



HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

USE OF PROCEEDS FROM SHARE PLACEMENTS AND RIGHTS ISSUE

1. INTRODUCTION

The Board of Directors (the “**Board**”) of HG Metal Manufacturing Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to:

- (a) the Company's announcements dated 31 August 2023 and 16 September 2023 on the placement of 25,059,406 new ordinary shares (“**Placement Shares**”) in the capital of the Company at an issue price of S\$0.278 for each Placement Share (the “**Placement**”) that was completed on 19 September 2023;
- (b) the Company's announcement dated 25 March 2024, 5 June 2024, 27 June 2024 and 12 August 2024 as well as the circular to shareholders (“**Circular**”) dated 12 June 2024 , in relation to a placement of up to 50,130,000 new ordinary shares in the capital of the Company (the “**Placement Shares**”) at an issue price of S\$0.266 per Placement Share in two tranches that was completed on 28 June 2024 and 15 August 2024;
- (c) the Company's announcement dated 11 October 2024 and the Offer Information Statement dated 21 November 2024 issued by the Company in relation to a renounceable, non-underwritten rights issue of up to 74,254,237 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.266 per Rights Share, on the basis of 10 Rights Shares for every 27 existing shares held by entitled shareholders as at the Record Date, which was completed on 16 December 2024.
- (d) the Company's announcements dated 12 January 2024, 29 July 2024, 28 February 2025, 18 November 2025, 15 December 2025 and 16 December 2025 in which the Company provided the updates on the utilisation of the net proceeds from the Share Placements and the Rights Issue.

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

The Company wishes to provide an update on the utilisation of net proceeds raised from previous Share Placements and Rights Issues, as set out below:

| Date of share placement/ rights issue | Use of net proceeds | Amount allocated S\$'000* | Balance as at 16 December 2025 S\$'000** | Amount utilised as at the date of the 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 | 11,919 | | 11,919 |
| 16-Dec-24 | General working capital, business expansion, investment & acquisition | 19,436 | 16,423 | 2,858 *** | 13,565 |
| | Total | 39,378 | 28,766 | 2,858 | 25,908 |

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

** Based on the Company's announcement dated 16 December 2025, which included disclosures on the actual use of proceeds from share placements and rights issues.

*** Amount utilised for investment and acquisition, representing payment of the remaining balance of the issue price for the subscription of preference shares in Eden Flame Sdn Bhd. Pursuant to the Company's announcement dated 11 October 2024 and the Offer Information Statement dated 21 November 2024 issued by the Company in relation to a renounceable, non-underwritten rights issue of up to 74,254,237 new ordinary shares at an issue price of S\$0.266 per Rights Share, on the basis of 10 Rights Shares for every 27 existing shares held by entitled shareholders as at the Record Date, which was completed on 16 December 2024, approximately 25% – 30% of the net proceeds from the Rights Issue will be allocated to support the Company's core business expansion, 35% – 40% for general working capital purposes, and the remaining 30% – 40% for strategic investments and/or acquisitions. As at the date of this announcement, the aggregate amount utilised for investment and acquisition is approximately S\$5.7 million, representing 29.3% of the net proceeds from the Rights Issue.

The use of the Net Proceeds disclosed above is in accordance with the intended use of the proceeds as outlined in the Company's announcements and Circular to Shareholders relating to the Share Placements and Rights Issue.

The Company will continue to provide updates on the use of the net proceeds from the Share Placements and Rights Issue as and when such proceeds are materially disbursed or utilised.

By Order of the Board
HG METAL MANUFACTURING LIMITED

Xiao Xia
Executive Director & Chief Executive Officer
26 December 2025