

NEWS RELEASE

HG METAL PARTNERS WITH LYS ENERGY GROUP TO BUILD AND OPERATE A ROOFTOP GRID-TIED SOLAR PHOTOVOLTAIC SYSTEM.

Singapore, 7 June 2021 - HG Metal Manufacturing Ltd ("the Group"), a leading steel distributor and fabricator based in Singapore, has entered into a Power Purchase Agreement ("PPA") with LYS Energy Group ("LYS"), to build and operate a rooftop grid-tied solar photovoltaic (PV) system at the Group's premises located at 28 Jalan Buruh.

The **936.84kWp** solar power plant, made up of 2,059 JA Solar Modules, is estimated to achieve an average annual output of 1,031.5MWh over the next 20 years, and is expected to be completed by Q3FY 2021.



Fig1: 3D aerial view of the proposed installation of the rooftop grid-tied solar PV system

Based on the current production output and business activity of the Group, the energy generated by the solar power plant is expected to account for 60% to 70% of the Group's annual energy consumption requirements, significantly reducing the Group's reliance on conventional electricity. With rising electricity tariffs, the switch is expected to result in cost-savings up to S\$3.1M over the project duration of 20 years.

The new initiative also will enable the Group to transition towards cleaner and greener energy by shifting away from utilizing energy generated from non-renewable resources such as fossil fuels and reduce the carbon footprint of our business activities. The solar energy generated through this initiative would help the Group to reduce the equivalent of approximately 9,840 tons of carbon (CO₂) over the next 20 years.

Under this initiative, the solar PV system will be also registered under Energy Market Authority (EMA) scheme's Enhanced Central Intermediary Scheme ("ECIS"), to enable the export of the unconsumed excess of energy produced by the PV system into the national electricity grid.

Moreover, selling back the excess of solar generated electricity will enable the Group to contribute to Singapore's energy generation mix towards cleaner energy envisioned by the EMA.

Mr. Shin Taeyang, Group CEO of HG Metal, said, *“We are pleased to partner with LYS Energy Group, a well-established and reputable Independent Power Producer (IPP) in Singapore, to work towards reducing our reliance on conventional electricity generated from non-renewable resources. This initiative will allow HG to not only enjoy cost savings but also reduce the carbon footprint of our existing business operations, creating a win-win situation for all the stakeholders involved.*

As a major player in the steel industry, HG aims to achieve continual improvements in our efforts to limit the industry’s impact on the environment and work towards our sustainability goals by utilising renewable sources of energy to power our business operations. HG eventually aims to achieve carbon neutrality by integrating such low carbon initiatives and contribute towards Singapore’s goal of lowering carbon emissions by 2030.”

Mr. Lionel Steinitz, Founder and Chief Executive Officer of LYS Energy Group, said, *“LYS Energy Group is delighted to be partnering with a forward-thinking and committed leading organisation such as HG Metal to play our respective roles in the energy transition and increase our involvement in the national renewable energy plan.”*

This partnership is another milestone that further acknowledges the appreciation of our holistic and tailored approach to sustainable development and our robust technical expertise that allows us to innovate and deploy top-notch solar PV systems across Singapore and the region.

Together with HG Metal, we trust that this collaborative effort will spread to the rest of the industry, demonstrate that alternative sources such as solar energy are reliable and adapted for energy intensive industries such as the steel industry, and encourage more local businesses to make the transition to a decarbonised activity.”

About HG Metal

HG Metal Manufacturing Limited (“HG Metal”), with more than 40 years of experience in the industry, is one of the largest steel distributors and processors around the region. Through our three main business units – HG Distribution, HG Construction Steel, HG Coupler & Thread – we provide one-stop, end-to-end customized solutions for our strong clientele base of more than 1,500.

With more than 750,000 square feet of land area, HG Metal has one of the largest steel warehouse and processing facilities in Singapore and Myanmar, storing more than 3,000 varieties of steel products for a wide range of industries and applications. Armed with an extensive network of suppliers and solid sourcing capabilities, HG Metal offers customized solutions for our regional customer base along the entire supply chain.

HG Distribution

Under our Distribution business, we provide a wide array of services including wholesale activities, retailing, trading, sourcing of products and distributing steel products to ASEAN countries. We have an extensive and competitively priced portfolio of more than 3,000 types of quality steel products for a wide range of industries and applications, including BCA-compliant materials and higher-grade niche products. We take pride in our strong and established sourcing capabilities from an extensive network of suppliers around the world. We also provide value added services like steel finishing services, product customization, logistics and local/export shipment.

HG Construction Steel

To meet the rising demand for construction steel, we offer comprehensive packages that cater to just-in-time production for all forms of construction steel requirements. Our products range from cut-and bend reinforcing bars to deformed bars, and straight re-bars, while our services include customized steel finishing services like galvanizing, coating, cutting, and drilling, as well as rental of plates and beams.

Our state-of-the-art facilities in Singapore and Myanmar boast fully automated cut-and-bend production lines, with an annual production capacity of 100,000 tons and 50,000 tons, respectively.

HG Metal was listed on Singapore Exchange's former junior board, SESDAQ, on 21 March 2002 and was upgraded to the mainboard in May 2004.

www.hgmetal.com

About LYS Energy Group:

LYS Energy Group (LYS) is the leading Singapore home-grown Solar Independent Power Producer (IPP) that builds, owns, and operates Solar PV Systems for Commercial, Industrial and Public sites in the Asia Pacific region.

The company provides Asia's trusted Renewable Energy platform offering hassle-free end-to-end clean energy solutions for businesses: from zero-capex solar energy (**PPA**), Renewable Energy Certificates (**RECs**), turnkey Engineering Procurement Construction (**EPC**) and Operations & Maintenance (**O&M**) services, to **Carbon Emissions and Energy Management Consulting**. Without expending any resources, our customers can benefit from installing solar PV systems on their unused rooftops and site spaces, lower and predictable utility costs and strengthen their sustainability branding.

Since its incorporation, LYS has deployed over 50MWp of high-performance solar PV systems, with a pipeline of over 500MWp in Singapore and across the region in Indonesia, Malaysia, Thailand, and Vietnam.

LYS Energy aims at being a vector of the Energy Transition towards a more distributed, autonomous, and smart model. Incorporating distributed generating facilities, energy storage systems and smart grid, the company re-invents the energy industry towards a customer-centric prosumer era.

www.lysenergy.com

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