



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

**Condensed Interim Financial Statements  
for the Half Year Ended 30 June 2025**



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# HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

		Group		
	Note	6 months ended 30 June 2025	6 months ended 30 June 2024	%
		S\$'000	S\$'000	(+/-)
<b><u>Continuing operations</u></b>				
Revenue	7	87,481	73,107	20
Cost of sales		(76,493)	(63,196)	21
Gross profit		10,988	9,911	11
Gross margin		12.6%	13.6%	
Other operating income		707	1,015	(30)
Selling and distribution costs		(873)	(591)	48
Administrative expenses		(3,556)	(3,978)	(11)
Other operating expenses		(2,741)	(1,640)	67
Finance costs		(254)	(328)	(23)
Reversal of impairment loss on financial assets		25	48	(48)
Profit before income tax from continuing operations	8	4,296	4,437	(3)
Income tax expense	11	(674)	(726)	(7)
Net Profit for the period from continuing operations		3,622	3,711	(2)
<b><u>Discontinued operations</u></b>				
Net loss for the period after tax from discontinued operations		-	(264)	nm*
Net profit for the period		3,622	3,447	5
<b>Profit/(loss) attributable to:</b>				
Owners of the Company				
Profit from continuing operations		3,622	3,711	(2)
Loss from discontinued operations		-	(2,527)	nm*
		3,622	1,184	nm*
<b>Non-controlling interests</b>				
Profit from discontinued operations		-	2,263	nm*
		-	2,263	nm*

# HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

	Note	Group		
		6 months ended 30 June 2025	6 months ended 30 June 2024	%
		S\$'000	S\$'000	(+/-)
<b>Net Profit for the year</b>		<b>3,622</b>	<b>3,447</b>	<b>5</b>
<b>Other comprehensive income:</b>				
Items that may be reclassified subsequently to profit or loss :				
Foreign currency translation		(78)	(135)	(42)
Reclassification of foreign currency translation reserve to profit or loss		-	(59)	nm*
<b>Other comprehensive income for the period, net of tax</b>		<b>(78)</b>	<b>(194)</b>	<b>(60)</b>
<b>Total comprehensive income for the period</b>		<b>3,544</b>	<b>3,253</b>	<b>9</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company				
Profit from continuing operations		3,544	3,617	(2)
Loss from discontinued operations		-	(2,578)	nm*
		<b>3,544</b>	<b>1,039</b>	<b>nm*</b>
Non-controlling interests				
Profit from discontinued operations		-	2,214	nm*
		<b>-</b>	<b>2,214</b>	<b>nm*</b>
<b>Earnings per ordinary share:</b>				
Basic (cents)				
Earning per ordinary share for continuing operations	12	1.32	2.46	nm*
Earning per ordinary share for discontinued operations	12	-	(1.68)	nm*
Diluted (cents)				
Earning per ordinary share for continuing operations	12	1.32	2.46	nm*
Earning per ordinary share for discontinued operations	12	-	(1.68)	nm*

\*nm denotes not meaningful

# HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

### Condensed interim statements of financial position

	Note	Group		Company	
		31 December		31 December	
		30 June 2025	2024	30 June 2025	2024
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	13	17,721	18,354	4,006	4,110
Right-of-use assets		5,438	5,535	5	14
Intangible assets	14	216	186	167	150
Investment in subsidiaries		-	-	13,028	13,028
Investment securities		254	255	254	255
Restricted deposits		142	142	-	-
		23,771	24,472	17,460	17,557
<b>Current assets</b>					
Investment securities		2	2	2	2
Cash and cash equivalents		54,771	55,387	43,556	45,080
Fixed deposits pledged with banks		16,325	16,325	12,325	12,325
Inventories		13,252	11,923	1,810	2,488
Trade and other receivables	15	63,696	61,362	42,997	43,142
Prepaid expenses		429	226	191	150
		148,475	145,225	100,881	103,187
<b>Total assets</b>		172,246	169,697	118,341	120,744
<b>Current liabilities</b>					
Lease liabilities	19	672	578	28	35
Trade and other payables	16	7,104	7,941	15,085	17,496
Bank borrowings	19	1,434	1,910	142	353
Provision for income tax		1,444	1,535	-	-
Derivative financial instruments*	17	967	5	589	13
		11,621	11,969	15,844	17,897
<b>Non-current liabilities</b>					
Lease liabilities	19	4,468	4,547	-	-
Bank borrowings	19	4,183	4,751	-	-
Deferred tax liabilities		571	571	-	-
Provision for reinstatement costs		1,572	1,572	-	-
		10,794	11,441	-	-
<b>Total liabilities</b>		22,415	23,410	15,844	17,897
<b>Net assets</b>		149,831	146,287	102,497	102,847
<b>Equity attributable to owners of the Company</b>					
Share capital	21	109,882	109,882	109,882	109,882
Treasury shares		(3,034)	(3,034)	(3,034)	(3,034)
Other reserves		2,808	2,886	2,527	2,527
Accumulated profits/(losses)		40,174	36,552	(6,878)	(6,528)
		149,830	146,286	102,497	102,847
<b>Non-controlling interests</b>		1	1	-	-
<b>Total equity</b>		149,831	146,287	102,497	102,847
<b>Total equity and liabilities</b>		172,246	169,697	118,341	120,744

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

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

**Condensed Interim Financial Statements for the Half Year Ended 30 June 2025**

**Condensed interim statements of changes in equity**

Group	Attributable to owners of the Company								Total equity
	Share capital	Treasury shares	Capital reserve	Premium paid on acquisition of non-controlling interest	Foreign currency translation reserve	Accumulated profits	Total	Non-controlling interests	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2025	109,882	(3,034)	2,527	(212)	571	36,552	146,286	1	146,287
Profit for the period	-	-	-	-	-	3,622	3,622	-	3,622
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	-	-	(78)	-	(78)	-	(78)
Other comprehensive income for the period, net of tax	-	-	-	-	(78)	-	(78)	-	(78)
Total comprehensive income for the period	-	-	-	-	(78)	3,622	3,544	-	3,544
At 30 June 2025	109,882	(3,034)	2,527	(212)	493	40,174	149,830	1	149,831

**HG METAL MANUFACTURING LIMITED**  
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**Condensed Interim Financial Statements for the Half Year Ended 30 June 2025**

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

Group	Attributable to owners of the Company								Total equity
	Share capital	Treasury shares	Capital reserve	Premium paid on acquisition of non-controlling interest	Foreign currency translation reserve	Accumulated profits	Total	Non-controlling interests	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2024	77,463	(3,034)	2,527	(212)	682	30,238	107,664	(2,504)	105,160
Profit for the period	-	-	-	-	-	1,184	1,184	2,263	3,447
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	-	-	(86)	-	(86)	(49)	(135)
Reclassification of foreign currency translation reserve to profit or loss	-	-	-	-	(59)	-	(59)	-	(59)
Other comprehensive income for the period, net of tax	-	-	-	-	(145)	-	(145)	(49)	(194)
Total comprehensive income for the period	-	-	-	-	(145)	1,184	1,039	2,214	3,253
<u>Contribution by and distributions to owners</u>									
Issuance of ordinary shares	4,291	-	-	-	-	-	4,291	-	4,291
Total contribution by and distributions to owners	4,291	-	-	-	-	-	4,291	-	4,291
<u>Change in ownership interest in subsidiary</u>									
Disposal of a subsidiary	-	-	-	-	-	-	-	291	291
Total change in ownership interest in subsidiary	-	-	-	-	-	-	-	291	291
Total transactions with owners in their capacity as owners	4,291	-	-	-	-	-	4,291	291	4,582
At 30 June 2024	81,754	(3,034)	2,527	(212)	537	31,422	112,994	1	112,995

# HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

Company	Share capital	Treasury shares	Capital reserve	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2025	109,882	(3,034)	2,527	(6,528)	102,847
Loss for the period, representing total comprehensive income for the period	-	-	-	(350)	(350)
At 30 June 2025	109,882	(3,034)	2,527	(6,878)	102,497
At 1 January 2024	77,463	(3,034)	2,527	(6,668)	70,288
Loss for the period, representing total comprehensive income for the period	-	-	-	(821)	(821)
<u>Contributions by and distributions to owners</u>					
Issuance of ordinary shares	4,291	-	-	-	4,291
Total transactions by and distributions to owners	4,291	-	-	-	4,291
Total transactions with owners in their capacity as owners	4,291	-	-	-	4,291
At 30 June 2024	81,754	(3,034)	2,527	(7,489)	73,758



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

**Condensed Interim Financial Statements for the Half Year Ended 30 June 2025**

**Condensed interim consolidated statement of cash flows**

	<b>Group</b>	
	6 months ended 30 June 2025	6 months ended 30 June 2024
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax from continuing operations	4,296	4,437
Loss before income tax from discontinued operations	-	(264)
	4,296	4,173
Adjustments for:		
Bad debts write off	-	2
Depreciation of property, plant and equipment	908	882
Depreciation of right-of-use assets	469	423
Amortisation of intangible assets	17	15
Gain on disposal of property, plant and equipment	-	(9)
Write down of inventories	55	194
Loss on disposal of subsidiary	-	337
Reversal impairment loss on financial assets	(25)	(48)
Fair value loss/(gain) on derivatives, net	962	(312)
Finance costs	254	283
Interest income	(603)	(264)
Unrealised foreign exchange gain, net	(129)	(193)
<b>Operating cash flow before changes in working capital</b>	6,204	5,483
Working capital changes:		
Inventories	(1,384)	3,943
Trade and other receivables	(2,361)	(7,253)
Prepaid expenses	(203)	(262)
Trade and other payables	(929)	(2,535)
<b>Cash generated from/(used in) operations</b>	1,327	(624)
Interest expense paid	(254)	(283)
Interest income received	632	312
Income tax paid	(765)	(2)
<b>Net cash flows generated from/(used in) operating activities</b>	940	(597)
<b>Cash flows from investing activities</b>		
Net cash outflow from disposal of a subsidiary	-	(1,398)
Fixed deposit pledged with banks	-	(75)
Proceeds from disposal of property, plant and equipment	24	111
Purchase of property, plant and equipment	(292)	(677)
Purchase of intangible assets	(47)	(13)
<b>Net cash flows used in investing activities</b>	(315)	(2,052)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares in the Company	-	4,291
Proceeds from bank borrowings	-	8,948
Repayment of bank borrowings	(1,045)	(7,549)
Principal element of lease payments	(357)	(312)
<b>Net cash flows (used in)/generated from financing activities</b>	(1,402)	5,378
Net (decrease)/increase in cash and cash equivalents	(777)	2,729
Effects on exchange rate changes on cash and cash equivalents	161	(155)
Cash and cash equivalents at beginning of financial period	55,387	16,493
<b>Cash and cash equivalents at end of financial period</b>	54,771	19,067

**Condensed Interim Financial Statements for the Half Year Ended 30 June 2025**

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**Selected notes to the condensed interim consolidated financial statements**

**1. Corporate information**

HG Metal Manufacturing Limited (the “Company”) is a public limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange. Pursuant to a mandatory general offer for all issued and paid-up ordinary shares (the “Shares”) in the capital of the Company, excluding treasury shares and those owned, controlled or agreed to be acquired by the Offeror or the Concert Parties, which was completed on 3 February 2025, Green Estee Pte. Ltd. (“Estee”), a private limited company incorporated and domiciled in Singapore acquired approximately 52.59% of the total issued share capital of the Company. As a result, Estee became the immediate and ultimate holding company of the Company.

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

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

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

**2. Basis of Preparation**

The condensed interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

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

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

**3. Changes in accounting policies**

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I), except that in the current financial period, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2025. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

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

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

**Condensed Interim Financial Statements for the Half Year Ended 30 June 2025**

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

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

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

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

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

Discontinued operations are excluded from the results of continuing operations and are presented as 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 10. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

**5. Use of judgements and estimates**

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

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

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

**Condensed Interim Financial Statements for the Half Year Ended 30 June 2025**

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

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

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

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

*(a) Allowance for expected credit losses of trade receivables*

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

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

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

The carrying amount of trade receivables as at 30 June 2025 was S\$59,271,000 (31 December 2024: S\$53,054,000) respectively. The ECLs provided are disclosed in Note 15.

*(b) Allowance for slow-moving and obsolete inventories*

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

The carrying amount of the inventories as at 30 June 2025 was S\$13,252,000 (31 December 2024: S\$11,923,000). Included in the carrying amount of the inventories is an allowance of write-down of inventories of S\$667,000 (31 December 2024: S\$689,000).

# HG METAL MANUFACTURING LIMITED

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## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

#### 6. Segment information

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

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

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

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

	Continuing Operations				
	Trading	Manufacturing	Others	Adjustment/ elimination	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1 January 2025 to 30 June 2025</b>					
<b>Revenue</b>					
Sales to external customers	3,890	83,591	-	-	87,481
Inter-segment sales	36,565	1,755	-	(38,320)	-
Total	40,455	85,346	-	(38,320)	87,481
<b>Results</b>					
Other income	1,267	2,530	18	(3,711)	104
Interest income	725	49	5	(176)	603
Gain from disposal property, plant and equipment	12	-	-	(12)	-
Fair value loss from derivatives	(576)	(386)	-	-	(962)
(Write-down)/write back of inventories	(60)	5	-	-	(55)
Interest expense	(4)	(426)	-	176	(254)
Depreciation and amortisation of assets	(174)	(749)	(2)	-	(925)
Depreciation of right-of-use assets	(10)	(459)	-	-	(469)
Segment (loss)/profit	(350)	4,596	1,109	(1,059)	4,296
Income tax expenses					(674)
Profit for the year					3,622
<b>Assets and liabilities</b>					
*Additions to non-current assets	92	623	-	(17)	698
Segment assets	118,342	118,113	11,911	(76,120)	172,246
Segment liabilities	15,843	63,748	20	(59,211)	20,400
Tax payable					1,444
Deferred tax liabilities					571
Total liabilities					22,415

# HG METAL MANUFACTURING LIMITED

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## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

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

	Continuing Operations				
	Trading	Manufacturing	Others	Adjustment/ elimination	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>1 January 2024 to 30 June 2024</u></b>					
<b>Revenue</b>					
Sales to external customers	6,737	66,370	-	-	73,107
Inter-segment sales	13,953	1,801	-	(15,754)	-
Total	20,690	68,171	-	(15,754)	73,107
<b>Results</b>					
Other income	1,493	2,148	-	(3,255)	386
Dividend income	2,430	-	-	(2,430)	-
Government grant income	19	25	-	-	44
Interest income	470	64	5	(275)	264
Gain from disposal property, plant and equipment	-	-	-	9	9
Fair value gain from derivatives	190	122	-	-	312
Write-down of inventories	(194)	-	-	-	(194)
Bad debts write-off	-	(2)	-	-	(2)
Interest expense	(11)	(592)	-	275	(328)
Depreciation and amortisation of assets	(207)	(717)	(2)	29	(897)
Depreciation of right-of-use assets	(23)	(400)	-	-	(423)
Segment loss	(482)	3,870	(21)	1,070	4,437
Income tax expense					(726)
Loss for the period					3,711
<b>Assets and liabilities</b>					
*Additions to non-current assets	11	927	-	111	1,049
Segment assets	92,193	110,831	12,596	(75,570)	140,050
Segment liabilities	18,432	65,958	1,295	(60,001)	25,684
Tax payable					738
Deferred tax liabilities					631
Total liabilities					27,053

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

# HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

#### 7. Disaggregation of revenue

	<b>Group</b>		
	6 months ended 30 June 2025		
	<b>Trading</b>	<b>Manufacturing</b>	<b>Group</b>
	S\$'000	S\$'000	S\$'000
Sales of goods (at a point in time)	2,967	7,715	10,682
Cut & bend (at a point in time)	-	75,876	75,876
Rental of steel plates (over time)	923	-	923
Total Revenue	3,890	83,591	87,481

	<b>Group</b>		
	6 months ended 30 June 2024		
	<b>Trading</b>	<b>Manufacturing</b>	<b>Group</b>
	S\$'000	S\$'000	S\$'000
Sales of goods (at a point in time)	5,677	7,240	12,917
Cut & bend (at a point in time)	-	59,130	59,130
Rental of steel plates (over time)	1,060	-	1,060
Total Revenue	6,737	66,370	73,107

#### 8. Profit before income tax

	<b>Group</b>	
	6 months ended 30 June 2025	6 months ended 30 June 2024
	S\$'000	S\$'000
Profit before tax from continuing operations is arrived at after crediting/(charging) the following:		
Bad debts write-off	-	(2)
Depreciation of property, plant and equipment	(908)	(882)
Depreciation of right-of-use assets	(469)	(423)
Amortisation of intangible assets	(17)	(15)
Gain on disposal of property, plant and equipment	-	9
Reversal impairment loss on financial assets	25	48
Fair value (loss)/gain on derivatives, net	(962)	312
Foreign exchange (loss)/gain, net	(205)	317
Interest income	603	264
Finance costs	(254)	(328)
Write down of inventories	(55)	(194)

# HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

#### 9. Related companies and related parties transactions

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

	<b>Company</b>	
	6 months ended	6 months ended
	30 June 2025	30 June 2024
	S\$'000	S\$'000
<i><b>With subsidiaries</b></i>		
Sales	36,565	13,953
Dividend income	-	2,430
Management fee income	854	945
Interest income	176	275
Other income	409	437
Rental expenses	(551)	(385)
Other expenses	(49)	(64)

	<b>Group</b>		<b>Company</b>	
	6 months ended	6 months ended	6 months ended	6 months ended
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	S\$'000	S\$'000	S\$'000	S\$'000
<i><b>With a fellow subsidiary of the Company</b></i>				
Purchases	(31,201)	-	(3,690)	-



# HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

#### 10. Discontinued operations and disposal group classified as held for sale

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)
<b>Net liabilities attributable to the Company derecognised upon disposal</b>	<b>(305)</b>
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)
	(1,022)
Net loss arising from waiver of intercompany debts owed by FFI **	(2,230)
<b>Loss on disposal of FFI attributable to the owners of the Company***</b>	<b>(3,252)</b>

# HG METAL MANUFACTURING LIMITED

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## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

#### 10. Discontinued operations and disposal group classified as held for sale (cont'd)

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

\*\*On the date of disposal, the intercompany debts owed by FFI to the parent company were waived as part of the disposal arrangement. These debts were previously fully provided by the Group and had 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 the 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)
<b>Cash outflow on disposal</b>	<b>(1,398)</b>

# HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

#### 11. Income tax expense

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

	<b>Group</b>	
	6 months ended 30 June 2025	6 months ended 30 June 2024
	S\$'000	S\$'000
<b>Current income tax expense</b>		
Current financial year		
- Attributable to continuing operations	674	726
<b>Total income tax expenses recognised in the statement of comprehensive income</b>	<b>674</b>	<b>726</b>

#### 12. Earnings per shares

	<b>Group</b>	
	6 months ended 30 June 2025	6 months ended 30 June 2024
<u>Earnings per ordinary share for continuing operations:</u>		
Basic (cents)	1.32	2.46
Diluted (cents)	1.32	2.46
<u>Earnings per ordinary share for discontinued operations:</u>		
Basic (cents)	-	(1.68)
Diluted (cents)	-	(1.68)
<u>Total earnings per ordinary shares for continuing and discontinued operations:</u>		
Basic (cents)	1.32	0.78
Diluted (cents)	1.32	0.78

Earnings per share were calculated based on weighted average number of shares of 274,740,678 and 150,622,320 for the period ended 30 June 2025 and 30 June 2024 respectively.

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

**HG METAL MANUFACTURING LIMITED**  
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**Condensed Interim Financial Statements for the Half Year Ended 30 June 2025**

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

**13. Property, plant and equipment**

	Group									
	Freehold land	Buildings	Leasehold buildings	Plant and machinery	Furniture and fittings	Office equipment	Renovation	Motor vehicles	Construction in progress	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cost</b>										
At 31 December 2024	183	241	19,410	20,775	338	552	70	2,392	16	43,977
Additions	-	-	2	211	-	-	-	66	-	279
Exchange difference	(2)	(2)	-	-	-	-	-	-	-	(4)
At 30 June 2025	181	239	19,412	20,986	338	552	70	2,458	16	44,252
<b>Accumulated depreciation</b>										
At 31 December 2024	-	77	9,728	13,024	308	484	48	1,954	-	25,623
Charge for the period	-	2	332	499	6	20	7	42	-	908
At 30 June 2025	-	79	10,060	13,523	314	504	55	1,996	-	26,531
<b>Net carrying amount</b>										
At 31 December 2024	183	164	9,682	7,751	30	68	22	438	16	18,354
At 30 June 2025	181	160	9,352	7,463	24	48	15	462	16	17,721

During the six months ended 30 June 2025, the Group acquired property, plant and equipment with aggregate cost S\$279,000 (30 June 2024: S\$777,000).

**HG METAL MANUFACTURING LIMITED**  
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**Condensed Interim Financial Statements for the Half Year Ended 30 June 2025**

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

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

	Company					
	Plant and machinery S\$'000	Furniture and fittings S\$'000	Office equipment S\$'000	Renovation S\$'000	Motor vehicles S\$'000	Total S\$'000
<b>Cost</b>						
At 31 December 2024	9,403	264	445	56	2,278	12,446
Additions	-	-	-	-	66	66
Disposal and write-off	(9)	-	-	-	-	(9)
At 30 June 2025	9,394	264	445	56	2,344	12,503
<b>Accumulated depreciation</b>						
At 31 December 2024	5,718	260	398	40	1,920	8,336
Charge for the period	105	1	17	6	36	165
Disposal and write-off	(4)	-	-	-	-	(4)
At 30 June 2025	5,819	261	415	46	1,956	8,497
<b>Net carrying amount</b>						
At 31 December 2024	3,685	4	47	16	358	4,110
At 30 June 2025	3,575	3	30	10	388	4,006

**HG METAL MANUFACTURING LIMITED**  
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**Condensed Interim Financial Statements for the Half Year Ended 30 June 2025**

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

**14. Intangible assets**

	<b>Group</b>		
	Computer software S\$'000	Club membership S\$'000	Total S\$'000
<b>Cost</b>			
At 31 December 2024	1,110	143	1,253
Additions	47	-	47
At 30 June 2025	1,157	143	1,300
<b>Accumulated amortisation</b>			
At 31 December 2024	1,067	-	1,067
Amortisation	17	-	17
At 30 June 2025	1,084	-	1,084
<b>Net carrying amount</b>			
At 31 December 2024	43	143	186
At 30 June 2025	73	143	216

	<b>Company</b>		
	Computer software S\$'000	Club membership S\$'000	Total S\$'000
<b>Cost</b>			
At 31 December 2024	956	143	1,099
Additions	26	-	26
At 30 June 2025	982	143	1,125
<b>Accumulated amortisation</b>			
At 31 December 2024	949	-	949
Amortisation	9	-	9
At 30 June 2025	958	-	958
<b>Net carrying amount</b>			
At 31 December 2024	7	143	150
At 30 June 2025	24	143	167

# HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

#### 15. Trade and other receivables

	<b>Group</b>	
	30 June 2025	31 December 2024
	S\$'000	S\$'000
Trade receivables	60,893	54,701
Allowance for expected credit loss	(1,622)	(1,647)
<b>Total trade receivables</b>	<b>59,271</b>	<b>53,054</b>
Advances to suppliers	4,204	8,025
Deposits	218	279
Other receivables	7	8
Allowance for expected credit loss	(4)	(4)
<b>Total other receivables</b>	<b>4,425</b>	<b>8,308</b>
<b>Total trade and other receivables</b>	<b>63,696</b>	<b>61,362</b>

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

#### Expected credit losses

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

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

	<b>Group</b>	
	6 months ended 30 June 2025	6 months ended 30 June 2024
	S\$'000	S\$'000
At beginning of the period	1,647	1,685
Reversal of allowance for expected credit loss	(25)	(44)
At end of period	1,622	1,641

# HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

#### 15. Trade and other receivables (cont'd)

	<b>Group</b>	
	6 months ended 30 June 2025	6 months ended 30 June 2024
	S\$'000	S\$'000
At beginning of the period	4	35
Reversal of allowance for expected credit loss	-	(4)
At end of period	4	31

The Group has reversed an allowance for expected credit losses of S\$25,000 for the current financial period ended 30 June 2025.

#### Credit risk of trade receivables

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

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

		<b>Trade receivables</b>				
		Less than 3 months past due	3 months to 6 months past due	6 months to 12 months past due	More than 12 months past due	Total
		Current S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Singapore:</b>						
<b>30 June 2025</b>						
Gross amount	27,764	27,706	1,634	1,350	2,439	60,893
Loss allowance provision	-	-	-	-	(1,622)	(1,622)
	27,764	27,706	1,634	1,350	817	59,271
<b>31 December 2024</b>						
Gross amount	21,083	28,158	1,368	2,520	1,564	54,693
Loss allowance provision	(4)	(19)	(7)	(53)	(1,564)	(1,647)
	21,079	28,139	1,361	2,467	-	53,046
<b>Other geographical areas:</b>						
<b>30 June 2025</b>						
Gross amount	-	-	-	-	-	-
Loss allowance provision	-	-	-	-	-	-
	-	-	-	-	-	-
<b>31 December 2024</b>						
Gross amount	8	-	-	-	-	8
Loss allowance provision	-	-	-	-	-	-
	8	-	-	-	-	8



# HG METAL MANUFACTURING LIMITED

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## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

#### 15. Trade and other receivables (cont'd)

##### Credit risk of concentration profiles

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

	Group	
	30 June 2025	31 December 2024
	S\$'000	S\$'000
<b>By country:</b>		
Malaysia	-	8
Singapore	59,271	53,046
	<u>59,271</u>	<u>53,054</u>
 <b>By industry sectors:</b>		
Trading	58	637
Construction	59,017	52,223
Others	196	194
	<u>59,271</u>	<u>53,054</u>

**HG METAL MANUFACTURING LIMITED**  
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**Condensed Interim Financial Statements for the Half Year Ended 30 June 2025**

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

**16. Trade and other payables**

	<b>Group</b>	
	30 June 2025	31 December 2024
	S\$'000	S\$'000
Trade payables	2,856	2,923
Other payables:		
Deposits from customers	63	74
Accrued operating expenses	1,995	2,517
Other payables	967	1,488
GST payables	1,223	939
<b>Total trade and other payables</b>	<b>7,104</b>	<b>7,941</b>

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

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

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

# HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

#### 17. Financial instruments

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2025 and 31 December 2024.

	Group		Company	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial assets</b>				
Trade and other receivables	59,492	53,337	42,352	38,186
Bank balances and fixed deposits	71,238	71,854	55,881	57,405
Investment securities	256	257	256	257
<b>Total financial assets</b>	<b>130,986</b>	<b>125,448</b>	<b>98,489</b>	<b>95,848</b>
<b>Financial liabilities</b>				
Trade and other payables	5,881	6,806	15,004	17,247
Bank borrowings	5,617	6,661	142	353
Derivative financial instruments	967	5	589	13
<b>Total financial liabilities</b>	<b>12,465</b>	<b>13,472</b>	<b>15,735</b>	<b>17,613</b>

# HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

#### 18. Financial instruments carried on fair value

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

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

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

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

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

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

	<b>Group</b>			
	30 June 2025			
	Quoted prices in active market for identical assets (level 1) S\$'000	Significant observable inputs other than quoted (Level 2) S\$'000	Unobservable inputs for the asset or liability (Level 3) S\$'000	Total fair value S\$'000
<b>Liabilities</b>				
Derivative financial instruments				
- Forward Currency contracts	-	(967)	-	(967)
	-	(967)	-	(967)

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

# HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

#### 19. Borrowings

	Group				Company			
	30 June 2025		31 December 2024		30 June 2025		31 December 2024	
	Secured*	Lease liabilities	Secured*	Lease liabilities	Secured*	Lease liabilities	Secured*	Lease liabilities
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Repayable within one year	1,434	672	1,910	578	142	28	353	35
Repayable after one year	4,183	4,468	4,751	4,547	-	-	-	-
Total	5,617	5,140	6,661	5,125	142	28	353	35

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

#### 20. Contingent liabilities

##### Guarantees

- (i) Intra-group financial guarantees comprise corporate guarantees granted by the Company to banks in respect of banking facilities amounting to \$30,837,000 to secure banking facilities provided to certain subsidiaries. The financial guarantees will expire when the loans have been paid and discharged and/or when the banking facilities are no longer available to the subsidiaries.

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

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

# HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

#### 21. Share capital and treasury shares

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

	1H2025	1H2024
Share capital	S\$'000	S\$'000
At 1 January	109,882	77,463
Issuance from share placements	-	4,291
At 30 June	109,882	81,754

	1H2025	1H2024
Total number of issued shares		
At 1 January	280,055,008	155,670,771
Issuance from share placements	-	16,130,000
At 30 June	280,055,008	171,800,771
Treasury shares	(5,314,330)	(5,314,330)
Total number of issued shares excluding treasury shares	274,740,678	166,486,441

	30 June 2025	30 June 2024
Number of issued shares (excluding treasury shares)	274,740,678	166,486,441
Number of treasury shares	5,314,330	5,314,330
Percentage of number of treasury shares against the total number of issued shares (excluding treasury shares and subsidiary holdings)	1.93%	3.19%

There were no sales, transfers, disposal, cancellation and/or use of treasury shares in 1H2025 (1H2024: Nil).

# HG METAL MANUFACTURING LIMITED

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## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

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

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

Date of share placement/ rights issue	Use of net proceeds	Amount allocated S\$'000 (*)	Amount utilised as at the date of this announcement S\$'000	Balance as at the date of this announcement S\$'000
19-Sep-23	General working capital	6,890	6,466(**)	424
28-Jun-24 & 15-Aug-24	Capital Expenditure & General Working Capital	13,052	-	13,052
16-Dec-24	General Working Capital, Business Expansion , Investment & Acquisition	19,436	170 (***)	19,266
	<b>Total</b>	<b>39,378</b>	<b>6,636</b>	<b>32,742</b>

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

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

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

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

	30 June 2025 S\$'000	30 June 2024 S\$'000
Share capital	109,882	81,754

	30 June 2025	30 June 2024
Total number of issued shares	280,055,008	171,800,771
Treasury shares	(5,314,330)	(5,314,330)
Total number of issued shares excluding treasury shares	274,740,678	166,486,441

There was no sale, transfer, disposal, cancellation and use of treasury shares during the current financial period ended 30 June 2025.

**HG METAL MANUFACTURING LIMITED**  
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**Condensed Interim Financial Statements for the Half Year Ended 30 June 2025**

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

**22. Dividends**

Not applicable

**23. Net asset value**

	<b>Group</b>		<b>Company</b>	
	As at 30	As at 31	As at 30	As at 31
	June 2025	December 2024	June 2025	December 2024
Net asset value per ordinary share (S\$)	0.55	0.53	0.37	0.37

**24. Seasonality of operations**

The Group's businesses are not significantly affected by seasonal or cyclical factor during the current financial period ended 30 June 2025.

**25. Subsequent events**

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



**Condensed Interim Financial Statements for the Half Year Ended 30 June 2025**

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

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

The condensed consolidated statement of financial position of HG Metal Manufacturing Limited and its subsidiaries as at 30 June 2025 and related condensed consolidated profit and loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and certain explanatory notes have not been audited or reviewed.

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

- (a) any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Financial performance of the Group (1H2025 vs 1H2024)**

**Revenue and Gross Profit**

The Group recorded revenue of S\$87.5 million in 1H2025, representing a 20% increase compared to revenue of S\$73.1 million reported in 1H2024. The year-on-year growth was primarily driven by a 35% increase in sales volume but negatively impacted by an 11% reduction in average selling prices, a consequence of continued decline in steel prices.

Despite a modest drop in gross profit margin from 13.6% to 12.6% year-on-year, the Group delivered an increase in gross profit to S\$11.0 million in 1H2025, up from S\$9.9 million in 1H2024.

**Other Operating Income**

Other operating income declined to S\$0.7 million in 1H2025, down from S\$1.0 million in 1H2024, primarily due to the absence of foreign exchange gain of S\$0.4 million and a fair value gain of S\$0.3 million for foreign currency contracts. This decline was partially offset by an increase in interest income of S\$0.4 million in 1H2025.

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

The Group's selling and distribution expenses in 1H2025 increased by 48% to S\$0.9 million compared to S\$0.6 million in 1H2024, primarily driven by higher sales volume and increased use of out-sourced logistics services.

# HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

## Condensed Interim Financial Statements for the Half Year Ended 30 June 2025

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

Administrative expenses declined by approximately S\$0.4 million in 1H2025, primarily attributable to reduced salary cost incurred.

Other operating expenses incurred in 1H2025 increased to S\$2.7 million, from S\$1.6 million in 1H2024. The increase was mainly attributable to a loss of S\$1.2 million from foreign exchange difference and fair value changes in foreign currency contracts, partially offset by a lower provision of S\$0.1 million for inventory write downs.

Total finance costs incurred were primarily related to borrowing for trade financing, bank term loans, construction loans and leases related to property redevelopment. Total finance cost incurred in 1H2025 decreased by 23% compared to 1H2024, mainly due to lower utilisation of trade financing for trade purchase and repayment of bank loans.

#### **Profitability**

##### **Continuing operations**

As a result of the factors mentioned above, the Company reported a net profit before tax of S\$4.3 million in 1H2025, a slight decrease from 1H2024. Total taxation expense remained consistent at approximately S\$0.7 million for both 1H2025 and 1H2024. Consequently, the Group recorded a net profit after tax of S\$3.6 million in 1H2025 compared to S\$3.7 million in 1H2024.

Excluding the impact of foreign exchange loss/gain, the Group would have recorded a net profit after tax of S\$4.8 million in 1H2025, compared to S\$3.0 million in 1H2024.

##### **Discontinued operations**

The Group recorded a net loss after tax of S\$264k in 1H2024 from a discontinued operation. The discontinued operation was disposed of on 13 February 2024.

#### **Balance Sheet**

The Group's non-current assets, which comprised mainly property, plant and equipment and right-of-use assets were S\$23.8 million as of 30 June 2025 compared to S\$24.5 million as at 31 December 2024.

As of 30 June 2025, the Group's inventory on hand stood at S\$13.3 million, reflecting a modest increase from S\$11.9 million as at 31 December 2024, aimed at supporting sales volume growth while optimizing inventory levels.

Trade and other receivables amounted to S\$63.7 million as of 30 June 2025 as compared to S\$61.4 million as at 31 December 2024. The increase of S\$2.3 million was mainly attributed to an increase in trade receivables in tandem with higher revenue generated in 1H2025.

Trade and other payables decreased to S\$7.1 million as of 30 June 2025, down from S\$7.9 million as of 31 December 2024 mainly due to the settlement of outstanding suppliers' invoices.

Total bank borrowings decreased to S\$5.6 million as of 30 June 2025 from S\$6.7 million as of 31 December 2024 mainly due to repayment of bank borrowings.

**Condensed Interim Financial Statements for the Half Year Ended 30 June 2025**

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

**Statement of Cash Flows**

The Group recorded net cash inflows from operating activities of S\$0.9 million in the current financial period. This was due to profits from operations, offset by net decrease in working capital, mainly attributed to an increase in trade and other receivables.

Net cash flows used in investing activities for 1H2025 was S\$0.3 million, mainly due to purchase of non-current assets.

Net cash flows used in financing activities for 1H2025 was S\$1.4 million, mainly due to repayment of bank borrowings of S\$1.0 million and principal lease repayments of S\$0.4 million.

The Group's cash and cash equivalents were S\$54.8 million as at 30 June 2025 in comparison to S\$19.1 million as at 30 June 2024.

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

Not applicable

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

Despite global economic uncertainties, Singapore's economy demonstrated strong resilience in the first half of 2025. According to advance estimates from the Ministry of Trade and Industry ("MTI") released on 14 July 2025, Singapore's Gross Domestic Product ("GDP") grew by 4.3% year-on-year in Q2 2025. On a quarter-on-quarter seasonally adjusted basis, the economy rebounded by 1.4%, recovering from a Q1 contraction. This rebound was led by the manufacturing sector, which posted a robust 5.5% year-on-year growth, supported in part by a temporary boost in exports due to a postponement of U.S. tariffs. The services and construction sectors also contributed to the broader recovery<sup>1,2</sup>.

However, MTI has cautioned that uncertainties are likely to persist in the second half of the year, particularly with regard to U.S. trade policy, which present significant downside risks to the global economy<sup>1</sup>.

The construction sector expanded by 4.9% in Q2 2025, a slight moderation from the 5.1% growth in Q1, driven primarily by increased public sector construction activity<sup>1</sup>. The outlook for the second half of the year remains positive, bolstered by momentum from earlier contract awards and a healthy pipeline of infrastructure projects. This optimism is reinforced by the Building and Construction Authority's ("BCA") January 2025 projection, which estimates total construction contracts for the year at S\$47–S\$53 billion, surpassing 2024 levels<sup>3</sup>.

As a participant in the construction steel supply chain, the Group is well-positioned to benefit from accelerating infrastructure development and the delivery of large-scale projects, despite continued pricing headwinds.

In Q2 2025, steel rebar prices in Singapore fell by 13% year-on-year, extending a decline that began in Q2 2023<sup>4</sup>. This drop is driven by global oversupply and aggressive pricing from Chinese exporters, compounded by U.S. tariffs that have redirected surplus Chinese steel to international markets, further pressuring prices.

**Condensed Interim Financial Statements for the Half Year Ended 30 June 2025**

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

These market dynamics are putting pressure on margins and impact the Group's capacity to offer competitive contracts. Price volatility also increases inventory and procurement risks, including potential inventory devaluation.

To counter these challenges, the Group will continue to enhance its inventory control through just-in-time purchasing and faster turnover, while pursuing operational efficiencies and cost optimization to protect margins and remain competitive.

<sup>1</sup>[https://www.mti.gov.sg/Newsroom/Press-Releases/2025/07/Singapore-GDP-Grew-by-4\\_3-Per-Cent-in-the-Second-Quarter-of-2025](https://www.mti.gov.sg/Newsroom/Press-Releases/2025/07/Singapore-GDP-Grew-by-4_3-Per-Cent-in-the-Second-Quarter-of-2025)

<sup>2</sup><https://www.mas.gov.sg/news/speeches/2025/mas-annual-report-media-conference-2024-2025>

<sup>3</sup>[https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2025/01/23/construction-demand-to-remain-strong-for-2025?utm\\_source=chatgpt.com](https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2025/01/23/construction-demand-to-remain-strong-for-2025?utm_source=chatgpt.com)

<sup>4</sup><https://www.businesstimes.com.sg/property/oversupply-china-further-tamp-down-singapore-construction-material-prices-q2>

**30. Dividend**

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

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

No interim dividend is recommended.

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

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

No dividend was declared for the financial period ended 30 June 2024.

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

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

No dividend has been declared or recommended for the current financial period as the Company intends to conserve its cash to support its immediate operating and financial needs.

**HG METAL MANUFACTURING LIMITED**  
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**Condensed Interim Financial Statements for the Half Year Ended 30 June 2025**

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

**32. Interested persons transactions**

Name of interested person and nature of transaction	Aggregate value of all interested person transactions during the financial period (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions under shareholders' mandate during the financial period (excluding transactions less than S\$100,000 pursuant to Rule 920)	
	S\$'000 1H2025	S\$'000 1H2024	S\$'000 1H2025	S\$'000 1H2024
BRC Asia Limited - Purchase	-	-	25,485	-

Interested person transactions mandates with BRC Asia Limited had been renewed at the annual general meeting held on 25 April 2025.

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

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

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

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of HG Metal Manufacturing Limited which may render the unaudited financial results for the period ended 30 June 2025 to be false or misleading in any material respect.

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

Not applicable as the Company did not undertake any transactions in relation to Mainboard Rule 706A for the half-year ended 30 June 2025.

**On behalf of the Board,**

**Ong Hwee Li**

**Chairman**

**Xiao Xia**

**Executive Director and Chief Executive Officer**

**5 August 2025**