391 ⁽³⁾	52.59	144,498,391	52.59

Notes:

- (1) Based on total issued and paid-up ordinary share capital (excluding treasury shares and subsidiary holdings) comprising on 274,740,678 Shares as at the Latest Practicable Date.
- (2) Each of Xiao Xia and Yu Zengqiang is deemed to be interested in the 35,642,600 Shares held by Dhu Holding Pte. Ltd., by virtue of Section 4 of the SFA.
- (3) Each of You Zhenhua, Advance Venture Investments Limited, Wide Bridge Limited and Theme International Holdings Limited is deemed interested in the Shares held by Green Esteel Pte. Ltd., by virtue of Section 4 of the SFA.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of HG Metal Manufacturing Limited (the “**Company**”) will be held at 28 Jalan Buroh, Singapore 619484 on Friday, 23 January 2026 at 2.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company and the Group for the financial period ended 30 September 2025 together with the Independent Auditors’ Report thereon. **(Resolution 1)**
2. To declare a final tax-exempt (one-tier) dividend of 1.5 Singapore cents (\$\$0.015) per ordinary share for the financial period ended 30 September 2025. **(Resolution 2)**
3. To re-elect the following Directors of the Company retiring pursuant to the Regulation 88 of the Company’s Constitution:

Mr Ong Hwee Li (<i>See explanatory note (ii)</i>)	(Resolution 3)
Ms Xiao Xia (<i>See explanatory note (ii)</i>)	(Resolution 4)
4. To approve the payment of Directors’ fees of up to \$224,070 to be paid quarterly in arrears for the financial year ending 30 September 2026.(FY2025: up to \$224,070) (*See explanatory note (iii)*) **(Resolution 5)**
5. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**
6. To transact any other ordinary business which may properly be transacted at an AGM.

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act 1967 (the “Companies Act”) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”)**

That pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to:

- (a) (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may at their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the "Share Issue Mandate")

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and Instruments that may be issued under sub-paragraphs (1) above, the percentage of issued Shares and Instruments shall be based on the number of issued Shares (excluding treasury Shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

- (a) new Shares arising from the conversion or exercise of convertible securities which were issued and outstanding or subsisting at the time this Resolution is passed;
- (b) new Shares arising from exercising share options or vesting of share awards which were issued and outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
- (c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Shares in accordance with the terms of the Instruments.

(See Explanatory Note (iv))

(Resolution 7)

NOTICE OF ANNUAL GENERAL MEETING

8. Renewal of the Share Purchase Mandate

That:

- (a) for the purposes of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary Shares fully paid in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or
 - (ii) off-market purchase(s) (each an "**Off-Market Purchase**") in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and listing rules of the SGX- ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

- (b) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earlier of:

- (i) the date on which the next AGM is held or required by law to be held; or
- (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earlier;

- (c) in this Ordinary Resolution:

"Maximum Limit" means that number of issued Shares representing 3% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) as at the date of the passing of this Ordinary Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of Shares as altered (excluding any treasury Shares and subsidiary holdings that may be held by the Company from time to time);

NOTICE OF ANNUAL GENERAL MEETING

“Relevant Period” means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Ordinary Resolution; and

“Maximum Price”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days (a **“Market Day”** being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days; and

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

(See Explanatory Note (v))

(Resolution 8)

9. **Renewal of the Interested Person Transactions Mandate**

That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST for the Company, its subsidiaries and associated companies that are considered to be “entities at risk” (as defined in the Listing Manual of the SGX-ST), or any of them to enter into any of the transactions falling within the categories of Mandated Transactions (as defined in the Appendix to the Annual Report 2025) with the Mandated Interested Person (as defined in the Appendix to the Annual Report 2025), provided that such transactions are made on normal commercial terms and in accordance with the methods and procedures set out in the Appendix to the Annual Report 2025;
- (b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the next AGM of the Company or the date by which such AGM is required by law to be held, whichever is earlier; and

NOTICE OF ANNUAL GENERAL MEETING

(c) the Directors of the Company be and are hereby authorised to do all acts and things as they may in their discretion deem necessary, desirable or expedient in the interests of the Company to give effect to the IPT Mandate and/or this Ordinary Resolution.

(See *Explanatory Note (vi)*)

(Resolution 9)

By Order of the Board

Wee Woon Hong
Sim Yok Teng
Company Secretaries
Singapore
31 December 2025

Explanatory Notes:

- (i) Mr Ong Hwee Li will, upon re-election as a Director of the Company, remain as an Independent Non-Executive Chairman and Chairman of the Nominating Committee and a member of the Audit and Risk Committee and Remuneration Committee, and will be considered independent for the purpose of Rule 704(8) of the Listing Manual in accordance with the Code of Corporate Governance 2018. Detailed information of Mr Ong Hwee Li pursuant to Rule 720(6) of the Listing Manual can be found on pages 95 to 97 in the Annual Report 2025.
- (ii) Ms Xiao Xia will, upon re-election as a Director of the Company, remain as an Executive Director and Chief Executive Officer. Detailed information of Ms Xiao Xia pursuant to Rule 720(6) of the Listing Manual can be found on pages 95 to 97 in the Annual Report 2025.
- (iii) The Ordinary Resolution 5 above is to seek approval for the payment of up to S\$224,070 as directors' fees on a current year basis, that is for the financial year ending 30 September 2026. In the event that the amount proposed is insufficient, approval will be sought at next year's AGM for payments to meet the shortfall. For avoidance of doubt, the actual aggregate directors fees paid from 1 January 2025 to 30 September 2025 due to the change of financial year end to 30 September was S\$167,591.
- (iv) The Ordinary Resolution 7 above, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings), of which up to 20% may be issued other than on a pro-rata basis to shareholders.
- (v) The Ordinary Resolution 8 seeks to renew the share purchase mandate to enable the Directors of the Company to exercise all the powers of the Company to purchase or otherwise acquire issued ordinary Shares fully paid in the capital of the Company not exceeding in aggregate the Maximum Limit (as defined in the mandate). Details of the terms of the mandate are set out in the Appendix to the Annual Report 2025 of the Company.
- (vi) The Ordinary Resolution 9 seeks to empower the Directors of the Company to do all acts necessary to give effect to the IPT Mandate as described in the Appendix to the Annual Report 2025. The authority shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the date that the next annual general meeting of the Company is held or required by law to be held. Details of the terms of the mandate are set out in the Appendix to the Annual Report 2025 of the Company.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. All Members of the Company are invited to attend the AGM physically. **There will be no option for Members to participate virtually.** Printed copies of the Notice of AGM, Proxy Form and the Request Form will be despatched to Members. All documents are available on the Company website (<https://hgmetal.listedcompany.com/newsroom.html>) and the SGXNET (<https://www.sgx.com/securities/company-announcements>).
2. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instruction thereon.
3.
 - (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such member's proxy form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form; and
 - (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two (2) proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"Relevant intermediary" shall have the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

4. Members who wish to submit Proxy/Proxies Forms (duly executed together with the power of attorney or other authority, if any, under which the Proxy/Proxies Form is signed or notarially certified copy of that power of attorney or other authority, failing previous registration with the Company) must do so in the following manner:
 - (i) by email to sg.is.proxy@vistra.com or
 - (ii) by post to the Registered Office of the Company at 28 Jalan Buroh, Singapore 619484in each case by **2.00 p.m. on 21 January 2026** (being not less than forty-eight (48) hours before the time appointed for holding the AGM).
5. The instrument appointing a proxy/proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
6. A Depositor's name must appear on the Depository Register maintained by the Central Depository (Pte) Limited as at seventy-two (72) hours before the time fixed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.
7. Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), including CPF or SRS Investors may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective relevant intermediaries (including CPF and SRS Operators) to submit their votes at least seven (7) business days before the AGM (i.e. by **2.00 p.m. on 14 January 2026**), to enable their respective relevant intermediaries to in turn submit the proxy forms to appoint the Chairman of the AGM to vote on their behalf by **2.00 p.m. on 21 January 2026**.
8. A proxy need not be a member of the Company. The Chairman of the AGM, as proxy, need not be a member of the Company. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form (such as in the case where the appointor submits more than one Proxy Form). If no specific direction as to voting is given in respect of a resolution, the appointed proxy/proxies will vote or abstain from voting at his/her/their discretion. If the appointor is a corporate, the Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney.
9. Please bring along your NRIC/Passport so as to enable the Company to verify your identity.

Submission of Questions

- a) Members, including CPF and SRS Investors, can submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM, in the following manner:
 - (i) by email to agm@hgmetal.com; or
 - (ii) by post to the Registered Office of the Company at 28 Jalan Buroh, Singapore 619484

NOTICE OF ANNUAL GENERAL MEETING

Members, including CPF and SRS Investors, who wish to submit their questions via email or by post are required to indicate their full names (for individuals)/company names (for corporates), NRIC/passport number/company registration numbers, contact numbers, shareholding types and number of shares held together with their submission of questions, to the office address or email address provided. Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (excluding CPF and SRS Investors) should contact their respective relevant intermediaries through which they hold such Shares to submit their questions related to the resolutions to be tabled for approval at the AGM based on the abovementioned instructions.

All questions submitted in advance of the AGM via any of the above channels must be received by **5.00 p.m. on 9 January 2026**.

- b) The Company will endeavour to address all substantial and relevant questions received from members prior to the AGM by publishing the responses to such questions on the Company website (<https://hgmetal.listedcompany.com/newsroom.html>) and the SGXNET (<https://www.sgx.com/securities/company-announcements>) on **16 January 2026**. If substantial and relevant written questions are submitted after the abovementioned cut-off time, they will be addressed during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
- c) The Company will publish the minutes of the AGM on the Company website (<https://hgmetal.listedcompany.com/newsroom.html>) and the SGXNET (<https://www.sgx.com/securities/company-announcements>) within one (1) month after the date of its AGM held.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies)'s or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

HG METAL MANUFACTURING LIMITED

Registration Number 198802660D
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. Central Provident Fund Investment Scheme ("CPF Investor") and Supplementary Retirement Scheme ("SRS Investor") may attend and vote at the AGM in person. CPF and SRS investors who are unable to attend the AGM but would like to vote, may approach their respective CPF agent banks and SRS operators at least seven (7) business days before the AGM (i.e. by **2.00 p.m. on 14 January 2026**) to appoint the Chairman of the AGM to act as their proxy and submit their votes, in which case, such CPF and SRS investors shall be precluded from attending the AGM.
2. This proxy form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We, _____ (Name) _____ (NRIC/Passport No./Company Registration No.)

of _____ (Address)

being a member/members of HG Metal Manufacturing Limited (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or if no proxy is named, the Chairman of the Annual General Meeting ("AGM") of the Company as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the AGM of the Company to be held at 28 Jalan Buroh, Singapore 619484 on Friday, 23 January 2026 at 2.00 p.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for, vote against or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matter arising at the AGM and at any adjournment thereof. All resolutions put to the vote at the AGM shall be decided by way of poll.

(Please indicate your vote "For" or "Against" or "Abstain" with a tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.)

No.	Resolutions relating to:	For	Against	Abstain
1	Directors' Statement and Audited Financial Statements for the financial period ended 30 September 2025			
2	Approval of a final tax-exempt (one-tier) dividend of 1.5 Singapore cents (\$S0.015) per ordinary share for the financial period ended 30 September 2025			
3	Re-election of Mr Ong Hwee Li as a Director			
4	Re-election of Ms Xiao Xia as a Director			
5	To approve the payment of Directors' fees of up to S\$224,070 for the financial year ending 30 September 2026			
6	Re-appointment of Ernst & Young LLP as Auditors			
7	Authority to issue shares and convertible securities pursuant to Section 161 of the Companies Act 1967			
8	Renewal of the Share Purchase Mandate			
9	Renewal of the Interested Person Transactions Mandate			

Dated this _____ day of _____ 2026

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s) or,
Common Seal of Corporate Shareholder

* Delete where inapplicable

Notes:

1. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.
2. If the member has shares entered against his name in the Depository Register, he should insert that number of shares. If the member has shares registered in his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by the member.
3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies. Where such member's proxy form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form; and
(b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two (2) proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"Relevant intermediary" shall have the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

4. A proxy need not be a member of the Company. The proxy must bring along his/her NRIC/Passport so as to enable the Company to verify his/her identity.
5. This proxy form, duly executed, must be submitted to the Company in the following manner:
 - (i) by email to sg.is.proxy@vistra.com; or
 - (ii) by post to the Registered Office of the Company at 28 Jalan Buroh, Singapore 619484in each case, by **2.00 p.m. on 21 January 2026** (being not less than forty-eight (48) hours before the time appointed for holding the AGM).
6. This proxy form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
7. Where this proxy form is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this proxy form, failing which this proxy form may be treated as invalid.
8. Persons who hold shares through relevant intermediaries (including CPF and SRS Investors) and wish to exercise their votes may appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM, in which case they should approach their respective relevant intermediaries (which would include CPF and SRS operators) to submit their votes at least seven (7) business days before the AGM (i.e. by **2.00 p.m. on 14 January 2026**, to enable their respective relevant intermediaries to in turn submit the proxy forms to appoint the Chairman of the AGM to vote on their behalf by **2.00 p.m. on 21 January 2026**.
9. The Company shall be entitled to reject this proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this proxy form (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of Annual General Meeting dated 31 December 2025.



HG METAL MANUFACTURING LIMITED

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