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MEDIA RELEASE

HG Metal's FY2026 revenue was S$161.4 million with a net profit of S$10.1 million and an improved gross profit margin of 15.8%

Singapore, 19 November 2026 – SGX Mainboard-listed HG Metal Manufacturing Limited ("**HG Metal**" or the "**Company**", and together with its subsidiaries, the "**Group**") today announced its unaudited results for the 12 months ended 30 September 2026 ("**FY2026**"). As the Company changed its financial year end from 31 December to 30 September in the previous financial period, the financial period ended 30 September 2025 comprised a nine-month period from 1 January to 30 September ("**FP2025**"), making it not fully comparable to FY2026.

Key FY2026 Financial Highlights

(S$'000)	2H2026	2H2025	Change %	FY2026	FP2025	Change %
Revenue	80,404	89,500	(10)	161,374	130,273	24
Gross profit	11,737	13,885	(15)	25,543	19,208	33
Gross Profit Margin	*14.6%*	*15.5%*	*(0.9 pts)*	*15.8%*	*14.7%*	*1.1 pts*
Net Profit	4,078	5,819	(30)	10,093	7,337	38
Net Profit Margin	*5.1%*	*6.5%*	*(1.4 pts)*	*6.3%*	*5.6%*	*0.7 pts*
EPS (Basic)	S$0.0148	S$0.0212	(30.2)	S$0.0367	S$0.0267	37.5

For the six months ended 30 September 2026 ("**2H2026**"), the Group's revenue decreased by 10% to S$80.4 million from S$89.5 million reported for the six months ended 30 September 2025 ("**2H2025**"). This decrease was primarily attributed to a corresponding decline in sales volume.

The Group also reported a lower gross profit of S$11.7 million in 2H2026, as compared to S$13.9 million in 2H2025, with the decrease in gross profit mainly driven by a slight decrease in gross profit margin to 14.6% in 2H2026 from 15.5% in 2H2025. This was due to competitive market conditions that exerted pressure on selling prices, coupled with higher average material costs.

Other operating income declined to S$0.3 million in 2H2026 from S$0.6 million in 2H2025 mainly due to the reduction in interest income of S$0.3 million in 2H2026. Between 2H2026 and 2H2025, there were no significant changes in selling and distribution, and administrative expenses.

Other operating expenses decreased to S$1.6 million in 2H2026 from S$2.0 million in 2H2025, primarily due to absence of loss on foreign exchange of S$0.2 million, and a reduction in an allowance of write-down of inventory and other operating expenses of S$0.2 million.

Total finance costs incurred primarily arose from borrowings for trade financing, bank term loans, and lease obligations associated with property redevelopment. Total finance cost incurred in 2H2026 decreased by 22% compared to 2H2025, mainly due to repayment of bank loans.

As a result of the factors mentioned above, profit before tax was S$4.9 million in 2H2026 compared to S$6.8 million 2H2025 with taxation expense at S$0.8 million in 2H2026 and S$1.0 million in 2H2025, respectively. Consequently, the Group recorded a net profit after tax of S$4.1 million in 2H2026 compared to S$5.8 million in 2H2025.

For FY2026, the Group recorded a profit before tax of S$12.1 million, compared to S$8.7 million in FP2025, mainly due to the longer reporting period in FY2026. After accounting for income tax expenses of S$2.0 million in FY2026 and S$1.4 million in FP2025 respectively, the Group achieved a profit after tax of S$10.1 million in FY2026, compared to S$7.3 million in FP2025. Basic earnings per share for FY2026 was 3.67 Singapore cents (FP2025: 2.67 Singapore cents), based on a weighted average of 274,740,678 shares.

Condensed Financial Position

S$ '000	As at 30 September 2026	As at 30 September 2025
Cash and Cash Equivalents	78,034	68,547
Total Assets	181,130	175,326
Total Liabilities	21,652	21,838
Total Equity / Net Assets	159,478	153,488
NAV per share	S$ 0.58	S$ 0.56

The Group's financial position remains sound with a net asset position of S$159.5 million, total bank borrowings having decreased to S$3.9 million as at 30 September 2026 from S$5.1 million as of 30 September 2025 following loan repayments made during FY2026.

Cash and cash equivalents increased from S$68.5 million as at 30 September 2025 to S$78.0 million as at 30 September 2026. This was mainly due to cash flows from operating activities of S$10.4 million with profits from operations after offsetting net decrease in working capital, primarily due to an increase in trade and other receivables; net cash generated from investing activities of S$5.0 million, which included the S$5.7 million Eden Flame Sdn Bhd preference share subscription, a S$1.0 million deposit for 47 Tuas View Circuit, and the purchase of property, plant and equipment of S$0.5 million after offsetting the discharge of fixed deposit pledged with a bank of S$12.3 million; and net cash used in financing activities amounting to S$6.0 million, primarily comprising dividend payments, repayments of bank borrowings and principal lease repayments.

The Group's net asset value per share for FY2026 was 58 Singapore cents (FP2025: 56 Singapore cents), based on a weighted average of 274,740,678 shares.

Final Dividend

After taking into account the Company's resilient FY2026 financial results, the Board of Directors of HG Metal is recommending a Final Dividend of 2.0 Singapore cents per share for FY2026 (FP2025: 1.5 Singapore cents), which is subject to the approval of shareholders at the forthcoming annual general meeting of the Company. The recommended Final Dividend of 2.0 Singapore cents per share, represents approximately 54.4% of the Group's net profit for FY2026.

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

"FY2026 was a year of steady progress against a softer steel market, with revenue of S$161.4 million, net profit of S$10.1 million and gross profit margin improving to 15.8% on disciplined procurement and cost management. The second half was more challenging as lower sales volumes and competitive pricing weighed on revenue and margins, but our balance sheet remained healthy, with cash of S$78.0 million and net assets of S$159.5 million at year-end. During the year we advanced two initiatives that position the Group for the next phase of growth: our investment in the Eden Flame low-carbon EAF steel facility in Pasir Gudang, and the acquisition of 47 Tuas View Circuit, which was completed in October 2026 that expands our processing capacity. In FY2027, our focus will be on advancing both sites into operation, maintaining our cost discipline and broadening our low-carbon offering, while being selective about new tenders in a softer market."

Business Outlook

The Singapore economy continued to expand in the third quarter of 2026, supported by manufacturing activity, particularly in the electronics and precision engineering clusters, as well as growth across other key sectors. Based on the Ministry of Trade and Industry's (MTI) advance estimates, GDP grew by 5.4% year-on-year in 3Q 2026, moderating from 6.2% in the preceding quarter.[1] MTI had earlier raised its 2026 GDP growth forecast to 4.5% to 5.5%, supported by stronger-than-expected economic performance and increased global AI-related capital expenditure.[2] Growth is expected to moderate in 2027, although technology-related sectors, construction and financial services should continue supporting the domestic economy.[3]

Despite the continued expansion of the domestic economy, the global economic outlook remains subject to considerable uncertainty amid geopolitical tensions, trade policy uncertainties, energy price volatility and inflationary pressures. The International Monetary Fund's October 2026 World Economic Outlook projects global growth of 3.1% in 2026 and 3.4% in 2027.[4] These external developments could affect Singapore's export demand, business investment and operating costs, particularly through fluctuations in energy and commodity prices.

[1] https://isomer-user-content.by.gov.sg/1004/0dac8b2f-0140-4ccc-a381-173a1e41f371/AdvEst_3Q26.pdf
[2] https://www.meti.gov.sg/newsroom/mti-upgrades-2026-gdp-growth-forecast-to--4-5-to-5-5-per-cent-/
[3] https://www.mas.gov.sg/news/monetary-policy-statements/2026/mas-monetary-policy-statement-14oct26
[4] https://www.imf.org/en/publications/weo/issues/2026/10/13/world-economic-outlook-october-2026

Notwithstanding these external uncertainties, Singapore's construction industry is expected to benefit from a pipeline of public and private sector developments. The sector expanded by 8.8% year-on-year in 3Q 2026.[1] The Building and Construction Authority (BCA) estimates total construction demand at S$47 billion to S$53 billion in 2026, with annual demand projected to remain at S$39 billion to S$46 billion between 2027 and 2030.[5] Government commitments to public housing, healthcare, education and transport infrastructure, alongside private-sector investments, are expected to sustain construction activity.

Within the private sector, residential construction demand is likely to remain more measured amid evolving market conditions and a substantial pipeline of housing supply. According to the Urban Redevelopment Authority's (URA) 3Q 2026 real estate statistics, private residential property prices increased by 1.4% quarter-on-quarter in 3Q 2026, while developers' sales of new private residential units declined to 1,183 units from 2,141 units in 2Q 2026. Approximately 32,800 private residential units could potentially be made available for sale over the next one to two years.[6]

In contrast, commercial and industrial construction is expected to benefit from continued business investment and growing demand for specialised facilities, particularly data centres and advanced manufacturing facilities. Supporting investments in electricity grid expansion of up to S$5.3 billion between 2025 and 2029 under the Energy Market Authority's (EMA) Five-Year Energy Infrastructure Plan are also expected to create additional construction opportunities.[7]

Although domestic construction activity is expected to support market demand in the coming year, intensifying competition among industry players to secure new contracts and maintain order books, together with competitors' capacity expansion, may put pressure on quotation prices and profit margins. Additionally, rising material, energy and manpower costs may further affect the Group's operating margins and profitability. In this regard, the Group will remain prudent in evaluating contract opportunities and pricing quotations, while maintaining cost controls, operational efficiency and disciplined working capital management to support sustainable growth.

Operational Updates

- The Eden Flame facility in Pasir Gudang, in which the Group has a stake, is targeted to commence operations by the end of 2026.

- On 26 October 2026, the Group announced the completion of the acquisition of a leasehold industrial property at 47 Tuas View Circuit, Singapore 637357, comprising approximately 24,163.8 sqm of land area. The additional capacity will support the Group's expansion in existing and new business segments by enhancing its steel distribution and processing capabilities, while providing flexibility to pursue opportunities in the broader metal trading and recycling value chain. The acquisition represents an important step in expanding the

[5] https://www1.bca.gov.sg/resources/newsroom/steady-construction-demand-in-2026-as-singapore-steps-up-support-for-built-environment-firms-through-collaboration-and-innovation/
[6] https://www.ura.gov.sg/news/media/pr26-73/
[7] https://www.ema.gov.sg/news-events/news/media-releases/2026/five-year-infrastructure-plan-to-meet-unpredecented-future-demand

Group's operational capabilities, broadening its business scope and positioning it to capture future growth opportunities.

- On 23 July 2026, the Group announced that it had, together with two joint-venture partners, submitted a tender called by the National Environment Agency for the development and operation of a metal recovery facility to recover ferrous and non-ferrous metal from incineration bottom ash. The outcome of that tender remains pending.

End.

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

ABOUT HG METAL MANUFACTURING LIMITED

With more than 50 years of industry experience, HG Metal Manufacturing Limited ("HG Metal" or the "Company"), has a strong reputation as one of the largest steel distributors and processors around the region.

By understanding its clients' unique and changing needs amidst evolving market trends, HG Metal bridges the gap between upstream steel producers and end users of steel. Through its three main business segments – HG Distribution, HG Construction Steel, HG Coupler & Thread – the Company provides one-stop, end-to-end customised solutions for its strong clientele base across diverse industries.

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

HG Metal was listed on Singapore Exchange's SESDAQ on 21 March 2002 and was upgraded to the Mainboard in May 2004. For more information, please visit www.hgmetal.com

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