



HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

ACQUISITION OF PROPERTY LOCATED AT 47 TUAS VIEW CIRCUIT, SINGAPORE 637357

1. INTRODUCTION

The Board of Directors (the “**Board**”) of HG Metal Manufacturing Limited (the “**Company**” and together with its subsidiaries, the “**Group**”), wishes to announce that HG Construction Steel Pte Ltd (“**Purchaser**”), a wholly-owned subsidiary of the Company, has on 16 December 2025 exercised an option to purchase (“**OTP**”) granted by Hai Leck Engineering (Private) Limited (the “**Vendor**”) for the acquisition of the property located at 47 Tuas View Circuit, Singapore 637357 (the “**Property**”) (the “**Proposed Acquisition**”).

2. INFORMATION ON THE PROPERTY AND THE VENDOR

The Property is a leasehold industrial property located at 47 Tuas View Circuit, Singapore 637357, with a tenure of 30 years commencing from 15 December 2007. It comprises a 3-storey ancillary office building, two 3-storey production buildings and single-storey single-users industrial development comprising two factories and the land area is approximately 24,163.8 square meters.

The Property will be sold with vacant possession on an “as is where is” basis. Based on an independent valuation commissioned by the Group, as set out in the valuation report issued on 3 December 2025, the Property was valued at S\$19,000,000 on an as-is basis. The valuer assessed the Property, in its existing continued use, using the comparable sales method.

The Vendor is not related to any Directors or controlling shareholders of the Company.

3. SALIENT TERMS OF THE PROPOSED ACQUISITION

3.1 Purchase Price. The total purchase price of the Property is S\$20,800,000 (the “**Purchase Price**”), and is payable as follows:

- (a) 1% of the Purchase Price as the Option money (“**Option Money**”) upon issuance of the OTP by the Vendor;
- (b) 5% of the Purchase Price less any Option Money paid by the Purchaser on exercise of the OTP; and
- (c) the balance of the Purchase Price on legal completion of the sale and purchase of the Property, which shall take place 2 weeks from the latest of (i) the date of the Jurong Town Corporation’s (“**JTC**”) confirmation of no-objection to the transfer of the Property (“**JTC Final Approval**”); (ii) (where applicable) the date of confirmation from JTC that any unauthorised works on the Property are removed or regularised; or (iii) such other mutually agreed date.

3.2 Basis for Purchase Price. The Purchase Price was arrived at based on a willing-buyer willing-seller basis, in particular:

- (a) that the existing plant and equipment on the Property will be sold and transferred to the Purchaser together with the Property on an “as is where is” basis, which can be utilised by the Group in its ordinary course of business and to support the expansion of other value-added services without requiring significant additional investment.

- (b) the Group requires more space for its existing business operations as it has already maximised the available capacity at its current premises at 28 Jalan Buroh Singapore 619484 which land area is approximately 22,017.90 square meters; and
- (c) having reviewed the available properties for purchase, the Property is suitable for the Group's business and operational needs considering the remaining leasehold tenure available of more than 1 decade.

3.3 **Conditions Precedent and Long Stop Date.** The completion of the Proposed Acquisition is conditional upon the receipt of (i) the in-principle consent of JTC for the transfer of the Property and the change of use of the Property to suit the Group's business needs; (ii) the JTC Final Approval; and (iii) the receipt of satisfactory replies to all the legal requisitions in respect of the Property, by the long stop date falling 6 months from the exercise of the OTP, failing which either party may rescind the Proposed Acquisition and the monies paid shall be refunded to the Purchaser upon such rescission. Upon such rescission, neither party shall have claims against the other save for any antecedent breaches.

3.4 **Other Material Terms.** In the event that JTC requires an environmental site assessment ("ESA") to be conducted by the Vendor in respect of the Property, the Vendor shall engage a consultant to conduct the ESA and submit the ESA report to JTC. If, following from the ESA, JTC requires decontamination works to be carried out on the Property, the Vendor shall at its own cost and expense carry out such decontamination works as required by JTC within the time period as specified by JTC.

4. RATIONALE FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Group intends to use the Property in its ordinary course of business to expand its production facilities and capabilities, as well as to increase storage capacity. The current facilities are operating near full capacity, limiting the Group's ability to scale and meet growing customer demand. The acquisition will provide the necessary space and infrastructure to support future growth, enhance operational efficiency, and enable the introduction of additional value-added services without significant additional investment.

This expansion forms a critical component of the Group's strategy to increase capacity and strengthen its competitive position in anticipation of sustained growth in the Singapore construction industry. By securing this Property, the Group will be better equipped to respond to market opportunities and improve service delivery.

The Board is of the view that the Proposed Acquisition aligns with the Group's strategic objectives is in the best interests of the Group.

5. FUNDING

The acquisition of the Property will be funded through a combination of internal resources, bank borrowings, and/or net proceeds previously raised from rights issue and the share placement exercises.

6. UPDATE ON USE OF PROCEEDS FROM SHARE PLACEMENTS AND RIGHTS ISSUE

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

Date of share placement/ rights issue	Use of net proceeds	Amount allocated S\$'000*	Balance as at 15 December 2025 S\$'000**	Amount utilised as at the date of this announcement S\$'000	Balance as at the date of this announcement S\$'000
19-Sept-23	General working capital	6,890	424	-	424
28-Jun-24 & 15-Aug-24	Capital expenditure, business expansion, and general working capital	13,052	13,052	1,133 ***	11,919
16-Dec-24	General Working Capital, Business Expansion, Investment & Acquisition	19,436	16,423	-	16,423
	Total	39,378	29,899	1,133	28,766

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

** Based on the Company's announcement dated 15 December 2025, which included disclosures on the actual use of proceeds from share placements and rights issues.

*** 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. 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. This allocation is consistent with the Company's intended use of proceeds as outlined in the Circular to Shareholders.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition set out below are purely for illustrative purposes only and do not reflect the actual future financial position of the Company or the Group after completion.

The financial effects have been prepared based on the Group's latest unaudited financial statements for the financial period from 1 January 2025 to 30 September 2025 ("FP2025") announced on 18 November 2025, on the bases and assumptions set out below:

- (a) The Proposed Acquisition had been completed on 30 September 2025 for the purpose of illustrating the financial effects on the Group's net tangible assets ("NTA") and gearing; and
- (b) The Proposed Acquisition had been completed on 1 January 2025 for the purpose of illustrating the financial effects on the Group's earnings per Share ("EPS").

7.1 NTA

	Before the Proposed Acquisition	After the Proposed Acquisition ⁽²⁾
NTA (S\$'000)	153,197	153,197
Number of Shares ⁽¹⁾	274,740,678	274,740,678
NTA per share (cents)	55.76	55.76

Notes:

- (1) Based on the total number of issued shares of the Company as at the date of this Announcement, excluding 5,314,330 treasury shares.
- (2) Professional, legal and administrative costs are expected to be immaterial.

7.2 EPS

	Before the Proposed Acquisition	After the Proposed Acquisition ^{(2), (3)}
Net profit after income tax attributable to owners of the Company (S\$'000)	7,337	5,840
Weighted average number of shares ⁽¹⁾	274,740,678	274,740,678
Basic EPS (Singapore cents)	2.67	2.13

Notes:

- (1) Based on the weighted average number of Shares of the Company for FP2025, excluding 5,314,330 treasury shares.
- (2) The EPS dropped due to acquisitions cost amortization and loan interest.
- (3) Professional, legal and administrative costs are expected to be immaterial.

7.3 Gearing

	Before the Proposed Acquisition	After the Proposed Acquisition
Total borrowings (S\$'000)	10,007	20,007
Shareholders' equity (S\$'000)	153,488	153,488
Gearing Ratio (times)	0.07	0.13

8. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE LISTING MANUAL

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the listing manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST Listing Manual**”), calculated based on the Group’s latest announced unaudited financial results for the full period ended 30 September 2025 (“**FP2025**”) are set out below:

Rule 1006 (a)	The net asset value of the assets to be disposed of, compared with the Group’s net asset value	Not applicable
Rule 1006 (b)	The net profits attributable to the assets acquired or disposed of, compared with the Group’s net profits	Not applicable ⁽¹⁾
Rule 1006 (c)	The aggregate value of the consideration given or received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	15.5% ⁽²⁾
Rule 1006 (d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
Rule 1006 (e)	The aggregate volume or amount of proven and probable reserves to be disposed of compared with the aggregate of the group’s proven and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable

Notes:

- (1) No net profits are attributable to the Property as it is not a revenue-generating asset.
- (2) Market capitalization is calculated by multiplying the number of ordinary shares in the capital of the Company (excluding 5,314,330 treasury shares) by the volume weighted average market price of S\$0.4877 per share as at 15 December 2025, being the market day immediately preceding the date of exercise of the Option on which shares were last traded on the SGX-ST.

On the basis of Rule 1006 above, the Proposed Acquisition is a “discloseable transaction” as defined in Chapter 10 of the SGX-ST Listing Manual. Accordingly, the Proposed Acquisition is not subject to the approval of shareholders.

9. SERVICE CONTRACT

There are no directors proposed to be appointed to the Company in connection with the Proposed Acquisition.

10. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings (if any) in the Company.

11. DOCUMENTS FOR INSPECTION

A copy of the OTP and the valuation conducted on the Property is available for inspection at the registered office of the Company at 28 Jalan Buroh, Singapore 619484 during normal business hours for 3 months from the date of this announcement.

12. CAUTION AND FURTHER ANNOUNCEMENTS

The Board wishes to highlight that there is no certainty or assurance that the Proposed Acquisition will be completed as contemplated under the OTP. Accordingly, shareholders and potential investors are advised to exercise caution when dealing in the Company's shares. The Company will provide timely updates and make the necessary announcements should there be any material developments. Shareholders and potential investors should consult their legal, financial, tax or other professional advisers if they have any doubt about the action they should take.

By Order of the Board
HG METAL MANUFACTURING LIMITED

Xiao Xia
Executive Director & Chief Executive Officer
16 December 2025