

BRC ASIA LIMITED

Incorporated in the Republic of Singapore
Company Registration No. 193800054G

INTERESTED PERSON TRANSACTIONS PURSUANT TO RULE 905(2) OF THE LISTING MANUAL

1. INTRODUCTION

The Board of Directors ("**Board**") of BRC Asia Limited ("**Company**") and together with its subsidiaries, ("**Group**") wishes to announce that the Group enters into interested person transactions from time to time in the ordinary course of business with Hong Leong Investment Holdings Pte. Ltd. ("**HLIH**"), a controlling shareholder of the Company, and/or certain of its associates as defined under the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

Pursuant to Rule 905(2) of the Listing Manual, if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the Group's latest audited net tangible assets, the Company must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.

2. DETAILS OF THE INTERESTED PERSONS

On 14 October 2021, Hong Leong Asia Ltd. ("**HLA**") increased its stake in the Company (held through its wholly-owned subsidiary, Hong Leong Asia Investments Pte. Ltd. ("**HLAI**") from about 3.6% to 20.0% through a private placement exercise and purchase of vendor shares. HLIH is the ultimate holding company of HLA and is deemed under Section 4 of the Securities and Futures Act 2001 to have an interest in the shares in the capital of the Company held by the subsidiaries of HLIH, which include HLAI. Accordingly, HLIH also became a controlling shareholder of the Company on the same day.

During the current financial year ending 30 September 2022 ("**FY2022**"), the Group has entered into various transactions with the following associates of HLIH:

Name of entity	Relationship with HLIH	Country of incorporation	Principal business
HL Building Materials Pte Ltd	Subsidiary of HLA (of which HLIH is the ultimate holding company)	Singapore	Manufacturing and distribution of building materials, and investment holding
Southern Steel Berhad	HLIH being an indirect 71% shareholder (held through companies which HLIH has an interest) ¹	Malaysia	Investment holding, manufacturing, sale and trading in steel bars and related products
HL-Manufacturing Industries Sdn. Bhd.	Subsidiary of HLA (of which HLIH is the ultimate holding company)	Malaysia	Manufacture and sale of pre-cast concrete products and general construction

¹ Based on information set out in the annual report issued by Southern Steel Berhad for the financial year ended 31 September 2021.

Pursuant to Chapter 9 of the Listing Manual, each of the aforementioned entities are an associate of HLIH and is regarded as an "interested person" (as defined under the Listing Manual) and the transactions described in further detail below each constitutes an "interested person transaction" (as defined under the Listing Manual) which is subject to Chapter 9 of the Listing Manual.

For the purposes of Rules 905 and 906 of the Listing Manual, HLIH, the abovementioned entities and all other interested persons who are of the same group ("**HLIH Group**") are treated as the same "interested person" (as defined under the Listing Manual) and such transactions entered into between the Group and the HLIH Group during the same financial year are aggregated in determining whether the respective financial thresholds under Rules 905 and 906 of the Listing Manual have been triggered.

In this regard, the Company will announce any future "interested person transactions" entered into by the Group with the HLIH Group in the current financial year on a monthly basis, provided that in the event the aggregate value of the "interested person transactions" with the same group in the current financial year exceeds 5% of the Group's latest audited NTA, it will seek shareholders' approval in compliance with Rule 906 of the Listing Manual.

3. DETAILS OF THE INTERESTED PERSON TRANSACTIONS

The Company wishes to update that the Group has entered into the following interested person transactions with the HLIH Group from 14 October 2021 (being the date on which HLIH became a controlling shareholder of the Company) to-date ("**YTD-IPTs**"):

No.	Interested Person	Details of the YTD-IPTs	Aggregate value of YTD-IPTs(*) (S\$'000)
1.	HL Building Materials Pte Ltd	Purchase and/or sale of raw materials and intermediate goods comprising steel, steel products, steel-related products and steel by-products used by the Group for its business activities.	6,308
2.	Southern Steel Berhad		277
3.	HL-Manufacturing Industries Sdn. Bhd.		2,790
Total			9,375

Note:

(*) Any discrepancies in this table between the listed amounts and the totals thereof are due to rounding and accordingly, figures shown in totals may not be an arithmetic aggregation of the figures which precede them.

The aggregate value of the YTD-IPTs is approximately S\$9,375,000 ("**YTD-IPT Value**"), representing approximately 3.11% of the Group's latest audited net tangible assets ("**NTA**") of approximately S\$301,000,000 as at 30 September 2021. The YTD-IPT Value exceeds 3% but does not exceed 5% of the Group's NTA. As such, the Company is making this announcement pursuant to Rule 905(2) of the Listing Manual of the SGX-ST but the Company is not required to seek shareholder approval for the YTD-IPTs under Rule 906(1) of the Listing Manual.

The aggregate value of all the interested person transactions (including the YTD-IPTs but excluding (i) any non-aggregated transactions with interested persons other than the HLIH Group which are below S\$100,000 in value, and (ii) any transactions conducted under the existing interested person transaction mandate granted by shareholders of the Company at the last annual general meeting held on 27 January 2022) entered into by the Group in FY2022 to-date is approximately S\$9,375,000.

The YTD-IPTs were entered into by the parties on a willing buyer-willing seller basis on normal commercial terms and the terms extended (including prices charged) by the Group to the HLIH Group and *vice versa* were no more favourable than the terms extended by the Group to unrelated third parties, and these terms were arrived at based on factors like quantity, quality, specifications, market rates (where available) and/or gross profit margin to the Group.

4. RATIONALE FOR THE INTERESTED PERSON TRANSACTIONS, AND BENEFIT TO, THE GROUP

The Group is principally engaged in the business of design, manufacture and supply of steel reinforcement for construction, and is the leading steel reinforcing solutions provider in Singapore. The Group evaluates the types of prefabricated steel reinforcement required by project, as well as design, manufacture, pack and tag the prefabricated steel reinforcing components for easy and efficient handling and on-site assembly.

Transactions with the HLIH Group as customers of the Group will provide additional revenue to the Group and enhance its profitability, while transactions with the HLIH Group as suppliers of the Group will allow the Group to benefit from having access, where applicable, to competitive quotes from its interested persons and derive savings in terms of cost efficiencies and greater economies of scale in its transactions with such interested persons.

5. STATEMENT BY THE AUDIT COMMITTEE

Having reviewed the YTD-IPTs and the rationale for the YTD-IPTs and benefits to the Group, the Audit Committee of the Company is of the view that they are carried out on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Stephen Ho Kiam Kong and Kwek Pei Xuan, who are Directors of the Company, are also the executive director and chief executive officer and the head of sustainability and corporate affairs of HLA.

Save as disclosed in this Announcement and other than through their respective shareholdings in the Company (if any), none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the YTD-IPTs.

By Order of the Board

Lee Chun Fun
Company Secretary

22 April 2022