

**OFFER INFORMATION STATEMENT DATED 21 NOVEMBER 2024**  
(Lodged with the Monetary Authority of Singapore (“Authority”) on 21 November 2024)

**THIS OFFER INFORMATION STATEMENT IS IMPORTANT. BEFORE MAKING ANY INVESTMENT IN THE RIGHTS SHARES (AS DEFINED HEREIN) BEING OFFERED, YOU SHOULD CONSIDER THE INFORMATION PROVIDED IN THIS DOCUMENT CAREFULLY, AND CONSIDER WHETHER YOU UNDERSTAND WHAT IS DESCRIBED IN THIS OFFER INFORMATION STATEMENT. YOU SHOULD ALSO CONSIDER WHETHER AN INVESTMENT IN THE RIGHTS SHARES BEING OFFERED IS SUITABLE FOR YOU, TAKING INTO ACCOUNT YOUR INVESTMENT OBJECTIVES AND RISK APPETITE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY. YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT CHOICES.**

Capitalised terms used below which are not otherwise defined herein shall have the same meanings ascribed to them under the section entitled “Definitions” of this offer information statement (“Offer Information Statement”) issued by HG Metal Manufacturing Limited (“Company”).

A copy of this Offer Information Statement, together with copies of the Provisional Allotment Letter (“PAL”), the Application Form for Rights Securities and Excess Rights Securities (“ARE”) and the Application Form for Rights Securities (“ARS”), has been lodged with the Authority. The Authority assumes no responsibility for the contents of this Offer Information Statement, the PAL, the ARE and the ARS. Lodgement of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act 2001 of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Rights Shares being offered for investment.

The securities offered are issued by the Company, whose shares are listed for quotation on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Company intends to list the Rights Shares, and an application has been made for permission for the securities to be listed for quotation on the SGX-ST. In-principle approval has been granted by the SGX-ST to the Company on 7 November 2024 for the listing of and quotation for the Rights Shares on the SGX-ST, subject to compliance with the SGX-ST’s listing requirements. The approval in-principle granted by the SGX-ST for the admission of, listing of and quotation for the Rights Shares is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Shares, the Company and/or its Subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained and opinions expressed in this Offer Information Statement. The Rights Shares will be admitted to the SGX-ST and the official listing of, and quotation for, the Rights Shares will commence after all conditions imposed by the SGX-ST are satisfied, the certificates relating thereto have been issued and the notification letters from The Central Depository (Pte) Limited (“CDP”) have been despatched.

Acceptance of applications will be conditional upon the issue of the Rights Shares and upon listing of the Rights Shares on the SGX-ST. Monies paid in respect of any application accepted will be returned if the listing and quotation of the Rights Shares does not proceed.

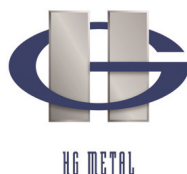
**Notification under Section 309B of the SFA** – The “nil-paid” Rights and the Rights Shares are classified as “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and “Excluded Investment Products” (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This Offer Information Statement and its accompanying documents have been prepared solely in relation to the Rights Issue and shall not be relied upon by any other person or for any other purpose.

This Offer Information Statement and its accompanying documents may be accessed at the Company’s website at the URL <https://hgmetal.listedcompany.com/newsroom.html>, and is also available on the SGX-ST’s website at the URL <https://www.sgx.com/securities/company-announcements>. In accordance with the Securities and Futures (Offers of Investments) (Temporary Exemption from Sections 277(1)(c) and 305B(1)(b)) Regulations 2020, printed copies of this Offer Information Statement will NOT be despatched to any person. Printed copies of the ARE and the ARS, in the case of Entitled Depositors, and the PAL, in the case of Entitled Scripholders, and a notification containing instructions on how Entitled Shareholders can access this Offer Information Statement electronically, will be despatched to Entitled Shareholders.

After the expiry of six (6) months from the date of lodgement of this Offer Information Statement, no person shall make an offer of securities, or allot, issue or sell any Rights Shares, on the basis of this Offer Information Statement, and no officer or equivalent person or promoter of the Company will authorise or permit the offer of any securities or the allotment, issue or sale of any Rights Shares, on the basis of this Offer Information Statement.

**YOUR ATTENTION IS DRAWN TO THE SECTION ENTITLED “RISK FACTORS” OF THIS OFFER INFORMATION STATEMENT WHICH YOU SHOULD REVIEW CAREFULLY.**



## **HG METAL MANUFACTURING LIMITED**

(Company Registration Number: 198802660D)  
(Incorporated in Singapore on 4 August 1988)

**RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 74,254,237 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “RIGHTS SHARES” OR “RIGHTS SECURITIES”) AT AN ISSUE PRICE OF S\$0.266 FOR EACH RIGHTS SHARE, ON THE BASIS OF 10 RIGHTS SHARES FOR EVERY 27 EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS AS AT THE RECORD DATE AS DEFINED HEREIN, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**

### **IMPORTANT DATES AND TIMES:**

Last date and time for splitting and trading of “nil-paid” Rights Shares	:	4 December 2024 at 5.00 p.m.
Last date and time for acceptance of and payment for the Rights Shares	:	10 December 2024 at 5.30 p.m. (9.30 p.m. for Electronic Applications through ATMs of a Participating Bank or an Accepted Electronic Service)
Last date and time for acceptance of and payment for the Rights Shares by renouncees	:	10 December 2024 at 5.30 p.m. (9.30 p.m. for Electronic Applications through ATMs of a Participating Bank or an Accepted Electronic Service)
Last date and time for application and payment for Excess Rights Shares	:	10 December 2024 at 5.30 p.m. (9.30 p.m. for Electronic Applications through ATMs of a Participating Bank or an Accepted Electronic Service)

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## IMPORTANT NOTES

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*Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the section entitled “Definitions” of this Offer Information Statement.*

**For Entitled Depositors (which excludes Entitled Scripholders, SRS Investors and investors who hold Shares through finance companies or Depository Agents) and their renounees, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares may be made through CDP or by way of an Electronic Application at any ATM of a Participating Bank or an Accepted Electronic Service.**

**For Entitled Scripholders and their renounees, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares may be made through the Share Registrar, Tricor Barbinder Share Registration Services, at 9 Raffles Place, #26-01, Republic Plaza, Singapore 048619.**

**For CPF Investors who had purchased Shares using CPF Funds, acceptances of provisional allotments of Rights Shares and (if applicable) applications for Excess Rights Shares can only be made using, subject to applicable CPF rules and regulations, their CPF Funds. In the case of insufficient CPF Funds or stock limit, CPF Investors would have to top up cash into their CPF Investment Accounts before instructing their respective CPF Approved Banks to accept provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares. CPF Funds cannot, however, be used for the purchase of provisional allotments of Rights Shares directly from the market.**

**For SRS Investors and investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through their respective finance companies or Depository Agents. Such investors are advised to provide their respective finance companies, or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances and (if applicable) applications for Excess Rights Shares on their behalf by the Closing Date. Any acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made directly through CDP, Electronic Applications at any ATM of a Participating Bank or an Accepted Electronic Service, the Share Registrar and/or the Company will be rejected.**

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares purchased must be done through the respective finance companies or Depository Agents, as the case may be. Such renounees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance of the Rights Shares made directly through CDP, Electronic Applications at any ATM of a Participating Bank or an Accepted Electronic Service, the Share Registrar and/or the Company will be rejected.

### Use of SRS Funds

SRS Investors who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS accounts.

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## IMPORTANT NOTES

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SRS Investors who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using SRS monies, must instruct the relevant approved banks in which they hold their SRS accounts to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with the terms and conditions of this Offer Information Statement.

SRS Investors who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their approved banks before instructing their respective approved banks to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares. SRS Investors are advised to provide their respective approved banks in which they hold their SRS accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance of the Rights Shares and (if applicable) application for the Excess Rights Shares made directly through CDP, Electronic Applications at any ATM of a Participating Bank or an Accepted Electronic Service, the Share Registrar and/or the Company will be rejected. For the avoidance of doubt, monies in the SRS accounts may not be used for the purchase of provisional allotments of the Rights Shares directly from the market.

The existing Shares are listed and quoted on the SGX-ST.

Persons wishing to subscribe for the Rights Shares offered under this Offer Information Statement should, before deciding whether to so subscribe for the Rights Shares, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the affairs of the Company and the Group, including but not limited to, the assets and liabilities, profits and losses, financial position, risk factors, performance and prospects of the Company and the Group, and the rights and liabilities attaching to the Rights Shares and/or the Shares. They should make their own independent enquiries and investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their stockbroker, bank manager, legal adviser, accountant or other professional adviser before deciding whether to acquire the Rights Shares, purchase any Shares or invest in the Company.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement in connection with the Rights Issue, the provisional allotments of the Rights Shares or the allotment and issuance of the Rights Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company.

Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company and/or the Group. Neither the delivery of this Offer Information Statement nor the issue of the Rights Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no change in the affairs of the Company or of the Group or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement Offer Information Statement with the Authority. All Entitled Shareholders and their renounees and Purchasers should take note of any such announcement and, upon the release of such announcement and/or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

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## IMPORTANT NOTES

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The Company makes no representation or warranty to any person in this Offer Information Statement regarding the legality of an investment in the Rights Shares and/or the Shares, by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. Each prospective investor should consult his own professional or other adviser(s) for business, financial, legal or tax advice regarding an investment in the Rights Shares and/or the Shares.

The Company makes no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Rights Shares, the Shares, the Company, the Group or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept and/or purchase the Rights Shares and/or the Shares. Prospective subscribers of the Rights Shares should rely on their own investigation of the financial condition and affairs of, and appraisal and determination of the merits of investing in, the Company and the Group and shall be deemed to have done so.

This Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue and may not be relied upon by any person, other than Entitled Shareholders (and their renounees and Purchasers) to whom it is despatched by the Company or for any other purpose.

The Notification, this Offer Information Statement, the PAL, the ARE and the ARS may not be used for the purpose of, and do not constitute an offer, invitation or solicitation to anyone in any jurisdiction or under any circumstances in which such offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

**The distribution of the Notification, this Offer Information Statement and/or its accompanying documents may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and observe such prohibitions and restrictions at their own expense and without liability to the Company. Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement for further information.**

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## DEFINITIONS

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In this Offer Information Statement, the PAL, the ARE and the ARS, the following definitions apply throughout unless the context otherwise requires or is otherwise stated:

### Entities, Corporations and Agencies

<b>“Authority”</b>	:	Monetary Authority of Singapore
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Company”</b>	:	HG Metal Manufacturing Limited
<b>“Group”</b>	:	The Company and its Subsidiaries
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Share Registrar”</b>	:	Tricor Barbinder Share Registration Services
<b>“SIC”</b>	:	The Securities Industry Council of Singapore
<b>“Subsidiary”</b>	:	A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Companies Act

### General

<b>“2023 Placement Exercise”</b>	:	Has the meaning ascribed to it in paragraph 8(c) of Part 4 to this Offer Information Statement
<b>“2024 Placement Exercise”</b>	:	Has the meaning ascribed to it in paragraph 8(c) of Part 4 to this Offer Information Statement
<b>“Accepted Electronic Service”</b>	:	Has the meaning ascribed to it in paragraph 1.3 of Appendix II to this Offer Information Statement
<b>“ARE”</b>	:	Application and acceptance form for Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
<b>“ARS”</b>	:	Application and acceptance form for Rights Shares to be issued to Purchasers
<b>“ATM”</b>	:	Automated teller machine
<b>“Board”</b>	:	The board of Directors of the Company as at the date of this Offer Information Statement
<b>“business day”</b>	:	A day (other than a Saturday, Sunday or public holiday) on which banks, the SGX-ST, CDP and the Share Registrar are open for business in Singapore

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## DEFINITIONS

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<b>“Closing Date”</b>	:	(a) 10 December 2024 at 5.30 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company), being the last date and time for acceptance and/or excess application and payment, and renunciation and payment of the Rights Shares under the Rights Issue through CDP or the Share Registrar; or  (b) 10 December 2024 at 9.30 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company), being the last date and time for acceptance and/or excess application and payment, renunciation and payment of the Rights Shares under the Rights Issue through an Electronic Application at any ATM of a Participating Bank or an Accepted Electronic Service
<b>“Code”</b>	:	The Singapore Code on Take-overs and Mergers, as may be amended, supplemented or modified from time to time
<b>“Companies Act”</b>	:	The Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time
<b>“Compliance Offer”</b>	:	Has the meaning ascribed thereto in the section entitled “Summary of the Principal Terms of the Rights Issue” of this Offer Information Statement
<b>“Constitution”</b>	:	The constitution of the Company, as amended, modified or supplemented from time to time
<b>“CPF”</b>	:	Central Provident Fund
<b>“CPF Approved Bank”</b>	:	Any bank appointed by the CPF Board to be an agent bank for the purposes of the CPF Regulations
<b>“CPF Board”</b>	:	The Board of the CPF established pursuant to the Central Provident Fund Act 1953 of Singapore, as amended, modified or supplemented from time to time
<b>“CPF Funds”</b>	:	The CPF account savings of CPF members under the CPFIS-OA
<b>“CPF Investment Account”</b>	:	An account opened by a member of CPF with a CPF Approved Bank from which money may be withdrawn for, <i>inter alia</i> , payment for the Rights Shares pursuant to the Rights Issue
<b>“CPF Investors”</b>	:	Investors who have purchased Shares pursuant to the CPFIS

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## DEFINITIONS

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<b>“CPFIS”</b>	:	Central Provident Fund Investment Scheme
<b>“CPFIS-OA”</b>	:	CPF Investment Scheme – Ordinary Account
<b>“DCS”</b>	:	Direct Crediting Service
<b>“Directors”</b>	:	The directors of the Company as at the date of this Offer Information Statement
<b>“Electronic Application”</b>	:	Acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made through an ATM of a Participating Bank or an Accepted Electronic Service in accordance with the terms and conditions of this Offer Information Statement
<b>“Electronic Applicants”</b>	:	Entitled Depositors, their renounees or Purchasers who make Electronic Applications through an ATM of a Participating Bank or an Accepted Electronic Service
<b>“Enlarged Issued Share Capital”</b>	:	The enlarged issued and paid-up share capital of the Company immediately after the completion of the Rights Issue
<b>“Entitled Depositors”</b>	:	Shareholders with Shares entered against their names in the Depository Register maintained by CDP as at the Record Date and whose registered addresses with CDP are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date, provided CDP with addresses in Singapore for the service of notices and documents
<b>“Entitled Scripholders”</b>	:	Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Record Date and whose registered addresses with the Company are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
<b>“Entitled Shareholders”</b>	:	Entitled Depositors and Entitled Scripholders
<b>“EPS”</b>	:	Earnings per Share



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## DEFINITIONS

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<b>“Excess Rights Shares” or “Excess Rights Securities”</b>	:	The provisional allotments of Rights Shares, which are available for application by Entitled Shareholders, subject to the terms and conditions in the ARE, this Offer Information Statement and the Constitution of the Company, comprising Rights Shares not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or Purchasers, together with any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE, this Offer Information Statement and the Constitution of the Company
<b>“Existing Issued Share Capital”</b>	:	200,486,441 Shares representing the entire issued and paid-up share capital of the Company (excluding treasury Shares), as at the Latest Practicable Date
<b>“Foreign Purchasers”</b>	:	Persons purchasing the provisional allotments of Rights Shares under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system and whose registered addresses with CDP are outside Singapore and who had not, at least three (3) Market Days prior to the Record Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
<b>“Foreign Shareholders”</b>	:	Shareholders whose registered addresses with CDP or the Company are outside Singapore as at the Record Date and who had not, at least three (3) Market Days prior to the Record Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
<b>“GE Concert Party Group”</b>	:	Has the meaning ascribed thereto in the section entitled “Take-over Limits” of this Offer Information Statement
<b>“GE Undertaken Pro Rata Rights Shares”</b>	:	Has the meaning ascribed thereto under paragraph 1(f) of Part 10 (Additional Information Required for Offer of Securities or Securities-Based Derivatives Contracts by way of Rights Issue) of this Offer Information Statement
<b>“GE Undertaken Excess Rights Shares”</b>	:	Has the meaning ascribed thereto under paragraph 1(f) of Part 10 (Additional Information Required for Offer of Securities or Securities-Based Derivatives Contracts by way of Rights Issue) of this Offer Information Statement
<b>“Irrevocable Undertaking”</b>	:	The deed of irrevocable undertaking executed on 11 October 2024 by the Undertaking Shareholder in favour of the Company, further details of which are set out under paragraph 1(f) of Part 10 of this Offer Information Statement

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## DEFINITIONS

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<b>“Issue Price”</b>	:	The issue price of the Rights Shares, being S\$0.266 for each Rights Share
<b>“Last Traded Price”</b>	:	Has the meaning ascribed thereto in the section entitled “Summary of the Principal Terms of the Rights Issue” of this Offer Information Statement
<b>“Latest Practicable Date”</b>	:	19 November 2024, being the latest practicable date prior to the lodgement of this Offer Information Statement
<b>“Listing Manual”</b>	:	The Listing Manual of the SGX-ST, as amended, supplemented or modified from time to time
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“NAV”</b>	:	Net asset value
<b>“Notification”</b>	:	The notification dated 26 November 2024 containing instructions on how Entitled Shareholders and Purchasers can access this Offer Information Statement electronically in accordance with the Securities and Futures (Offers of Investments) (Temporary Exemption from Sections 277(1)(c) and 305B(1)(b)) Regulations 2020
<b>“Net Proceeds”</b>	:	The estimated net proceeds from the Rights Issue, after deducting estimated expenses of approximately S\$400,000, being approximately S\$19,351,627.04
<b>“NRIC”</b>	:	National Registration Identity Card
<b>“Offer Information Statement”</b>	:	This offer information statement issued by the Company in respect of the Rights Issue, together with the PAL, the ARE or the ARS (as the case may be) and all other accompanying documents issued by the Company, including, where the context admits, any supplementary or replacement document which may be issued by the Company and lodged with the Authority in connection with the Rights Issue
<b>“PAL”</b>	:	The provisional allotment letter to be issued to the Entitled Scripholders, setting out the provisional allotment of Rights Shares of such Entitled Scripholder under the Rights Issue
<b>“Participating Banks”</b>	:	Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited
<b>“Purchasers”</b>	:	Persons purchasing the provisional allotments of Rights Shares under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system

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## DEFINITIONS

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<b>“Record Date”</b>	:	5.00 p.m. on 21 November 2024, being the time and date at and on which the Register of Members and Share Transfer Books of the Company were closed to determine the provisional allotments of Rights Shares to Entitled Shareholders under the Rights Issue and, in the case of Entitled Depositors, at and on which their provisional allotments under the Rights Issue were determined
<b>“Register of Members”</b>	:	Register of members of the Company
<b>“Relevant Event”</b>	:	Has the meaning ascribed thereto in the section entitled “Summary of the Principal Terms of the Rights Issue” of this Offer Information Statement
<b>“Rights Issue”</b>	:	The renounceable non-underwritten rights issue by the Company of up to 74,254,237 Rights Shares at the Issue Price, on the basis of 10 Rights Shares for every 27 existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded
<b>“Rights Issue Announcement”</b>	:	The announcement issued by the Company on 11 October 2024 in relation to the Rights Issue
<b>“Rights Shares” or “Rights Securities”</b>	:	Up to 74,254,237 new Shares to be allotted and issued by the Company pursuant to the Rights Issue, each a <b>“Rights Share”</b> or a <b>“Rights Security”</b>
<b>“Securities and Futures Act”</b>	:	The Securities and Futures Act 2001 of Singapore, as amended, supplemented or modified from time to time
<b>“SGXNET”</b>	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system network(s) as may be prescribed by the SGX-ST
<b>“Shareholders”</b>	:	Registered holders of Shares in the Register of Members of the Company or, where CDP is the registered holder, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“SRS”</b>	:	The Supplementary Retirement Scheme constituted under the Income Tax (Supplementary Retirement Scheme) Regulations 2003, as amended, supplemented or modified from time to time

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## DEFINITIONS

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“SRS Approved Banks”	:	Approved banks in which SRS Investors hold their respective SRS accounts
“SRS Funds”	:	Monies standing to the credit of the respective SRS accounts of SRS Investors under the SRS
“SRS Investors”	:	Shareholders who as at the Record Date were holding Shares which were subscribed for or purchased under the SRS using their SRS Funds
“Substantial Shareholder”	:	A person who has an interest or interests in one (1) or more voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares (excluding treasury shares) in the Company
“Trading Member”	:	Has the meaning ascribed thereto under the CDP Clearing Rules of the SGX-ST, as amended, supplemented or modified from time to time
“Undertaking Shareholder”	:	Green EsteeL Pte. Ltd.

### Currencies, Units and Others

“1H”	:	The six-month financial period ended or ending 30 June
“2H”	:	The six-month financial period ended or ending 31 December
“FY”	:	The financial year ended or ending 31 December
“S\$” or “SGD”, and “Singapore cents”	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
“%” or “per cent.”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

The headings in this Offer Information Statement, the PAL, the ARE and the ARS are inserted for convenience only and shall be ignored in construing this Offer Information Statement, the PAL, the ARE and the ARS.

The words “**written**” and “**in writing**” include any means of visible reproduction.

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## DEFINITIONS

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Any reference to a time of day or date in this Offer Information Statement, the PAL, the ARE or the ARS shall be a reference to a time of day or date, as the case may be, in Singapore, unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement, the PAL, the ARE or the ARS in relation to the Rights Issue (including but not limited to the Closing Date, and the last dates and times for splitting, acceptance and payment, renunciation and payment, and excess application and payment) shall include such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any reference in this Offer Information Statement, the PAL, the ARE or the ARS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the Securities and Futures Act, the Listing Manual, the Code or any amendment or modification thereof and used in this Offer Information Statement, the PAL, the ARE or the ARS shall, where applicable, have the meaning assigned to it under the Companies Act, the Securities and Futures Act, the Listing Manual, the Code or such amendment or modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any discrepancies in the figures included in this Offer Information Statement between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

Where any word or expression is defined in this Offer Information Statement, such definition shall extend to the grammatical variations of such word or expression.

**Any reference to announcements of or by the Company in this Offer Information Statement, the PAL, the ARE and the ARS includes announcements of or by the Company posted on the website of the SGX-ST at <https://www.sgx.com/securities/company-announcements>.**

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## SUMMARY OF THE PRINCIPAL TERMS OF THE RIGHTS ISSUE

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The following is a summary of the principal terms and conditions of the Rights Issue and is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

**Basis of provisional allotment** : 10 Rights Shares for every 27 existing Shares held by Entitled Shareholders as at the Record Date.

**Number of Rights Shares** : Based on the Existing Issued Share Capital of the Company of 200,486,441 issued Shares (excluding treasury Shares) as at the Latest Practicable Date and assuming that all Entitled Shareholders subscribe in full and pay for their pro rata entitlements of Rights Shares, up to 74,254,237 Rights Shares will be issued.

Upon the allotment and issuance of the Rights Shares, the Company will have an enlarged issued share capital comprising up to 274,740,678 Shares.

**Issue Price** : S\$0.266 for each Rights Share, payable in full on acceptance and/or application.

The Issue Price of S\$0.266 for each Rights Share represents:

(a) a discount of approximately 12.8% to the closing price of S\$0.305 per Share on the SGX-ST on 7 October 2024 (being the last Market Day on which the Shares were traded on the SGX-ST immediately prior to the release of the Rights Issue Announcement) (the “**Last Traded Price**”); and

(b) a discount of approximately 9.7% to the theoretical ex-rights price (“**TERP**”)<sup>1</sup> of approximately S\$0.29 per Share based on the Last Traded Price.

**Status of the Rights Shares** : The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls on or after the date of issue of the Rights Shares.

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<sup>1</sup> TERP of each Share is calculated based on the following formula, assuming completion of the Rights Issue:

$$\text{TERP} = \frac{\text{Market capitalisation of the Company based on the Last Traded Price} + \text{gross proceeds from the Rights Issue}}{\text{Number of Shares after completion of the Rights Issue}}$$

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## SUMMARY OF THE PRINCIPAL TERMS OF THE RIGHTS ISSUE

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**Eligibility to participate in the Rights Issue** : Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement.

**Listing of the Rights Shares** : On 7 November 2024, the SGX-ST had granted its approval in-principle for the listing of and quotation for the Rights Shares on the SGX-ST, subject to the following conditions:

- (i) compliance with the SGX-ST’s continuing listing requirements for the Rights Issue;
- (ii) submission of a written undertaking from the Company that it will comply with Rules 704(30) and 1207(20) of the Listing Manual in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on the use of proceeds and in the Company’s annual report;
- (iii) submission of a written undertaking from the Company that it will comply with the confirmation given under Rule 877(10) of the Listing Manual with regard to the allotment of any Excess Rights Shares; and
- (iv) submission of a written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Manual that the Undertaking Shareholder who has given the Irrevocable Undertaking has sufficient financial resources to fulfil its obligations under the Irrevocable Undertaking.

The Company has provided the written undertakings and confirmations referred to in sub-paragraphs (ii), (iii) and (iv) above to the SGX-ST.

The approval in-principle granted by the SGX-ST for the listing of and quotation for the Rights Shares is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Shares, the Company and/or its Subsidiaries.

**Trading of the Rights Shares** : Upon the listing of and quotation for the Rights Shares on the SGX-ST, the Rights Shares will be traded on the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise 100 Shares.

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## SUMMARY OF THE PRINCIPAL TERMS OF THE RIGHTS ISSUE

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- Non-underwritten** : The Rights Issue is not underwritten. The Company has received the Irrevocable Undertaking from the Undertaking Shareholder that it will, *inter alia*, irrevocably subscribe and pay for (or procure subscription and payment for) the GE Undertaken Pro Rata Rights Shares and procure subscription and payment for the GE Undertaken Excess Rights Shares. The details of the Irrevocable Undertaking are set out in paragraph 1(f) of Part 10 of this Offer Information Statement. In view of the Irrevocable Undertaking and the savings in underwriting costs which the Company will enjoy, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.
- On the basis that the Irrevocable Undertaking is fulfilled by the Undertaking Shareholder, the Net Proceeds from the Minimum Scenario will be sufficient to meet the Company's present funding requirements.
- Acceptance, excess application and payment procedures** : Please refer to Appendices II to IV to this Offer Information Statement, and the accompanying PAL, ARE or ARS.
- Use of CPF Funds** : CPF Investors who wish to accept their provisional allotments or Rights Shares and apply for Excess Rights Shares (if applicable) can only do so, subject to applicable CPF rules and regulations, using monies standing to the credit of their respective CPF Investment Accounts.
- Such CPF Investors who wish to accept their provisional allotments of Rights Shares with Warrants and apply for Excess Rights Shares (if applicable) using CPF Funds must instruct their respective CPF Approved Banks, with which they hold their CPF Investment Accounts, to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) on their behalf. For the avoidance of doubt, CPF Funds may not be used for the purchase of the provisional allotments of Rights Shares directly from the market. Notwithstanding the foregoing, CPF Investors should consult their respective CPF Approved Banks for information and directions as to the use of monies standing to the credit of their respective CPF Investment Accounts.



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## SUMMARY OF THE PRINCIPAL TERMS OF THE RIGHTS ISSUE

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**Use of SRS Funds** : SRS Investors who wish to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) can only do so, subject to applicable SRS rules and regulations as well as terms and conditions that may be imposed by the respective SRS Approved Banks, using monies standing to the credit of their respective SRS accounts.

Such SRS Investors who wish to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) using SRS monies must instruct their respective SRS Approved Banks in which they hold their respective SRS accounts, to accept their provisional allotments of Rights Shares and apply for Excess Rights Shares (if applicable) on their behalf. For the avoidance of doubt, SRS Funds may not be used for the purchase of the provisional allotments of Rights Shares directly from the market. Notwithstanding the foregoing, SRS Investors should consult their respective SRS Approved Banks for information and directions as to the use of monies standing to the credit of their respective SRS accounts.

**Governing law** : Laws of the Republic of Singapore

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## INDICATIVE TIMETABLE OF KEY EVENTS

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An indicative timetable for the Rights Issue is set out below (all references are to Singapore dates and times). For the events listed which are described as “expected”, please refer to future announcement(s) by the Company and/or the SGX-ST for the exact dates of these events.

Last day Shares trade cum-rights	:	19 November 2024
Shares trade ex-rights	:	20 November 2024 from 9.00 a.m.
Record Date	:	21 November 2024 at 5.00 p.m.
Date of lodgement of this Offer Information Statement with the Authority	:	21 November 2024
Despatch of the Notification to the Entitled Shareholders (together with the ARE or the PAL, as the case may be)	:	26 November 2024
Commencement of trading of “nil-paid” Rights Shares	:	26 November 2024 from 9.00 a.m.
Last date and time for splitting Rights Shares	:	4 December 2024 at 5.00 p.m.
Last date and time for trading of “nil-paid” Rights Shares	:	4 December 2024 at 5.00 p.m.
Last date and time for acceptance and payment for the Rights Shares <sup>(1)</sup>	:	10 December 2024 at 5.30 p.m. (9.30 p.m. for Electronic Applications through any ATM of a Participating Bank or an Accepted Electronic Service)
Last date and time for acceptance and payment for the Rights Shares by renounees <sup>(1)</sup>	:	10 December 2024 at 5.30 p.m. (9.30 p.m. for Electronic Applications through any ATM of a Participating Bank or an Accepted Electronic Service)
Last date and time for application and payment for Excess Rights Shares <sup>(1)</sup>	:	10 December 2024 at 5.30 p.m. (9.30 p.m. for Electronic Applications through any ATM of a Participating Bank or an Accepted Electronic Service)
Expected date for issuance of Rights Shares	:	16 December 2024
Expected date for crediting of Rights Shares	:	18 December 2024
Expected date for the listing and commencement of trading of Rights Shares	:	18 December 2024 from 9.00 a.m.
Expected date for refund of unsuccessful or invalid applications (if made through CDP)	:	18 December 2024

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## INDICATIVE TIMETABLE OF KEY EVENTS

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**Note:**

- (1) This does not apply to SRS Investors, CPF Investors and investors who hold Shares through a finance company and/or a Depository Agent, where applicable. Such investors will receive notification letter(s) from their respective approved banks, finance companies, Depository Agents and/or approved CPF Approved Banks and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved banks, finance companies, Depository Agents and/or approved CPF Approved Banks. Any acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made directly through CDP, Electronic Applications at any ATM of a Participating Bank or an Accepted Electronic Service, the Share Registrar and/or the Company will be rejected.

Pursuant to Rule 820(1) of the Listing Manual, the Rights Issue will not be withdrawn after the Shares have commenced ex-rights trading. Based on the above timetable, the Shares have commenced ex-rights trading on 20 November 2024 from 9.00 a.m..

The above timetable is indicative only and is subject to change. As at the date of this Offer Information Statement, the Company does not expect the timetable to be modified. However, the Company may, with the approval of the SGX-ST, modify the timetable subject to any limitation under any applicable law. In that event, the Company will publicly announce any change to the above timetable through an SGXNET announcement to be posted on the SGX-ST's website at <https://www.sgx.com/securities/company-announcements>.

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## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

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### (a) ENTITLED SHAREHOLDERS

Entitled Shareholders are entitled to participate in the Rights Issue and to receive the Notification, together with the ARE or the PAL, as the case may be, and other accompanying documents at their respective Singapore addresses as maintained with the records of CDP or the Share Registrar, as the case may be. Printed copies of this Offer Information Statement will not be despatched to Entitled Shareholders, but may be accessed at the Company's website at the URL <https://hgmetal.listedcompany.com/newsroom.html>, and is also available on the SGX-ST's website at the URL <https://www.sgx.com/securities/company-announcements>.

Entitled Depositors who do not receive the AREs may obtain them from CDP or the Share Registrar during the period up to the Closing Date. Entitled Scripholders who do not receive the PALs may obtain them from the Share Registrar during the period up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares on the basis of their shareholdings as at the Record Date. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or in the case of Entitled Depositors only, trade their provisional allotments of Rights Shares on the SGX-ST during the rights trading period prescribed by the SGX-ST and are eligible to apply for Excess Rights Shares in excess of their provisional allotments under the Rights Issue. For the avoidance of doubt, only Entitled Shareholders (and not the Purchasers or the renounees) shall be entitled to apply for Excess Rights Shares in excess of their provisional allotments under the Rights Issue.

**All dealings in, and transactions of, the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.**

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP.

Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses with the Company. Entitled Scripholders may open Securities Accounts with CDP if they have not already done so and to deposit their share certificates with CDP prior to the Record Date so that their Securities Accounts may be credited by CDP with their Shares and the provisional allotments of Rights Shares. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the 12th Market Day from the date of lodgement of the share certificates with CDP or such later date subject to the completion of the lodgement process.

In the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and the Substantial Shareholders who have control or influence in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will also not make any allotment and issuance of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

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## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

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The procedures for, and the terms and conditions applicable to, the acceptances, splitting, renunciation and/or sales of the provisional allotments of Rights Shares and the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices II, III and IV to this Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

### (b) CPF INVESTMENT SCHEME

Shareholders who have previously purchased Shares using their CPF Funds under the CPFIS and who wish to accept their provisional allotments of the Rights Shares and (if applicable) apply for excess Rights Shares using CPF Funds may do so, subject to the applicable CPF rules and regulations. Such Shareholders will need to contact their respective CPF Approved Banks with whom they hold their CPF investment accounts on how they may do so and may not use their CPF Funds to purchase provisional allotments of “nil-paid” Rights Shares directly from the market.

### (c) USE OF SRS FUNDS AND HOLDINGS THROUGH A FINANCE COMPANY AND/OR DEPOSITORY AGENT

For investors who hold Shares under the SRS or through finance companies or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares must be made through the relevant approved banks in which they hold their SRS Accounts, respective finance companies or Depository Agents. Such investors are advised to provide their relevant approved banks in which they hold their SRS Accounts, respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application on their behalf. SRS monies cannot be used for the purchase of provisional allotments of “nil-paid” Rights Shares directly from the market.

### (d) FOREIGN SHAREHOLDERS

This Offer Information Statement and its accompanying documents relating to the Rights Issue have not been and will not be lodged, registered or filed in any jurisdiction other than in Singapore. The distribution of the Notification, this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or unless relevant securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Rights Shares will **NOT** be offered to and the Notification, this Offer Information Statement and its accompanying documents have not been and will **NOT** be despatched or disseminated to Foreign Shareholders or into any jurisdictions outside Singapore.

**Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of the Rights Shares has been made or will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by any Foreign Shareholder will be valid.**

The Notification, this Offer Information Statement and its accompanying documents will also NOT be despatched or disseminated to the Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or

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## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

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stockbrokers in Singapore. Further, any renounee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of the Rights Shares renounced to him. For the avoidance of doubt, even if a Foreign Shareholder has provided a Singapore address as aforesaid, the offer of “nil-paid” Rights and/or Rights Shares to him will be subject to compliance with applicable securities laws outside Singapore. The Company reserves the right to reject any acceptances of the Rights Shares and (if applicable) any application for Excess Rights Shares where it believes, or has reason to believe, that such acceptance or application may violate the applicable legislation of any jurisdiction.

The Company further reserves the right to treat as invalid any ARE, ARS or PAL which (a) appears to the Company or its agents to have been executed in a jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the share certificate(s) of the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore, or (c) purports to exclude any deemed representation or warranty.

The Company will not be making arrangements for provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders to be sold on the SGX-ST (for purposes of applying the Net Proceeds from such sales for distribution to Foreign Shareholders). Entitlements to Rights Shares which would otherwise accrue to Foreign Shareholders will, if practicable, be used to satisfy excess applications or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

**Notwithstanding the above, Shareholders and any other person having possession of this Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in those territories.**

**This Offer Information Statement and/or its accompanying documents are not intended for distribution outside of Singapore.**

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## TRADING

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### 1. LISTING OF AND QUOTATION FOR THE RIGHTS SHARES

In-principle approval was granted by the SGX-ST to the Company on 7 November 2024 for the listing of and quotation for the Rights Shares on the SGX-ST, subject to compliance with the SGX-ST's listing requirements. The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Shares, the Company and/or its Subsidiaries.

The listing of the Rights Shares will commence after all the securities certificates have been issued and the notification letters from CDP have been despatched. Upon listing and quotation on the SGX-ST, the Rights Shares will be traded under the book-entry (scripless) settlement system. All dealings in, and transactions (including transfers) of, the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with CDP" and the "Terms and Conditions for CDP to act as Depository for the Rights Shares", as the same may be amended from time to time. Copies of the above are available from CDP.

### 2. ARRANGEMENTS FOR SCRIPLESS TRADING

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (in the case of Entitled Scripholders only) apply for Excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Accounts) in order that the number of Rights Shares and (if applicable) the Excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept their provisional allotment of Rights Shares and (in the case of Entitled Scripholders only) apply for Excess Rights Shares and have their Rights Shares credited by CDP into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who have provided incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in the Securities Accounts currently maintained with CDP, will be issued physical share certificates for the Rights Shares allotted to them in their own names and (if applicable) the Excess Rights Shares allotted to them. Physical share certificates if issued, will be forwarded to Entitled Scripholders by ordinary post at their own risk but will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

If an Entitled Scripholder's address stated in the PAL is different from the address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.

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## TRADING

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A holder of physical share certificate(s) of the Company or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on the SGX-ST, must deposit his share certificate(s) with CDP, together with the duly stamped and executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.

### 3. TRADING OF ODD LOTS

**Shareholders should note that the Rights Issue may result in them holding odd lots of Shares (that is, lots other than board lots of 100 Shares).**

Following the Rights Issue, Entitled Depositors who wish to trade all or part of their provisional allotment of Rights Shares on the SGX-ST during the provisional allotments trading period should note that the provisional allotments of Rights Shares will be tradeable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size which the SGX-ST may require. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST which allows trading of odd lots with a minimum of one (1) Share, during the provisional allotments trading period. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Following the Rights Issue, Shareholders who hold odd lots of the Rights Shares (i.e. less than 100 Shares) and who wish to trade in odd lots on the SGX-ST will be able to do so on the Unit Share Market of the SGX-ST. The market for trading of such odd lots of Shares may be illiquid. There is no assurance that they can acquire such number of Shares to make up one board lot of 100 Shares, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST.



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## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its Directors, officers or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, operating results, business strategy, plans and future prospects of the Group’s industry are forward-looking statements. These forward-looking statements, including but not limited to, statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual and/or future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks (both known and unknown), uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be as discussed in those forward-looking statements.

Further, the Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with any applicable laws and regulations and/or rules of the SGX-ST and/or any regulatory or supervisory body or agency. Where such developments, events or circumstances occur after the lodgement of this Offer Information Statement with the Authority or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same on the SGXNET and, if required, lodge a supplementary or replacement document with the Authority.

The Company is also subject to the provisions of the Listing Manual regarding corporate disclosure.

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## TAKE-OVER LIMITS

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The Code regulates the acquisition of ordinary shares of public companies, including the Company.

Pursuant to the Code, except with the SIC's consent, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, Shares which (taken together with Shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights in the Company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights of the Company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional Shares carrying more than 1.0% of the voting rights of the Company,

such person is required to make a mandatory general offer for all the remaining Shares in the Company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

**Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of the Rights Shares pursuant to the Rights Issue or the acceptance of the provisional allotments of Rights Shares and (if applicable) application for Excess Rights Shares, should consult the SIC and/or their professional adviser(s) immediately.**

As at the Latest Practicable Date, the Undertaking Shareholder owns and/or has shareholding interests in 58,140,000 Shares representing approximately 29.00% of the Existing Issued Share Capital, and does not own any instruments convertible into, rights to subscribe for, or options in respect of, the Shares. The Undertaking Shareholder has irrevocably undertaken to the Company that it will, *inter alia*, irrevocably subscribe and pay for (or procure subscription and payment for) the GE Undertaken Pro Rata Rights Shares and procure subscription and payment for the GE Undertaken Excess Rights Shares.

As such, the fulfilment by Green Esteel of its obligations under the Irrevocable Undertaking may result in Green Esteel and its concert parties (collectively, the "**GE Concert Party Group**") owning 30% or more of the Shares in the Company ("**Relevant Event**"). In such event, unless the obligation is otherwise waived by the Securities Industry Council in accordance with the provisions of the Code, the GE Concert Party Group would incur an obligation to make a mandatory general offer ("**Compliance Offer**") for the remaining Shares not already owned or controlled by the GE Concert Party Group, in accordance with Rule 14 of the Code, at the highest price at which the GE Concert Party Group has acquired Shares in the six months preceding the Compliance Offer and during the period of the Compliance Offer. Please refer to the section titled "Additional Information Required for Offer of Securities or Securities-Based Derivatives Contracts by way of Rights Issue" of this Offer Information Statement for further details.

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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**PART 2: IDENTITY OF DIRECTORS, ADVISERS AND AGENTS**

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**Directors**

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.

<b>Names of Directors</b>	<b>Designation</b>	<b>Address</b>
Ong Hwee Li	<i>Independent, Non-Executive Chairman</i>	c/o 28 Jalan Buroh, Singapore 619484
Xiao Xia	<i>Executive Director and Chief Executive Officer</i>	c/o 28 Jalan Buroh, Singapore 619484
Ong Lizhen, Daisy	<i>Independent Non-Executive Director</i>	c/o 28 Jalan Buroh, Singapore 619484
Ng Chuey Peng	<i>Independent Non-Executive Director</i>	c/o 28 Jalan Buroh, Singapore 619484

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**Advisers**

2. Provide the names and addresses of –
- (a) the issue manager to the offer, if any;
  - (b) the underwriter to the offer, if any; and
  - (c) the legal adviser for or in relation to the offer, if any.
- 

<b>Role</b>	<b>Name and Address</b>
Manager of the Rights Issue	: Not applicable as no manager has been appointed in respect of the Rights Issue.
Underwriter to the Rights Issue	: Not applicable as the Rights Issue is not underwritten.
Legal Advisers to the Company in respect of the Rights Issue	: Rajah & Tann Singapore LLP 9 Straits View Marina One West Tower #06-07 Singapore 018937

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**Registrars and Agents**

3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities or securities-based derivatives contracts being offered, where applicable.

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<b>Role</b>	<b>Name and Address</b>
Share Registrar	: Tricor Barbinder Share Registration Services 9 Raffles Place #26-01, Republic Plaza, Tower I Singapore 048619
Transfer Agent	: Not applicable
Receiving Banker	: <b>United Overseas Bank Limited</b> 80 Raffles Place UOB Plaza Singapore 048624

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**PART 3: OFFER STATISTICS AND TIMETABLE**

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**Offer Statistics**

1. For each method of offer, state the number of the securities or securities-based derivatives contracts being offered.

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Renounceable non-underwritten rights issue by the Company of up to 74,254,237 Rights Shares at the Issue Price of S\$0.266 for each Rights Share, on the basis of 10 Rights Shares for every 27 existing Shares held by the Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

Based on the Existing Issued Share Capital of the Company of 200,486,441 Shares (excluding treasury Shares) as at the Latest Practicable Date up to 74,254,237 Rights Shares will be issued pursuant to the Rights Issue.

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**Method and Timetable**

2. Provide the information mentioned in paragraphs 3 to 7 of this Part to the extent applicable to –
- (a) the offer procedure; and
  - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.

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Please refer to paragraphs 3 to 7 of this Part 3 below.

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3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period must be made public.

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Please refer to the section entitled “Indicative Timetable of Key Events” of this Offer Information Statement.

As at the Latest Practicable Date, the Company does not expect the timetable under the section entitled “Indicative Timetable of Key Events” of this Offer Information Statement to be modified. However, the Company may, upon consultation with its advisers, and with the approval of the SGX-ST and/or CDP, modify the timetable subject to any limitation under any applicable laws. In such an event, the Company will publicly announce any modification through a SGXNET announcement to be posted on the website of the SGX-ST at <https://www.sgx.com/securities/company-announcements>.

The procedures for and the terms and conditions applicable to the acceptances, splitting, renunciation and/or sales of the provisional allotments of Rights Shares and the application for Excess Rights Shares, including the different modes of acceptances or application and payment are set out in Appendices II, III, and IV to this Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

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- 4. State the method and time limit for paying up for the securities or securities-based derivatives contracts and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**

The Rights Shares and (if applicable) the Excess Rights Shares are payable in full upon acceptance and (if applicable) application.

Please refer to details on the procedures for acceptance and/or application of, and payment for, the Rights Shares and Excess Rights Shares contained in Appendices II, III and IV to this Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

Please refer to the section entitled “Indicative Timetable of Key Events” of this Offer Information Statement for the last date and time for payment for the Rights Shares and (if applicable) the Excess Rights Shares.

- 
- 5. State, where applicable, the methods of and time limits for: –**

- (a) the delivery of the documents evidencing title to the securities or securities-based derivatives contracts being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
- (b) the book-entry transfers of the securities or securities-based derivatives contracts being offered in favour of subscribers or purchasers.**

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The Rights Shares will be provisionally allotted to Entitled Shareholders on or about 26 November 2024 by crediting the provisional allotments to the Securities Accounts of respective Entitled Depositors or through the despatch of the relevant PALs to Entitled Scripholders, based on their respective shareholdings of the Company as at the Record Date.

In the case of Entitled Scripholders and their renounees with valid acceptances for the Rights Shares and/or (if applicable) successful applications of the Excess Rights Shares and who have, among others, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form comprised in the PAL, share certificate(s) representing such number of Rights Shares will be sent by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar within ten (10) Market Days after the Closing Date.

In the case of Entitled Depositors and Entitled Scripholders and their renounees (who have furnished valid Securities Account numbers in the relevant form(s) comprised in the PAL) with valid acceptances and/or (if applicable) successful applications for Excess Rights Shares, share certificate(s) representing such number of Rights Shares will be sent to CDP within ten (10) Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts. CDP will then send to the relevant subscribers, at their own risk, a notification letter stating the number of Rights Shares credited to their Securities Accounts.

Please refer to Appendices II, III and IV to this Offer Information Statement and the PAL, the ARE and the ARS (as the case may be) for more information.

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6. In the case of any pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.
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Not applicable as no pre-emptive rights have been offered in relation to the Rights Issue.

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7. Provide a full description of the manner in which results of the allotment or allocation of the securities or securities-based derivatives contracts are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).
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**Results of the Rights Issue**

The Company will publicly announce the results of the allotment or the allocation of the Rights Shares, as soon as it is practicable after the Closing Date, through a SGXNET announcement to be posted on the website of the SGX-ST at <https://www.sgx.com/securities/company-announcements>.

**Manner of refund**

In the case of any acceptance of Rights Shares and (if applicable) application for Excess Rights Shares which is invalid or unsuccessful, or if an Entitled Shareholder applies for Excess Rights Shares but no Excess Rights Shares are allotted to that Entitled Shareholder, or if the number of Excess Rights Shares allotted to that Entitled Shareholder is less than the number applied for, the amount paid on acceptance and (if applicable) application, or the surplus application monies, as the case may be, will be refunded to the relevant Entitled Shareholder, Purchaser or their renouncee by the Company (in the case of Entitled Scripholders) or CDP (in the case of Entitled Depositors and Purchasers) on behalf of the Company without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date by any one or a combination of the following:

- (a) in respect of Entitled Depositors, if they accept and/or (if applicable) apply by way of Electronic Application through any ATM of a Participating Bank or an Accepted Electronic Service, by crediting the applicants' bank accounts with a Participating Bank, at their own risk, with the appropriate amount within three (3) business days after the commencement of trading of the Rights Shares, the receipt by such bank being a good discharge by the Company and CDP of their obligations, if any;
- (b) in respect of Entitled Depositors, if they accept and (if applicable) apply through CDP, by crediting their designated bank accounts via CDP's DCS or in the case where refunds are to be made to Depository Agents, by means of telegraphic transfer. In the event that an applicant is not subscribed to the CDP's DCS, any monies to be returned or refunded will be retained by CDP and reflected under the Cash Transaction section of his CDP monthly account statement (such retention by CDP being good discharge of the Company's and CDP's obligations); or

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- (c) in respect of Entitled Scripholders, by means of a crossed cheque drawn in Singapore currency on a bank in Singapore and sent to them at their mailing addresses as maintained with the Share Registrar by ordinary post at their own risk.

The details of refunding excess amounts paid by applicants are set out in Appendices II, III and IV to this Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

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**PART 4: KEY INFORMATION**

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**Use of Proceeds from Offer and Expenses Incurred**

- 1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.**

Noted. Please refer to Paragraphs 2 to 7 below of this Part 4.

- 2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (called in this paragraph and paragraph 3 of this Part the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**

Based on the 74,254,237 Rights Shares to be issued, the Net Proceeds (after deducting estimated expenses of approximately S\$400,000) is expected to be approximately S\$19,351,627.04.

All Net Proceeds will go to the Company for allocation to its principal intended uses set out in paragraph 3 of this Part 4 below.

- 3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities or securities-based derivatives contracts.**
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The Group has a strong Singapore branding and extensive international network of suppliers and customers which it has built up over the years. Leveraging on its approximately 300,000 sq ft of comprehensive and warehousing facilities located at Jalan Buroh, the Group intends to pivot its business strategies towards:

- (a) seizing opportunities to grow and expand its core businesses, through:
  - (i) expanding the Group's business facilities to enhance operational efficiency and increase production capacity to meet rising market demands;
  - (ii) opening sales offices overseas to strengthen the Group's global presence, facilitating better market penetration and creating more sales opportunities; and
  - (iii) increasing inventory size to align with the Group's expansion plans and other general corporate and working capital purposes; and
- (b) identifying potential strategic investments and/or acquisitions of synergistic businesses.

The Company has decided to undertake the Rights Issue as, following the completion of the 2023 Placement Exercise and the 2024 Placement Exercise, with the Undertaking Shareholder having become the largest shareholder of the Company, the Company is now leveraging on the synergies of a closer relationship with the Undertaking Shareholder and the strategic business opportunities available to the Group with the Undertaking Shareholder as a key strategic investor, to make new plans to undertake an increase in its operations and seize opportunities to grow and expand its core businesses, as described above.

These new and current expansion plans will require additional funding and working capital which was not envisaged at the time of the 2023 Placement Exercise and 2024 Placement Exercise. Such additional funding is therefore intended to be raised by way of the Rights Issue, which unlike the 2023 Placement Exercise and the 2024 Placement Exercise will provide Shareholders with an opportunity to further participate in the equity of the Company.

The determination of the total fundraise amount and the aggregate Net Proceeds under the Rights Issue of approximately S\$19.35 million (including the allocation of such Net Proceeds to uses of core business expansion, general working capital purposes and the making of strategic investments and/or acquisitions), has taken into account the existing unutilised net proceeds of S\$0.42 million from the 2023 Placement Exercise and the 2024 Placement Exercise which remain available for use.

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Further to the Rights Issue Announcement, the Company intends for the final utilisation of the Net Proceeds to be for the following purposes, the breakdown of which is set out below:

<b>Use of Net Proceeds</b>	<b>Amount (S\$ million)</b>	<b>Percentage of Net Proceeds (%)</b>
Core business expansion	4.84 – 5.81	25 – 30
General working capital purposes	6.77 – 7.74	35 – 40
Making strategic investment and/or acquisitions	5.81 – 7.74	30 – 40
<b>Total</b>	<b>19.35</b>	<b>100</b>

In the reasonable opinion of the Directors, there is no minimum amount that needs to be raised from the Rights Issue.

Pending the deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities and/or used for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interests of the Group.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed, and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full year financial results announcement(s) and in the Company's annual report(s), until such time the Net Proceeds have been fully utilised. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

In the event that the Net Proceeds are to be used for working capital, the Company will disclose a breakdown with specific details on the use of the Net Proceeds for working capital in its announcements and annual reports.

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- 4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**
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For each dollar of the gross proceeds of approximately S\$19,751,627.04 that will be raised from the Rights Issue, the Company will allocate:

- (a) approximately 24.49-29.39 cents for expanding the Group's core business;
- (b) approximately 34.29-39.19 cents for the Group's general working capital purposes;

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- (c) approximately 29.39-39.19 cents for the Group's potential strategic investments and/or acquisitions of synergistic businesses; and
  - (d) approximately 2.03 cents to pay for the expenses incurred in connection with the Rights Issue.
- 

- 5. If any material part of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of any asset, business or entity, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition and the estimated completion date. Where funds have already been expended for the acquisition, state the amount that has been paid by the relevant entity, or, if the relevant entity is the holding company or holding entity of a group, the amount that has been paid by the relevant entity or any other entity in the group as at the latest practicable date. If the asset, business or entity has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined and whether the acquisition is on an arm's length basis.**
- 

As stated above under paragraph 3 of this Part 4 (Key Information), the Company intends to apply a portion of the Net Proceeds towards making strategic investments and/or acquisitions of synergistic businesses. However, as at the Latest Practicable Date, the Group has not identified any such investments or acquisitions.

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- 6. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**
- 

Not applicable. As at the Latest Practicable Date, the Net Proceeds are not currently intended to be used to discharge, reduce or retire the indebtedness of the Group.

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- 7. In the section containing the information mentioned in paragraphs 2 to 6 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters, or other placement or selling agents in relation to the offer, and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**
- 

Not applicable. The Rights Issue is not underwritten and no placement or selling agent has been appointed by the Company in relation to the Rights Issue.

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**Information on the Relevant Entity**

**8. Provide the following information:**

- (a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office), and the email address of the relevant entity or a representative of the relevant entity;**

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Registered Office/ Principal place of business	:	28 Jalan Buroh, Singapore 619484
Telephone number	:	+65 6268 2828/+65 6261 6470
Facsimile number	:	+65 6268 3838
Email address	:	sales@hgmetal.com

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- (b) The nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;**

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The Group is involved in the business of distributing and processing of reinforcement steel, offering a wide range of steel products and value-added services such as steel finishing and customisation. The Group is headquartered in Singapore and has a presence spanning across Singapore and Malaysia, enabling single-point sourcing and supply for its customers.

The Group offers end-to-end services ranging from distribution services to downstream value-added activities via three of its business units. Through its distribution business, the Group provides a wide array of services including wholesale activities, retailing, trading, sourcing of products and distributing steel products to Southeast Asian countries.

The Group also supplies all types of construction steel, which include cut-and bend reinforcing bars to deformed bars, and straight rebars, with services including customised steel finishing services like galvanising, coating, cutting and drilling, as well as rental of plates and beams. The Group's facilities in Singapore consist of fully automated cut and-bend production lines, with an annual production capacity of 180,000 tonnes.

In addition, the Group is also a supplier of rebars and mechanical splice and anchor systems to the reinforced concrete construction industry.

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The Subsidiaries of the Company and their principal activities as at the Latest Practicable Date are as follows:

<b>Name of Subsidiary</b>	<b>Principal Place of Business</b>	<b>Principal activities</b>	<b>Effective interest held by the Company (%)</b>
Jin Heng Li Hardware Sdn Bhd	Malaysia	Dormant company	100%
Oriental Metals Pte Ltd	Singapore	Manufacturing and supply of steel material to the construction industry	99.99%
HG Metal Investments Pte Ltd	Singapore	Investment holding company	100%
PT HG Metal Distribution Indonesia	Indonesia	Under voluntary liquidation	100%
HG Construction Steel Pte Ltd	Singapore	Manufacturing and supply of steel material to the construction industry	100%
HG Metal Manufacturing Sdn Bhd	Malaysia	Dormant company	100%
HG Metal Distribution Sdn Bhd	Malaysia	Under voluntary liquidation	100%

- 
- (c) the general development of the business from the beginning of the period comprising the 3 most recently completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –
- (i) the end of the most recently completed financial year for which financial statements of the relevant entity have been published; or
  - (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;
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The general development of the Group's business since FY2021 to the Latest Practicable Date are set out below in chronological order. The significant developments included in this section have been extracted from and summarised herein based on the related announcements released by the Company via SGXNET and the information presented herein is correct as at the date of the relevant announcement.

Shareholders are advised to refer to the public announcements released by the Company via SGXNET and Part 5 of this Offer Information Statement for further details.

- (a) On 26 April 2023, the Group announced that its dormant subsidiary, PT HG Metal Distribution Indonesia, a company incorporated in Indonesia, has been placed under members' voluntary liquidation.
- (b) On 15 May 2023, the Group announced that its indirect wholly owned subsidiary, HG Metal Distribution Sdn Bhd, a company incorporated in Malaysia which had ceased operations, has been placed under members' voluntary liquidation.
- (c) On 31 July 2023, the Group that announced that its indirect wholly owned subsidiary, HG Yangon Company Limited, a company incorporated in Myanmar which had ceased operations, has been placed under members' voluntary liquidation.
- (d) On 31 August 2023, the Group announced that it entered into a placement agreement with subscribers Mr. Xue Jun and Mr. Zheng Dazhai for the subscription by each of the subscribers of 12,529,703 new Shares each at an issue price of S\$0.278 per share to raise proceeds of S\$6,966,514.86 ("**2023 Placement Exercise**"). The 2023 Placement Exercise was completed on 19 September 2023 and the net proceeds of the 2023 Placement Exercise was approximately S\$6.89 million (after deducting expenses pertaining to the 2023 Placement Exercise of approximately \$76,000).
- (e) On 13 February 2024, the Group announced that its wholly-owned subsidiary, HG Metal investments Pte. Ltd. has sold its entire stake of 51.04% in its subsidiary, First Fortune International Company Limited ("**First Fortune**"), a company established in Myanmar, to Mr. Aung Tin Htut for approximately S\$2.4 million ("**First Fortune Disposal**"). The Company had previously announced on 7 February 2023 its plan to cease the business operations of First Fortune, following the Company's assessment that the economic conditions of Myanmar are not expected to improve in the near future after the Financial Action Task Force had moved to place Myanmar on its blacklist of countries since October 2022. Mr. Aung Tin Htut is a former substantial shareholder of the Company and had ceased to be a substantial shareholder following the sale of all Shares indirectly owned by Mr. Aung Tin Htut through Rise Capital Ventures Limited to Green Estee Pte. Ltd which occurred concurrently with the First Fortune Disposal.

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- (f) On 25 March 2024, the Group announced that it entered into a conditional placement agreement with the Undertaking Shareholder for the subscription of 50,130,000 new Shares at an issue price of S\$0.266 per Share to raise proceeds of up to S\$13,334,580 (“**2024 Placement Exercise**”). The 2024 Placement Exercise was conducted through two different tranches:
- (i) On 28 June 2024, the Company issued and allotted 16,130,000 Shares to the Undertaking Shareholder at an issue price of S\$0.266 for a cash consideration of S\$4,290,580; and
- (ii) On 15 August 2024, the Company issued and allotted 34,000,000 Shares to the Undertaking Shareholder at an issue price of S\$0.266 for a cash consideration of S\$9,044,000.

The total net proceeds raised from the 2024 Placement Exercise was approximately S\$13.05 million (after deducting estimated expenses pertaining to the 2024 Placement Exercise of approximately S\$282,200). As the date of this Offer Information Statement, the Group has not utilised any proceeds raised from the 2024 Placement Exercise.

- (g) On 29 July 2024, the Group announced that it has utilised approximately S\$6.46 million out of the S\$6.89 million raised from the 2023 Placement Exercise for general working capital purposes. As of the date of this Offer Information Statement, approximately S\$424,000 remains unutilised from the 2023 Placement Exercise.
- (h) On 7 November 2024, the Group announced that it had completed the member’s voluntary liquidation of its indirect wholly owned subsidiary, HG Yangon Company Limited.

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**(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –**

- (i) in the case of the equity capital, the issued capital; or**
- (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;**
- 

As at the Latest Practicable Date, the equity capital and loan capital of the Company are as follows:

Issued and paid-up share capital	:	S\$90,797,510
Number of ordinary shares in issue (excluding treasury shares)	:	200,486,441
Loan capital	:	Not applicable

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(e) where –

- (i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or
- (ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;

As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares, based on information recorded in the Register of Substantial Shareholders maintained by the Company are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
Xiao Xia <sup>(2)</sup>	–	–	35,642,600	17.78
Yu Zengqiang <sup>(2)</sup>	–	–	35,642,600	17.78
Dhu Holding Pte. Ltd.	35,642,600	17.78	–	–
Zeng Dazhai	12,529,703	6.25	–	–
Xue, Jun <sup>(3)</sup>	–	–	12,529,703	6.25
Bay Hone Asset Management Pte. Ltd. <sup>(4)</sup>	–	–	12,529,703	6.25
Green Esteel Pte. Ltd.	58,140,000	29.00	–	–
You Zhenhua <sup>(5)</sup>	–	–	58,140,000	29.00
Advance Venture Investments Limited <sup>(6)</sup>	–	–	58,140,000	29.00
Theme International Holdings Limited <sup>(7)</sup>	–	–	58,140,000	29.00
Wide Bridge Limited <sup>(8)</sup>	–	–	58,140,000	29.00

**Notes:**

- (1) Based on 200,486,441 issued Shares (excluding treasury Shares) as at the Latest Practicable Date.
- (2) Ms. Xiao Xia and Mr. Yu Zengqiang hold 70% and 30% respectively of the issued and paid-up share capital of Dhu Holding Pte. Ltd. Accordingly, each of Ms. Xiao Xia and Mr. Yu Zengqiang is deemed interested in the shares in the Company held by Dhu Holding Pte. Ltd. by virtue of Section 4 of the Securities and Futures Act.
- (3) Mr. Xue Jun holds 100% of the issued and paid-up capital of Bay Hone Asset Management Pte. Ltd. Accordingly, Mr. Xue Jun is deemed interested in the shares in the Company held by Bay Hone Asset Management Pte. Ltd. by virtue of Section 4 of the Securities and Futures Act.
- (4) Bay Hone Asset Management Pte. Ltd. is deemed interested in 12,529,703 shares held through its custodian account maintained with Citibank Nominees Singapore Pte Ltd.
- (5) Mr. You Zhenhua holds interests of approximately 39.69% in Green Esteel. Mr. You Zhenhua is deemed interested in the Shares held by Green Esteel pursuant to Section 4 of the Securities and Futures Act.



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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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- (6) Advance Venture Investments Limited holds interests of approximately 36.97% in Green Esteel. Advance Venture Investments Limited is deemed interested in the Shares held by Green Esteel pursuant to Section 4 of the Securities and Futures Act.
- (7) Theme International Holdings Limited holds interests of approximately 20.50% in Green Esteel. Theme International Holdings Limited is deemed interested in the Shares held by Green Esteel pursuant to Section 4 of the Securities and Futures Act.
- (8) Mr. You Zhenhua also holds (i) 100% interest in Wide Bridge Limited which holds 63.06% of Theme International Holdings Limited, and (ii) 100% interests in Advance Venture Investments Limited. Wide Bridge Limited is deemed interested in the Shares held by Green Esteel pursuant to Section 4 of the Securities and Futures Act.

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- (f) Any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**
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As at the date of lodgement of this Offer Information Statement, the Directors are not aware of any legal or arbitration proceedings to which the Company or any of its Subsidiaries is a party, including those which are pending or known to be contemplated, which may have or would have had in the 12 months immediately preceding the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of the Group taken as a whole.

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- (g) Where any securities, securities-based derivatives contracts or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –**
- (i) if the securities, securities-based derivatives contracts or equity interests have been issued for cash, state the prices at which the securities or securities-based derivatives contracts have been issued and the number of securities, securities-based derivatives contracts or equity interests issued at each price; or**
  - (ii) if the securities, securities-based derivatives contracts or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities, securities-based derivatives contracts or equity interests.**
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Save for the 2024 Placement Exercise, the Company has not issued any securities, securities-based derivatives contracts or equity interests for cash or for services within the 12 months immediately preceding the Latest Practicable Date.

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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- (h) **A summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.**
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Save for:

- (a) the placement agreement dated 31 August 2023 between the Company and subscribers Mr. Xue Jun and Mr. Zheng Dazhai in relation to the 2023 Placement Exercise;
- (b) the sale and purchase agreement dated 13 February 2023 between HG Metal investments Pte. Ltd. and Mr. Aung Tin Htut in relation to the First Fortune Disposal; and
- (c) the conditional placement agreement dated 25 March 2024 between the Company and the Undertaking Shareholder in relation to the 2024 Placement Exercise;

neither the Company nor its Subsidiaries have during the two (2) years immediately preceding the date of lodgement of this Offer Information Statement entered into any material contracts.

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
(OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED  
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**PART 5: OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

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**Operating Results**

- 1. Provide selected data from –**
  - (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recently completed financial years) for which that statement has been published; and**
  - (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.**
- 2. The data mentioned in paragraph 1 of this Part must include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and must in addition include the following items:**
  - (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;**
  - (b) earnings or loss per share;**
  - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.**
- 3. Despite paragraph 1 of this Part, where –**
  - (a) unaudited financial statements of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the unaudited consolidated financial statements of the relevant entity or unaudited combined financial statements of the group, have been published in respect of the most recently completed financial year; and**
  - (b) the audited financial statements for that year are unavailable,**

**the data mentioned in paragraph 1 of this Part in respect of the most recently completed financial year may be provided from such unaudited financial statements, if the directors or equivalent persons of relevant entity include a statement in the offer information statement that to the best of their knowledge, they are not aware of any reason which could cause the unaudited financial statements to be significantly different from the audited financial statements for the most recently completed financial year.**

**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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The audited consolidated income statements of the Group for FY2021, FY2022 and FY2023 are set out below:

	<b>FY2021</b> <b>S\$'000</b> <b>(Audited)</b>	<b>FY2022</b> <b>S\$'000</b> <b>(Audited)</b>	<b>FY2023</b> <b>S\$'000</b> <b>(Audited)</b>
<b>Continuing operations</b>			
Revenue	142,267	152,617	149,755
Cost of sales	(113,115)	(132,113)	(136,968)
Gross profit	29,152	20,504	12,787
Other operating income	3,499	2,267	951
Selling and distribution costs	(391)	(344)	(862)
Administrative expenses	(11,199)	(10,306)	(7,437)
Other operating expenses	(4,079)	(5,045)	(4,227)
Finance costs	(1,065)	(1,366)	(987)
Impairment loss on financial assets	(3,485)	(236)	(80)
Net profit before tax	12,432	5,474	145
Income tax (expense)/credit	(1,262)	(530)	308
<b>Net profit for the year from continuing operations</b>	<b>11,170</b>	<b>4,944</b>	<b>453</b>
<b>Discontinued operations</b>			
Net loss for the financial year from discontinued operations	–	(10,719)	(2,224)
<b>Net profit/(loss) for the year</b>	<b>11,170</b>	<b>(5,775)</b>	<b>(1,771)</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the Company			
Profit from continuing operations	12,065	4,944	453
Loss from discontinued operations	–	(5,471)	(1,471)
	12,065	(527)	(1,018)
Non-controlling interests			
Loss from continuing operations	(895)	–	–
Loss from discontinued operations	–	(5,248)	(753)
	(895)	(5,248)	(753)

**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
(OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED  
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	<b>FY2021</b> <b>S\$'000</b> <b>(Audited)</b>	<b>FY2022</b> <b>S\$'000</b> <b>(Audited)</b>	<b>FY2023</b> <b>S\$'000</b> <b>(Audited)</b>
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation	127	162	33
Other comprehensive income for the year, net of tax	127	162	33
<b>Total comprehensive income/(loss) for the year</b>	<b>11,297</b>	<b>(5,613)</b>	<b>(1,738)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company			
Profit from continuing operations	12,110	4,861	406
Loss from discontinued operations	–	(5,346)	(1,430)
	12,110	(485)	(1,024)
Non-controlling interests			
Loss from continuing operations	(813)	–	–
Loss from discontinued operations	–	(5,128)	(714)
	(813)	(5,128)	(714)

The unaudited consolidated income statements of the Group for 1H2023 and 1H2024 are set out below:

	<b>1H2023</b> <b>S\$'000</b> <b>(Unaudited)</b>	<b>1H2024</b> <b>S\$'000</b> <b>(Unaudited)</b>
<b>Continuing Operations</b>		
Revenue	66,298	73,107
Cost of sales	(62,192)	(63,196)
Gross profit	4,106	9,911
Other operating income	996	1,015
Selling and distribution costs	(263)	(591)
Administrative expenses	(4,066)	(3,978)
Other operating expenses	(2,790)	(1,640)
Finance costs	(634)	(328)
(Allowance)/reversal of impairment loss on financial assets	(78)	48

**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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	<b>1H2023 S\$'000 (Unaudited)</b>	<b>1H2024 S\$'000 (Unaudited)</b>
(Loss)/profit before tax	(2,729)	4,437
Income tax credit	(10)	(726)
(Loss)/profit for the period	(2,739)	3,711
<b><u>Discontinued operations</u></b>		
Net loss for the period after tax from discontinued operations	(1,005)	(264)
Net (loss)/profit for the period	(3,744)	3,447
<b>Total comprehensive (loss)/income attributable to:</b>		
Owners of the Company		
(Loss)/profit from continuing operations	(2,739)	3,711
Loss from discontinued operations	(514)	(297)
	(3,253)	3,414
Non-controlling interests		
(Loss)/profit from discontinued operations	(491)	33
	(491)	33
<b>Other comprehensive income:</b>		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation	(119)	(135)
Reclassification of currency translation reserve to profit or loss	–	(59)
<b>Other comprehensive loss for the period, net of tax</b>	(119)	(194)
<b>Total comprehensive (loss)/income for the period</b>	(3,863)	3,253
<b>Total comprehensive (loss)/income attributable to:</b>		
Owners of the Company		
(Loss)/profit from continuing operations	(2,803)	3,618
Loss from discontinued operations	(542)	(348)
	(3,345)	3,270
Non-controlling interests		
Loss from discontinued operations	(518)	(17)

**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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	FY2021 (Audited)	FY2022 (Audited)	FY2023 (Audited)	1H2023 (Unaudited)	1H2024 (Unaudited)
<b>Dividends per Share (Singapore cents)</b>					
Dividends per Share	4.0	2.5	–	–	–
<b>EPS<sup>(1)</sup> before the Rights Issue (Singapore cents)</b>					
Continuing and discontinued operations					
Basic	9.48	(0.42)	(0.77)	(2.60)	2.26
Diluted	9.48	(0.42)	(0.77)	(2.60)	2.26
Continuing operations					
Basic	9.48	3.94	0.34	(2.19)	2.46
Diluted	9.48	3.94	0.34	(2.19)	2.46
Discontinued operations					
Basic	–	(4.36)	(1.11)	(0.41)	(0.20)
Diluted	–	(4.36)	(1.11)	(0.41)	(0.20)
<b>EPS<sup>(2)</sup> after the Rights Issue (Singapore cents)</b>					
Continuing and discontinued operations					
Basic	5.79	(0.46)	(0.68)	(1.83)	1.34
Diluted	5.79	(0.46)	(0.68)	(1.83)	1.34
Continuing operations					
Basic	5.79	2.28	0.03	(1.57)	1.47
Diluted	5.79	2.28	0.03	(1.57)	1.47
Discontinued operations					
Basic	–	(2.74)	(0.71)	(0.26)	(0.13)
Diluted	–	(2.74)	(0.71)	(0.26)	(0.13)

**Notes:**

- (1) Calculated based on weighted average number of Shares in issue, being 127,309,906 as at 31 December 2021, 125,375,785 as at 31 December 2022, 132,684,778 as at 31 December 2023, 125,297,035 as at 30 June 2023 and 150,622,320 as at 30 June 2024.
- (2) Calculated based on Note 1 above and adjusting for the issuance of 74,254,237 Rights Shares and assuming that the Rights Issue had been completed at the beginning of each financial year/period and there is no income from the Net Proceeds.

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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**4. In respect of:**

- (a) each financial year (being one of the 3 most recently completed financial years) for which financial statements have been published; and**
- (b) any subsequent period for which interim financial statements have been published,**

**provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.**

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Save as disclosed below and in this Offer Information Statement, the Directors are not aware of any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the Group.

The Group is in the business of steel fabrication and distribution, and a summary of the operations, business and financial performance of the Group, as extracted and summarised from the related announcements released by the Company via SGXNET, is set out below.

Shareholders are advised to refer to the public announcements released by the Company via SGXNET for further details.

**1H2024 vs 1H2023**

**Revenue**

The Group achieved revenue of S\$73.1 million in 1H2024, which was 10% higher than the revenue of S\$66.3 million reported in 1H2023. The increase in revenue was mainly due to a 27% increase in the sales volume, which was then negatively impacted by a 13% reduction in the average selling prices of the Group's products on a year-on-year basis in tandem with the decline in market steel prices.

**Gross Profit**

The overall gross profit margin for 1H2024 improved to 13.6% from 6.2% in 1H2023. This was mainly due to a lower weighted-average cost of materials as the Group took proactive steps to deplete the high-cost inventory on hand since 2H2023.

Due to reasons aforementioned, the Group recorded an increase in gross profit from S\$4.1 million in 1H2023 to S\$9.9 million in 1H2024.



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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018

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### Other operating income

Other operating income increased marginally by S\$19,000 in 1H2024 compared to 1H2023. This was mainly due to an increase in gain from foreign exchange of S\$0.3 million that was substantially offset by S\$0.2 million in fair value loss for foreign currency contracts and approximately S\$0.1 million in reduction in rental and other miscellaneous income.

### Selling and distribution costs

The Group's selling and distribution expenses in 1H2024 increased by 125% to S\$0.6 million as compared to S\$0.3 million in 1H2023, in line with an increase in sales volume with more out-sourcing of logistics services.

### Administrative expenses

There was a slight decrease in administrative expenses of approximately S\$0.1 million in 1H2024. This was mainly attributed to change in the Group's management structure since 2H2023, that led to lower salary cost of S\$0.3 million. However, a S\$0.2 million increase in other administrative costs (such as share placement and insurance) offset a portion of this savings.

### Other operating expenses

Other operating expenses incurred in 1H2024 declined to S\$1.6 million, from S\$2.8 million in 1H2023. The decrease was mainly due to the following reasons:

- (i) S\$0.7 million reduction in impairment provision for inventories;
- (ii) absence of rental expense for a third-party warehouse of S\$0.4 million; and
- (iii) S\$0.1 million reduction in foreign exchange loss.

### Finance costs

Total finance costs incurred were primarily related to borrowing for trade financing, term loans from banks, construction loans and leases for properties redevelopment. Total finance cost incurred in 1H2024 decreased from 1H2023 mainly due to reduced borrowing on trade financing and the repayment of a term loan.

### **Profitability**

#### Continuing operations

Due to reasons stated above, the Group reported an improvement in net profit before tax to S\$4.4 million in 1H2024 from a loss before tax of S\$2.7 million in 1H2023 for its continuing operations.

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## **SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018**

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Total taxation expense was S\$0.7 million for 1H2024 as compared to S\$10,000 for 1H2023. A higher tax expense provision was required in tandem with the Group's improved profitability position in 1H2024 for its continuing operations.

The Group recorded a net profit after tax of S\$3.7 million in 1H2024 compared to a net loss after tax of S\$2.7 million in 1H2023 for its continuing operations.

### Discontinued operations

The Group recorded a net loss after tax of S\$264k in 1H2024 from certain discontinued operations, which were disposed of on 13 February 2024.

### **FY2023 vs FY2022**

#### Revenue

The Group delivered revenue of S\$149.8 million in FY2023, which was slightly lower than revenue of S\$152.6 million in FY2022. This was mainly due to change in sales mix and decline in average selling prices of the Group's products in tandem with softening of global steel prices compared to same period last year.

#### Gross Profit

The overall gross profit margin for FY2023 declined to 8.5% from 13.4% in FY2022, mainly due to average selling prices of the Group's products being reduced by 21% despite the sales volume increasing by 23% in FY2023. In addition, the higher weighted average cost of material on hand also dragged down financial performance.

The Group recorded lower gross profit of S\$12.8 million in FY2023 as compared to S\$20.5 million in FY2022.

#### Other operating income

Other operating income declined to S\$1.0 million in FY2023 from S\$2.3 million in FY2022. This was mainly attributed to reduction in warehouse and rental income of S\$1.0 million due to reduced warehousing space and absence of one-off income from the termination of a right-of-use asset of S\$0.3 million.

#### Selling and distribution costs

Total selling and distribution costs incurred in FY2023 were higher than FY2022, in tandem with increased delivery volumes and more out-sourced logistic services engaged in FY2023.

#### Administrative expenses

Administrative expenses decreased by 28% to S\$7.4 million in FY2023 from S\$10.3 million in FY2022. This mainly resulted from reduction in salary costs.

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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Other operating expenses

Other operating expenses incurred in FY2023 decreased to S\$4.2 million in comparison with S\$5.0 million in the prior financial year, mainly due to reduced depreciation expenses.

Finance costs

Total finance costs incurred amounted to S\$1.0 million in FY2023 in comparison with S\$1.4 million in FY2022. The decrease in finance costs was mainly due to reduced borrowings from banks.

Impairment loss on financial assets

The Group recorded an impairment loss on financial assets of S\$0.08 million in FY2023 as compared to S\$0.2 million in FY2022.

**Profitability**

Continuing operations

The Group reported a net profit before tax of S\$0.1 million in FY2023 from its continuing operations in comparison to profit before tax of S\$5.5 million in FY2022, mainly due to decrease in gross profit generated in FY2023.

The Group recorded a tax refund for the previous year's tax overpaid of S\$0.3 million in FY2023 in contrast to tax expenses of S\$0.5 million for FY2022.

The Group recorded a net profit after tax of S\$0.5 million in FY2023 in comparison to a net profit after tax of S\$4.9 million in FY2022 from its continuing operations.

Discontinued operations

The Group recorded a net loss after tax of S\$2.2 million in FY2023 from discontinued operations. This included an impairment loss of S\$0.7 million in relation to an asset held for sale that is expected to be disposed in the subsequent financial year.

**FY2022 vs FY2021**

Revenue

The Group delivered revenue of S\$152.6 million in FY2022, up by 7.2% compared to revenue of S\$142.3 million in FY2021. This was driven by a 20.1% increase in revenue from the trading segment and a 2.3%% increase in revenue from the manufacturing segment.

Gross Profit

The overall gross profit margin for FY2022 declined to 13.4% from 20.5% in FY2021 mainly due to the higher average cost of material on hand and decline in market selling price in tandem with fall in international steel prices.

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## **SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018**

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The Group recorded lower gross profit of S\$20.5 million in FY2022 as compared to S\$29.2 million in FY2021.

### Other Operating Income

Other operating income declined to S\$2.3 million in FY2022 from S\$3.5 million in FY2021. This was mainly due to reduction in warehouse and rental income of S\$1.1 million, following the restoration of the property at 30 Jalan Buroh, Singapore 619486 following surrendering of the said leased land to JTC and reduced government grant income of S\$0.1 million.

### Selling and distribution costs

Total selling and distribution costs incurred in FY2022 was 12% lower than FY2021, with the saving resulting from less out-sourced logistic services in tandem with a 8% reduction in sales volume.

### Administrative expenses

Total administrative expenses for FY2022 decreased slightly by S\$0.9 million compared to FY2021, primarily due to lower staff costs.

### Other operating expenses

Other operating expenses increased to S\$5.0 million in FY2022 from S\$4.1 million in FY2021. This was due to an S\$0.8 million increase in depreciation expenses on property, plant and equipment and right-of-use assets, mainly in relation to the leased land that would be surrendered to JTC. In addition, rental expenses and loss on fair value of forward currency contracts increased by S\$0.3 million and S\$0.4 million respectively. These increases were partially offset by a S\$0.6 million reduction in foreign exchange loss.

### Finance costs

Total finance costs incurred in FY2022 was S\$1.4 million in comparison with S\$1.1 million in FY2021. The increase in finance costs mainly related to trade financing due to increase in interest rates charged by financial institutions and higher purchase volume.

The Group reported a decrease in impairment loss on financial assets to S\$0.2 million in FY2022, down from S\$3.5 million in FY2021. This decline was primarily due to the absence of provisions for amounts owed by customers in Myanmar.

## **Profitability**

### Continuing operations

The Group reported a lower net profit after tax of S\$4.9 million in FY2022 for its continuing operations, as compared to S\$11.2 million in FY2021. This decline was primarily driven by a decrease in gross profit in FY2022.

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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Discontinued operations

The Group recorded a one-off impairment loss on non-financial assets of S\$8.8 million in relation to the property, plant and equipment and right-of-use assets held by a subsidiary in Myanmar due to the plan to cease its business operations in Myanmar.

As a result of the above, the Group recorded a net loss after tax of S\$10.7 million in FY2022 from its discontinued operations.

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**Financial Position**

5. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –
- (a) the most recently completed financial year for which audited financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period.

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The audited consolidated statement of financial position of the Group as at 31 December 2023 and the unaudited consolidated statement of financial position of the Group as at 30 June 2024 are set out below:

	<b>Group</b>	
	<b>As at 31 December 2023 S\$'000 (Audited)</b>	<b>As at 30 June 2024 S\$'000 (Unaudited)</b>
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	19,423	19,216
Right of use assets	6,034	5,870
Intangible assets	163	161
Investment securities	250	256
Restricted deposits	142	142
	26,012	25,645

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	Group	
	As at 31 December 2023 S\$'000 (Audited)	As at 30 June 2024 S\$'000 (Unaudited)
<b><u>Current Assets</u></b>		
Investment securities	3,560	3,510
Cash and bank balances	16,382	19,067
Fixed deposits pledged with banks	12,750	12,825
Inventories	24,228	20,090
Trade and other receivables	50,383	58,529
Prepaid expenses	215	384
	107,518	114,405
Assets of disposal group classified as held for sale	3,528	–
	111,046	114,405
<b>Total assets</b>	137,058	140,050
<b>EQUITY AND LIABILITIES</b>		
<b><u>Current Liabilities</u></b>		
Lease liabilities	537	566
Trade and other payables	10,422	8,631
Bank borrowings	2,064	4,432
Provision for income tax	14	738
Derivative financial instruments	314	2
	13,351	14,369
Liabilities directly associated with disposal group classified as held for sale	4,811	–
	18,162	14,369

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	Group	
	As at 31 December 2023 S\$'000 (Audited)	As at 30 June 2024 S\$'000 (Unaudited)
<b><u>Non-current liabilities</u></b>		
Lease liabilities	4,865	4,782
Bank borrowings	6,668	5,699
Deferred tax liabilities	631	631
Provision for reinstatement costs	1,572	1,572
	13,736	12,684
<b>Total liabilities</b>	31,898	27,053
<b>Net assets</b>	105,160	112,997
<b>Equity attributable to owners of the Company</b>		
Share capital	77,463	81,754
Treasury shares	(3,034)	(3,034)
Other reserve	2,997	2,853
Accumulated profits	30,238	31,423
	107,664	112,996
<b>Non-controlling interests</b>	(2,504)	1
<b>Total equity</b>	105,160	112,997
<b>Total equity and liabilities</b>	137,058	140,050

6. The data mentioned in paragraph 5 of this Part must include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and must in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities or securities-based derivatives contracts;
  - (b) net assets or liabilities per share;
  - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.

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For illustrative purposes only, the following is an analysis of the financial effects of the Rights Issue on the NAV per Share of the Group.

	<b>Before the Rights Issue</b>	<b>After the Rights Issue</b>
<b>As at 31 December 2023</b>		
NAV (S\$'000)	107,664	127,016
Number of Shares	150,356,441	224,610,678
NAV per Share (Singapore cents)	71.61	56.55
<b>As at 30 June 2024</b>		
NAV (S\$'000)	112,996	132,348
Number of Shares	166,486,441	274,740,678 <sup>(1)</sup>
NAV per Share (Singapore cents)	67.87	48.17

**Note:**

(1) This number reflects the total number of shares after the completion of the issuance and allotment of 34,000,000 Shares on 15 August 2024 under the 2024 Placement Exercise, and the proposed issuance and allotment of 74,254,237 Rights Shares under the Rights Issue.

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**Liquidity and Capital Resources**

7. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –
- (a) the most recently completed financial year for which financial statements have been published; and
  - (b) if interim financial statements have been published for any subsequent period, that period.
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The audited consolidated statement of cash flows of the Group for FY2023 and the unaudited consolidated statement of cash flows of the Group for 1H2024 is set out below:

	<b>FY2023</b>	<b>1H2024</b>
	<b>S\$'000</b>	<b>S\$'000</b>
	<b>(Audited)</b>	<b>(Unaudited)</b>
<b>Cash flows from operating activities</b>		
Profit before income tax from continuing operations	145	4,437
Loss before income tax from discontinued operations	(2,167)	(264)
	<u>(2,022)</u>	<u>4,173</u>
Adjustments for:		
Bad debts write off	28	2
Depreciation of property, plant and equipment	2,093	882
Depreciation of right-of-use assets	1,251	423
Amortisation of intangible assets	34	15
Gain on disposal of property, plant and equipment	(183)	(9)
Write-off of intangible assets	63	–
Write-down of inventories	557	194
Loss on disposal of subsidiary	–	339
Impairment/(reversal) loss on financial assets	268	(48)
Fair value gain on derivatives, net	(109)	(312)
Finance costs	1,324	283
Interest income	(413)	(264)
Unrealised foreign exchange loss/(gain), net	187	(193)
	<u>3,078</u>	<u>5,485</u>
<b>Operating cash flow before changes in working capital</b>		
Working capital changes:		
Inventories	33,482	3,943
Trade and other receivables	(14,118)	(7,253)
Prepaid expenses	95	(262)
Trade and other payables	954	(2,537)
	<u>23,491</u>	<u>(624)</u>
<b>Cash generated from/(used in) operations</b>		
Interest income received	433	312
Interest expense paid	(1,500)	(283)
Income tax paid	(119)	(2)
	<u>22,305</u>	<u>(597)</u>
<b>Net cash flows generated from/(used in) operating activities</b>		

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	<b>FY2023</b>	<b>1H2024</b>
	<b>S\$'000</b>	<b>S\$'000</b>
	<b>(Audited)</b>	<b>(Unaudited)</b>
<b>Cash flows from investing activities</b>		
Net cash outflow from disposal of a subsidiary	–	(1,398)
Fixed deposit pledged with banks	(3,734)	(75)
Proceeds from disposal of property, plant and equipment	362	111
Proceeds from maturity of investment securities	3,750	–
Purchase of property, plant and equipment	(1,652)	(677)
Purchase of intangible assets	(22)	(13)
<b>Net cash flows used in investing activities</b>	<b>(1,296)</b>	<b>(2,052)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares in the Company	6,967	4,291
Dividends paid on ordinary shares of the Company	(3,132)	–
Proceeds from bank borrowings	21,351	8,948
Repayment of bank borrowings	(44,464)	(7,549)
Principal element of lease payments	(714)	(312)
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(19,992)</b>	<b>5,378</b>
Net increase in cash and cash equivalents	1,017	2,729
Effects on exchange rate changes on cash and cash equivalents	69	(155)
Cash and cash equivalents at beginning of financial year/period	15,407	16,493
<b>Cash and cash equivalents at end of financial year/period</b>	<b>16,493</b>	<b>19,067</b>

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A review of the cash flow position of the Group is set out below:

**Review of cash flow for FY2023**

Net cash generated from operating activities

The Group generated net cash flows from operating activities of S\$22.3 million in FY2023. This was mainly attributable to a decrease in inventories of S\$33.5 million and increase in trade and other payables of S\$1.0 million, offset by an increase in trade and other receivables of S\$14.1 million.

Net cash used in investing activities

Net cash flows used in investing activities for FY2023 was S\$1.3 million. The net cash used in investing activities in FY2023 comprised mainly fixed deposit pledged with banks of S\$3.7 million, purchase of property, plant and equipment and intangible assets of S\$1.7 million, partially offset by proceeds from maturity of investment securities of S\$3.8 million and proceeds from disposal of property, plant and equipment of S\$0.4 million.

Net cash used in financing activities

Net cash flows used in financing activities for FY2023 was S\$20.0 million, mainly due to net repayment for bank borrowings of S\$23.1 million, repayment of lease of S\$0.7 million and dividend payment of S\$3.1 million, partially offset by net proceeds of S\$7.0 million from the 2023 Placement Exercise.

As at 31 December 2023, the Group's cash and bank balances stood at S\$16.5 million.

**Review of cash flow for 1H2024**

Net cash use in operating activities

The Group recorded net cash outflows from operating activities of S\$0.6 million in the current period. This was due to profit from operations, offset by net decrease in working capital, mainly attributed to an increase in trade and other receivables.

Net cash used in investing activities

Net cash flows used in investing activities for 1H2024 was S\$2.1 million, mainly due to purchase of non-current assets of S\$0.7 million and S\$1.4 million in net cash outflow from disposal of a subsidiary.

Net cash generated from financing activities

Net cash flows generated from financing activities for 1H2024 was S\$5.4 million, mainly due to proceeds of S\$4.3 million from the 2024 Placement Exercise and net proceeds of S\$1.4 million from bank borrowings after offsetting principal lease repayments of S\$0.3 million.

As at 30 June 2024, the Group's cash and bank balances stood at S\$19.1 million.

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8. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgement of the offer information statement, is sufficient for at least the next 12 months and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgement of the prospectus must not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an express condition of the offer that minimum net proceeds are to be raised and that the application moneys will be returned to investors if the minimum net proceeds are not raised.
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As at the date of lodgement of this Offer Information Statement, the Directors are of the reasonable opinion that, barring any unforeseen circumstances, after taking into account the Group's present bank facilities, the working capital available to the Group is sufficient for at least the next 12 months.

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9. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the relevant entity, provide –
- (a) a statement of that fact;
  - (b) details of the credit arrangement or bank loan; and
  - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).
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As at the date of lodgement of this Offer Information Statement, to the best of the Directors' knowledge, the Directors are not aware of any breach by any entity in the Group of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity.

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**Trend Information and Profit Forecast or Profit Estimate**

**10. Discuss –**

- (a) the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, for the next 12 months from the latest practicable date; and**
- (b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that may cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**

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Save as disclosed below and in this Offer Information Statement, the Company's annual reports, circulars and SGXNET announcements, and barring any unforeseen circumstances, the Directors are not aware of any known trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Group's revenue, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the Group.

The following discussions about the Group's business trends contain forward-looking statements that involve risk and uncertainty. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Offer Information Statement.

**Business and Financial Prospects of the Group for the next 12 months**

On 14 October 2024, the Ministry of Trade and Industry of Singapore released the advance estimates for Singapore's gross domestic product ("GDP") growth in the third quarter of 2024<sup>1</sup>. The economy expanded by 4.1% year-on-year in Q3 2024, representing an acceleration from the 2.9% growth recorded in the previous quarter. On a quarter-on-quarter, seasonally adjusted basis, the economy expanded by 2.1%, a sharp increase compared to the 0.4% growth in Q2 2024.

This stronger-than-expected performance was driven by expansion of the manufacturing sector, which registered a 7.5% growth in Q3 after previous contractions. Meanwhile, the construction sector grew by 3.1% year-on-year in Q3, although this was a moderation from the 4.8% growth in the preceding quarter. The growth was attributed to a rise in public sector construction output, while on a quarter-on-quarter, seasonally adjusted basis, the sector's growth was flat, easing from the 3.4% growth in Q2 2024.

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<sup>1</sup> [https://www.mti.gov.sg/Newsroom/Press-Releases/2024/10/Singapore-GDP-Grew-by-4\\_1-Per-Cent-in-the-Third-Quarter-of-2024](https://www.mti.gov.sg/Newsroom/Press-Releases/2024/10/Singapore-GDP-Grew-by-4_1-Per-Cent-in-the-Third-Quarter-of-2024)

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Separately, in the biannual macroeconomic review report published by the Monetary Authority of Singapore (“MAS”) on 28 October 2024<sup>2</sup>, the MAS projected Singapore’s GDP to land at the upper end of its forecast range of 2% to 3%. This positive outlook is underpinned by the robust economic performance in the third quarter of 2024, coupled with a continuing upswing in the global tech cycle and a gradual easing of financial conditions. The recovery is expected to continue into 2025, supported by a favourable global trade outlook and a tech cycle rebound. However, risks remain, including potential geopolitical tensions, a slowdown in China, and possible corrections in the global tech cycle.

From the Group’s business perspective, we note that steel prices have remained under pressure, showing only slow signs of recovery after a significant decline from a multi-year peak in 2021. This is largely attributable to weakened demand from China, which consumes more than half of global steel output. China’s steel demand continues to be impacted by the slowdown in its real estate and construction markets.

For the six-month period ended 30 June 2024, the Group’s sales volume and revenue from continuing operations increased by 27% and 10%, respectively, compared to the corresponding period in the prior year. This growth was primarily driven by a rise in sales volumes in the Construction Steel segment, although it was partially offset by a decline in the average selling price of steel during the same period. The Group’s overall financial performance improved significantly in comparison to the first half of 2023, as the Group successfully mitigated the losses stemming from the cessation of its Myanmar subsidiary, which was subsequently disposed of in February 2024, and reduced its high-cost inventory carried over from FY2023.

During the first half of 2024, the Group’s Construction Steel segment continued to secure new contracts while maintaining its existing contracts. Given the positive outlook for the Singapore’s economy and the sustained growth of the construction industry, the Group remains focused on further strengthening its sales order book.

On 27 June 2024, shareholders of the Company approved the placement of 50,103,000 new ordinary shares to its substantial shareholder, Green Estee Pte Ltd. Pursuant to the placement agreement entered into between the parties, the first tranche of the placement, comprising 16,130,000 shares, was completed on 28 June 2024 while the second tranche, comprising 34,000,000 was completed on 15 August 2024. Green Estee is now recognised as a strategic investor in the Company.

The Board believes that Green Estee’s strong financial position, extensive networks, and deep understanding of the regional business environment will position it as a key partner in supporting the Group’s long-term growth strategy.

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2 <https://www.mas.gov.sg/publications/macro-economic-review/2024/volume-xxiii-issue-2-oct-2024>

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### **RISK FACTORS**

To the best of the Directors' knowledge and belief as at the Latest Practicable Date, the risk factors that are material to Shareholders and prospective investors in making an informed judgement on the Rights Issue (save for those which have already been disclosed to the general public) are set out below. Shareholders and prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to invest in the Rights Shares. The Group could be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein.

The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develops into actual events, the business, financial condition, results of operations and prospects of the Group could be materially and adversely affected. In such event, the trading price of the Shares and/or Rights Shares could decline due to any of these considerations and uncertainties, and Shareholders and investors may lose all or part of their investment in the Shares and/or Rights Shares.

### **RISKS RELATING TO THE GROUP'S BUSINESS AND OPERATIONS**

#### **The Group is dependent on its ability to secure new contracts with customers.**

The Group has a number of contracts that are non-recurring and entered into on a project-basis, where the Group supplies steel products to its customers as part of construction projects awarded to such customers. This reliance on project-based contracts underscores the importance of maintaining strong relationships with its customers and the need to actively pursue new opportunities in a competitive market. Without a consistent flow of new contracts, the Group may face challenges in sustaining revenue growth and this could negatively impact the Group's financial performance. The duration of the Group's awarded projects typically ranges between 1 to 78 months with an average duration of approximately 4.2 months. There is no guarantee that the Group will continue to secure new projects from its customers after the completion of the existing awarded projects.

The Group typically has to go through a competitive tendering or quotation process to secure new contracts. As of the end of 1H2024 the Group maintained a healthy sales order book of S\$270.2 million. The Group's ability to win contracts is affected by a range of factors, such as the Group's pricing and its competitors' pricing and the level of market competition. While the Group has historically achieved a good success rate in securing contracts, there is no guarantee that this trend will continue in the future. Additionally, there is also no guarantee that the Group will not need to lower its pricing in response to competitive pressures.

In the event that the Group is unable to maintain business relationship with existing customers or unable to secure new contracts or obtain similar number of projects, the Group's business operations, financial condition, results of operations and prospects may be materially and adversely affected.

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**The Group is affected by developments in the building and construction industry in which its customers operate.**

A large portion of the Group's revenue is derived from the sale of steel products for building and construction projects awarded to its customers. As such, the Group's revenue growth is closely tied to the ongoing success and expansion of its customers' businesses, as well as its ability to secure new orders from both new and existing customers. Factors that impact the broader building and construction industry, or the specific customers the Group serves, could adversely affect its business. These factors include:

- inability of the Group's customers to secure projects or the Group's failure to obtain new orders from contractors who have been awarded construction projects, which may reduce demand for the Group's products, resulting in the Group's production and manufacturing capacities to be underutilised for periods of time;
- loss of market share for its customers, which may lead them to reduce or discontinue their engagement of the Group's services or to lower their own prices, thereby exerting pricing pressure on the Group;
- economic conditions in the markets in which its customers operate including recessionary periods; and
- any product design changes that may reduce or eliminate demand for the products and/or solutions the Group supplies.

The building and construction industry is also affected by general economic conditions, changes in interest rates and relevant government policies and measures. Any material decrease in demand or orders from the Group's customers in the building and construction industry owing to such factors will have a material adverse impact on its business and financial performance.

In addition, these factors may also affect the Group's ability to plan for capacity changes accurately and may lead the Group to suffer a divergence between the time that it incurs additional capital expenditure for equipment and ancillary facilities, and the anticipated demand for its products. In the event that such capital expenditure is not matched by a corresponding increase in the demand for the Group's products, its financial position will be materially and adversely affected.

The Group expects that future revenue will continue to depend on the success of its customers. If economic conditions deteriorate and the Group's customers fail to remain competitive and secure new projects, the Group's business operations, financial condition, results of operations and prospects may be materially and adversely affected.



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### **The Group is dependent on its relationships with its major customers.**

The growth and success of the Group's business depends on its ability to maintain its relationships with existing major customers, whilst seeking to develop and foster relationships with new customers. The Group is, in particular, reliant on a single major external customer who contributed approximately 7.6%, 9% and 16% of the Group's total revenues for FY2021, FY2022 and FY2023 respectively.

Whilst the Group has long-standing relationships with its major customers, there is no assurance that it will be able to retain its major customers or maintain or increase the current level of business activities with them. The Group expects to continue depending on sales to its largest customers and any material delay, cancellation or reduction of orders from these customers or other significant customers may have a material adverse effect on the Group's business operations, financial condition, results of operations and prospects.

In addition, some of the Group's major customers could make substantial demands to the Group, including demands on product pricing and contractual terms, which may result in the allocation of pricing risk to the Group and the imposition of additional obligations and restrictions. The Group may face pressure to accede to these less favourable terms under which it will continue to supply products to them, in order to preserve and maintain the relationship. Such compromises on the Group's part to these less favourable business terms may ultimately affect its business operations, financial condition, results of operations and prospects.

The Group continually strives to attract new customers and build relationships with them, in order to keep the customer base adequately diversified and to reduce the risk of over-reliance on major customers. There is, however, no assurance that the efforts to attract new customers will be successful. In the event that the Group experiences any loss in sales from existing customers, there is also no assurance that it would be able to secure contracts with new customers in order to sufficiently replace and make up for the lost sales. Prior to establishing any new business relationships, the Group may be subject to vetting and verification by its potential customers and there can be no assurance that the results thereof will be satisfactory. Accordingly, if the Group fails to attract new customers, its business operations, financial condition, results of operations and prospects may be materially and adversely affected.

### **The Group is vulnerable to the risk of price erosion.**

The steel reinforcement industry is highly competitive, with numerous players competing for a share of the market. This competition intensifies as companies, seeking to capitalise on the demand for construction materials, may engage in price wars or offer more favourable terms to secure contracts. Competition within the industry in which the Group and/or its customers operate will lead to significant price pressure on the Group's products and services due to competition within the industry and among its customers.

Additionally, the Building & Construction Authority Price Index ("**BCA Price Index**"), which tracks changes in construction material costs, plays a critical role in shaping pricing dynamics within the industry. Changes in the BCA Price Index can directly impact the cost structure of construction projects, including the price of rebar reinforcement materials. If the

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BCA Price Index reflects an increase in construction material costs, the Group may also face higher input costs for raw materials like steel. However, the increased cost may not always be fully passed on to customers, particularly in competitive bidding environments where price sensitivity is high. Conversely, if the BCA Price Index indicates a decline in material costs, the Group may be pressured to lower prices, despite the potential for lower margins on new contracts. As such, fluctuations in the BCA Price Index, particularly if they are not aligned with market trends or customer expectations, can create volatility in revenue and profitability.

The risks of price erosion and heightened competition within the steel reinforcement industry, combined with the impact of BCA Price Index adjustments, create significant challenges for revenue stability and profitability. Accordingly, if the Group is unable to reduce its costs, a reduction in the prices of the Group's products and/or services may have a material and adverse impact on the Group's business operations, financial condition, results of operations and prospects.

### **Fluctuations in steel prices may adversely affect the Group's profit margins.**

As a distributor of steel products and construction steel solutions service provider, the Group purchases a wide range of steel products and maintains substantial inventories to be in a position to fulfil customers' orders within a short lead time. The cost of steel products purchased is the main component of the Group's cost of sales for its steel distribution and construction steel businesses. Prices of steel products are subject to international price fluctuations, often resulting from supply disruptions, pent-up demand, or significant peaks and troughs in prices due to pressure from uncertain economic outlook, geopolitical risks and the underlying commodity prices etc. Therefore, the Group is vulnerable to any fluctuations in prices of steel.

Any significant and sustained increase in steel prices could lead to higher cost of sales, thereby reducing the Group's profitability. The Group sets its purchasing and inventory holding levels based on forecasts and specific orders from its customers, ensuring alignment with market demand and optimising its inventory holding. However, there is no guarantee that the Group will be able to secure adequate quantities of steel of satisfactory quality at reasonable prices from its suppliers at any time. To the extent that the Group has entered into long-term contracts with its customers and has not obtained confirmed quotations from its suppliers for the amount of steel required for that contract, fluctuations in steel price would adversely affect the Group.

The Group implements commercial hedging (both buying and selling) to reduce the impact of price volatility in accordance with the sales contracts on hand, planned production volume and general market outlook. It also reviews the need for locking in longer period purchasing pricing contract based on steel debar futures price index and closely monitors regulatory changes, market trends and the BCA Price Index that may impact selling pricing and stock procurement strategies. It also reviews the appropriate mix of fixed and fluctuating price sales contracts in accordance with the BCA Price Index to safeguard against fluctuation in raw material prices that will impact on the Group's profit margins.

There is however no assurance that any of these strategies will successfully allow the Group to mitigate the adverse effects of fluctuations in steel prices. In the event that the Group is not able to effectively mitigate against such risks and is impacted by fluctuations in steel

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prices, this may have a material adverse effect on the Group's business operations, financial condition, results of operations and prospects.

**The Group may be required to obtain and maintain quality certifications.**

The Group's customers typically require the Group to meet stringent standards of production, and they may require that the Group meets and maintain relevant certification requirements before we can be approved as their appointed supplier. At minimum, the Group's manufacturing sites have obtained ISO 9001:2015 certification, which serves as a verification that the Group has developed an efficient quality management system.

However, there is no assurance that the Group will be able to maintain these certifications, for any number of reasons, including a failure on its part to keep up with the relevant standards required. If the Group is unable to meet and maintain the requirements needed to secure or renew such certifications, it may not be able to sell its products to certain customers and its business operations, financial condition, results of operations and prospects may be materially and adversely affected.

In addition, the Group's products, services and manufacturing processes may be subject to audit by some of its customers before the Group is qualified to undertake job orders. Prospective customers will need to ensure that the quality of the Group's products and/or the Group's manufacturing and quality control processes align with their specific needs and requirements. Failure to meet these standards could result in a loss of business, and adversely affect the Group's operations, financial condition, results of operations, and future prospects.

**The Group operates in a highly competitive industry.**

The Group operates in a highly competitive market and faces competition from various players. Some of the present and potential future competitors may have access to greater financial, marketing, technical or manufacturing resources, and in some cases, higher brand recognition and more experience than the Group has. These competitors may enter markets served by the Group and offer services at lower prices in order to obtain market share. They may be able to respond more quickly to new or emerging technologies and changes in customer requirements and/or devote greater resources to the development, promotion and sale of their products than the Group can. Additionally, current and potential competitors may pursue strategic acquisitions or form cooperative relationships among themselves or with third parties, enhancing their ability to address the needs of the Group's prospective customers. It is possible that new competitors or alliances among existing and new competitors may emerge and rapidly gain significant market share. Competitors may also offer products that are equal or superior to the Group's products, which could reduce the Group's market share and overall sales and require the Group to invest in new technology development.

The Group believes that the key competitive factors in its industry include, amongst others, the range and quality of products, customer service, pricing, geographic presence and track record. If the Group is less efficient than its competitors, or is unable to acquire or develop new production technologies required to meet evolving product specifications, its competitiveness will be adversely affected.

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There is no assurance that the Group will continue to compete successfully against its competitors. In the event that the Group is unable to retain existing customers and/or attract new customers amid increasing competition, its business, operations results, financial position and cash flow may be materially and adversely affected.

Increased competition may also exert downward pressure on the prices of the Group's products, impacting its profit margins. There can be no assurance that the Group will be able to compete successfully against competitors in the future. Accordingly, the Group's business operations, financial condition, results of operations and prospects may be materially and adversely affected if it is not able to compete effectively.

**There is no assurance that the Group's business strategies and future plans will be commercially successful or that the Group will be able to manage its growth effectively.**

The Group endeavours to expand beyond the Singapore market, and is constantly seeking opportunities to diversify into new areas or expand to regional markets such as Malaysia and other Southeast Asian countries to pursue sustainable growth. However, there is no assurance that the Group's business strategies and future plans will be commercially successful, or that the Group will be able to maintain its historical growth rates. The Group's growth may slow or decline for various reasons, some of which are beyond its control, including changes in general economic and business conditions at regional and national levels, and changes in government policies to become unfavourable to its business and operations. Additionally, the success of the Group's business strategies and future plans depend on, amongst others, its ability to secure locations for the setting up of premises and expansion of its current production facilities in a cost-efficient manner.

The Group has previously had to cease business operations in markets where conditions were unfavourable. For example, the Group faced economic and business uncertainty in Myanmar, which began in FY2021 and intensified during FY2022 to FY2023 due to political and security developments in the country. On 7 February 2023, the Group announced its intention to cease its business operations in Myanmar, due to the ongoing political and economic uncertainty, particularly after the Financial Action Task Force (FATF) placed Myanmar on its blacklist of countries in October 2022. The Group's net loss in FY2022 and FY2023 was due substantially to the impairment of non-financial assets in Myanmar, foreign exchange loss as well as the impairment of trade receivables and interest incurred on an outstanding bank loan taken by the Group's Myanmar subsidiary at the time, First Fortune International Company Limited ("FFI"), which operated a one-stop steel fabrication factory in Yangon, Myanmar. Subsequently, on 13 February 2024, the Group announced the completion of sale of its entire investment stake in FFI. Further to this, on 7 November 2024, the Group announced the completion of the liquidation of another of its subsidiary in Myanmar, HG Yangon Company Limited and that it had fully exited from all its Myanmar business operations.

There is no assurance that the Group's business strategies and future plans will achieve the expected results or outcome that will be commensurate with its investment costs. If the Group fails to achieve a sufficient level of revenue or if its expansion plans result in the incurrence of debt and liabilities, or any other unanticipated events or circumstances or if its future plans are not successfully implemented, its business operations, financial position, results of operations and prospects may be materially and adversely affected.

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**The Group may potentially be subject to product liability claims or claims arising from delays in the delivery of its products.**

The Group supplies its products to key markets in Singapore and Malaysia, and it may be liable for any loss and injury caused where such products turn out to be defective. The Group is also exposed to potential product liability claims if its products are found to be unfit for use, contain defects or if there are any alleged injuries to its customers from the use of its products. Furthermore, the Group could face claims due to delays in product deliveries for construction projects. Quality issues and late deliveries may lead customers to seek damages for losses incurred, especially if these problems disrupt construction timelines.

As at the Latest Practicable Date, although the Group has not been involved in legal proceedings or subject to material claims or complaints that its products are unsafe or hazardous nor has it faced claims related to delays in construction projects. However, there can be no assurance that the Group will not be involved in such legal proceedings or subject to such claims or complaints in the future. A significant and successful claim for product liability or project delays, against the Group, could create an adverse impact on the Group's reputation. If legal proceedings are commenced against the Group, there can be no assurance that it will be successful in its defence or counterclaim against the plaintiffs. Such legal proceedings may create a material and adverse impact on the Group's business, financial condition, results of operations and prospects.

**The Group's production facilities may face disruptions.**

Disruptions and delays in the Group's operations can occur due to various reasons including but not limited to shortages of labour or raw materials, machine breakdowns, disruptions in power supply, natural disasters, weather conditions and other events beyond its control (such as fire). Disruptions may have a significant effect on its operations especially when the Group is operating at close to or at maximum capacity. While the Group has in place contingency measures for such disruptions, there can be no assurance that these contingency measures will be sufficient for its production needs or that the Group will be able to do so at comparable costs. If these contingency measures are inadequate or resulting costs of production increase, the business operations, financial condition, results of operations and prospects of the Group may be materially and adversely affected.

**The Group may not have sufficient insurance coverage.**

While the Group maintains insurance at a level it believes is commercially appropriate against risks customarily insured in the industry, the Group may become subject to liabilities for events against which it is not adequately insured or which it cannot be insured on terms which are acceptable to the Group. Examples of these events include natural disasters, riots, general strikes, acts of terrorism and other events beyond the Group's control. Some of the losses the Group suffers may also not be easily quantifiable and may damage its reputation.

The Group's business operations, financial condition, results of operations and prospects may be materially and adversely affected if:

- an event occurs for which it is not adequately or sufficiently insured;

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- one or more large claims is or are successfully asserted against it that exceed the available insurance coverage;
- any of its insurance claims are contested by the insurance company; or
- it is not able to purchase insurance of the types and in the amounts that it deems necessary at acceptable premiums.

Further, the Group's insurance policies are typically renewed on an annual basis and there is no assurance that it will be able to renew all of the policies or obtain new policies on similar terms.

**The Group is dependent on certain key management personnel.**

The management team of the Group includes Chief Executive Officer Ms Xiao Xia, Chief Financial Officer Ms Sharon Tay and Group Senior Sales Manager Ms Coco Charlotte Tan, who are crucial in pursuing and executing the Group's growth strategy within its main business activities.

It is important that the Group attracts and retains qualified and skilled management personnel with the right combination of experience and technical skills. The Group is in a specialised industry and the competition for highly skilled employees is intense and the process of hiring employees with the right combination of skills and qualifications can be time-consuming. The success of the Group depends upon the continued efforts and future performance of the management employees. The loss of the services of key personnel, without adequate and timely replacement will have an adverse impact on the Group's business, financial condition and results of operations.

The Group cannot assure investors that it will be able to attract or retain key management personnel. The demand for senior skilled and experienced personnel is intense and the search for such personnel with the relevant skill sets can be time consuming. In order to remain competitive and to attract and/or retain key management personnel, the Group may need to increase their remuneration, which will result in increased manpower and related costs. If the Group is not able to at least generate proportionately higher revenue with such headcount costs, its profitability will be adversely affected.

**The Group is dependent on its ability to attract and retain skilled and experienced personnel and to maintain its labour costs.**

Apart from being reliant on key management, the Group also requires skilled and experienced personnel for its operations and to ensure continued success. In particular, given the nature of the Group's business, it is dependent on the ability to attract and retain skilled and experienced engineers and manual workers. The inability to do so may constrain the Group's growth and competitiveness. The demand for such personnel is intense and the Group cannot assure investors that it will be able to attract or retain such skilled and experienced personnel.

All of the Group's skilled and experienced personnel are employed on employment contracts but there is no assurance that they will not leave or renew their employment upon the expiry

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thereof. Although the Group has not encountered any material issues arising in respect of the foregoing, in the event that it is unable to successfully attract and retain skilled and experienced personnel, the Group's business operations, financial condition, results of operations and prospects may be materially and adversely affected. Additionally, if any of the Group's skilled and experienced personnel were to join a competitor or form a competing company, it may lose know-how, trade secrets, customers and staff.

### **Any disruption in the Group's information systems could disrupt its operations.**

The Group relies on a robust IT infrastructure for its daily business operations, internal communications, reporting and communications with customers and suppliers.

The Group's IT and infrastructure are vulnerable to computer viruses, attacks by hackers, or breaches due to employee error or malfeasance. Furthermore, the Group's networks and technology systems may be subject to disruption due to events beyond its control such as fire, telecommunications failure, terrorist attack or other catastrophic events. Although the Group employs security measures to prevent, detect, address and mitigate these risks (including access controls, data encryption, vulnerability assessments and maintenance of backup and protective systems), these threats may still materialise. If any of the Group's security measures are compromised, this could result in disruptions to its business operations. Unauthorised disclosure, misuse or loss of confidential, sensitive or proprietary information could negatively impact the Group's ability to carry out its normal business operations and could result in potential liability and damage to its reputation, any of which could have a material adverse effect on the Group's business operations, financial condition, results of operations and prospects.

In addition, the Group is exposed to risks of cybersecurity threats, data privacy breaches as well as other network security risks. Such security breaches could jeopardise the security of information stored in the Group's IT systems or transmitted over its networks and could result in unauthorised access to and misappropriation, modification or deletion of information or data (including customer information or data). The scale and level of sophistication of cybersecurity threats have increased especially in recent times, and the Group may not be able to anticipate or implement effective measures to protect against such breaches. Actual or anticipated attacks or risks may cause the Group to incur significant costs, including costs of remedying any security breaches, deploying additional personnel, implementing network protection technologies, training and engaging third-party experts or consultants.

Any material disruption, breach or failure of the Group's IT systems could result in the inability to perform, or delays in the performance of, critical business operational functions or the loss of key business data, which could materially and adversely affect its business operations, as well as expose the Group to possible litigation and liability under various laws and regulations. Furthermore, depending on the severity of the breach, this could result in reputational harm to the Group and could cause customers, suppliers or distributors to lose trust and confidence in the Group, which could have a material adverse effect on its business operations, financial condition, results of operations and prospects.

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**The Group's business involves inherent industrial risks and occupational hazards.**

The Group's business involves inherent industrial risks and occupational hazards, which may not be eliminated through implementing safety measures. The Group participates in certain activities presenting risks and dangers, among which are fabrication of steel products, and as such its employees will have to work with machinery and tools that have to be handled appropriately. The Group is therefore exposed to risks related to such activities, such as equipment failure, industrial accidents and fire.

There is no assurance that such risks will not cause a material and adverse impact to the Group in the future. The materialisation of any of the risks mentioned above in the worst case scenario may disrupt the Group's business and lead to delay in the project and damage the Group's reputation, which may also adversely affect the validity of the Group's relevant qualifications, business operations and results of operations. The Group's insurance coverage may not be sufficient, and it may not be possible to obtain adequate insurance (or any insurance at all) to cover certain risks on commercially reasonable terms.

There is also no guarantee that material work place accidents or fatal accidents will not occur in the future despite our safety policies and measures. Even if such accidents were not caused by the Group's fault or negligence, such accidents may still cause the Group to incur substantial costs and damage to its reputation.

Damage to the Group's reputation as a result of workplace accidents, whether or not the fault of the Group, may lead to negative publicity and may have a material adverse effect on the Group's business operations, financial condition, results of operations and prospects.

**Inventory obsolescence may affect the Group's profitability.**

The Group purchases standard components and raw materials such as steel in accordance with confirmed orders and forecasts. For items that require long lead-times, the Group usually purchase these in accordance with customers' projections. In the event that such projections do not materialise into confirmed orders, the Group will experience inventory obsolescence. The Group's financial condition and results of operations will be materially and adversely affected if there is a need to make provision for any decline in the value of its inventory.

Notwithstanding the above, the Group's ability to accurately forecast its inventory needs is affected by market fluctuations and other factors beyond its control. If the Group fails to manage its inventory effectively (including ensuring that any specific storage conditions that are required, such as storing in covered warehouse and implementing corrosion prevention measures), it may face risks such as shortage of supply of its products, inventory obsolescence, deterioration of inventory, a decline in inventory values and significant inventory write-offs. The Group may suffer losses in the event of an occurrence of the foregoing and such losses may not be fully covered by insurance. To the extent that the losses the Group suffer are uninsured or uninsurable, its business, financial condition, results of operations and prospects could be materially and adversely affected.



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**The Group may be adversely affected by exchange rate instability.**

The Group's functional reporting currency for its statutory financial statements is presented in SGD. The Group's revenue is predominantly in SGD, while a significant amount of its purchases are in United States Dollars. This mismatch means that fluctuations in foreign exchange rates may impact the Group's competitiveness and affect its sales, profitability, financial condition and prospects.

To the extent that the Group's sales and purchases are not naturally matched in the same currency, it will be exposed to any adverse fluctuations in the exchange rates between the foreign currencies vis-à-vis the SGD, which is the Group's reporting currency. As a consequence, there is a risk that changes in exchange rates could have a significant negative effect on the reported results of the Group.

As at the Latest Practicable Date, the Group has in place a hedging policy to reduce its exposure to foreign currency exchange risks. In line with this, the Group enters into forward exchange contracts to hedge against such risks. However, there is no assurance that the Group will be able to hedge fully and effectively against its foreign currency exposure through such arrangements, which in turn could adversely affect the Group's operating results, business, financial condition, performance and/or prospects.

**The Group is exposed to credit risks of its customers.**

The Group's business operations and financial results are dependent on the timely payments by, and credit worthiness of, its major customers.

Any deterioration in the financial position of the Group's customers, particularly the major customers, may affect its profit and cash flow, as these customers may default on their payments. In addition, these customers may cancel their orders with the Group. Although the Group routinely reviews the credit risk of customers, it cannot be assured that such defaults will not take place in the future or that it will not experience cash flow problems as a result of such defaults. The Group may also not be able to enforce its contractual rights to receive payment through legal proceedings.

The Group generally provide payment terms ranging from 30 to 90 days. As a result, the Group generates significant accounts receivable from sales to its customers. If any of the Group's customers have insufficient liquidity, it could encounter significant delays or defaults in payments owed to the Group by such customers, and the Group may need to extend its payment terms or restructure the receivables owed, which could have a significant adverse effect on its financial condition. Any deterioration in the financial condition of the Group's customers will increase the risk of uncollectible receivables. Global economic uncertainty could also affect the Group's customers' ability to pay its receivables in a timely manner or at all or result in customers going into bankruptcy or reorganisation proceedings, which could also affect the ability to collect its receivables.

There is no guarantee that the Group's customers will settle payment in full as it falls due. In the event the Group's customers are unable to settle trade amounts due to it on a timely basis, this will have an adverse impact on the Group's results of operations, cash flows and financial position. In addition, there may be an adverse impact on the Group's operations as

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it diverts its management resources, time and attention to pursue any unsettled invoices. The Group's loss allowance on trade receivables recognised in its income statement amounted to approximately S\$3,461,000 S\$1,203,000, S\$74,000 and S\$44,000 in FY2021, FY2022, FY2023 and 1H2024, respectively.

### **The Group may be affected by outbreaks of communicable diseases and or any other serious public health concerns in Singapore and elsewhere.**

An outbreak of infectious diseases or other serious public health concerns, whether locally in Singapore or globally, could have a significant adverse impact on the Group's business operations. Such outbreaks can disrupt supply chains, trigger economic slowdowns or recessions, and introduce volatility into financial markets – all of which could negatively affect the sectors and markets in which the Group operates.

Past outbreaks, including SARS, Zika, H1N1, MERS, Ebola, and most recently COVID-19, have demonstrated the potential for widespread disruptions. If a similar event were to occur again, it could lead to a global economic downturn, affecting both demand and supply chains. This could result in reduced demand for the Group's products, delays in the completion of customer construction projects, and a decline in contractual offtake, all of which would negatively impact the Group's business operations, financial condition, results of operations and prospects.

If the Group or its suppliers experience employee infections, health authorities may mandate the closure of facilities and quarantine measures. Such actions would cause operational delays and could harm the Group's business and financial performance. Additionally, a shortage of skilled workers due to illness or travel restrictions imposed by government could further disrupt operations and delay project completion, leading to increased costs from re-scheduling, additional subcontracting, material usage, and staff turnover.

The Group may also face difficulties in collecting receivables if customers are financially impacted by economic slowdowns or public health measures, which could further strain cash flow and liquidity.

The consequences of any future outbreak of other infectious or widespread communicable diseases are beyond the Group's control, and it is impossible to foresee events of such nature with certainty. However, such events could cause interruptions across various business operations, adversely affecting the Group's financial condition and operating results.

### **The Group is dependent on its reputation and established goodwill.**

Over the years, the Group has established its reputation in the industries that it operates in, namely the structural steel distribution and steel reinforcement industries, as a supplier of high-quality steel products. The Group believes that it has built significant goodwill in its name which is widely recognised in the industry and has enabled the Group to gain customer loyalty. However, unforeseeable or uncontrollable events may still occur and if there are any major defects in the Group's products or solutions, lapses in its services or adverse publicity on the Group, the reputation of the Group will be adversely affected and customers may lose confidence in it. This will adversely affect the Group's revenue, and consequently its business and financial performance.

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As such, maintaining, protecting, and enhancing the Group's brand is crucial for its success as market perception and acceptance of a brand is a determining factor for customers in making their purchasing decisions. The Group's success in protecting its goodwill and brand image depends largely on its ability to ensure the quality and reliability of its products and services and to provide effective, differentiated products and services to customers.

If the Group's efforts to build and promote its brand image are not effective for any reason or if any of such events occur, its reputation and the market recognition of its products may deteriorate and as a result, the Group may not be able to compete effectively and expand its business. This would materially and adversely impact the Group's business, financial condition, results of operations and prospects.

### **RISKS RELATING TO AN INVESTMENT IN THE SHARES**

#### **Shareholders who do not or are not able to accept their provisional allotment of Rights Shares will experience a dilution in their ownership of the Company.**

In the event that Entitled Shareholders do not or are not able to accept their provisional allotment of Rights Shares, their proportionate ownership of the Company will be reduced and such Shareholders will have their shareholdings in the Company diluted after completion of the Rights Issue due to the issuance of new Shares. They may also experience a dilution in the value of their Shares. Even if an Entitled Shareholder sells his provisional allotment of Rights Shares, or such provisional allotment of Rights Shares are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his ownership of the Company as a result of the Rights Issue.

#### **The price of the Shares may be volatile, which could result in substantial losses for investors subscribing for the Rights Shares.**

The trading price of the Shares could be subject to fluctuations in response to variations in the Group's results of operations, changes in general economic conditions, changes in accounting principles or other developments affecting the Group, its involvement in litigation, additions or departures in key personnel, any announcements by the Group of corporate developments, changes in financial estimates by securities analysts, the operating and stock price performance of other companies and other events or factors. The global financial markets have experienced significant price and volume fluctuations in recent years. Volatility in the price of the Shares may be caused by factors outside its control and may be unrelated or disproportionate to the Group's operating results.

There is no assurance that the market price for the Shares will not fluctuate significantly and rapidly as a result of certain factors, some of which are beyond the Company's control. Examples of such factors include, *inter alia*: (i) corporate actions; (ii) variation(s) of its operating results; (iii) changes in securities analysts' estimates of the Group's financial performance; (iv) additions or departures of key personnel; (v) fluctuations in stock market prices and volume; (vi) involvement in litigation; and (vii) general economic, political and regulatory environment in the markets that the Group operates in.

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**There is no assurance that an active market for the Shares will develop after the Rights Issue.**

There is no assurance that the market price for the Rights Shares will not decline below the Issue Price after the Rights Issue. Shareholders should note that the Shares trade in board lots of 100 Shares. Following the Rights Issue, Shareholders who hold odd lots of the Rights Shares and who wish to trade in odd lots on the SGX-ST should note that there is no assurance that they will be able to acquire such number of Rights Shares to make up one board lot of 100 Rights Shares or to dispose of their odd lots (whether in part or whole) on the SGX-ST. Further, Entitled Shareholders who hold odd lots of less than 100 Rights Shares may experience difficulty and/or have to bear disproportionate transaction costs in disposing of odd lots of their Rights Shares.

**An active market may not develop for the “nil-paid” rights entitlements during the provisional allotment period prescribed by the SGX-ST.**

There is no assurance that an active trading market for the “nil-paid” rights on the SGX-ST will develop during the trading period or that any over-the-counter trading market for the “nil-paid” rights will develop. Even if an active market develops, the trading price of the “nil-paid” rights, which depends on the trading price of the Shares, may be volatile. In addition, Shareholders in certain jurisdictions are not allowed to participate in the Rights Issue and the Company will not be making arrangements for provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders to be sold on the SGX-ST.

**Investors may experience future dilution in the value of their Shares.**

The Company may need to raise additional funds in the future to finance the repayment of facilities, business expansion and/or acquisitions and/or investments. If additional funds are raised through the issuance by the Company of new Shares other than on a *pro rata* basis to existing Shareholders, the percentage ownership of existing Shareholders may also be reduced and existing Shareholders may also experience dilution in the value of their Shares.

**Any future sales of the Shares by the Group’s Substantial Shareholders and/or Directors could adversely affect its Share price.**

Any future sale of Shares by the Substantial Shareholders and/or Directors in the public market can have a downward pressure on the price of the Shares. The sale of a significant amount of such Shares in the public market, or the perception that such sales may occur could materially and adversely affect the market price of its Shares. These factors could also affect the Group’s ability to issue additional equity securities in the future.

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11. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.

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Not applicable. No profit forecast is disclosed in this Offer Information Statement.

12. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.

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Not applicable. No profit forecast or profit estimate is disclosed in this Offer Information Statement.

13. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions mentioned in paragraph 12 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.

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Not applicable. No profit forecast is disclosed in this Offer Information Statement.

14. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement mentioned in paragraph 13 of this Part –

- (a) a statement by the issue manager to the offer, or by any other person whose profession or reputation gives authority to the statement made by that person, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor's examination of the evidence supporting the assumptions mentioned in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to the auditor's attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

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Not applicable. No profit forecast is disclosed in this Offer Information Statement.

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15. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement mentioned in paragraph 13 of this Part –
- (a) a statement by the issue manager to the offer, or by any other person whose profession or reputation gives authority to the statement made by that person, prepared on the basis of an examination by that issue manager or person of the evidence supporting the assumptions mentioned in paragraph 12 of this Part, to the effect that no matter has come to the attention of that issue manager or person which gives that issue manager or person reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
  - (b) a statement by an auditor of the relevant entity, prepared on the basis of the auditor's examination of the evidence supporting the assumptions mentioned in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to the auditor's attention which gives the auditor reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

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Not applicable. No profit forecast is disclosed in this Offer Information Statement.

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**Significant Changes**

16. Disclose any event that has occurred from the end of –
- (a) the most recently completed financial year for which financial statements have been published; or
  - (b) if interim financial statements have been published for any subsequent period, that period,
- to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate statement to that effect.

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Save as disclosed in this Offer Information Statement and in the Company's annual reports, circulars and SGXNET announcements, the Directors are not aware of any event which has occurred from 30 June 2024 and up to the Latest Practicable Date which has not been publicly announced which may have a material effect on the financial position and results of the Group.

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17. In this Part, "published" includes publication in a prospectus, in an annual report or on the SGXNET.
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Noted.

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**PART 6: THE OFFER AND LISTING**

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**Offer and Listing Details**

- 1. Indicate the price at which the securities or securities-based derivatives contracts are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of the offer information statement, state the method by which the offer price is to be determined and explain how the relevant entity will inform investors of the final offer price.**

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The Issue Price for each Rights Share is S\$0.266, payable in full on acceptance of all or part of a provisional allotment of Rights Shares and, if applicable, on the application for excess Rights Shares.

The expenses incurred in respect of the Rights Issue will not be specifically charged to subscribers or purchasers of the Rights Shares. The expenses associated with the Rights Issue will be deducted from the gross proceeds received by the Company from the Rights Issue.

However, an administrative fee will be charged by each Participating Bank for each Electronic Application made through any ATM of the Participating Bank, and such administrative fee will be borne by the subscribers of the Rights Shares. No administrative fee will be borne by the subscribers of the Rights Shares for each successful Electronic Application made through an Accepted Electronic Service.

- 
- 2. If there is no established market for the securities or securities-based derivatives contracts being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**

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Not applicable. The Shares are, and the Rights Shares will be, listed, quoted and traded on the SGX-ST.

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- 3. If –**
    - (a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered; and**

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- (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived, indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

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Not applicable. None of the Shareholders have pre-emptive rights to subscribe for the Rights Shares.

As there may be prohibitions or restrictions against the offering of the Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the section titled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement for further details.

- 
4. If securities or securities-based derivatives contracts of the same class as those securities or securities-based derivatives contracts being offered are listed for quotation on any approved exchange:
- (a) in a case where the first-mentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivatives contracts –
- (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or
- (b) in a case where the first-mentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivatives contracts –
- (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
- (c) disclose any significant trading suspension that has occurred on the approved exchange during the 3 years immediately preceding the latest practicable date or, if the securities or securities-based derivatives contracts have been listed for quotation for less than 3 years, during the period from the date on which the securities or securities-based derivatives contracts were first listed to the latest practicable date; and



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**(d) disclose information on any lack of liquidity, if the securities or securities-based derivatives contracts are not regularly traded on the approved exchange.**

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(a) The following table sets forth the highest and lowest closing prices for the Shares and the volume of the Shares traded on the SGX-ST for each of the last 12 months immediately preceding the Latest Practicable Date and for the period from 1 November 2024 to the Latest Practicable Date:

	<b>Share price (S\$)</b>		<b>Volume of Shares traded</b>
	<b>Highest closing price</b>	<b>Lowest closing price</b>	
<b>November 2023</b>	0.290	0.250	196,800
<b>December 2023</b>	0.295	0.265	237,600
<b>January 2024</b>	0.295	0.260	1,015,000
<b>February 2024</b>	0.290	0.225	657,400
<b>March 2024</b>	0.295	0.260	431,900
<b>April 2024</b>	0.315	0.270	691,200
<b>May 2024</b>	0.310	0.280	644,100
<b>June 2024</b>	0.310	0.280	170,600
<b>July 2024</b>	0.330	0.305	1,347,200
<b>August 2024</b>	0.330	0.295	335,600
<b>September 2024</b>	0.325	0.300	556,700
<b>October 2024</b>	0.330	0.260	1,299,600
<b>1 November 2024 to 19 November 2024 (being the Latest Practicable Date)</b>	0.280	0.260	1,184,100

*(Source: ShareInvestor (www.shareinvestor.com). ShareInvestor has not consented to the inclusion of the information above which is publicly available, and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. The Company has included the above information in its proper form and context and has not verified the accuracy of the content of such information. The Company is not aware of any disclaimers made by ShareInvestor in relation to the above information.)*

(b) Not applicable. The Shares have been listed and quoted on the SGX-ST for more than 12 months preceding the Latest Practicable Date.

(c) There has not been any significant trading suspension of the Shares during the three (3) years immediately preceding the Latest Practicable Date.

(d) Please refer to the table above for the volume of Shares traded during each of the last 12 calendar months immediately preceding the Latest Practicable Date and for the period from 1 November 2024 to the Latest Practicable Date. Based on the information set out therein, the Shares are regularly traded on the SGX-ST.

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5. Where the securities or securities-based derivatives contracts being offered are not identical to the securities or securities-based derivatives contracts already issued by the relevant entity, provide –
- (a) statement of the rights, preferences and restrictions attached to the securities or securities-based derivatives contracts being offered; and
  - (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities or securities-based derivatives contracts, to rank in priority to or equally with the securities or securities-based derivatives contracts being offered.

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- (a) The Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls on or after the date of allotment and issue of the Rights Shares.
  - (b) The Rights Shares will be issued pursuant to the general share issue mandate granted by the Shareholders at the annual general meeting of the Company held on 26 April 2024 under Section 161 of the Companies Act and Rule 806(2) of the Listing Manual.

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**Plan of Distribution**

6. Indicate the amount, and outline briefly the plan of distribution, of the securities or securities-based derivatives contracts that are to be offered otherwise than through underwriters. If the securities or securities-based derivatives contracts are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.

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The Rights Issue is made on a renounceable non-underwritten basis of up to 74,254,237 Rights Shares to Entitled Shareholders at the Issue Price of S\$0.266 for each Rights Share, on the basis of 10 Rights Shares for every 27 existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

The Rights Shares will not be offered through any broker or dealer.

Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or in the case of Entitled Depositors only, trade (during the provisional allotment trading period prescribed by SGX-ST) their provisional allotments of Rights Shares on the SGX-ST and are eligible to apply for Excess Rights Shares in excess of their provisional allotments under the Rights Issue.

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The basis of allotting any Excess Rights Shares will be determined at the absolute discretion of the Directors. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and the Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will also not make any allotment and issuance of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting. For the avoidance of doubt, only Entitled Shareholders (and not Purchasers or renounees) shall be entitled to apply for Excess Rights Shares.

The distribution of the Notification, this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or unless relevant securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than in Singapore, the Rights Issue is only offered to Entitled Shareholders and the Rights Shares will not be offered to Foreign Shareholders. This Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders or into any jurisdiction outside Singapore. Please refer to the section entitled "Eligibility of Shareholders to Participate in the Rights Issue" of this Offer Information Statement for further details.

The allotment and issuance of the Rights Shares pursuant to the Rights Issue are governed by the terms and conditions as set out in this Offer Information Statement, including Appendices II, III and IV to this Offer Information Statement, the PAL, the ARE and the ARS and (if applicable) the Constitution of the Company.

In view of the Irrevocable Undertaking and the savings in underwriting costs which the Company will enjoy, the Company has decided to proceed with the Rights Issue on a non-underwritten basis. Please refer to paragraph 1(f) of Part 10 of this Offer Information Statement for further details on the Irrevocable Undertaking.

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**7. Provide a summary of the features of the underwriting relationship together with the amount of securities or securities-based derivatives contracts being underwritten by each underwriter.**

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Not applicable. The Rights Issue is not underwritten by any financial institution. However, please refer to paragraph 1(f) of Part 10 of this Offer Information Statement for further details on the Irrevocable Undertaking.

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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**PART 7: ADDITIONAL INFORMATION**

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**Statements by Experts**

- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**
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Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

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- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert**

**(a) state the date on which the statement was made;**

**(b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**

**(c) include a statement that the expert has given, and has not withdrawn, his or her written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**

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Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

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- 3. The information mentioned in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 33(2) applies.**
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Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

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**Consents from Issue Managers and Underwriters**

4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his or her written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.

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Not applicable. No manager or underwriter has been appointed to relation to the Rights Issue.

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**Other Matters**

5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly
- (a) the relevant entity's business operations or financial position or results; or
  - (b) investments by holders of securities or securities-based derivatives contracts in the relevant entity.

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Save as disclosed in this Offer Information Statement and the Company's annual reports, circulars and SGXNET announcements, the Directors are not aware of any other matters which could materially affect, directly, or indirectly the Group's business operations or financial position or results or investments by holders of securities in the Company.

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**PART 8: ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR  
UNITS OF DEBENTURES**

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Not applicable.

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**PART 9: ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES**

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Not applicable.

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
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**PART 10: ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES OR  
SECURITIES-BASED DERIVATIVES CONTRACTS BY WAY OF RIGHTS ISSUE**

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**1. Provide –**

**(a) the particulars of the rights issue;**

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Please refer to section entitled “Principal Terms of the Rights Issue” of this Offer Information Statement for the particulars of the Rights Issue.

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**(b) the last day and time for splitting of the provisional allotment of the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**

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The last date and time for splitting of the provisional allotment of Rights Shares is on 4 December 2024 at 5.00 p.m. (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

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**(c) the last day and time for acceptance of and payment for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**

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The last date and time for acceptance of and payment for the Rights Shares is on 10 December 2024 at 5.30 p.m. (and 9.30 p.m. for Electronic Applications) (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

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**(d) the last day and time for renunciation of and payment by the renounee for the securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**

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The last date and time for acceptance of payment by the renounee for the Rights Shares is on 10 December 2024 at 5.30 p.m. (and 9.30 p.m. for Electronic Applications) (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Entitled Depositors who wish to renounce their provisional allotments of Rights Shares in favour of a third party should note that CDP requires three (3) Market Days to effect such renunciation. As such, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for the renounee to accept his provisional allotment of Rights Shares.

Please refer to the section entitled “Indicative Timetable of Key Events” of this Offer Information Statement for more details.

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- (e) **the terms and conditions of the offer of securities or securities-based derivatives contracts to be issued pursuant to the rights issue;**
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The terms and conditions of the Rights Issue are as set out in this Offer Information Statement, including Appendices II, III and IV to this Offer Information Statement, and in the PAL, the ARE and the ARS.

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- (f) **the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and**
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As at the date of this Offer Information Statement, the Undertaking Shareholder owns and/or has shareholding interests in 58,140,000 Shares representing approximately 29.00% of the Existing Issued Share Capital, and does not own any instruments convertible into, rights to subscribe for, or options in respect of, Shares.

To demonstrate its confidence in the Rights Issue and its commitment and support to the Company, the Undertaking Shareholder has executed the Irrevocable Undertaking in favour of the Company, pursuant to which it has irrevocably undertaken to the Company, *inter alia*, that:

- (a) as at the Record Date, it will own, directly and/or indirectly, no less than 58,140,000 Shares ("**Undertaken Shares**");
- (b) it shall not, on or before the Record Date, sell, transfer or otherwise dispose of, any of the Undertaken Shares or any interest therein;
- (c) it will, by way of acceptance, subscribe and pay for (or procure subscription and payment for) in full at the Issue Price, an aggregate of 21,533,330 Rights Shares (the aggregate value of which is S\$5,727,865.78 based on the Issue Price) to be provisionally allotted to it on the basis of the Undertaken Shares as at the Record Date ("**GE Undertaken Pro Rata Rights Shares**"); and
- (d) it will, by way of excess application, subscribe and pay for, at the Issue Price, all the Rights Shares which are not taken up by the other Shareholders who are eligible to participate in the Rights Issue or their renounees by way of acceptances and/or excess applications (subject to availability) ("**GE Undertaken Excess Rights Shares**").

The Irrevocable Undertaking is subject to:

- (i) the approval in-principle of the SGX-ST for the listing of and quotation for the Rights Shares on the Official List of SGX-ST and if such approval is granted subject to conditions, such conditions being acceptable to the Company and the Undertaking Shareholder, and such approval not having been withdrawn or revoked on or prior to the completion of the Rights Issue; and
- (ii) the lodgement of the Offer Information Statement, together with all other accompanying documents in respect of the Rights Issue with the Authority.

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- (g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.**
- 

The Directors are of the opinion that there is no minimum amount that must be raised from the Rights Issue. Accordingly, the Company has decided to undertake the Rights Issue on a non-underwritten basis in view of the savings in costs enjoyed by the Company as a result of not having to bear any underwriting fees and commission.



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## APPENDIX I – ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL

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1. Provide a review of the working capital for the last three financial years and the latest half year, if applicable.
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The working capital of the Group as at 31 December 2021, 31 December 2022, 31 December 2023 and 30 June 2024 is set out below:

	As at 31 December 2021 S\$'000 (Audited)	As at 31 December 2022 S\$'000 (Audited)	As at 31 December 2023 S\$'000 (Audited)	As at 30 June 2024 S\$'000 (Unaudited)
Current assets	120,672	121,667	111,046	114,405
Current liabilities	33,313	36,857	18,162	14,369
<b>Net current assets</b>	<b>87,359</b>	<b>84,810</b>	<b>92,884</b>	<b>100,036</b>

A review of the working capital of the Group is set out below:

### 30 June 2024 compared to 31 December 2023

#### ***Current assets***

The Group's current assets increased by S\$3.4 million, from S\$111.0 million as of 31 December 2023 to S\$114.4 million as of 30 June 2024. The increase was mainly attributed to an S\$8.1 million increase in trade and other receivables, as well as increase in cash and cash equivalents and prepaid expenses of S\$2.7 million and S\$0.2 million respectively. However, these increases were partly offset by a S\$4.1 million decrease in inventories, in line with the Group's strategy to optimise inventory levels, and a S\$3.5 million reduction in assets of disposal group classified as held for sale following the completion of sale of an investment in Myanmar.

#### ***Current liabilities***

The Group's current liabilities decreased by S\$3.8 million, from S\$18.2 million as of 31 December 2023 to S\$14.4 million as of 30 June 2024. This decline was primarily due to a S\$4.8 million reduction in liabilities from a disposal group classified as held for sale, following the completion of the sale of an investment in Myanmar. Additionally, there were decreases of S\$1.8 million in trade and other payables and S\$0.3 million in derivative financial instruments. These decreases were partially offset by a S\$2.4 million increase in bank borrowings for trade financing and a S\$0.7 million increase in the provision for income tax.

As a result, the Group recorded an increase in working capital from S\$92.9 million as of 31 December 2023 to S\$100.0 million as of 30 June 2024.

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## APPENDIX I – ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL

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### 31 December 2023 compared to 31 December 2022

#### ***Current assets***

The Group's current assets decreased by S\$10.6 million, from S\$121.6 million as of 31 December 2022 to S\$111.0 million as of 31 December 2023. This decrease was primarily due to a S\$34.6 million decline in inventories, along with reductions of S\$0.3 million in investment securities and S\$0.2 million in prepaid expenses and income tax recoverable. However, these decreases were partially offset by a S\$13.8 million increase in trade and other receivables and a S\$6.2 million rise in fixed deposits pledged with banks, which arose from new placements using proceeds from the maturity of investment securities and fixed deposits reclassified from non-current to current assets. Additionally, there was a S\$3.5 million in assets from a disposal group classified as held for sale related to the intended sale of an investment in Myanmar, along with a S\$1.0 million increase in cash and cash equivalents.

#### ***Current liabilities***

The Group's current liabilities decreased by S\$18.7 million, from S\$36.9 million as of 31 December 2022, to S\$18.2 million as of 31 December 2023. This decline was primarily due to a S\$21.6 million reduction in bank borrowings resulting from repayments and lower borrowings amid rising interest rates, along with a S\$1.1 million decrease in trade and other payables. Additionally, provisions for income tax, reinstatement costs, and derivative financial instruments decreased by S\$0.5 million, S\$0.2 million, and S\$0.1 million, respectively. These reductions were partially offset by a S\$4.8 million increase in liabilities related to a disposal group classified as held for sale, associated with the intended divestment of an investment in Myanmar.

As a result, the Group reported an increase in working capital of S\$8.1 million, from S\$84.8 million as of 31 December 2023 to S\$92.9 million as of 31 December 2023.

### 31 December 2022 compared to 31 December 2021

#### ***Current assets***

The Group's current assets increased slightly by S\$1.0 million, from S\$120.7 million as of 31 December 2021 to S\$121.7 million as of 31 December 2022. The increase was primarily driven by a S\$13.1 million gain in inventories due to stock replenishment and higher weighted average cost of material, along with increases in investment securities and prepaid expenses of S\$2.7 million and S\$0.1 million, respectively. However, these gains were largely offset by a S\$12.5 million decline in cash and cash equivalents and a S\$2.4 million reduction in fixed deposits pledged with banks, restricted deposits, and trade and other receivables.

#### ***Current liabilities***

The Group's current liabilities increased by S\$3.6 million, from S\$33.3 million as of 31 December 2021 to S\$36.9 million as of 31 December 2022. The increase was primarily driven by a S\$13.7 million increase in bank borrowings for trade financing of stock purchases, along with increase in provisions for reinstatement costs and derivative financial instruments of S\$0.2 million and S\$0.4 million respectively. These increases were partially offset by a S\$10.0 million reduction in trade and other payables and a S\$0.7 million decrease in lease liabilities and provisions for income tax.

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## **APPENDIX I – ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL**

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As a result, the Group reported a decrease in working capital of S\$2.6 million, from S\$87.4 million as of 31 December 2021, to S\$84.8 million as of 31 December 2022.

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### **2. Convertible Securities**

- (a) Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832 of the Listing Manual.**
  - (b) Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on price fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences.**
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Not applicable as the Rights Issue does not involve an issue of convertible securities.

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### 1. INTRODUCTION

1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM of a Participating Bank or an Accepted Electronic Service shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made via the SGX Investor Portal or SGX-SFG Service or through other electronic methods designated by CDP from time to time.

1.2 The provisional allotments of Rights Securities are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and the instructions in the ARE.

The number of Rights Securities provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded).

The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Securities as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Securities in full or in part and are eligible to apply for Rights Securities in excess of their provisional allotments under the Rights Issue. Full instructions for the acceptance of and payment for the provisional allotments of Rights Securities and the application and payment for Excess Rights Securities are set out in this Offer Information Statement as well as the ARE.

1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Securities specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Securities in addition to the Rights Securities which have been provisionally allotted to him, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Securities and (if applicable) application for Excess Rights Securities may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the “Free Balance” of your Securities Account is not credited with, or is credited with less than the relevant number of Rights Securities accepted as at the last time and date for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or this Offer Information Statement, at CDP’s absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of the Participating Bank) or electronic service delivery networks (such as SGX Investor Portal) (“**Accepted Electronic Service**”) and the submission is unsuccessful or **BY CREDITING DIRECTLY INTO HIS/THEIR DESIGNATED BANK ACCOUNT FOR SINGAPORE DOLLARS VIA CDP’S DCS, as the case may be, (in each case) AT HIS/THEIR OWN RISK**; in the event he/they are not subscribed to CDP’s DCS, any monies to be paid shall be credited to his/their Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities

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## **APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS**

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Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein), as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP). CDP will process such refunds within such timeline as shall be indicated by CDP from time to time, taking into account the processing time required by the relevant bank or service delivery network for the relevant payment method.

**AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SECURITIES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SECURITIES EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK OR AN ACCEPTED ELECTRONIC SERVICE. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SFG SERVICE.**

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Rights Securities and/or Excess Rights Securities in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Securities and/or Excess Rights Securities in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

- 1.4 For SRS Investors and investors who hold Shares through finance companies or Depository Agents, acceptance of the Rights Securities and (if applicable) application for Excess Rights Securities must be done through the respective finance companies or Depository Agents. Any acceptance and/or application made directly through CDP, Electronic Applications at any ATM of a Participating Bank or an Accepted Electronic Service, the Share Registrar and/or the Company will be rejected.
- 1.5 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any term of such contracts. Notwithstanding any term contained therein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- 1.6 Details on the acceptance for provisional allotment of Rights Securities and (if applicable) application for Excess Rights Securities are set out in paragraphs 2 to 4 of this Appendix II.

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### 2. MODE OF ACCEPTANCE AND APPLICATION

#### 2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service

Instructions for Electronic Applications through an ATM of a Participating Bank or an Accepted Electronic Service to accept the Rights Securities provisionally allotted or (if applicable) to apply for Excess Rights Securities will appear on the ATM screens of a Participating Bank. Please refer to Appendix IV of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

Instructions for Electronic Applications through an Accepted Electronic Service are set out in the ARE.

**IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK OR THROUGH AN ACCEPTED ELECTRONIC SERVICE, HE WOULD HAVE IRREVOCABLY AUTHORISED THE RELEVANT PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SECURITIES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SECURITIES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK OR AN ACCEPTED ELECTRONIC SERVICE, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.**

#### 2.2 Acceptance/Application through Form Submitted to CDP

If the Entitled Depositor wishes to accept the provisional allotment of Rights Securities and (if applicable) apply for Excess Rights Securities through the form submitted to CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part C(i) of the ARE the total number of Rights Securities provisionally allotted to him which he wishes to accept and the number of Excess Rights Securities applied for and in Part C(ii) of the ARE the 6 digits of the Cashier's Order/Banker's Draft; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Securities accepted and (if applicable) Excess Rights Securities applied for by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **HG METAL MANUFACTURING LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**, so as to arrive not later than **5.30 P.M. ON 10 DECEMBER 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

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## **APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS**

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The payment for the relevant number of Rights Securities accepted and (if applicable) Excess Rights Securities applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – HG METAL RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS WILL BE ACCEPTED. NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

### **2.3 Acceptance through the SGX-SFG Service (for Depository Agents only)**

Depository Agents may accept the provisional allotment of Rights Securities and (if applicable) apply for Excess Rights Securities through the SGX-SFG service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and this Offer Information Statement as if the ARE had been completed, signed and submitted to CDP.

### **2.4 Insufficient Payment**

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Securities accepted by the Entitled Depositor and (if applicable) the Excess Rights Securities applied for by the Entitled Depositor, the attention of the Entitled Depositor is drawn to paragraph 1.3 and 5.2 of this Appendix II which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Securities in relation to the Rights Issue. With respect to applications made via an Accepted Electronic Service, remittances may be rejected and refunded at CDP's discretion if they do not match the quantity of Rights Securities accepted by the Entitled Depositor indicated through such Accepted Electronic Service.

### **2.5 Acceptance of Part of Provisional Allotments of Rights Securities and Trading of Provisional Allotments of Rights Securities**

An Entitled Depositor may choose to accept his provisional allotment of Rights Securities specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Securities and trade the balance of his provisional allotment of Rights Securities on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Securities provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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- (b) accept and subscribe for that part of his provisional allotment of Rights Securities by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his provisional allotment of Rights Securities may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Securities on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Securities will be tradeable in board lots, each board lot comprising provisional allotments of 100 Rights Securities, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Securities as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

### 2.6 Sale of Provisional Allotments of Rights Securities

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Securities (“**Purchasers**”) as arrangements will be made by CDP for a separate ARS to be issued to the Purchasers whose mailing addresses maintained with CDP are in Singapore. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by the Notification and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS’ OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Securities may be rejected. Purchasers who do not receive the ARS, accompanied by the Notification and other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Purchasers should also note that if they make any purchase on or around the last trading day of the nil-paid Rights, the ARS, the Notification and its accompanying documents might not be despatched in time for the subscription of the Rights Securities. Purchasers may obtain a copy from CDP. Alternatively, Purchasers may accept and subscribe by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above.

The Notification, this Offer Information Statement and its accompanying documents will not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of Rights Securities credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Foreign Purchasers are advised that their participation in the Rights Issue may be restricted or prohibited by the laws of the jurisdiction in which they are located or resident.



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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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**PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SECURITIES are SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SECURITIES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SECURITIES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SECURITIES ON THEIR BEHALF.**

### **2.7 Renunciation of Provisional Allotments of Rights Securities**

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Securities in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Securities which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least 3 Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS/THEIR OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Securities. The last time and date for acceptance of the provisional allotments of Rights Securities and payment for the Rights Securities by the renounee is **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

### **3. COMBINATION APPLICATION**

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Securities by way of the ARE and/or the ARS and also by way of Electronic Application(s) and/or has applied for Excess Rights Securities by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Securities provisionally allotted to him and/or application for Excess Rights Securities (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

### **4. ILLUSTRATIVE EXAMPLES (ASSUMPTION: ON THE BASIS OF 10 RIGHTS SECURITIES FOR EVERY 27 EXISTING ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.266)**

As an illustration, if an Entitled Depositor has 2,700 Shares standing to the credit of his Securities Account as at the Record Date, the Entitled Depositor will be provisionally

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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allotted 1,000 Rights Securities as set out in his ARE. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

### Alternatives

- (a) Accept his entire provisional allotment of 1,000 Rights Securities and (if applicable) apply for Excess Rights Securities.

### Procedures to be taken

- (1) Accept his entire provisional allotment of 1,000 Rights Securities and (if applicable) apply for Excess Rights Securities by way of an Electronic Application through an ATM of a Participating Bank not later than **9.30 p.m. on 10 December 2024** or an Accepted Electronic Service as described herein not later than **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance in full of his provisional allotment of 1,000 Rights Securities and (if applicable) the number of Excess Rights Securities applied for and forward the original signed ARE together with a single remittance for S\$266 (or, if applicable, such higher amount in respect of the total number of Rights Securities accepted and Excess Rights Securities applied for) by way of a Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore, and made payable to "**CDP – HG METAL RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by post, at his own risk, in the self-addressed envelope provided to **HG METAL MANUFACTURING LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### Alternatives

### Procedures to be taken

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

- (b) Accept a portion of his provisional allotment of Rights Securities, for example 500 provisionally allotted Rights Securities, not apply for Excess Rights Securities and trade the balance on the SGX-ST.
- (1) Accept his provisional allotment of 500 Rights Securities by way of an Electronic Application through an ATM of a Participating Bank not later than **9.30 p.m. on 10 December 2024** or an Accepted Electronic Service as described herein not later than **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 500 Rights Securities, and forward the original signed ARE , together with a single remittance for S\$133, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 500 Rights Securities which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Securities would be tradeable in the ready market in board lots, each board lot comprising provisional allotments size of 100 Rights Securities or any other board lot size which the SGX-ST may require.

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### Alternatives

(c) Accept a portion of his provisional allotment of Rights Securities, for example 500 provisionally allotted Rights Securities, and reject the balance.

### Procedures to be taken

- (1) Accept his provisional allotment of 500 Rights Securities by way of an Electronic Application through any ATM of a Participating Bank not later than **9.30 p.m. on 10 December 2024** or an Accepted Electronic Service as described herein not later than **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 500 Rights Securities and forward the original signed ARE , together with a single remittance for S\$133, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 500 Rights Securities which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or if an acceptance is not made through CDP by **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

## 5. TIMING AND OTHER IMPORTANT INFORMATION

### 5.1 Timing

**THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SECURITIES IN RELATION TO THE RIGHTS ISSUE IS:**

- (A) 9.30 P.M. ON 10 DECEMBER 2024 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE**

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SECURITIES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK; OR

- (B) 5.30 P.M. ON 10 DECEMBER 2024 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SECURITIES IS MADE THROUGH CDP VIA ARE/ARS, OR THROUGH AN ACCEPTED ELECTRONIC SERVICE OR SGX-SFG SERVICE.

If acceptance of and (if applicable) excess application and payment for, the Rights Securities in the prescribed manner as set out in the ARE, the ARS, or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP via ARE/ARS, or through an Accepted Electronic Service by **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser the provisional allotments of Rights Securities shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All unsuccessful application monies received by CDP in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by crediting their designated bank accounts with a Participating Bank (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or through an Accepted Electronic Service or by crediting his/their designated bank account via CDP's DCS **AT THE ENTITLED DEPOSITOR'S OR THE PURCHASER'S OWN RISK (AS THE CASE MAY BE)**. In the event that he is not subscribed to the CDP's DCS, any monies to be returned or refunded shall be credited to his/their Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein) or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP). CDP will process such refunds within such timeline as shall be indicated by CDP from time to time, taking into account the processing time required by the relevant bank or service delivery network for the relevant payment method.

**IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

### 5.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix II, an Entitled Depositor should note that:

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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- (a) **by accepting his provisional allotment of Rights Securities and/or applying for Excess Rights Securities, he acknowledges that, in the case where** the amount of remittance payable to the Company in respect of his acceptance of the Rights Securities provisionally allotted to him and (if applicable) in respect of his application for Excess Rights Securities as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Securities in relation to the Rights Issue differs from the amount actually received by CDP, the Company and/or CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Securities in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Securities provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Securities. The determination and appropriation by the Company and/or CDP shall be conclusive and binding;
- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Securities and/or Excess Rights Securities in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Rights Securities and (if applicable) his application for Excess Rights Securities, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Securities and/or Excess Rights Securities in relation to the Rights Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts the Rights Securities provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for Excess Rights Securities by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for Excess Rights Securities (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

### 5.3 Availability of Excess Rights Securities

The Excess Rights Securities available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Securities will, at the Directors' absolute discretion, be satisfied from such Rights Securities as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s) or the Purchaser(s) of the provisional allotments of Rights Securities together with the aggregated fractional entitlements to the Rights Securities (if any), any unsold "nil-paid" provisional allotment of Rights Securities (if any) of Foreign Shareholders and any Rights Securities that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Constitution of the Company. In the event that applications are received by the Company

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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for more Excess Rights Securities than are available, the Excess Rights Securities available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of any Excess Rights Securities, preference will be given to the rounding of odd lots, and the Directors and the Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Securities. The Company reserves the right to refuse any application for Excess Rights Securities, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Securities allotted to an Entitled Depositor is less than the number of Excess Rights Securities applied for, the Entitled Depositor shall be deemed to have accepted the number of Excess Rights Securities actually allotted to him.

If no Excess Rights Securities are allotted or if the number of Excess Rights Securities allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within three (3) Market Days after the commencement of trading of the Rights Securities, by crediting their bank accounts with a Participating Bank **AT THEIR OWN RISK** (if they had applied for Excess Rights Securities by way of an Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or by crediting their designated bank account via CDP's DCS at their own risk; in the event they are not subscribed to CDP's DCS, any moneys to be paid shall be credited to their Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein), as the case may be, (in each case) **AT THEIR OWN RISK** or in such other manner as they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP or if they had applied for Excess Rights Securities through CDP). CDP will process such refunds within such timeline as shall be indicated by CDP from time to time, taking into account the processing time required by the relevant bank or service delivery network for the relevant payment method.

### 5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Securities is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of the Participating Bank and payment of the full amount payable for such Rights Securities is effected by **9.30 p.m. on 10 December 2024** or an Accepted Electronic Service and payment of the full amount payable for such Rights Securities is effected by **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Securities

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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accepted and (if applicable) Excess Rights Securities applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – HG METAL RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **HG METAL MANUFACTURING LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**; or an Accepted Electronic Service by **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

- (c) acceptance is made by a Depository Agent via the SGX-SFG Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent/(s) for the Rights Securities is effected by **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Securities will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All moneys received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY CREDITING DIRECTLY INTO HIS/THEIR DESIGNATED BANK ACCOUNT FOR SINGAPORE DOLLARS VIA CDP'S DCS**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK**; in the event he/they are not subscribed to CDP's DCS, any monies to be paid shall be credited to his/their Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein), as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP). CDP will process such refunds within such timeline as shall be indicated by CDP from time to time, taking into account the processing time required by the relevant bank or service delivery network for the relevant payment method.

**ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.**

### 5.5 Certificates

The certificates for the Rights Securities and Excess Rights Securities will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Securities and Excess Rights Securities, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Securities and Excess Rights Securities credited to your Securities Account.



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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### 5.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Securities provisionally allotted and credited to your Securities Account. You can verify the number of Rights Securities provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access Service. Alternatively, you may proceed personally to CDP with your identity card or passport to verify the number of Rights Securities provisionally allotted and credited to your Securities Account.

It is your responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed in its originality. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained therein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or the ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

**EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SECURITIES AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS RIGHTS SECURITIES IS IRREVOCABLE.**

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises.

All communications, notices, documents and remittances to be delivered or sent to you may be sent by **ORDINARY POST** or **EMAIL** to your mailing or email address as maintained in the records of CDP, and **AT YOUR OWN RISK**.

### 5.7 Personal Data Privacy

By completing and delivering an ARE or an ARS and in the case of an Electronic Application, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key, an Entitled Depositor or a Purchaser (i) consents to the collection, use and disclosure of his personal data by a Participating Bank, the Share Registrar, Securities Clearing and Computer Services (Pte) Limited, CDP, the SGX-ST and the Company ("**Relevant Persons**") for the purpose of facilitating his application for the Rights Securities, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

### 6. PROCEDURE TO COMPLETE THE ARE/ARS

#### 6.1 Know your holdings and entitlement

##### **A. KNOW YOUR HOLDINGS & ENTITLEMENT**

Number of Shares currently held by you

**XX,XXX**

This is your shareholdings as at Record Date.

Shares as at  
**21 NOVEMBER 2024 AT 5.00 P.M.**  
(Record Date)

This is the date to determine your rights entitlements.

Number of Rights Securities provisionally allotted  
Issue Price

**XX,XXX**

This is your number of rights entitlement.

**S\$0.266** per Rights Securities

This is price that you need to pay when you subscribe for one rights security.

#### 6.2 Select your application options

##### **B. SELECT YOUR APPLICATION OPTIONS**

**1. Online via SGX Investor Portal** Access event via Corporate Actions Form Submission on investors.sgx.com or log in to your Portfolio on investors.sgx.com to submit your application via electronic application form. Make payment using PayNow by **5.30 p.m. on 10 December 2024**. You do not need to return this form.

This is the last date and time to subscribe for the Rights Securities through ATM and CDP.

**2. ATM** Follow the procedures set out on the ATM screen of a Participating Bank. Submit your application by **9.30 p.m. on 10 December 2024**. Participating Banks are OCBC and UOB.

You can apply your Rights Securities through ATMs of these participating banks.

**3. Form** Complete section C below and submit this form by **5.30 p.m. on 10 December 2024**, together with BANKER'S DRAFT/CASHIER'S ORDER payable to "**CDP – HG METAL RIGHTS ISSUE ACCOUNT**". Write your name and securities account number on the back of the Banker's Draft/Cashier's Order

This is the payee name to be issued on your Cashier's Order where XXXXX is the name of the issuer.

**Note:**

Please refer to the ARE/ARS for the actual holdings, entitlements, Record Date, Issue Price, Closing Date for subscription, list of the Participating Banks and payee name on the Cashier's Order.

# APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

## 6.3 Application via SGX Investor Portal

### User Guide to apply and pay for Rights via SGX Investor Portal

Before you proceed to apply for rights via Investor Portal, please ensure that you have the following:

1. Singpass (Singaporeans/PRs/Work Pass Holders) or CDP Internet User ID (Foreigners/Corporates)
2. Daily limit to meet your transfer request (up to S\$200,000 per transaction for PayNow, capped at a daily fund transfer limit set with your bank, whichever is lower)
3. Notification to alert you on the transfer, refund and submission status. Please turn on the setting in your bank account notifications and update your email address with CDP.

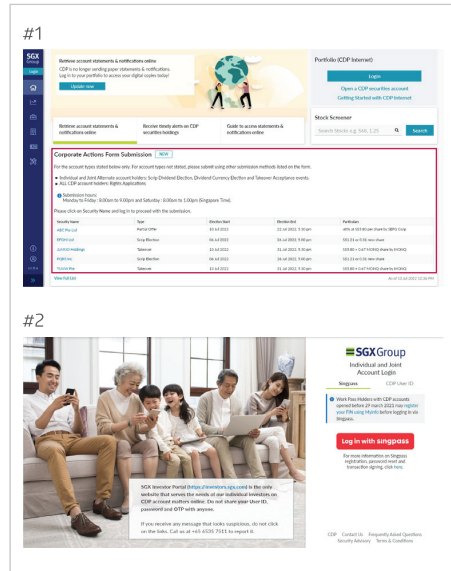
**Note:**

1. Please ensure that your applications and payments are received by CDP before 5.30pm Singapore Time on the event close date. Otherwise, CDP will reject the application.
2. Payment from rejected applications will be refunded to your originating bank account. Bank's right reservation applies. The bank will debit from identified amount. Please check with your bank on the charges and costs of your card.
3. CDP will determine the number of rights applied using total payment received as match-day going forward. Transaction amount is not applicable.
4. Any excessive CDP-related fees are subject to your bank's Credit Facility (CCF) bank account.
5. An attachment for e-CDI (Disclosure of CFI) applied for PayNow. It is not retrievable once the instruction is submitted successfully regardless of the amount of rights applied.

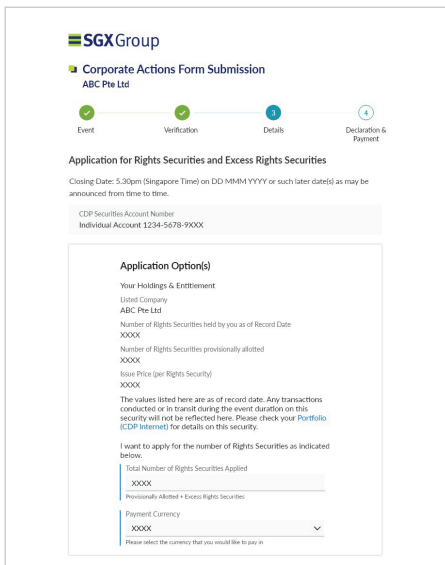
### Step 1 Scan QR code using your mobile or visit Investor Portal at investors.sg.com



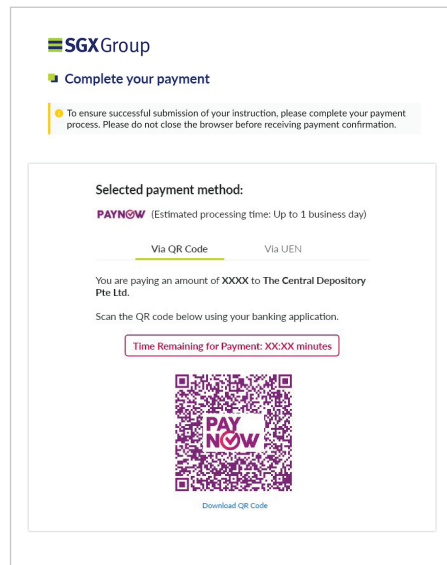
### Step 2 Select the event or log in to your Portfolio



### Step 3 Enter the number of rights and confirm payment amount



### Step 4 Scan QR code using your bank mobile app and submit application along with payment



## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

### 6.4 Application via Form

#### C. DECLARATION

Please read the instructions overleaf and fill in the blanks below accordingly.

i. Total Number of Rights Securities Applied:  
(Provisionally Allotted + Excess Rights Securities)

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ii. Cashier's Order/Banker's Draft Details\*:  
(Input last 6 digits of CO/BD)

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Signature of Depositor(s)

\_\_\_\_\_

Date

Fill in the total number of the Rights Securities and Excess Rights Securities that you wish to subscribe within the boxes.

Fill in the 6 digits of the CO/BD number (eg.001764) within the boxes.

Sign within the box.

#### Notes:

- (i) If the total number of Rights Securities applied exceeds the provisional allotted holdings in your CDP Securities Account as at the Closing Date, the remaining application will be put under excess and subjected to the excess allocation basis.
- (ii) The total number of Rights Securities applied will be based on the cash amount stated in your Cashier's Order/Banker's Draft. The total number of Rights Securities will be appropriated accordingly if the applied quantity exceeds this amount.
- (iii) Please note to submit one Cashier's Order per application form.

### 6.5 Sample of a Cashier's Order

**CASHIER'S ORDER**

DATE \_ / \_ / \_  
DD / MM / YY

PAY CDP - ██████ RIGHTS ISSUE ACCOUNT

OR ORDER

SINGAPORE DOLLARS **\*\*SEVEN THOUSAND SIX HUNDRED ONLY\*\***

**S\$ 7,600.00**

BANK REF. : 0105085000052    S1

VALID FOR SIX MONTHS ONLY FROM DATE OF ISSUE

⑆⑆⑆ 00 1764 ⑆⑆ 7 1 7 ⑆⑆⑆ 105⑆ 1050999999 ⑆⑆⑆

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**APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS**

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**1. INTRODUCTION**

Acceptances of the provisional allotment of and any excess application for the Rights Shares must be made on the appropriate form(s) accompanying and forming part of this Offer Information Statement.

Entitled Scripholders are entitled to receive this Offer Information Statement together with the following documents which are enclosed herewith, and are deemed to constitute a part of, this Offer Information Statement:

Renounceable PAL incorporating:

Form of Acceptance	Form A
Request for Splitting	Form B
Form of Renunciation	Form C
Form of Nomination	Form D
Application of Excess Rights Shares	Form E

The provisional allotments of the Rights Shares and application for Excess Rights Shares are governed by the terms and conditions of this Offer Information Statement and the enclosed PAL and (if applicable) the Constitution of the Company. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL. Entitled Scripholders may accept their provisional allotments of Rights Shares, in full or in part, and are eligible to apply for Rights Shares in excess of their entitlements under the Rights Issue. Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split all or part of their provisional allotments are set out in this Offer Information Statement as well as the PAL.

With regard to any acceptance, application and/or payment which does not conform strictly to the instructions set out under this Offer Information Statement, the PAL, the ARE, the ARS and/or any other application form for the Rights Shares in relation to the Rights Issue or with the terms and conditions of this Offer Information Statement, or in the case of any application by the PAL, the ARE and the ARS, and/or any other application form for the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Company may, at its absolute discretion, reject or treat as invalid any such acceptance, application and present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.

The Company and the Share Registrar shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder or a renounee, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder or renounee. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application of Rights Shares and (if applicable) application for Excess Rights Shares.

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## APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

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The full amount payable for the relevant number of Rights Shares accepted/applied for will be rounded up to the nearest whole cent, if applicable.

Entitled Scripholders who intend to trade any part of their provisional allotments of Rights Shares on the SGX-ST should note that all dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on the SGX-ST.

Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contracts made pursuant to this PAL and/or this Offer Information Statement has no right under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any term of such contracts. Notwithstanding any term contained therein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

### 2. FORM OF ACCEPTANCE (FORM A)

#### 2.1 Acceptance

An Entitled Scripholder who wishes to accept his entire provisional allotment of Rights Shares or to accept any part of it and decline the balance should:

- (a) complete and sign the Form A of the PAL for the number of Rights Shares which he wishes to accept; and
- (b) forward the PAL at his own risk, in its entirety, duly completed and signed, together with payment in the prescribed manner to **HG METAL MANUFACTURING LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, 9 RAFFLES PLACE, #26-01, REPUBLIC PLAZA, SINGAPORE 048619** so as to arrive not later than **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

#### 2.2 Insufficient payment

If:

- (a) no remittance is attached for the full amount that is payable for the provisional allotment of Rights Shares accepted by the Entitled Scripholder and (if applicable) the Excess Rights Shares applied for by the Entitled Scripholder; or
- (b) the remittance submitted together with the PAL, is less than the full amount that is payable for the provisional allotment of Rights Shares accepted by the Entitled Scripholder and (if applicable) the Excess Rights Shares applied for by the Entitled Scripholder.

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## **APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS**

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in each case, the attention of the Entitled Scripholder is drawn to paragraph 2.3 of this Appendix III entitled “Appropriation” which sets out the circumstances and manner in which the Company and the Share Registrar shall be authorised and entitled to determine the number of Rights Shares which the Entitled Scripholder has given instructions to accept.

### **2.3 Appropriation**

An Entitled Scripholder should note that by accepting his provisional allotment of Rights Shares, he acknowledges that, the Company and the Share Registrar, in determining the number of Rights Shares which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier’s Order or Banker’s Draft drawn on a bank in Singapore to be applied towards the payment of his acceptance of Rights Shares.

### **3. REQUEST FOR SPLITTING (FORM B), RENUNCIATION (FORM C) AND FORM OF NOMINATION (FORM D)**

Entitled Scripholders who wish to accept a portion of their provisional allotment of Rights Shares and renounce the balance of their provisional allotment of Rights Shares, or who wish to renounce all or part of their provisional allotments in favour of more than one (1) person, should first, using Form B, request to have their provisional allotments under the PAL split into separate PALs (“**Split Letters**”) according to their requirements.

The duly completed Form B together with the PAL, in its entirety, should be returned to **HG METAL MANUFACTURING LIMITED C/O TRICOR BARBINDER SHARE REGISTRATION SERVICES, 9 RAFFLES PLACE, #26-01, REPUBLIC PLAZA, SINGAPORE 048619** so as to arrive not later than **5.00 p.m. on 4 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B is received after **5.00 p.m. on 4 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The Split Letters, representing the number of Rights Shares which Entitled Scripholders intend to renounce, may be renounced by completing and signing Form C before delivery to the renounee(s). Entitled Scripholders should complete and sign Form A of the Split Letter(s) representing that part of their provisional allotments they intend to accept, if any, and forward the said Split Letter(s) together with payment in the prescribed manner to **HG METAL MANUFACTURING LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, 9 RAFFLES PLACE, #26-01, REPUBLIC PLAZA, SINGAPORE 048619** so as to arrive not later than **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Entitled Scripholders who wish to renounce their entire provisional allotment of Rights Shares in favour of one (1) person, or renounce any part of it in favour of one (1) person and decline the balance, should complete Form C for the number of provisional allotment of Rights Shares which they wish to renounce and deliver the PAL in its entirety to the renounee(s).

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## APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

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The renounee(s) should complete and sign Form D and send Form D together with the PAL in its entirety, duly completed and signed, together with payment in the prescribed manner, to reach **HG METAL MANUFACTURING LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, 9 RAFFLES PLACE, #26-01, REPUBLIC PLAZA, SINGAPORE 048619** so as to arrive not later than **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Each Entitled Scripholder may consolidate the Rights Shares provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing Form A and the Consolidated Listing Form in Form D of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them. A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in Form D of only one PAL or Split Letter (“**Principal PAL**”) by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them. **ALL THE RENOUNCED PALS AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO FORM A OR FORM D (AS THE CASE MAY BE).**

#### 4. PAYMENT

Payment for the full amount due on acceptance and/or application in relation to the PALs must be made in Singapore currency in the form of a Cashier’s Order or Banker’s Draft drawn on a bank in Singapore and made payable to “**HG METAL RIGHTS ISSUE ACCOUNT**” and crossed “**NOT NEGOTIABLE, A/C PAYEE ONLY**” with the name and address of the Entitled Scripholder or accepting party clearly written in block letters on the reverse side of the Cashier’s Order or Banker’s Draft. The completed and signed PAL and remittance should be addressed to and forwarded at the sender’s own risk to **HG METAL MANUFACTURING LIMITED C/O TRICOR BARBINDER SHARE REGISTRATION SERVICES, 9 RAFFLES PLACE, #26-01, REPUBLIC PLAZA, SINGAPORE 048619** by **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

If acceptance and (if applicable) excess application and payment in the prescribed manner as set out in this Offer Information Statement and the PAL is not received by **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotment of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance and such provisional allotment of Rights Shares not so accepted will be used to satisfy excess applications, if any, or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company subject to applicable laws and the SGX-ST Rules. The Company will return or refund all unsuccessful application monies received in connection therewith **BY ORDINARY POST**



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## APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

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and at the risk of the Entitled Scripholders or their renounee(s), as the case may be, without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date.

### 5. APPLICATION FOR EXCESS RIGHTS SHARES (FORM E)

Form E contains full instructions with regard to Excess Rights Shares application, and payment and the procedures to be followed if you wish to apply for Rights Shares in excess of your provisional allotment of Rights Shares. Entitled Scripholders who wish to apply for Excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing, signing the Form E of the PAL and forwarding it with a **SEPARATE SINGLE REMITTANCE** for the full amount payable in respect of the Excess Rights Shares applied for in the form and manner set out above to **HG METAL MANUFACTURING LIMITED C/O TRICOR BARBINDER SHARE REGISTRATION SERVICES, 9 RAFFLES PLACE, #26-01, REPUBLIC PLAZA, SINGAPORE 048619** so as to arrive not later than **5.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

Applications for Excess Rights Shares are subject to the terms and conditions contained in the PAL, Form E and this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Scripholders, the original allottee(s) or their respective renounee(s), or the Purchaser(s) of the provisional allotment of Rights Shares, the unsold "nil-paid" provisional allotments (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in this Offer Information Statement, the PAL, Form E and (if applicable) the Constitution of the Company.

In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots. Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company reserves the right to allot the Excess Rights Shares applied for under Form E in any manner as the Directors may deem fit and to reject or refuse, in whole or in part, any application for Excess Rights Shares without assigning any reason. CDP takes no responsibility for any decision that the Directors may make.

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## APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

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In the event that the number of the Excess Rights Shares allotted to Entitled Scripholders is less than the number of Excess Rights Shares applied for, Entitled Scripholders shall be deemed to have accepted the number of Excess Rights Shares actually allotted to them. If no Excess Rights Shares are allotted to Entitled Scripholders or if the number of Excess Rights Shares allotted to them is less than that applied for, it is expected that the amount paid on application or the surplus of the application monies for Excess Rights Shares received by the Company, as the case may be, will be returned or refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date by means of a crossed cheque drawn on a bank in Singapore and sent, **BY ORDINARY POST** to their mailing addresses as maintained with the Share Registrar at their **OWN RISK**.

### 6. GENERAL

No acknowledgements or receipts will be issued in respect of any acceptances, remittances, applications or payments received.

**Entitled Scripholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.**

Upon listing and quotation on the SGX-ST, the Rights Shares, when issued will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "**Terms and Conditions for Operation of Securities Accounts with CDP**" and the "**Terms and Conditions for CDP to act as Depository for the Rights Shares**", as the same may be amended from time to time. Copies of the above are available from CDP.

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or apply for the Excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP will be issued physical share certificates in their own names for the Rights Shares allotted to them and if applicable, the Excess Rights Shares allotted to them. Such physical share certificates, if issued, will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title. These physical share certificates

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## **APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS**

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will be sent **BY ORDINARY POST** to person(s) entitled thereto to their mailing addresses as recorded with CDP at his/their **OWN RISK**.

If the Entitled Scripholders' addresses stated in the PALs are different from their addresses registered with CDP, they must inform CDP of their updated addresses promptly, failing which the notification letters on successful allotments and other correspondences will be sent to their addresses last registered with CDP.

A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but who wishes to trade on the SGX-ST, must deposit with CDP his existing share certificate(s), together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.

**THE FINAL TIME AND DATE FOR ACCEPTANCES AND/OR APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES UNDER THE RIGHTS ISSUE IS 5.30 P.M. ON 10 DECEMBER 2024 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).**

### **7. PERSONAL DATA PRIVACY**

By completing and delivering the PAL, an Entitled Scripholder or a renounee: (i) consents to the collection, use and disclosure of his personal data by the Relevant Persons (as defined in Appendix II) for the Purposes (as defined in Appendix II); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF THE PARTICIPATING BANK

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The procedures for Electronic Applications are set out on the ATM screens of the Participating Bank. Please read carefully the terms and conditions of this Offer Information Statement, the instructions are set out on the ATM screens of the Participating Banks (“**Steps**”).

Please read carefully the terms of this Offer Information Statement, the Steps, and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the “**Electronic Applicant**” in the terms and conditions for Electronic Applications and the Steps shall mean the Entitled Depositor or his renounee or the Purchaser who accepts the provisional allotments of Rights Shares or (as the case may be) who applies for the Excess Rights Shares through an ATM of a Participating Bank. An Electronic Applicant must have an existing bank account with, and be an ATM cardholder of, a Participating Bank before he can make an Electronic Application through an ATM of a Participating Bank.

The actions that the Electronic Applicant must take at ATMs of a Participating Bank are set out on the ATM screens of a Participating Bank. Upon completion of his Electronic Application transaction, the Electronic Applicant will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is to be retained by the Electronic Applicant and should not be submitted with any ARE and/or ARS.

For investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through the respective finance companies, Depository Agents or approved banks. Such investors are advised to provide their finance companies, Depository Agents or approved banks, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and (if applicable) application made directly through CDP, Electronic Application at any ATM of a Participating Bank, the Share Registrar and/or the Company will be rejected.

For SRS Investors and investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through the respective finance companies, Depository Agents or approved banks. Such investors are advised to provide their finance companies, Depository Agents or approved banks, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and (if applicable) application made directly through CDP, Electronic Application at any ATM of a Participating Bank, the Share Registrar and/or the Company will be rejected.

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares purchased must be done through the respective finance companies or Depository Agents. Such renounees or Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made directly through CDP, Electronic Application at any ATM of a Participating Bank, the Share Registrar and/or the Company will be rejected.

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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF THE PARTICIPATING BANK

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An Electronic Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance or (as the case may be) application liable to be rejected.

The Electronic Application shall be made in accordance with, and subject to, the terms and conditions of this Offer Information Statement, including but not limited to the terms and conditions appearing below.

- (1) In connection with his Electronic Application for the Rights Shares, the Electronic Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
  - (a) that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance of and (as the case may be) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and
  - (b) that he consents to the disclosure of his name, NRIC/passport number, address, nationality, Securities Account number and application details (“**Relevant Particulars**”) from his account with that Participating Bank to the Share Registrar, CDP, Securities Clearing and Company Services (Pte) Limited, the SGX-ST, the Company and any other relevant parties (“**Relevant Parties**”) as CDP may deem fit for the purpose of the Rights Issue and his acceptance and/or (if applicable) excess application.

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, as the case may be. By doing so, the Electronic Applicant shall be treated as signifying his confirmation of each of the two (2) statements above. In respect of statement 1(b) above, his confirmation, by pressing the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, as the case may be, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act 1970 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Electronic Applicant may make an Electronic Application through an ATM of a Participating Bank for the Rights Shares using cash only by authorising a Participating Bank to deduct the full amount payable from his account with such Participating Bank.
- (3) The Electronic Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of the Rights Shares provisionally allotted and Excess Rights Shares applied for as stated on the Transaction Record or the number of Rights Shares represented by the provisional allotment of the Rights Shares as may be standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date. In the event that the Company decides to allot any lesser number of such Excess Rights Shares or not to allot any number of Excess Rights Shares to the Electronic Applicant, the Electronic Applicant agrees to accept the decision as conclusive and binding.

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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF THE PARTICIPATING BANK

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- (4) If the Electronic Applicant's Electronic Application is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key, as the case may be, on the ATM screen) of the number of Rights Shares accepted and/or Excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted and/or Excess Rights Shares applied that may be allotted to him.
- (5) In the event that the Electronic Applicant accepts the Rights Shares and (if applicable) instructions to apply for Excess Rights Shares together with payment therefor both by way of the ARE and/or ARS (as the case may be), whether directly to CDP and/or by way of acceptance through Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service, the Company and/or CDP shall be authorised and entitled to accept the Electronic Applicant's instructions in whichever mode or combination thereof as they may, in their absolute discretion, deem fit. In determining the number of Rights Shares which the Electronic Applicant has validly given instructions to accept, the Electronic Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the aggregate number of provisionally allotted Rights Shares which have been accepted by the Electronic Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service, and the number of Rights Shares represented by the provisional allotment of the Rights Shares standing to the credit of the "Free Balance" of his Securities Account which is available for acceptance and payment as at the Closing Date. The Company and/or CDP, in determining the number of Rights Shares for which the Electronic Applicant has given valid instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of the Rights Shares, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE and/or the ARS or by way of acceptance by Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service, which the Electronic Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his acceptance.
- (6) If applicable, in the event that the Electronic Applicant applies for Excess Rights Shares both by way of ARE and by way of an application through Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service, the Company and/or CDP shall be authorised and entitled to accept the Electronic Applicant's instructions in whichever mode or a combination thereof as they may, in their absolute discretion, deem fit. In determining the number of Excess Rights Shares which the Electronic Applicant has validly given instructions to apply for, the Electronic Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Rights Shares not exceeding the aggregate number of Excess Rights Shares for which he has applied by way of the ARE, whether directly to CDP and/or by Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service. The Company and/or CDP, in determining the number of Excess Rights Shares which the Electronic Applicant has given valid instructions to apply for, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application for the Excess Rights Shares, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE or by way of application by Electronic Application through an ATM of a Participating Bank or an Accepted Electronic Service, which the Electronic Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his application.

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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF THE PARTICIPATING BANK

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- (7) The Electronic Applicant irrevocably requests and authorises the Company to:
- (a) register or procure the registration of the Rights Shares and (if applicable) the Excess Rights Shares allotted to the Electronic Applicant in the name of CDP for deposit into his Securities Account;
  - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Rights Shares not be accepted and/or Excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Electronic Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date; and
  - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for Excess Rights Shares be accepted in part only, by automatically crediting the Electronic Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date.
- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE ELECTRONIC APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS NOMINEE OF ANY OTHER PERSON.**
- (9) The Electronic Applicant irrevocably agrees and acknowledges that the submission of his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses, theft (in each case whether or not within the control of the Company, CDP, the Share Registrar and/or the Participating Banks) and any other events whatsoever beyond the control of the Company, CDP, the Share Registrar and/or the Participating Banks and if, in any such event, the Company, CDP, the Share Registrar and/or the Participating Banks do not record or receive the Electronic Applicant's Electronic Application by **9.30 p.m. on 10 December 2024**, or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Electronic Applicant shall be deemed not to have made an Electronic Application and the Electronic Applicant shall have no claim whatsoever against the Company, CDP, the Share Registrar and/or the Participating Banks in respect of any purported acceptance thereof and (if applicable) excess applications therefor, or for any compensation, loss or damages in connection therewith or in relation thereto.
- (10) **ELECTRONIC APPLICATIONS MAY ONLY BE MADE THROUGH AN ATM OF THE PARTICIPATING BANK FROM MONDAY TO SATURDAYS (EXCLUDING PUBLIC HOLIDAYS) BETWEEN 7.00 A.M. TO 9.30 P.M.**
- (11) Electronic Applications shall close at **9.30 p.m. on 10 December 2024** or such other time as the Directors may, in their absolute discretion, decide (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF THE PARTICIPATING BANK

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- (12) All particulars of the Electronic Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and a Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Electronic Applicant after the time of the making of his Electronic Application, the Electronic Applicant shall promptly notify his Participating Bank.
- (13) The Electronic Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made through the ATMs of the Participating Banks that does not strictly conform to the instructions set out on the ATM screens of the Participating Bank will be rejected.
- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be refunded in the S\$ (without interest or any share of revenue or other benefit arising there from) to the Electronic Applicant by being automatically credited to the Electronic Applicant's account with the relevant Participating Bank within 14 days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.
- (15) In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 10 December 2024** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), and by making and completing an Electronic Application, the Electronic Applicant agrees that:
- (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary or replacement document referred to in Section 241 of the Securities and Futures Act is lodged with the Authority);
  - (b) his Electronic Application, the acceptance by the Company and the contract resulting there from shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
  - (c) none of the Company, CDP, the Share Registrar, or the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company, CDP or the Participating Banks due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;
  - (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Rights Shares or and (if applicable) application for Excess Rights Shares;
  - (e) in respect of the Rights Shares and/or Excess Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Electronic Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and



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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF THE PARTICIPATING BANK

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- (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application with respect to enforcement against the Electronic Applicant, a person who is not a party to any contract made pursuant to this Offer Information Statement and/or the Electronic Application has no right under the Contracts (Rights of Third Parties) Act 2001 of Singapore) to enforce any term of such contracts. Notwithstanding any term contained therein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of liability) or terminate such contracts. Where the third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (16) The Electronic Applicant should ensure that his personal particulars as recorded by both CDP and the Participating Banks are correct and identical. Otherwise, his Electronic Application may be liable to be rejected. The Electronic Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and/or other correspondence will be sent to his address last registered with CDP.
- (17) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
- (18) In the event that the Electronic Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for Excess Rights Shares, as the case may be, by way of ARE or ARS and/or by way of Electronic Application through the ATMs of the Participating Banks, the provisionally allotted Rights Shares and/or Excess Rights Shares will be allotted in such manner as the Company and/or CDP may, in their absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be returned or refunded without interest or any share of revenue or other benefit arising there from within 14 days after the Closing Date by any one (1) or a combination of the following:
- (a) by means of a crossed cheque drawn on a bank in Singapore and sent **BY ORDINARY POST** at his **OWN RISK** to his mailing address as recorded with CDP or in such other manner as he may have agreed with CDP for the payment of any cash distributions if he accepts and (if applicable) applies through CDP; and/or
- (b) by crediting the Electronic Applicant's bank account with the relevant Participating Bank at his **OWN RISK** if he accepts and (if applicable) applies through an ATM of that Participating Bank, the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any, thereunder.
- (19) The Electronic Applicant acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of Rights Shares which he can validly accept, the Company and CDP are entitled and the Electronic Applicant authorises the Company and CDP to take into consideration:
- (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares that the Electronic Applicant has validly accepted, whether under the ARE and/or ARS or any other form of application (including Electronic Application through an ATM) for the Rights Shares;

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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF THE PARTICIPATING BANK

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- (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the “Free Balance” of the Electronic Applicant’s Securities Account which is available for acceptance; and
- (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Electronic Applicant.

The Electronic Applicant acknowledges that the Company’s and CDP’s determination shall be conclusive and binding on him.

- (20) The Electronic Applicant irrevocably requests and authorises the Company and/or CDP to accept instructions from the relevant Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares accepted by the Electronic Applicant and (if applicable) the Excess Rights Shares which the Electronic Applicant has applied for.
- (21) With regard to any application which does not conform strictly to the instructions set out under this Offer Information Statement, the PAL, the ARE, the ARS, (if applicable) the Constitution of the Company and/or other application form for the Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or with the terms and conditions of this Offer Information Statement, or in the case of an application by the PAL, the ARE, the ARS and/or any other application form for the Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, or where the “Free Balance” of the Electronic Applicant’s Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares subscribed as at the Closing Date, the Company and/or CDP may, at their absolute discretion, reject or treat as invalid any such application or present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.
- (22) The Company and/or CDP shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

This Offer Information Statement is dated this 21st day of November 2024.

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Rights Issue, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading. Where information in this Offer Information Statement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Information Statement in its proper form and context.

For and on behalf of **HG METAL MANUFACTURING LIMITED**

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Ong Hwee Li

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Xiao Xia

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Ong Lizhen, Daisy

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Ng Chuey Peng