

HG METAL MANUFACTURING LIMITED
(the “Company”)
Registration Number 198802660D

(Incorporated in the Republic of Singapore)

MINUTES OF EXTRAORDINARY GENERAL MEETING (“EGM”)

PLACE : 28 Jalan Buroh, Singapore 619484
DATE : 27 June 2024
TIME : 10.00 a.m.

1. CHAIRMAN

On behalf of the Board of Directors, Mr Ong Hwee Li, the Independent Non-Executive Chairman (the “**Chairman**”) took the chair of the meeting and thanked the shareholders of the Company for their attendance at the EGM.

The Chairman introduced the following Directors present at the meeting in person namely:

- (i) Ms Xiao Xia, the Executive Director and Chief Executive Officer (“**CEO**”)
- (ii) Ms Ong Lizhen, Daisy, the Independent Non-Executive Director
- (iii) Ms Ng Chuey Peng, the Independent Non-Executive Director

The Chairman also introduced the Chief Financial Officer (“**CFO**”) and the Company Secretarial Agent at the meeting.

2. QUORUM

Having ascertained that a quorum was present, the Chairman called the meeting to order at 10.00 a.m..

3. NOTICE

The Notice of EGM dated 12 June 2024 (the “**Notice**”), having been despatched to the shareholders and made available on SGXNET and the Company’s website, was taken as read.

4. QUERIES RELATING TO THE ITEM ON THE NOTICE OF EGM

The Chairman informed that as of the deadline stated in the Notice, the Company did not receive any questions from shareholders.

The Chairman then invited the shareholders present at the EGM to raise queries relating to the resolution during the course of the meeting.

5. POLL VOTING

The Chairman informed the meeting that in accordance with Rule 730A(2) of the Listing Manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited, all motions tabled at the meeting would be voted on by way of a poll pursuant to Regulation 59 of the Company’s Constitution. The proposed resolution would require a simple majority of votes for it to be carried.

The Chairman further informed the meeting that he had been appointed as proxy by certain shareholders in his capacity as Chairman of the meeting and had voted according to such shareholders’ instructions.

The Chairman directed that the poll on the resolution be conducted after it has been formally proposed and seconded.

6. (ORDINARY RESOLUTION) THE PROPOSED PLACEMENT

The item on the Notice was to seek shareholders' approval for the Proposed Placement.

A shareholder raised the following queries:

1. Why the Company did not negotiate with the placee Green Esteel Pte. Ltd. ("**Esteel**"), to undertake a general offer, as the Placement price was much lower than the net asset value per share as reflected in the Company's annual report for the financial year ended 31 December 2023 ("**FY2023 annual report**");
2. Was there a need to raise capital at a discount given the FY2023 annual report shows the Company having a healthy balance sheet and cash position;
3. Did the Company attempt to seek competing offers from other investors, given that Esteel would have substantial control rights based on the Circular disclosures. The shareholder cited a listed Company in the same industry as an example of a competing investor who might be interested in the Company's shares; and
4. In this regard, was the CEO confident in her ability to lead the Group, given that the Company is bringing in a new substantial shareholder so soon after her appointment.

In response, the Board and the CFO responded as follows:

- (a) There is no interested third party who approached the Company with any investment proposal, save for Esteel. As disclosed in the Circular, the Placement price was negotiated on a willing-buyer willing-seller basis, and the Company had in fact secured a lower discount of 5% to the prevailing volume weighted average trading price when negotiating the Placement price. Typically, investors try to negotiate for the maximum 10% discount as permitted in the Listing Manual when making similar investments.
- (b) The structure of the Placement is dictated by the considerations agreed by Esteel, not the Company as issuer. In this regard, Esteel's investment in the Company will result in a maximum of 29% shareholding interest in the enlarged shares of the Company, which will result in Esteel becoming a controlling shareholder (holding at least 15% of the Company's shares) as defined in the Listing Manual. However, this does not equate to actual control of the Company which usually requires a 51% shareholding interest.
- (c) As the Company is publicly traded, the correct reference to the value of the Company's shares is the prevailing trading share price, which reflects what the market is willing to pay. The purpose of the Placement is to raise funds for future business expansion and general working capital purposes.
- (d) The CFO also went through the FY2023 annual report, explaining that the Company while has made efforts to control costs and inventory to improve the Company's financial position, there is still a real need for capital to allow the Group to expand its business operations to achieve growth. The Group would also like to continue stay resilient, reduce its reliance on debt financing in view of rising cost of debt.
- (e) The Company has a two-pronged strategy to improve its results with an aim to increase shareholder value: managing costs and cash conversion cycle while expanding business to increase revenue. Esteel's strong networks and familiarity with the regional business environment make them a valuable partner to implement the Company's strategy.

As no further questions were raised by the shareholders, the Chairman put the following motion to the meeting:

"That the Proposed Placemen be approved."

The motion was duly proposed and seconded by a shareholder, respectively.

7. POLL RESULTS

The Company had appointed RHT Atlas Pte. Ltd. as Polling Agent and Agile 8 Solutions Pte. Ltd. as Scrutineer, for the poll.

As the motions on the resolution to be considered at the meeting had been duly proposed and seconded, the shareholders proceeded to vote on the resolution. Shareholders handed over the completed poll voting papers to the Polling Agent.

The Chairman invited shareholders for refreshments while waiting for the Polling Agent to complete the counting of the votes.

The Chairman called the meeting back to order, and the meeting resumed at 11.05 a.m..

The Chairman announced the poll results as follows:

	NO. OF SHARES FOR	% FOR	NO. OF SHARES AGAINST	% AGAINST
Ordinary Resolution to approve Proposed Placement	77,743,889	99.91%	66,200	0.09%

Based on the poll results, the Chairman declared the resolution carried.

8. ANY OTHER BUSINESS

It was noted that no notice was received in respect of any other business that may properly be transacted at the meeting.

9. END OF MEETING

There being no other business, the Chairman declared the meeting closed at 11.10 a.m..

Signed as a correct record,

Mr Ong Hwee Li
Chairman