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MEDIA RELEASE

HG Metal to expand operations with strategic property acquisition

- Expanded production capacity will support market opportunities arising from Singapore construction demand
- Facility also allows the Group to optimise its steel inventory, enhance storage capacity, enhance efficiency and enable the introduction of additional value-added services

SINGAPORE, 16 December 2025 – SGX Mainboard-listed HG Metal Manufacturing Limited (“**HG Metal**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) today announced that its wholly-owned subsidiary, HG Construction Steel Pte Ltd, has exercised an Option-To-Purchase (“**OTP**”) granted by Hai Leck Engineering (Private) Limited (the “**Vendor**”) to acquire a leasehold industrial property at 47 Tuas View Circuit, Singapore 637357 (the “**Property**”) for a purchase price of S\$20.8 million, which was arrived at on a willing-buyer willing-seller basis (the “**Proposed Acquisition**”).

The Proposed Acquisition will be funded by the Group through a combination of internal resources, bank borrowings, and/or net proceeds previously raised from the Group’s rights issue and share placement exercises.

The Property has a tenure of 30 years commencing from 15 December 2007, with approximately 12 years remaining. It comprises a 3-storey ancillary office building, two 3-storey production buildings and a single-storey single-users industrial development comprising two factories, with a land area of approximately 24,163.8 square metres.

The Property is being sold and transferred by the Vendor with vacant possession on an “as is where is” basis together with its existing plant and equipment which can be used by the Group in its ordinary course of business and to support the expansion of other value-added services. Based on an independent valuation report commissioned by the Group and issued on 3 December 2025, the Property was valued at S\$19 million on an as-is basis.

Rationale for Proposed Acquisition

The Group intends to use the Property to expand its production facilities and capabilities, as well as to increase storage capacity. The Group's current facilities at 28 Jalan Buroh, Singapore 619484 with a land area of 22,017.90 square metres, are already operating near full capacity, limiting the Group's ability to scale and meet growing customer demand. The Property will thus 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.

The Building and Construction Authority expects total construction demand, which is calculated based on the value of contracts to be awarded, to reach an average of between S\$39 billion and S\$46 billion annually over 2026 - 2029.¹ The capacity expansion via the Proposed Acquisition thus forms a critical part of the Group's strategy to increase its capacity and strengthen its competitive position in anticipation of sustained growth in the Singapore construction industry, putting it in a better position to respond to market opportunities and improve its service delivery.

Commenting on the Proposed Acquisition, Ms Xiao Xia, Executive Director and Chief Executive Officer of HG Metal, said: *"The acquisition of the new site will enhance our operational footprint and strengthen the foundations for our next phase of growth. It gives us the scale and flexibility to support more projects and capitalise on favourable steel prices to optimise our inventory as needed to deliver competitive solutions to our customers in Singapore and the region."*

With the exercise of the OTP, an amount of 5% of the purchase price is payable less the 1% of the purchase price option money paid to the Vendor on the issuance of the OTP, with the remaining balance of 95% of the purchase price to be paid upon the legal completion of the sale and purchase of the Property, which will take place two weeks from the date of Jurong Town Corporation's ("JTC") confirmation of no-objection to the transfer of the Property ("**JTC Final Approval**"); the date of confirmation by JTC that any authorised works on the Property have been removed or regularised if applicable, or any other such mutually agreed 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

¹ <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2025/01/23/construction-demand-to-remain-strong-for-2025>

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. Should an environmental site assessment (“ESA”) be required by JTC, the Vendor shall, at its own expense and cost, engage a consultant to conduct the ESA and submit the report to JTC as well as conduct any decontamination works on the Property as required by JTC, within the time period specified by JTC.

End.

Note: This media release is to be read in conjunction with the Company’s SGXnet announcement on the same date.

ABOUT HG METAL MANUFACTURING LIMITED

With more than 40 years of experience in the industry, 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 units – HG Distribution, HG Construction Steel, HG Coupler & Thread – the Company provides one-stop, end-to-end customised solutions for its strong clientele base of more than 1,500.

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 on 7 May 2004.

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