ANNUAL REPORT 2024
BUILDING BETTER


BRC

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CHAIRMAN'S **MESSAGE**

"The Board is pleased to announce a final cash dividend of 8 Singapore cents, and a special dividend of 6 Singapore cents to celebrate a year of solid financial results."

"BRC enters the new financial year with a goal to continue building on our success and grow stronger as a Company. We are proud of our position as a market leader, and your support as key stakeholders will be crucial in driving our future growth."

Dear Shareholders,

I am pleased to share BRC Asia Limited's ("**BRC**" or the "**Company**", along with its subsidiaries, the "**Group**") Annual Report for the financial year ended 30 September 2024 ("**FY2024**").

Following prior year's success, BRC enjoyed another sterling year which was recognised by the wins at the Edge's Centurion Dollar Club Awards 2024 *(Highest Growth in PAT over three (3) years)* and at the SIAS Investors' Choice Awards 2024 (winner in the Mid Cap segment for the Singapore Corporate Governance Award).

CHAIRMAN'S
MESSAGE

2024 AT A GLANCE

We are greatly encouraged by the strong performance achieved in FY2024, with a steady stream of projects bolstered by government-backed initiatives and launches for major state construction projects, such as the LTA's Cross Island Line Phase 2, PSA's Tuas Terminal Finger 2 and public housing flats. By the end of the calendar year 2024 ("**CY2024**"), Singapore's construction sector is expected to grow 12%, outpacing the anticipated 2% to 3% gross domestic product growth up to four times[1].

In the first half of FY2024, BRC benefitted from increased contributions from the higher-margin steel fabrication segment, fuelled by rising construction output in the public sector. Capitalising on the recovery of the construction sector underpinned by a consistent flow of domestic projects entering the tender phase as well as a one-off gain from disposal of an associate, the Group is pleased to report a record net profit of S$93.5 million for the reporting year.

In addition, the Group successfully completed the acquisition of a 19.9% stake in Angkasa Daehan Steel Pte. Ltd., a steel reinforcement company. This acquisition represents a strategic move to invest in a sector closely aligned with BRC's expertise while tapping into promising growth opportunities.

LOOKING AHEAD

As we embark on a new financial year, we are buoyed by a positive industry outlook and our ongoing efforts to strategically drive BRC's growth.

Singapore's construction demand is projected to reach between S$32 billion and S$38 billion by the end of 2024, according to the Building and Construction Authority ("**BCA**"), and between S$31 and S$38 billion per year from 2025 to 2028.[2] This growth will be driven by major public infrastructure projects mentioned earlier, phase two of the Cross Island MRT Line, the government's commitment to launch 100,000 HDB flats by 2025[3], as well as the substantial expansions of the existing Resorts World Sentosa[4] and Marina Bay Sands[5] integrated resorts.

Despite the ongoing industry challenges, including labour shortages and rising costs, we anticipate that government stimulus measures will play a pivotal role in boosting construction productivity. These measures include schemes for enterprise funding and support for digital transformation and automation, aimed at optimising operational costs and reducing reliance on manpower. While we remain optimistic about FY2025, we will continue to closely monitor the macroeconomic environment, with particular attention to evolving geopolitical tensions and global economic uncertainties.

Internally, we remain committed to refining our operational processes, furthering our efforts to automate systems through digitalisation, and target to set new standards in BRC's quality service and productivity.

SUSTAINABILITY

Our sustainability committee continues to make headway, chaired by our Non-Executive and Non-Independent Director Ms. Kwek Pei Xuan, who is also the Head of Sustainability and Corporate Affairs at Hong Leong Asia Ltd. Under her leadership, we are charting a greener, more sustainable pathway for BRC's future.

APPRECIATION AND DIVIDENDS

As I conclude my message, which also signifies a closure for the Group's FY2024, I would like to extend my appreciation to the Group's shareholders. We continued to be inspired and motivated by your support and trust in BRC. The Board is pleased to announce a final cash dividend of 8 Singapore cents, and a special dividend of 6 Singapore cents to celebrate a year of solid financial results. Together with the interim dividend of 6 Singapore cents already paid, the total dividend for FY2024 is 20 Singapore cents, equivalent to a total dividend payout ratio of 59% for the year.

It goes without saying that this would be impossible without the capable management team and the entire BRC family. Your relentless drive and dedication continue to be the driving force behind our success. Let's continue this momentum as we embrace the opportunities of the year ahead.

I would also like to extend my gratitude to my fellow board members for their steadfast dedication to upholding strong corporate governance and ensuring robust checks and balances for the benefit of our stakeholders.

BRC enters the new financial year with a goal to continue building on our success and grow stronger as a Company. We are proud of our position as a market leader, and your support as key stakeholders will be crucial in driving our future growth.

MR. TEO SER LUCK
Chairman and Independent Director

1 *Singapore Business Review: Construction sector to grow 12% in 2024, outpacing GDP growth four times, September 2024*
2 *BCA: Steady Demand for the Construction Sector Projected for 2024, 15 January 2024*
3 *The Straits Times: Eight projects in Plus or Prime classification in Oct BTO launch, 9 October 2024*
4 *https://www.businesstimes.com.sg/property/resorts-world-sentosas-s6-8-billion-waterfront-expansion-open-2030*
5 *https://www.businesstimes.com.sg/companies-markets/las-vegas-sands-pump-us8-billion-develop-mbs-expansion-project*

主席致辞

尊敬的股东，

很高兴向您发布BRC Asia Limited（以下简称"**BRC**"或"**公司**"，与其子公司合称"**集团**"）截至2024年9月30日财政年度（"**2024财年**"）的年度报告。

延续上财年的卓越表现，BRC在2024财年再创佳绩，荣获The Edge Centurion Dollar Club "Highest Growth in PAT over three (3) years"奖，并在SIAS Investors' Choice Awards 2024中斩获"Winner in the Mid Cap segment for the Singapore Corporate Governance Award"的殊荣。

回顾2024

在2024财年，BRC取得了令人振奋的优异表现，主要归功于一系列持续稳定的建筑项目，例如：陆路交通管理局跨岛线第二期、新加坡港务集团大士码头二号离岸泊位及公共住房项目。预计到2024年底（"**CY2024**"），新加坡建筑行业将实现12%的增长，增幅相比国内生产总值预计的2%至3%，高出约四倍之多。

2024财年上半年，随着基础设施预算的增加，BRC利润率较高的钢筋加工业务表现强劲，对公司整体业绩产生了积极影响。随着建筑业的强劲复苏，进入投标阶段的建筑项目持续增加，加之处理一家合资公司股权所带来的一次性收益，集团欣然宣布本财年实现创纪录的净利润9,350万新元。

此外，集团成功收购了钢材加工公司Angkasa Daehan Steel Pte. Ltd. 19.9%的股权。此举体现了集团在其核心专长领域的战略性布局，同时有助于抓住未来潜在增长机遇。

展望未来

随着新财年的开始，BRC对行业的良好前景充满信心，并将持续专注于实施推动集团增长的战略举措。

根据新加坡建筑与建设局（"**BCA**"）的预测，到2024年底，新加坡的建筑支出预计将达到320亿至380亿新元，并在2025年至2028年间每年维持在310亿至380亿新元之间。这一增长主要受到包括前述重大公共基础设施项目、地铁跨岛线二期工程、政府计划在2025年推出10万套组屋的目标，以及圣淘沙名胜世界和滨海湾金沙综合度假村大规模扩建等因素的推动。

尽管行业仍面临劳动力短缺和成本上升等挑战，我们预计政府的激励措施将在提高建筑生产力方面发挥关键作用。

"为庆祝本财年的优异业绩，董事会欣然宣布派发每股0.08新元的最终现金股息和每股0.06新元的特别股息。"

"迈入新的财年，BRC将继续以发展壮大为核心目标。我们为作为本土行业先驱而感到自豪，而您作为关键利益相关者的支持，将是推动我们未来增长的重要力量。"

主席致辞

这些措施包括企业融资计划以及支持企业实现数字化和自动化转型，用于优化运营成本并减少对人力资源的依赖。尽管我们对2025财年持谨慎乐观态度，但公司将持续密切关注宏观经济环境，尤其是地缘政治紧张局势和全球经济不确定性的动态变化。

在内部，我们将继续致力于优化运营流程，推进数字化和自动化进程，力争在服务质量和生产力方面树立新标杆。

可持续发展

在集团非执行和非独立董事郭佩璇女士的领导下，我们的可持续发展委员会工作持续取得积极进展。Kwek女士同时担任Hong Leong Asia Ltd.的可持续发展与企业事务主管。在她的引领下，BRC为未来奠定了更加绿色、可持续的发展基础。

感谢与股息

在致辞的最后，我谨向集团的股东致以衷心的感谢。你们对BRC的支持与信任始终是我们不断前进的动力源泉。为庆祝本财年的优异业绩，董事会欣然宣布派发每股0.08新元的最终现金股息和每股0.06新元的特别股息。连同此前已派发的每股0.06新元的中期股息，2024财年的总股息达每股0.20新元，折合年度股息率为59%。

这些成绩的取得离不开卓越的管理团队和整个BRC大家庭的共同努力。你们的不懈付出和奉献精神始终是我们成功的基石。让我们继续保持这种成长势头，携手迎接新一年的机遇。

同时，我也要向董事会成员致以谢意，感谢他们始终坚持维护强有力的公司治理，为利益相关者的福祉提供了稳健的监督和保障。

迈入新的财年，BRC将继续以发展壮大为核心目标。我们为作为本土行业先驱而感到自豪，而您作为关键利益相关者的支持，将是推动我们未来增长的重要力量。

张思乐
主席及独立董事

OPERATIONS & FINANCIAL REVIEW

FY2024 was another landmark year for the Group with two new records achieved – a record net profit thanks to a one-off gain from the disposal of an associate, and a sales order book at record levels driven by buoyant domestic construction demand.

Despite persistent industry headwinds, including ongoing skilled labour shortages and slower than expected project offtakes, construction demand is expected to remain buoyant with a steady flow of domestic projects coming to tender. This improvement was also reflected in our financial performance, with gross profit climbing by 11% year-over-year ("**y-o-y**"), fuelled primarily by our core reinforcing steel fabrication business.

As a key reinforcing steel player in the domestic construction sector, backed by our strong sales order book, the Group is optimistic about the forthcoming growth cycle and looks forward to more significant project launches in the coming years.

"FY2024 was another landmark year for the Group with two new records achieved – a record net profit thanks to a one-off gain from the disposal of an associate, and a sales order book at record levels driven by buoyant domestic construction demand."

"The Group's growth strategy remains intact in FY2024, with a continued commitment to assist our customers in Building Better by offering Better • Faster • Cheaper reinforcing steel solutions, which are reinforced with our digitalisation and automation push."

MARKET REVIEW AND OUTLOOK

Global economic recovery is stabilising, yet some weaknesses remain. According to the latest World Economic Outlook by the International Monetary Fund ("**IMF**"), the global gross domestic product growth rate is projected to hold steady at 3.2% for 2024 and remained at this level in 2025.[1] However, medium-term growth is anticipated to slow to 3.1% within five years, its lowest in decades[2].

The challenging macroeconomic conditions, aggressive monetary tightening, and heightened geopolitical uncertainties have led to a decrease in global manufacturing demand, contributing to a decline in global steel demand. Further exacerbated by weak housing construction due to tight financing and high costs, global steel demand is projected to drop by 0.9% to 1,751 million tonnes in 2024, resulting in weaker steel prices for the year[3].

Despite the worldwide slowdown, Singapore's construction demand remains steady. The Building and Construction Authority ("**BCA**") forecasted demand to reach between S$32 billion and S$38 billion by the end of 2024, with the mid-point well above the S$33.8 billion achieved in 2023. Moreover, from 2025 to 2028, annual construction demand is expected to range from S$31 billion to S$38 billion.[4] As of 30 September 2024, Singapore's total awarded construction contracts reached approximately S$34 billion, marking a 43.3% y-o-y increase. This growth was primarily driven by the public sector, which was up 60.2% y-o-y. Additionally, industry progress payments rose by 9.3% y-o-y for 9M2024, with the public sector recording a 19.2% increase[5].

The above improvements in the domestic construction industry bode well for the Group, particularly with three mega projects – the Changi Airport Terminal 5 and the expansion of the Marina Bay Sands and Resorts World Sentosa integrated resorts – scheduled to commence construction in 2025. In addition, the steel market is expected to recover driven by the US government's recent interest rate cuts and the stimulus package introduced by the Chinese government. Consequently, global steel demand is forecasted to grow by 1.9% in 2025, following three consecutive years of decline[3].

OPERATIONAL REVIEW AND STRATEGY

The Group's growth strategy remains intact in FY2024, with a continued commitment to assist our customers in **Building Better** by offering **Better • Faster • Cheaper** reinforcing steel solutions, which are reinforced with our digitalisation and automation push.

[1] *IMF: Global growth is expected to remain stable yet underwhelming, October 2024*
[2] *IMF: Global recovery is steady but slow and differs by region, April 2024*
[3] *Worldsteel Association: worldsteel Short Range Outlook October 2024, October 2024*
[4] *BCA: Steady Demand for the Construction Sector Projected for 2024, January 2024*
[5] *Department of Statistics Singapore: Building, Real Estate, Construction and Housing, December 2024*

OPERATIONS & FINANCIAL REVIEW

On 30 August 2024, the Group completed an acquisition of a 19.9% stake in Angkasa Daehan Steel Pte. Ltd ("**Angkasa**") for a consideration of approximately S$17.8 million. Angkasa engages in fabrication of steel reinforcement products in Singapore, a segment that we are intimately familiar with. We expect this strategic investment to contribute positively to our Group in the years ahead.

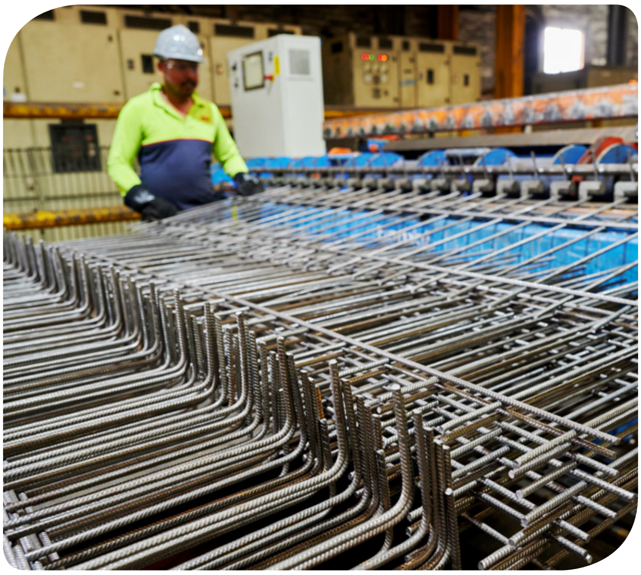
In addition, the Group also completed the disposal of its shareholding in its non-core investment in Pristine Islands Investment Pte. Ltd. ("**Pristine**") in June 2024, realising a one-off gain of approximately S$16.5 million.

We are also excited to share that the Group was awarded *Singapore Corporate Governance Award* by the Securities Investors Association (Singapore) ("**SIAS**") and recognised for the *Highest Growth in PAT Over Three (3) Years* within the Cyclical Consumer Products + Cyclical Consumer Services + Personal & Household Products & Services sector by The Edge Singapore this year. These awards underscore our dedication to excellence and growth.

The Group is actively seeking overseas expansion opportunities leveraging its international trading business to penetrate regional markets.

FINANCIAL REVIEW

As highlighted earlier, the Group benefited from a gradual industry recovery over the past year, driven by a steady flow of domestic projects up for tender. This uptick in domestic construction demand partially offset a decline in the international trading business, leading to a 9% y-o-y decrease in revenue to S$1.5 billion for FY2024. The overall revenue drop was primarily due to lower steel prices, although delivery volumes remained unchanged.



In line with the change in product mix, gross profit increased by 11% y-o-y to S$153.8 million and gross profit margin expanded by 1.9 percentage points ("**ppts**") to 10.4% for FY2024. The Group recorded a reversal of provision for onerous contracts for S$7.3 million in FY2024 compared to S$23.8 million in the preceding year.

Other income rose by 56% y-o-y to S$22.5 million in FY2024, mainly attributable to the one-off gain on disposal of associate, Pristine, of S$16.5 million and a fair value gain of S$1.2 million on investment securities from Angkasa.

Given the higher legal and professional fees related to the acquisition of Angkasa and disposal of Pristine, along with an increase in provision for bonus and salary-related costs, administrative expenses increased by 35% y-o-y to S$32.8 million in FY2024.

Finance costs decreased by 12% y-o-y to S$11.3 million in FY2024, which was mainly due to the reduction in quantum of borrowing in line with lower steel prices.

Other operating expenses increased by 39% y-o-y to S$12.3 million in FY2024, primarily attributable to net foreign exchange loss and net loss from fair value changes on derivatives. This rise was partially offset by a reversal of fair value changes on trade receivables.

Consequently, the Group registered a record net profit of S$93.5 million for the reporting year.

As of 30 September 2024, the Group continued to maintain a strong balance sheet position with cash and cash equivalents standing at S$191.4 million.

The Group attained a record outstanding orderbook of approximately S$1.4 billion as of 30 September 2024, with projects spanning up to 5 years, though this may be subject to further changes.

APPRECIATION

Last but not the least, we are encouraged by the resilient performance that we achieved over the past one year. I would like to take this opportunity to extend my deepest gratitude to all our employees, business partners, and shareholders for their unwavering support and dedication. Your collective efforts have been crucial in steering the Group to excellence and preparing us for multi-year growth.

Thank you for your continued partnership and trust. Let us continue to strive for excellence and drive our shared vision forward.

MR. SEAH KIIN PENG
Executive Director and Chief Executive Officer

运营与财务回顾

2024财年是集团又一个具有里程碑意义的年份，共创下两项新纪录：一是得益于处置一家合资公司股权带来的一次性收益，集团实现了创纪录的净利润；二是受国内建筑需求强劲增长的推动，销售订单量达到历史新高。

虽然行业持续面临包括熟练劳动力短缺和项目进度慢于预期等挑战，但国内建筑需求依然保持旺盛，各类建筑项目也稳步进入招标阶段。这一改善也体现在我们的财务表现上，毛利同比增长11%，主要受益于核心业务——钢筋加工业务的稳健增长。

作为新加坡建筑行业的主要钢筋供应商，集团依托强大的订单储备，对即将到来的增长周期充满信心，并期待未来几年迎来更多重大项目的陆续启动。

市场回顾与展望

全球经济复苏逐步趋于稳定，但增长依然乏力。根据国际货币基金组织（“**IMF**”）最新发布的《世界经济展望》，2024年全球国内生产总值增长率预计将维持在3.2%，并在2025年保持这一水平。然而，中期增长率预计将在未来五年内放缓至3.1%，创下数十年来的最低水平。

> **“2024财年是集团又一个具有里程碑意义的年份，共创下两项新纪录：一是得益于处置一家合资公司股权带来的一次性收益，集团实现了创纪录的净利润；二是受国内建筑需求强劲增长的推动，销售订单量达到历史新高。”**
>
> **“集团在2024财年的增长战略保持不变，即持续推动数字化和自动化进程，为客户提供“更好、更快、更经济”的钢筋解决方案，助力客户打造更优质的建筑项目。”**

复杂的宏观经济环境、激进的货币紧缩政策以及加剧的地缘政治摩擦导致全球制造业需求下降，进而引发全球钢材需求下滑。此外，受融资条件收紧和成本上升影响，住房建设放缓，预计2024年全球钢材需求将下降0.9%至17.51亿吨，钢材价格也因此面临下行压力。

尽管全球建筑行业增速放缓，新加坡的建筑需求依然强劲。根据新加坡建筑与建设局（“**BCA**”）的预测，2024年底建筑支出预计达320亿至380亿新加坡元，中间值高于2023年的338亿新加坡元。此外，从2025年至2028年，年度建筑支出预计稳定在310亿至380亿新加坡元之间。截至2024年9月30日，新加坡建筑合同总额约为340亿新加坡元，同比增长43.3%，其中公共部门合同额增长显著，达60.2%。同时，行业进度款同比增长9.3%，其中公共部门增幅更是达到19.2%。

本地建筑业的改善对集团意义重大，尤其是三个重大项目——樟宜机场第五航站楼、滨海湾金沙和圣淘沙名胜世界综合度假村扩建计划——的逐步推进，这些项目预计将于2025年正式开工。此外，随着美国政府的降息政策和中国政府的经济刺激措施的逐步落实，全球钢材市场有望复苏，2025年钢材需求预计增长1.9%，扭转连续三年的下滑局面。

运营回顾与战略

集团在2024财年的增长战略保持不变，即持续推动数字化和自动化进程，为客户提供“更好、更快、更经济”的钢筋解决方案，助力客户打造更优质的建筑项目。

2024年8月30日，集团完成对Angkasa Daehan Steel Pte. Ltd. 19.9%股权的收购，交易金额约为1,780万新加坡元。Angkasa专注于钢筋产品的加工，与集团业务高度契合。我们预计这一战略投资将在未来几年为集团带来积极贡献。

此外，集团于2024年6月完成了对非核心投资Pristine Islands Investment Pte. Ltd.（“**Pristine**”）的股权出售，实现了一次性收益约1,650万新加坡元。

我们也欣喜地分享，集团荣获the Securities Investors Association (Singapore) （“**SIAS**”）颁发的“Singapore Corporate Governance Award”，并被The Edge Singapore评选为“Highest Growth in PAT Over Three (3) Years within the Cyclical Consumer Products + Cyclical Consumer Services + Personal & Household Products & Services sector”。这些奖项充分彰显了我们对卓越与持续增长的不懈追求。

集团还积极借助国际钢材贸易业务拓展区域市场，为未来的海外扩张创造更多机会。

运营与财务回顾

财务回顾

过去一年，集团受益于行业的逐步复苏以及国内建筑招标项目的稳步推进。这一增长在一定程度上缓解了国际贸易业务下滑的影响，使2024财年收入同比下降9%至15亿新加坡元。收入下滑主要归因于钢材价格下跌，而交货数量则保持稳定。

受产品组合变化影响，毛利同比增长11%至1.538亿新加坡元，毛利率同比上升1.9个百分点至10.4%。集团录得合同减值拨备回转730万新加坡元，而上年同期为2,380万新加坡元。

其他收入同比增长56%，达到2,250万新加坡元，主要得益于处置Pristine带来的1,650万新加坡元一次性收益，以及Angkasa股权投资公允价值增加的120万新加坡元。

由于Angkasa收购和Pristine处置过程中产生的较高法律及专业费用，以及奖金及薪资相关成本的增加，管理费用同比增长35%至3,280万新加坡元。

财务成本同比下降12%至1,130万新加坡元，主要由于钢材价格下降带来的借贷金额减少。

尽管外汇损失和衍生品公允价值变化导致其他运营费用同比增长39%至1,230万新加坡元，但贸易应收账款公允价值回转部分抵消了这一上涨。

集团最终实现创纪录的净利润9,350万新加坡元。

截至2024年9月30日，集团现金及现金等价物为1.914亿新加坡元，财务状况保持强劲。

同时，集团销售订单量约为14亿新加坡元，项目交付周期跨度长达5年，但具体金额可能有所调整。

致谢

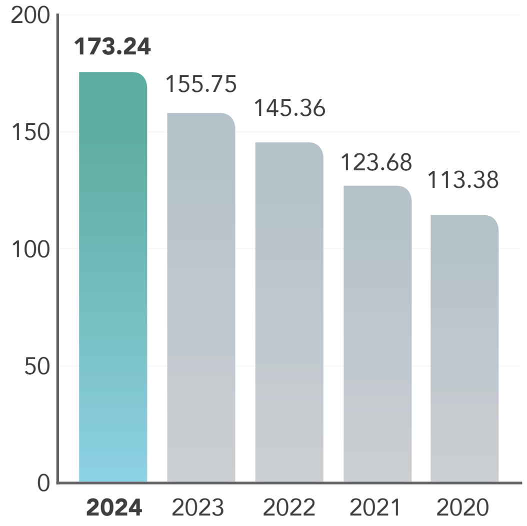
最后，我要对集团在过去一年展现出的韧性表示由衷的赞赏。借此机会，我谨向所有员工、业务伙伴和股东致以最诚挚的谢意。正是因为你们的坚定支持与不懈努力，集团才能不断迈向新的高度，实现持续发展。

感谢您对集团的长期信任与合作。让我们携手并进，共同追求卓越，推动共同愿景的实现。

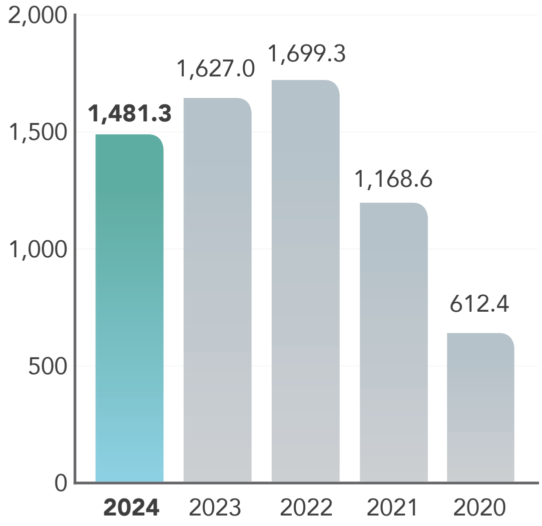
谢敬平
执行董事及首席执行官

FINANCIAL **HIGHLIGHTS**

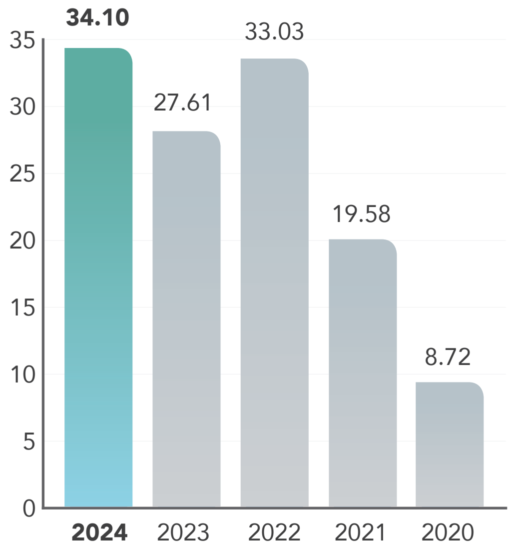
Net asset per share attributable to owners (cents)



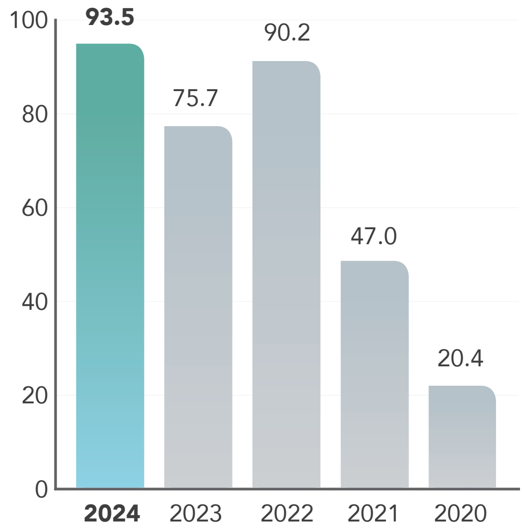
Revenue from continuing operations (S$'million)



Basic earnings per share (cents)



Profit after tax (S$'million)



Group Financial Results	2024	2023	2022	2021	2020
Revenue from continuing operations (S$'000)	**1,481,361**	1,626,998	1,699,266	1,168,647	612,378
Profit before tax (S$'000)	**111,175**	91,221	107,433	58,373	26,990
Profit after tax (S$'000)	**93,544**	75,748	90,216	47,026	20,352
Net asset attributable to owners (S$'000)	**475,284**	427,311	398,786	300,949	264,547

Per Share Data					
Basic earnings per share (cents)	**34.10**	27.61	33.03	19.58	8.72
Net asset per share attributable to owners (cents)	**173.24**	155.75	145.36	123.68	113.38

BOARD OF **DIRECTORS**

BOARD OF DIRECTORS

MR. TEO SER LUCK

Chairman and Independent Director

Mr. Teo was appointed as an Independent Director of the Group and Chairman of the Board on 28 November 2017.

Mr. Teo is currently an entrepreneur and investor as well as the Lead Independent Director of China Aviation Oil (Singapore) Corporation Ltd., Straco Corporation Ltd., Deputy Chairman of Serial System Ltd., and an Independent Director of Yanlord Land Group Limited, which are listed on the mainboard SGX-ST. He is also President to the Institute of Singapore Chartered Accountants (ISCA) and adviser to the Singapore Fintech Association. Mr. Teo is a trained accountant and spent 15 years in the private sector managing and setting up companies before being elected as a Member of the Parliament of Singapore and a fulltime political office holder for 11 years. He returned to the private sector in July 2017 and remained as a Member of the Parliament till June 2020. He was Minister of State at the Ministry of Trade and Industry and Ministry of Manpower, Mayor of the North East District of Singapore, as well as Senior Parliamentary Secretary in the Ministry of Community Development, Youth and Sports and Ministry of Transport. He was also the Chairman of Singapore-Shandong Bilateral Business Council and Vice Chairman of Singapore-Jiangsu Bilateral Business Council.

MR. SEAH KIIN PENG

Executive Director and Chief Executive Officer

Mr. Seah was appointed as the Chief Executive Officer of the Group on 26 September 2018.

Mr. Seah is responsible for the Group's business performance. He oversees the development and implementation of our business plans and strategies.

Since joining the Group in March 2010 as an Executive Director, Mr. Seah had assisted the previous Group Managing Director in running the businesses of the Group. From October 2016, Mr. Seah ran the operations of the Group, successfully steering the Group through a challenging period, amidst weakness in the construction sector, as well as completing the S$200 million takeover of Lee Metal Group Ltd. in 2018.

Prior to joining the Group, Mr. Seah was the General Manager of a group of companies in the shipping business. He started his career with the Singapore Foreign Service after graduating with Bachelor and Masters of Science in Management from the London School of Economics and Political Science.

MR. XU JIGUO

Executive Director and Chief Procurement Officer

Mr. Xu was appointed as an Executive Director of the Group on 28 November 2017.

Mr. Xu is responsible for the trading activities of the Group. He also assists the Chief Executive Officer of the Group with steel procurement. Mr. Xu has more than 20 years of experience in shipping and trading. Prior to joining the Group, he was a Deputy General Manager in Bright Point Pte. Ltd., a steel trading company. Mr. Xu holds an MBA Degree from The University of South Australia.

MR. ZHANG XINGWANG

Executive Director and Chief Operating Officer

Mr. Zhang was appointed as an Executive Director of the Group on 5 December 2017.

Mr. Zhang is responsible for the development of strategies for the Group. He also assists the Chief Executive Officer of the Group with manufacturing and operations. Prior to joining the Group, Mr. Zhang was a Director of a company in iron ore trading. He was a Deputy Director within the raw material department of WISCO International Economy & Trading Limited. Mr. Zhang holds an MBA Degree from Wright State University in USA and a Bachelor's Degree in Mineral Engineering from Central South University in China.

MS. CHANG PUI YOOK

Independent Director

Ms. Chang was appointed as an Independent Director of the Group on 6 August 2018.

Ms. Chang has close to 30 years of Corporate Banking experience with leadership roles in International Banks. As the former Managing Director & Regional Asian Head of ABN Amro's franchise in Trade & Structured Commodity Finance, her key responsibilities were in originating and developing client relationships and being trusted advisor to (C-suite level) clients. Recognised for her work across the key markets of commodity value chains, she is a collaborator with multi-geographic teams and specialises in credit and risk management, structured trade, financial due diligence and corporate governance. She enjoys nurturing young talents and was Advisory Council member of the International Trading Institute in Singapore Management University. Ms. Chang graduated from National University of Singapore with majors in Economics and Statistics, and has an INSEAD Certificate in Corporate Governance (IDP-C).

MR. JOEL LEONG KUM HOE
Independent Director

Mr. Leong was appointed as an Independent Director and Chairman of the Audit Committee on 2 April 2018.

Mr. Leong is currently a business consultant specialising in corporate restructuring, mergers and acquisitions, and business management. Mr. Leong is also an active volunteer. He is currently the board chairman of Tomowork Ltd, a charity dedicated to seeking employment for persons with special needs and Treasurer of the Nature Society Singapore, a charity dedicated to nature conservation and education. Mr. Leong has vast experience in various industries like industrial engineering, precision engineering, semiconductor, IT, electronics, ordnance and food. He was Chief Financial Officer and Independent Director of several listed companies on both the Mainboard and Catalist board of SGX-ST in the past

MR. TOH KIAN SING
Independent Director

Mr. Toh was appointed as an Independent Director of the Group on 28 April 2022.

Mr. Toh is a Senior Partner of Rajah & Tann Singapore LLP, one of the largest law firms in Singapore. He was appointed as a Senior Counsel by the Supreme Court of Singapore in 2007 and handles a variety of shipping, international trade and letters of credit disputes. Proficient in Chinese, he has developed a practice as counsel and arbitrator in joint venture disputes involving Chinese parties and holds a Visiting Professorship at Dalian Maritime University. He obtained his law degrees from the National University of Singapore and the University of Oxford.

MR. DARRELL LIM CHEE LEK
Non-Executive & Non-Independent Director

Mr. Lim was appointed as an Non-Executive & Non-Independent Director of the Group on 1 May 2022.

Mr. Lim spent 10 years with the Singapore Exchange ("**SGX**") in a number of management roles including corporate coverage, investor relations, product development, investor relations and corporate strategy. Prior to joining SGX, he was an Australia-based management consultant specialising primarily in corporate strategy and organisational transformation. Over the course of his consulting career, he had worked with clients across Australia, New Zealand, Hong Kong and Southeast Asia. Mr. Lim holds degrees from Oxford University (UK), Sydney University (Australia) and the National University of Singapore.

MS. KWEK PEI XUAN
Non-Executive & Non-Independent Director

Ms. Kwek was appointed as a Non-Executive & Non-Independent Director of the Group on 8 February 2022.

Ms. Kwek is currently an Executive Director and Head of Sustainability and Corporate Affairs of Hong Leong Asia Ltd. where she oversees the Group's strategic direction in its management of Environmental, Social and Governance ("ESG") issues, sustainability reporting framework and corporate communication efforts. Prior to that, she was in the hospitality industry and marketing communications field.

Ms. Kwek holds a Bachelor of Commerce degree majoring in Marketing and Finance from University of Melbourne as well as an MBA in Hospitality Management from Les Roches International School of Hotel Management, Switzerland.

MR. STEPHEN HO KIAM KONG
Non-Executive & Non-Independent Director

Mr. Ho was appointed as a Non-Executive & Non-Independent Director of the Group on 8 February 2022.

Mr. Ho is the Chief Executive Officer of Hong Leong Asia Ltd. ("**HLA**") He is also the Non-Executive Director of Tasek Corporation Berhad and China Yuchai International which are subsidiaries of HLA.

Mr. Ho was formerly the Group Chief Financial Officer of Wilmar International Limited. He has 37 years of experience in the Finance industry, including executive positions with Dutch multinational Royal Philips based in Singapore, Hong Kong, and in their Greater China Head Office in Shanghai.

Prior to his corporate roles, Mr. Ho worked for major international financial institutions in Singapore, Hong Kong and New York in different areas of corporate banking, global markets trading, marketing and sales.

Mr. Ho received his Bachelor of Commerce and Administration degree from the Victoria University of Wellington in New Zealand and attended the Advanced Management Program at Harvard Business School, Boston, US in the fall of 1998.

KEY EXECUTIVE
OFFICERS

MS. LEE CHUN FUN
Chief Financial Officer and Company Secretary

Ms. Lee is responsible for the Group's financial and treasury management while overseeing the Human Resources and Administration department. She started her career in auditing with a public accounting firm and has experience in finance, treasury and credit control functions.

Ms. Lee holds a Master's Degree in Business Administration from the University of Strathclyde and a Bachelor's Degree in Accountancy from the National University of Singapore.

MR. TAN LAU MING
Deputy Chief Operating Officer

Mr. Tan is responsible for the Group's prefabrication production, operational matters and cut and bend services while overseeing safety, security and dormitories.

Mr. Tan has over 20 years of experience in production operations which include manufacturing, planning, resource allocation, industrial engineering and process control.

Mr. Tan holds a Master's Degree in Engineering Management from the University of Wollongong.

MR. ONG LIAN TECK
Chief Commercial Officer

Mr. Ong oversees the Sales and Marketing Department and is responsible for formulating marketing plans and strategies as well as the delivery of engineering support services to customers. He also assists the Chief Executive Officer in business development efforts and the Chief Procurement Officer in steel inventory management. He has over 20 years of experience in the industry.

Mr. Ong graduated from Nanyang Technological University with a Bachelor's Degree (Honours) in Engineering (Civil).

CONTENTS

ABOUT US

Incorporated in 1938, BRC Asia Limited ("**BRC**") is a leading prefabricated reinforcing steel solutions provider headquartered in Singapore and listed on the Singapore Stock Exchange; with a network of operations spanning Singapore, Malaysia, Australia, Thailand and China.

BRC offers a full suite of reinforcing steel products and services that include standard length rebar, cut and bend services, prefabrication services as well as standard and customised welded wire mesh for the building and construction industry.

By transferring laborious and unproductive in-situ steel fixing work to factory fabrication, substantial benefits in on-site manpower savings, shorter construction cycle, better buildability and productivity can be achieved for the builder, leading to a better outcome for all stakeholders.

OUR BRAND MESSAGING

Build Better - Fully-automated factory-controlled conditions for prefabrication to exact specifications ensures consistent spacing, greater accuracy and rigidity. This delivers a superior quality and more dependable reinforcement solution.

Build Faster - Elements are easily laid into moulds for immediate casting, decreasing the dependence on steel fixers and reducing installation time. A single-hoist installation, without extensive props, lowers dependency on cranage and allows for same-day casting.

Build Cheaper - Reducing reinforcing work and the slab casting cycle shortens the construction cycle and project duration. This in turn, reduces manpower requirements for on-site installation, delivering cost savings.

Build Safer - Improving health and safety on site from reducing risks of injuries and potential hazards associated with on-site fabrication as well as lower noise and dust pollution.

Build Smarter - Customised and innovative prefabrication solutions which are manufactured by state-of-the-art machinery and supported by a unique IT-system and a robust engineering team.

Build Surer - A customer-centric service culture, with options for express service, and a proactive management approach to customer needs and issue resolution to ensure the steel products arrive exactly when needed.

ABOUT THE REPORT

This is the seventh annual sustainability report by BRC, published within the annual report, on 10 January 2025. It details our continuous effort in our sustainability reporting journey, covering Environmental, Social and Governance ("**ESG**") performance in our Singapore operations from 1 October 2023 to 30 September 2024 ("**FY2024**").

This report is based on the principles and requirements in the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Rules 711A, 711B and Practice Note 7.6 Sustainability Reporting Guide and prepared with reference to the GRI Standards and Task Force for Climate-related Financial Disclosures ("**TCFD**") framework. The GRI Standards are chosen as GRI is an internationally recognised and widely used standard for sustainability reporting, built on the concepts of impact, material topics and stakeholder engagement.

The statistical data disclosed in this report are derived from our own statistics. We have adopted a phased approach to our reporting; we seek to provide additional disclosures, assess and improve our data collection as our sustainability reporting matures over time. In FY2024, internal review on the sustainability reporting process has been conducted in line with SGX-ST's Listing Rules and Sustainability Reporting Guide, to further strengthen the Company's procedures and controls and we will work towards obtaining external assurance for our future sustainability reports.

A historical comparison to the previous years is presented where possible. No restatements were made from the previous report. There is no significant change to the organisation's size, structure, ownership, or supply chain during the year. Moving forward, we will continue to publish an annual sustainability report; incorporated within our Annual Report ("**AR**"). The report can be viewed on our website at https://www.brc.com.sg.

We strive to remain cognisant and responsive. We welcome feedback from our stakeholders regarding our sustainability efforts.

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info@brc.com.sg

Post:
7 Tuas Avenue 16
Singapore 638934

BOARD STATEMENT

As we continue our journey toward long-term value creation for our shareholders, BRC remains unwavering in our commitment to sustainability. In 2024, we continued our focus on embedding sustainable practices across all aspects of our operations. We recognise that responsible stewardship is not only essential for the health of our planet but also for the continued success and resilience of our business.

Aligned with global climate goals and local initiatives, we support Singapore's Green Plan and its vision for a sustainable future. Our sustainability efforts have evolved to include more ambitious goals, with a particular emphasis on further reducing our carbon footprint, improving energy efficiency, and advancing material waste management. These initiatives are central to our strategy, as we firmly believe that sustainability drives innovation, strengthens resilience, and delivers long-term financial performance.

The Board, as the guardian of our strategic direction, plays a crucial role in steering BRC's sustainability initiatives. We are more committed than ever to integrate sustainability into our core operations, ensuring that we generate value not only for our shareholders but also for all our stakeholders.

We are deeply grateful for the ongoing support of our stakeholders, whose collaboration is vital in realising our shared vision of a sustainable future. As we look ahead to 2025 and beyond, we remain resolute in scaling our sustainability efforts, staying ahead of emerging trends, and fostering deeper partnerships that will drive lasting, positive impact. Our commitment to sustainability is an ongoing journey, and we will continue to prioritise what is right for our business, society, and the environment.

SUSTAINABILITY GOVERNANCE

The Sustainability Committee ("**SC**"), established in 2023, reports directly to the Board and provides strategic direction and oversight to ensure our sustainability initiatives align with the Group's long-term goals. The SC is supported by the Sustainability Working Group ("**SWG**"), which collaborates with various operational and business units across the organisation. Together, they play a pivotal role in shaping and guiding our sustainability strategy.

The SC is also responsible for overseeing the effectiveness of our sustainability initiatives, ensuring they are embedded within the Group's internal control and risk management framework. This integrated approach ensures that sustainability is fully aligned with our business objectives, fostering a unified strategy that addresses both risks and opportunities across our operations.

Sustainability Governance Structure

Board of Directors

Sustainability Committee

Sustainability Working Group

Business and Operational Units

Central to our approach is our Sustainability Policy, which provides a comprehensive framework for integrating economic, environmental, social, and governance factors into every aspect of our business strategy. The policy reflects our commitment to responsible, sustainable operations, ensuring that we actively manage the environmental impact of our activities, promote social responsibility and generate long-term economic value. This Sustainability Policy also outlines key commitments, including the reduction of our environmental footprint by optimising resource use and minimising waste, while adhering to relevant laws and supporting low-carbon initiatives. We also emphasise social responsibility by fostering an inclusive workplace and supporting community engagement through philanthropy. On the governance front, the policy stresses the importance of upholding high ethical standards, ensuring compliance with laws and promoting transparency in decision-making. Through clear targets and regular monitoring, we ensure that these sustainability pillars are continuously enhanced, contributing to the enduring success of our business and the communities we serve.

SUSTAINABILITY
AT BRC

STAKEHOLDER ENGAGEMENT

We consider stakeholders as entities or individuals that can reasonably be expected to be significantly affected by our activities, products and services, or whose actions can reasonably be expected to affect our ability to successfully implement our strategies and achieve our objectives. It is our priority to give the best to our stakeholders and create value for them. In our day-to-day operations, we have established close contact with our key stakeholder groups, to better understand their expectations. We detail below how we engage with them, their key concerns, and our responses.

Stakeholders	Engagement pathways	Key Concerns	Our Responses
Investors	• Regular updates through announcements on SGXNet and BRC's website • Annual General Meetings • Annual Reports • Sustainability Reports	• Financial stability • Growth and markets strategy • Corporate governance • Compliance with laws and regulations • Transparency and timely announcements	• Identify and manage risks promptly • Explore growth opportunities both locally and overseas that will strengthen our core business as well as enhance the international scalability of our Singapore reinforcing steel model • Adherence to Code of Corporate Governance 2018 where possible • Timely and detailed announcements, press releases and follow-up of major events
Customers	• Face-to-face meetings • Customer feedback survey	• Compliance with terms and conditions of contracts • Volatility of steel price • Product quality • Timely delivery	• Adherence to terms and conditions of contracts • Contracts based on fixed price for projects structural duration or contracts based on Building and Construction Authority fluctuation price to protect customers from steel price volatility • Strict adherence to product quality standards • Just-in-time delivery
Suppliers	• Face-to-face meetings • Feedback survey • Supplier Assessment	• Ability to make payment at the stipulated deadline • Compliance with terms and conditions of contracts	• Payments are monitored closely by the procurement and finance department • Adherence to terms and conditions of contracts
Government institutions	• Face-to-face meetings • Surveys • Dialogue	• Ability to meet the needs of the market – capacity, productivity, quality, safety, sustainability	• Staying responsive to demands of the industry
Employees	• Direct feedback to managers • Performance reviews • Training	• Workplace health and safety • Fair remuneration and benefits	• Strict adherence to Health and Safety policies and practices • Safety training • Fair human resource policies and practices

MATERIALITY ASSESSMENT

BRC applies the principle of materiality to guide our ESG strategy and planning processes, using it to identify gaps and opportunities for the company to enhance our initiatives, performance and commitments. A material issue is an environmental, social, economic or governance-related issue which impacts the business or is impacted by our operations. They can have both direct and indirect impact on BRC's ability to create value for the company, stakeholders, communities, or the environmental and society writ large. 'Value' includes environmental, social, and economic value.

In 2023, we conducted a comprehensive materiality review, prioritising key issues in a materiality matrix. This review followed a structured process to assess material issues across the three ESG pillars. It involved a thorough evaluation of industry trends and internal engagement across the business, drawing insights from industry standards and ESG best practices. A survey was then conducted with BRC's management team to assess the relative significance of each issue, evaluating both its potential impact on our business and its importance to our stakeholders. In the current year, we have conducted a more focused review of material ESG factors, ensuring that our strategy remains relevant and responsive to emerging trends.

BRC is committed to continuously reviewing its materiality framework, ensuring that we effectively engage with stakeholders and incorporate their perspectives into our ESG strategy.

For the sustainability matters determined as material, we have mapped them to the relevant aspects defined in GRI Material Topics and incorporated key performance indicators to track and measure progress.

Identify and define initial list of material issues › Prioritise issues through stakeholder engagement › Validation by the Sustainability Working Group › Approval by Sustainability Committee

Material Sustainability Matters	Material Topics (GRI)	Our Responses	Key Performance Indicators	FY2024 performance	Status	FY2025 targets	FY2030 targets
Corporate Ethics	205 Anti-Corruption	Our People	Fraudulent or inappropriate activities or malpractices or cases of corruption	Zero case	√	Zero case	Zero case
Health and Safety	403 Occupational Safety and Health	Our People	Fatalities	Zero case	√	Zero case	Zero case
			Accident Frequency rate	2.5	√	Reduce	Reduce
			Accident Severity Rate	124.2	Δ	Reduce	Reduce
Product Quality	417 Marketing and Labelling	Our Value Chain	Percentage of customer returns	0.04	√	< 0.12	< 0.10
			Recalls and complaints about products due to health and safety issues	Zero case	√	Zero case	Zero case
Energy	302 Energy	Our Environment	Energy intensity (GJ/S$ million)	95.2	√	Reduce	Reduce
Emissions	305 Emissions	Our Environment	Emissions intensity (tCO_2/S$ million)	8.6	√	Reduce	Reduce
Material Efficiency	N.A.	Our Environment	% of material scrap for Mesh	0.80	√	< 1.15	< 1.12
			% of material scrap for Cut & Bend	3.09	√	< 3.45	< 3.30

√ Target Achieved Δ To improve

CLIMATE-RELATED RISK AND MANAGEMENT

In 2024, the Group built upon its climate risk management efforts from the previous year, striving to align more closely with upcoming disclosure requirements and best practices. A key focus this year was the implementation of more robust climate risk assessments through scenario analysis, which allowed us to evaluate BRC's resilience under various climate scenarios. By conducting these assessments, BRC not only adheres to TCFD recommendations but also prepares for the forthcoming IFRS 1/IFRS 2 disclosure requirements. Through our commitment to disclose climate-related risks and opportunities, we aim to foster an environment of transparency and accountability, and ultimately provide stakeholders with a clearer understanding of the implications associated with potential climate-related risks.

GOVERNANCE
The organisation's governance around climate-related risks and opportunities

TCFD Recommendations	BRC's Disclosures
Describe the Board's oversight of climate-related risks and opportunities.	Established in 2023, the SC is the governing body in BRC responsible for providing guidance and supervision on climate-related risks and sustainability matters for the Company. The SC monitors BRC's ESG performance and efforts. The SC has been instituted to focus on overseeing and advancing sustainability initiatives specifically. It is pivotal in aligning the Group's strategies with the evolving sustainability space, reviewing environmental and social impact, and ensuring sustainability is integrated into the overall governance framework. By emphasising sustainability, BRC aims to contribute to environmental stewardship and the creation of long-term value for stakeholders.
Describe management's role in assessing and managing climate-related risks and opportunities.	The SC's role is to: • review and recommend for Board adoption the Company's risk tolerance limits, framework, policies, and guidelines for identifying, assessing, controlling, monitoring, and reporting climate-related and sustainability or environmental, social and governance risks; • review and recommend for Board adoption sustainability goals, policies, and guidelines for identifying, assessing, controlling, monitoring, and reporting the Company's sustainability issues, including those related to climate change; • foster a climate and sustainability awareness culture within the Company; • review the nature and extent of significant climate-related and other ESG risks taken by the Company and assess key controls implemented to manage these risks, annually reporting to the Board; and • evaluate the Company's efforts in addressing sustainability issues, including ESG factors, and review actions taken to mitigate adverse impacts.

STRATEGY
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material

TCFD Recommendations	BRC's Disclosures
Disclose the actual and potential impacts of climate-related risks and opportunities on the Company's businesses, strategy, and financial planning where such information is material. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	In 2024, BRC evaluated the potential impact of physical and transition climate-related risks and opportunities on the company across various climate scenarios. Physical risks were quantitatively assessed using climate modelling, while transition risks were qualitatively evaluated through engagement with BRC's operational teams and desktop research. Each risk has been categorised according to the TCFD-aligned Climate Risk Taxonomy, and a relevant impact metric, qualitative for transition risks and quantitative for physical risks, was estimated for short, medium, and long-term time horizons. For BRC, these timeframes align with the Company's risk management framework and are defined as follows: • Short-term: a material risk within the next 5 years; • Mid-term: a material risk in 5 to 10 years; and • Long-term: a material risk after 10 years The aim is for these risk prioritisation results to be considered when strategy, capital allocation, and commercial and operational decisions are made. More information on the results of the climate risk assessment can be found on page 23 of this report.

STRATEGY
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material

TCFD Recommendations	BRC's Disclosures
Describe the resilience of the Company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	BRC conducted a scenario analysis to evaluate the resilience of its strategy against physical and transition risks under various climate scenarios: • **Physical Risks:** The analysis assessed assets located in Singapore under two Representative Concentration Pathways (RCPs): RCP 4.5, which projects approximately 2.4°C of warming by 2100, and RCP 8.5, which projects around 4.3°C of warming by 2100. Evaluations were made for three time horizons: current, 2050, and 2100. The findings indicate that BRC's assets in Singapore are generally resilient to projected increases in hazard magnitudes. Heat stress emerged as the primary driver of physical climate risk within the portfolio, while sea-level rise is only a concern for one asset, which is expected to incur low projected damages. To maintain this resilience, BRC will integrate these findings into our risk management practices, ensuring that relevant adaptation expenditures are allocated as necessary. • **Transition Risks:** The evaluation of transition risks was conducted across two bespoke scenarios: one aligned with RCP 2.6, projecting approximately 1.5°C of warming by 2100, and the other aligned with RCP 8.5. Overall, given that BRC operates at the end of the supply chain as a steel processor, the company is well-positioned to swiftly respond to and mitigate emerging transition risks associated with the market's shift toward net-zero emissions. As BRC does not employ steel-making technologies, where the majority of transition risks reside, the company is confident in its ability to adapt to the evolving landscape. This approach to scenario analysis underscores BRC's commitment to resilience in the face of climate-related challenges, ensuring that strategic planning remains robust across different climate scenarios.

RISK MANAGEMENT
The processes used by the organisation to identify, assess, and manage climate-related risks

TCFD Recommendations	BRC's Disclosures
Describe the organisation's processes for identifying and assessing climate-related risks.	BRC's initial step in identifying and assessing climate-related risks involved the formalisation of a climate risk register, designed to ensure a consistent approach to risk identification and evaluation. This register details each risk event, along with the relevant time horizon and the strategic objectives that may be affected if the risk materialises. Following this, the materiality of each risk was determined using an impact and probability scoring method. To facilitate this process, multiple workshops were held with various stakeholders to collaboratively assess and agree on the risk impact scores for the identified transition and physical risks. In 2024, BRC conducted a scenario analysis aimed at deepening the understanding of climate risks and opportunities identified in the climate risk register. This analysis evaluated how these risks and opportunities could evolve across different time horizons and scenarios, as well as their potential impacts on the business. **Physical Risks** The approach to assessing physical risks involved a climate scenario analysis designed to understand the impacts of climate-related hazards on BRC Asia's manufacturing and storage facilities in Singapore, focusing on both physical damage and resulting business interruption losses. The analysis evaluated acute and chronic physical risks over an 80-year horizon (2020-2100), considering various climate-related hazards including floods, typhoons, sea level rise, water stress, wildfires, and heat stress. Utilising climate models, the assessment assessed BRC's resilience to physical risks impacts across two scenarios—RCP4.5 (moderate case warming) and RCP8.5 (worst case warming). The evaluation quantifies expected physical damage and business interruption risks, producing an Annualised Damage Rate (ADR) value that categorise risk levels from "No Risk" to "Very High." **Transition Risks** For the transition risk assessment, customised low and high transition scenarios were developed, utilising narratives and data from the Network for Greening the Financial System ("**NGFS**"), the International Energy Agency ("**IEA**"), and the Mission Possible Partnership's ("**MPP**") Steel Sector Transition Strategy. The key assumptions of these scenarios are outlined as follows: • **Low Transition (~3°C):** This scenario assumes that only currently implemented policies are maintained, leading to approximately 3°C of warming. Some emissions reduction is achieved through increased renewable energy and operational carbon capture and storage ("**CCS**") projects, but technology costs remain high. Consequently, some blast furnaces are decommissioned at the end of their life, while electric arc furnaces ("**EAFs**") gain market share due to scrap availability.

RISK MANAGEMENT *The processes used by the organisation to identify, assess, and manage climate-related risks*	
TCFD Recommendations	**BRC's Disclosures**
	• **High Transition (~1.5°C):** This scenario aims to limit global warming to 1.5°C through stringent climate policies and innovation, achieving net-zero CO2 emissions by around 2050. It assumes immediate implementation of ambitious climate policies, resulting in rising carbon prices that incentivise investment in decarbonising hard-to-abate sectors like steel. This accelerates the adoption of advanced technologies, such as hydrogen direct reduced iron ("**DRI**") and electric steel furnaces ("**ESFs**"), which become cost-competitive with traditional methods as economies of scale are realised. For each of the scenarios, the risks were evaluated qualitatively across multiple time horizons, current, 2030, and 2050, based on their likelihood and potential impact, in alignment with BRC's broader risk management framework. These scores were validated through engagement with relevant teams at BRC, ensuring that the analysis is rooted in real-world conditions and expectations. The next step for BRC in 2025 is to conduct a quantitative evaluation of the top material risks identified in the qualitative assessments. This process will involve analysing the potential financial impacts and likelihood of these risks materialising to provide a more precise understanding of their implications for the organisation.
Describe the organisation's processes for managing climate-related risks	Managing climate-related risks starts with BRC's Board of Directors, who provides strategic guidance on climate risks to guarantee their monitoring and effective handling. The Board designates the supervision of risks, risk management, and internal control systems to the SC. The SC, supported by the SWG, employs an integrated risk management process across BRC's various departments. Together, they oversee the climate risk register. At the operational level, the climate risk register ensures accountability across the business by defining Risk Managers and Risk Owners for each listed risk. Moreover, relevant mitigation measures are also listed (current and future), and an annual risk review is performed to assess the impact and management of the risk events.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	The final climate risk register and the results of the climate scenario analysis were socialised to BRC's highest governance bodies to support the long-term integration of climate risks into existing risk management processes.

METRICS AND TARGETS *The metrics and targets used to assess and manage relevant climate-related risks and opportunities*	
TCFD Recommendations	**BRC's Disclosures**
Describe the organisation's processes for identifying and assessing climate-related risks.	BRC acknowledges the importance of evolving our approach to sustainability and climate-related challenges. BRC discloses key metrics, including energy consumption in gigajoules ("**GJ**"), greenhouse gas emissions in tonnes of CO_2 equivalent ("**tCO_2e**"), and material efficiency, measured as the percentage of material scrap. As we continue our climate and sustainability journey, we are committed to developing and integrating additional metrics to enhance our ability to assess and manage climate-related risks and opportunities more effectively.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ("**GHG**") emissions, and the related risks	(see table below)

Emissions	FY2022	FY2023	FY2024
Scope 1 emissions (tCO_2)	3,480	3,607	**3,610**
Scope 2 emissions (tCO_2)	7,859	7,205	**6,975**
Total emissions (tCO_2)	11,339	10,812	**10,585**
Scope 1 emissions intensity (tCO_2/S$ million)	2.5	3.1	**2.9**
Scope 2 emissions intensity (tCO_2/S$ million)	5.8	6.1	**5.7**
Total emissions intensity (tCO_2/S$ million)	8.3	9.2	**8.6**

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	BRC's material efficiency target to promote a circular economy and reduce the wastage of raw materials is found on page 30 of this report. BRC endeavours to better manage climate-related risks, opportunities, and performance.

Physical Risk Scenario Analysis Results

The table below displays the overall risk score for BRC's portfolio, derived from ADR, categorised by scenario and time step, and aggregated across all hazards. The climate scenario analysis identifies heat stress as the primary driver of physical climate risk, with only one asset at risk from sea-level rise. Flooding, typhoons, water stress, and fire stress were not determined to have a material impact on BRC's assets or operations.

Risk/Potential Impact	Scenario	Physical Climate Risk Score: Potential Impact	Physical Climate Risk Score: Temporal Materiality	Actions to Address Risk
Heat Stress: Operational disruptions due to safety concerns and/or destruction of road infrastructure (surface asphalt can be severely degraded).	RCP 4.5 (~2.4°C)	Low	Low	Heat Stress: Conduct safety talks to educate workers about past safety performance and future expectations, emphasising the importance of recognising heat stress symptoms and implementing preventive measures.
Sea Level Rise: Disruption to supply chain as port and water-born transportation operations may be limited due to a reduction in available routes and cargo-carrying capacity. Could increase transportation costs.	RCP 8.5 (~4.3°C)	Low	Low	Sea Level Rise: Engage in discussions with port facility owners regarding the current physical measures in place, such as barriers and sea walls, to assess their effectiveness and determine if additional actions are necessary from BRC to enhance resilience against rising sea levels.

Transition Risk Scenario Analysis Results

The table summarises the results of the transition risk assessment. The qualitative score represents the inherent risk impact, which reflects the level of risk before any actions are taken to mitigate the risk impact or likelihood (i.e., in the absence of controls).

Risk Type	Risk	Potential Impact	Low Transition (~3°C) 2030	Low Transition (~3°C) 2050	High Transition (~1.5°C) 2030	High Transition (~1.5°C) 2050	Actions to Address Risk
Policy & Legal	Uncertainty over Singapore's future demand for conventional steel given its climate ambitions	Decreased revenue from sales of rebar steel made from conventional steel	Low	Low	Low	Medium	Regular monitoring of climate-related policy developments as part of risk management.
	Increasing climate-related regulatory stringency in Singapore	Failure to comply with regulations and/or increased costs or outlay to upgrade equipment or processes	Low	Low	Low	Low	Decarbonisation of operational process through use of renewables / more efficient equipment
	Implementation of climate-related regulations in supplier countries	Increased operational costs are passed on to BRC through	Very Low	Very Low	Low	Medium	
Technology	Technology leapfrogs for greener steel production methods and growing competition from alternative materials	Decreased demand of conventional steel from construction sector could result in stiffer price-based competition and lower profitability	Low	Low	Low	Medium	Exploration of partnerships for sourcing green steel
Market	Increased climate-related restrictions to gain capital	Increased costs of capital as more financial institutions commit to reducing financed emission	Low	Medium	Medium	Medium	Regular engagement with financial institutions to understand their expectations andtimelines for decarbonisation
	Challenges in securing insurance coverage as insurers phase-out high-emission sectors	Limited options for coverage, increased insurance premium, or eventual uninsurable (stranded) assets	Very Low	Low	Low	Medium	

Since BRC does not manufacture steel but instead purchases it as a key raw material for processing, its climate-related opportunities are more limited compared to those of steel producers, where the majority of emissions occur within the value chain and opportunities for technological upgrades to reduce carbon intensity are more prevalent. Given its position at the end of the supply chain, the primary climate-related opportunity for BRC lies in its ability to respond to the emerging market demand for green steel. This involves:

- monitoring regulations related to green steel across the sectors served by BRC including minimum percentage requirements for green steel usage in construction;
- reviewing how financial institutions support or subsidise the procurement of green steel; and
- identifying and establishing relationships with suppliers that produce green steel, while remaining adaptable to the evolving definition of green steel.

OUR
PEOPLE

CORPORATE GOVERNANCE

BRC is committed to upholding high standards of corporate governance and transparency practices. We believe that good corporate governance is imperative to the sustained growth and long-term success of our business.

The Group is led by a proficient Board, comprised of professionals with diverse experiences, skills, and backgrounds, representing a broad spectrum of age groups and genders. This diversity strengthens the Board's ability to provide effective leadership and oversight in the comprehensive management of BRC. To support the Board in its oversight role, various board committees have been established, each operating under well-defined terms of reference. The Board's functions are further reinforced by the Audit and Risk Management Committee ("**ARMC**"), which plays a crucial role in reviewing the material internal control procedures encompassing financial, operational, compliance, and information technology controls.

In addition to these committees, the Group recognises the paramount importance of sustainability in contemporary business practices. To address this, the SC has been instituted to specifically focus on overseeing and advancing sustainability initiatives. This committee plays a pivotal role in aligning the Group's strategies with sustainable development goals, reviewing environmental and social impact, and ensuring that sustainability is integrated into the overall governance framework. By emphasising sustainability, we aim to contribute to environmental stewardship and the creation of long-term value for our stakeholders.

The Remuneration Committee remains dedicated to overseeing the level and structure of remuneration, ensuring it is designed to attract, retain, and motivate Directors and key management personnel. Simultaneously, the Nominating Committee actively recommends pertinent matters to the Board, including board succession plans and the establishment of processes for evaluating the performances of the Board, its committees, and individual Directors. Through these well-structured committees, BRC is committed to upholding the highest standards of corporate governance, ethical practices, and sustainability in all facets of its operations.

Furthermore, we have implemented a robust framework of controls and policies that reflects our commitment to accountability, transparency, and the protection of shareholders' interests. Our internal policies and procedures ensure compliance with existing regulatory requirements, and we regularly monitor, evaluate, and audit our processes to ensure they remain robust and adaptive to the challenges of our activities and operations.

Please refer to the Corporate Governance report in the AR for more information.

CORPORATE ETHICS

We firmly believe that fostering a transparent and ethical business environment is essential for promoting economic growth, social justice, and environmental responsibility. We are dedicated to upholding the highest standards of integrity in all aspects of our operations. While promoting fair dealings with our customers, suppliers and community, our policies and procedures have guided our employees to carry out their duties in a responsible and ethical manner. We do not tolerate any form of misconduct and have disciplinary measures in place for breaches.

BRC did not incur any material fines and sanctions related to environmental, social and governance aspects during the year. We understand the importance of adhering to the regulations of each jurisdiction and pro-actively ensure compliance.

Dealing in the Company's securities

BRC's internal code pursuant to Rule 1207(19) of the Listing Manual issued by SGX-ST is in place and there has not been any incidence of non-compliance. The Company has informed its officers not to deal in the Company's shares whilst they are in possession of unpublished material and price-sensitive information and during the period commencing one month before the announcement of the Group's half year and full year results and the period commencing two weeks before the voluntary announcement of the Group's results for the first and third quarters.

Directors and officers are also advised to observe insider trading provisions under the Securities and Futures Act (Chapter 289) at all times even when dealing in the Company's securities within the permitted periods. Directors of the Company are required to report all dealings to the Company Secretary.

Competition Law Compliance

As of the date of this report, BRC has adopted a Competition Law Compliance Policy to ensure compliance with antitrust and competition laws. This policy prohibits anti-competitive practices, such as restrictive agreements, abuse of market dominance, and mergers that reduce competition. Employees must avoid anti-competitive arrangements as any violation can lead to financial penalties, reputational damage, or imprisonment in certain jurisdictions.

Whistle-Blowing

We have in place a whistle-blowing policy and the ARMC has the authority to conduct independent investigations into any complaints. The whistle-blowing policy provides a mechanism for employees to report malpractices in the workplace to the appropriate person, and for the necessary follow-up action to be taken on such a report. The ARMC oversees the administration of the whistle-blowing policy. Periodic reports will be submitted to the ARMC stating the number of and details of complaints received, the results of the investigations and follow-up actions.

Code of Conduct

Our Code of Conduct defines our standards of integrity and ethics from our employees, which determine how we do business. The following acts or omissions serve as examples of misconduct for which an employee is subject to disciplinary action:

1. Theft of Company's property or property of another employee in company premises.
2. Fighting or intimidation including provoking, instigating a fight or assault.
3. Wilful destruction of Company's property or the property of another employee.
4. Falsification of personnel or other records.
5. Disclosure of classified materials to unauthorised persons.
6. Conviction of a crime.
7. Contravening safety cardinal rules.

Anti-Fraud, Anti-Bribery and Anti-Corruption

Business dealings must be handled with integrity, transparency and honesty. BRC takes a strong stance against corruption and does not tolerate corruption in any part of its business. In upholding our stance towards anti-corruption, all employees must ensure they read, understand and comply with our Anti-Fraud, Anti-Bribery and Anti-Corruption policy. As of the date of this report, this policy has been made readily available to all, including stakeholders and potential business partners, on the Company's website. This policy sets out the responsibilities of the Group functions and business units in observing and upholding our position on fraud, bribery and corruption.

Representatives of the Group shall not offer stakeholder groups any rewards or benefits in violation of applicable laws or established business practices to obtain or retain business or to gain any other improper advantage. Our employees shall not accept any payments, gifts, reimbursements or benefits-in-kind from parties that could affect their objectivity in their business decisions. Directors facing conflicts of interest voluntarily recuse themselves from discussions and decisions involving such matters. We also have in place a standardised disclosure process where pertinent employees, especially those in decision-making roles, are required to regularly disclose any potential conflicts of interest.

Corporate Ethics

	FY2022	FY2023	FY2024	FY2025 target
Fraudulent or inappropriate activities, malpractices or cases of corruption	Zero case	Zero case	**Zero case** √	Zero case

√ Target Achieved

OUR WORKFORCE

People are the driving force of every high performing company, and so is it at BRC. As at 30 September 2024, our Singapore operations were a team of 728 (2023: 753) permanent employees. Additionally, we engage an average of 178 labour suppliers (2023: 167) for our manufacturing needs. There were no significant fluctuations in our headcount from the previous year. Due to the nature of our business, most of our employees are male workers from India and Bangladesh. Of our Singapore workforce, the gender composition was approximately a 13:87 split between women and men, and 28% are covered by collective bargaining agreements.

Employees by Employment Type and Gender

	Female	Male	Total
Full-time	90	636	726
Part-time	2	–	2
Total	**92**	**636**	**728**

Employees by Category and Gender

	Female	Male	Total
Non-production	90	78	168
Production	2	558	560
Total	**92**	**636**	**728**

BRC is committed to a fair, respectful, and inclusive work environment that is free from discrimination, harassment, and retaliation. We encourage open communication, allowing employees to raise concerns or provide feedback directly to management. Our grievance mechanism ensures all issues, including discrimination or bias, are addressed swiftly, confidentially, and thoroughly. No grievance cases were reported this year.

We value the development of our employees and evaluate them based on merit, competency, and experience. Continuous learning is supported through various training programs, workshops, and self-directed learning, aligned with our annual development plan to help employees excel in their roles. BRC aims to achieve at least 16 hours of training per employee per year.

Training hours

	Female	Male	Total
Training hours	1,515.0	11,292.5	12,807.5
Training hours per employee	16.5	17.8	17.6

In line with our commitment to diversity, we maintain a non-discriminatory environment where opportunities are based on ability, not age or gender. Our Board, guided by our Board Diversity Policy, reflects this diversity with 20% female representation and 40% independent directors as of 30 September 2024.

OUR
PEOPLE

HEALTH AND SAFETY

Our employees form the cornerstone of our business and are our most valuable asset. Recognising the inherent risks in our operations, prioritising the health and safety of our workforce is paramount. With ISO 45001:2018 accreditation and bizSAFE STAR status for manufacturing facilities where BRC is the occupier, we are dedicated to ensuring a secure workplace for our employees.

Health and Safety Governance Structure

Central to our commitment is our Occupational Health and Safety Policy, which provides a framework for safeguarding the well-being of our employees, labour suppliers, and contractors. This policy outlines our pledge to eliminate workplace hazards, prevent injuries, and manage risks effectively through a structured control hierarchy. It applies to all individuals in the Group and mandates the adherence to safety protocols at all levels. The policy also emphasises the need for continuous training and personal responsibility, ensuring that every member of the workforce is equipped to contribute to a safe working environment.

Every employee in BRC plays a crucial role in our safety management system. While the Safety Chairman and Management are directly tasked with driving our safety practices, our employees have also been highly encouraged to be actively involved in improving our safety standards through initiatives such as the weekly toolbox meeting.

A dedicated Health and Safety Committee has been established, consisting of workers from various operational areas, to ensure the safety and well-being of all employees and labour suppliers. The Committee plays a vital role in monitoring adherence to safety protocols, gathering feedback from employees and actively assessing the effectiveness of our safety programs. Monthly meetings are held to review any incidents, discuss safety matters, and communicate any new safety guidelines or procedures.

To identify and mitigate potential hazards, we conduct continuous risk assessments aimed at implementing control measures that are both effective and practical. These assessments help us minimise risks to our employees and workers. Our safe-work procedures include clear reporting and handling protocols for accidents and occupational hazards. In cases of immediate danger, the on-site operations supervisor is authorised to call for a cease of operations (time-out) to ensure workers retreat to a safe location. We also have well-established procedures for incident investigation, focusing on identifying root causes, assessing damage, and implementing preventive measures to avoid recurrence.

Health and Safety[4]

	FY2022	FY2023	FY2024
Fatalities	Zero case	Zero case	**Zero case**
Non-fatal workplace injuries	15	7	**6**
Accident Frequency Rate	6.3	2.9	**2.5**
- Major Injury[5] Frequency Rate	3.8	1.7	**1.7**
- Moderate Injury[6] Frequency Rate	0.4	0.4	**0.4**
- Minor Injury[7] Frequency Rate	2.1	0.8	**0.4**
Accident Severity Rate	187.4	88.4	**124.2**

No high-consequence work-related injuries or ill-health were recorded. Non-fatal injuries were mainly due to slips, trips and falls, work-related traffic accidents and machinery incidents. Through continuously strengthening our safety programs and trainings, our target is to lower the Accident Frequency Rate[2] and Accident Severity Rate[3] while maintaining zero fatalities in the upcoming years. As our employees work in conditions that possess inherent accident risks, we strive to improve the safety standards of the workplace environment to prevent injuries.

1 *A workplace injury is any personal injury or death resulting from a workplace accident that results in more than 4 man-days lost and includes work-related traffic injuries.*
2 *Accident Frequency Rate = (No. of Workplace Accidents Reported / No. of Man-hours Worked) x 1,000,000*
3 *Accident Severity Rate = (No. of Man Days Lost To Workplace Accidents / No. of Man-hours Worked) x 1,000,000*
4 *Health and Safety indicators include employees and labour suppliers whose work is controlled by BRC.*
5 *Major injury is any injury requiring medical treatment and medical/hospitalisation leave of more than 20 days, including amputations, major fractures, multiple injuries, or life-threatening occupational disease such as occupational cancer, acute poisoning.*
6 *Moderate injury is any injury requiring medical treatment and medical/hospitalisation leave of more than 10 days and up to 20 days, leading to disability and includes minor fractures, dermatitis, deafness, and work-related upper limb disorders.*
7 *Minor injury is any injury or ill-health requiring medical treatment and medical leave of more than 4 days and up to 10 days, including lacerations, burns, minor cuts, bruises, irritation, sprains, ill-health with temporary discomfort.*

Health and Safety

	FY2022	FY2023	FY2024		FY2025 targets
Fatalities	Zero case	Zero case	**Zero case**	√	Zero case
Accident Frequency Rate	6.3	2.9	**2.5**	√	Reduce
Accident Severity Rate	187.4	88.4	**124.2**	∆	Reduce

√ Target Achieved ∆ To improve

We have implemented a range of safety improvement programs and initiatives aimed at establishing a secure work environment and proactively preventing accidents. These efforts are integral to safeguarding the overall well-being of our workforce and reinforcing a strong safety culture across all levels.

Key health and safety initiatives

- Safety talks to educate workers about past safety performances and future expectations. Feedback channels are provided for workers to suggest ideas on improving safety within factories. Safety banners are placed at different locations within the factories.
- Train and educate workers on the importance of practicing safe habits e.g. weekly toolbox meeting, talks on dengue fever, haze, etc.
- Daily walkabouts by Health and Safety Committees and monthly safety inspections to ensure compliance.
- Timely analysis of accidents for immediate preventive measures.
- Provide proper facilities, equipment and safety Personal Protective Equipment ("**PPE**") to workers and ensure their correct use.
- Machine noise mapping exercise and dosimetry assessment to identify work zones with high risk of noise-induced deafness for workers and enhanced PPE provided to workers to mitigate the risk of noise induced deafness.
- Continuously track and improve workplace traffic safety management.
- 24 hours medical coverage for all workers.

COMMUNITY ENGAGEMENT

BRC generates both direct and indirect economic value for a wide range of stakeholders. Our operations provide employment opportunities for staff, open avenues for suppliers and offer products and services to customers.

In addition to these economic impacts, BRC is dedicated to creating lasting social value in the communities where we operate. This is done through charitable giving and social initiatives, reflecting the Group's belief that the prosperity of the community is integral to our own success. BRC aims to participate in at least 2 social projects per year.

BRC supports causes aligned with its core values, such as assisting marginalised groups, promoting environmental sustainability, and advancing education. BRC also actively encourages positive social impact through community projects.

Key community engagement initiatives in FY2024

Donation Drive to Down Syndrome Association (Singapore):

In FY2024, BRC organised a donation drive to support the Down Syndrome Association (Singapore), raising funds and collecting essential items to enhance the lives of individuals with down syndrome and their families.

Community Chest Heartstrings Walk 2024:

BRC is a proud participant of the Community Chest Heartstrings Walk 2024. This walk united employees in raising funds for social service programs that support vulnerable communities across Singapore and allowed us to instil kindness and compassion in future generations as they witnessed the positive impact of giving back.

ITE Alumni Bowling Tournament 2024 / ITE Alumni Golf Tournament 2024:

BRC participated in the tournaments to raise funds to support underprivileged ITE students, provide sponsorships for technical and educational activities, and contribute to other charitable causes.

OUR
VALUE CHAIN

PRODUCT QUALITY

Maintaining high quality standards in all our products is critical to minimise the risks and costs associated with non-satisfactory goods. In doing so, we not only protect our reputation but also secure long-term revenue and profitability, which is key to the sustainability of our business.

Responsible marketing and advertising of our products are imperative, particularly given the critical role of accurate product information in ensuring structural safety. It is essential that our labeling is not only comprehensive but also precise and clear.

In compliance with ISO 9001:2015, Quality Management System, our ISO Management team ensures awareness of BRC's quality policy and objectives throughout BRC and communicates the importance of meeting customers and regulatory requirements. We train our workers to improve their competencies, while conducting management review on our Quality Management System. This includes annual internal audits involving the Department Heads to ensure the integrity of the system.

Beyond our internal Quality Management System, we prioritise working with suppliers who uphold equally high quality standards. We recognise that our relationships with suppliers are critical to advancing our sustainability goals. Our Supplier Code of Conduct establishes clear expectations for suppliers regarding product quality, ensuring compliance with relevant laws and standards, including the British Standard for Reinforcing Steel BS4449:2005 or the Singapore Standard for Reinforcing Steel SS560:2016. Raw material suppliers are required to conduct pre-testing of products before delivery and to maintain documentation that proves compliance. Suppliers must adhere to antitrust and competition laws globally, avoiding anti-competitive practices or exchanges of competitively sensitive information. BRC expects suppliers to maintain transparency, cooperate in audits, and address any non-compliance promptly.

In FY2024, we sourced from direct mills and traders and our major suppliers included local suppliers as well as suppliers from China, Turkey, Middle East, India and South-East Asia. We continuously monitor and evaluate our suppliers' performance before entering into new contracts.

In construction projects involving steel, the mill test information serves as a vital quality assurance document certifying the metal product's chemical and physical properties. All incoming products undergo pre-testing by suppliers. To further ensure product quality, BRC engages inspection bodies to conduct additional product qualification checks.

In the reporting year, we are pleased to report zero major incidents of non-compliance related to product and service information labeling or any breaches of laws and regulations concerning marketing communication.

The Group also recorded zero recalls and zero complaints about its products due to health and safety reasons. We have not received any regulatory warnings regarding our products. Customer returns were mainly related to issues in order processing, data entry and logistics. Immediate corrective actions were taken to satisfactorily rectify such issues as and when they arose.

Product Quality

	FY2022	FY2023	FY2024		FY2025 targets
Percentage of customer returns	0.04	0.03	**0.04**	√	< 0.12
Recalls and complaints about products due to health and safety issues	Zero case	Zero case	**Zero case**	√	Zero case

√ Target Achieved

Our Competitive Advantages

Just-In-Time Delivery

24-hour Express Service for Cut and Bend Services

Customer-centric Culture

Full Suite of Prefabricated Reinforcing Solutions

Competent and Innovative Technical Team

OUR **ENVIRONMENT**

ENVIRONMENTAL SUSTAINABILITY

Deeply ingrained in the local landscape, we recognise the importance of addressing the environmental challenges our city-state faces. Singapore, despite its remarkable progress, is not immune to the global impacts of climate change. Rising sea levels, increased temperatures, and extreme weather events pose significant threats to our local environment. We strive to minimise our environmental footprint by adopting energy-efficient technologies and exploring renewable energy sources, is reflected in our commitment to resource efficiency and waste reduction in our production processes. We actively engage in initiatives that contribute to the reduction of our carbon footprint, promote energy efficiency, and embrace sustainable practices. By continuously improving our energy practices and embracing responsible production methods, we hope to continue to contribute to a more sustainable future.

Our sustainability roadmap includes measures to adapt to changing climate patterns, enhance energy efficiency and reduce greenhouse gas emissions. We actively monitor and report on our environmental performance, consistently striving to meet regulatory standards. Our commitment to climate action is not only a corporate responsibility but a reflection of our dedication to contributing positively to the local community and safeguarding the environment for future generations.

	FY2022	FY2023	FY2024		FY2025 targets
Energy intensity (GJ/S$ million[8])	85.5	99.7	**95.2**	√	Reduce
Emissions intensity (tCO_2/ S$ million)	8.3	9.2	**8.6**	√	Reduce
% of material scrap for Mesh	0.88	1.07	**0.80**	√	< 1.15
% of material scrap for Cut & Bend	3.26	3.08	**3.09**	√	< 3.45

√ Target Achieved

ENERGY

The imperative of addressing climate change and environmental concerns takes centre stage at BRC. Our unwavering commitment revolves around minimising our environmental footprint while delivering enduring value to stakeholders. Every member bears the responsibility of adhering to conservation practices within our business premises, from conscientiously turning off lights and equipment to embracing energy-efficient alternatives.

Our key sources of energy include diesel and electricity; generally used for running of offices, production, and transportation of products to customers. The operations team diligently monitors and manages energy consumption, and via data analysis, anomalies are identified and investigated.

BRC also successfully commissioned the solar panels across four of our manufacturing facilities in the previous year. We are generating enough clean energy to offset around 12% of our electricity consumption, a significant step towards reducing its reliance on power-generated electricity.

6,127GJ of electricity generated from our solar panels were also exported to the grid. The Group is also actively implementing a comprehensive sustainability strategy that encompasses various aspects of its operations, from resource conservation to waste management. Our revenue generated is largely influenced by steel price movement. A lower revenue base as a result of reduction in selling price which is in tandem with decline in steel cost was used in the reporting year in computing energy intensity.

As part of our ongoing efforts to improve energy efficiency, we are progressively replacing our lighting systems with energy-efficient LED solutions across all facilities. Furthermore, we remain committed to exploring renewable energy sources and will continue to assess opportunities to integrate them into our operations when they arise. By consistently enhancing our commitment to sustainability, our aim is to reduce energy intensity.

Energy Consumption

	FY2022	FY2023	FY2024
Non-renewable (GJ)	116,982	112,691	**109,109**
Renewable (GJ)	-	4,374	**7,936**
Total (GJ)	116,982	117,065	**117,045**
Energy intensity (GJ/S$ million[8])	85.5	99.7	**95.2**

8 Per $1 million revenue generated from Fabrication and Manufacturing segment from Singapore operations.

OUR
ENVIRONMENT

EMISSIONS

In our steadfast dedication to sustainability, we place a central focus on optimising emissions across our operations. Recognising their environmental impact, we implement comprehensive strategies to reduce our carbon footprint. Using the GHG Protocol, we measure and track emissions, identifying key sources like diesel and electricity use. Through our proactive approach, we continually optimise energy usage, adopt cleaner technologies, and invest in renewable energy sources. Our overarching goal is to reduce emissions intensity year on year, demonstrating our commitment to sustainable practices. By fostering a culture of environmental responsibility, we aim to meet regulatory requirements and contribute positively to the global effort in combating climate change.

	FY2022	FY2023	FY2024
Scope 1 emissions[10] (tCO_2)	3,480	3,607	**3,610**
Scope 2 emissions[11] (tCO_2)	7,859	7,205	**6,975**
Total emissions (tCO_2)	116,982	117,065	**117,045**
Scope 1 emissions intensity (tCO_2/S$ million9)	2.5	3.1	**2.9**
Scope 2 emissions intensity (tCO_2/S$ million)	5.8	6.1	**5.7**
Total emissions intensity (tCO/ S$ million)	8.3	9.2	**8.6**

MATERIAL EFFICIENCY

Material efficiency is a fundamental aspect of our sustainability initiatives, emphasising the responsible use of resources and reduction of waste in our production processes. By prioritising material efficiency, we not only contribute to a more sustainable and circular economy but also realise interconnected benefits, including reduced energy consumption and subsequent CO_2 emissions. Monitoring the generation of scrap across all our production processes at various locations is a testament to our resoluteness. This oversight ensures that our material efficiency efforts lead to tangible outcomes, including overall cost savings for the Group. Through this commitment, we aim to strike a balance between operational efficiency, environmental responsibility, and economic viability, reinforcing our dedication to sustainable business practices.

We source raw materials according to customers' requirements, with the aim of reducing wastage during manufacturing. We also instil in our workers the mindset of "doing it right the first time" to reduce scrap from customer returns. In addition, we continually optimise our manufacturing operations to reduce scrap material. Steel scrap generated from production is subsequently sold to steel scrap collectors as part of our materials management effort. scrap collectors that have not obtained the General Waste Disposal Facility license issued by National Environmental Agency.

% of material scrap

	FY2022	FY2023	FY2024
Mesh	0.88	1.07	**0.80**
Cut and bend	3.26	3.08	**3.09**

9 Per $1 million revenue generated from Fabrication and Manufacturing segment from Singapore operations.
10 Conversion factor for litres of fuel to tCO_2e is based on methodology provided by National Environmental Agency.
11 Electricity emission factor for FY2024 is based on Singapore's Grid Emission factor (AOM) by Energy Market Authority (EMA).

GRI
CONTENT INDEX

GRI Standard	Disclosure		Reference and Remarks
The organisation and its reporting practices			
GRI 2: General Disclosures 2021	2-1	Organisational details	About Us
	2-2	Entities included in the organisation's sustainability reporting	About the Report
	2-3	Reporting period, frequency and contact point	About the Report
	2-4	Restatements of information	About the Report
	2-5	External assurance	About the Report
Activities and workers			
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	About Us, About the Report, AR
	2-7	Employees	Our Workforce
	2-8	Workers who are not employees	Our Workforce
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	305-4	GHG emissions intensity	Emissions
	305-5	Reduction of GHG emissions	Emissions
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	403-5	Worker training on occupational health and safety	Health and Safety
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INTRODUCTION

BRC Asia Limited ("**BRC**" or the "**Company**") and its subsidiaries (the "**Group**") are committed to achieving high standards of corporate governance and transparency practices. The Group believes that good corporate governance is imperative to the sustained growth and long-term success of the Group's business.

This report outlines the Company's corporate governance processes and activities that were in place, with specific reference to the Code of Corporate Governance 2018 (the "**Code**") and the accompanying practice guidance. This is in line with Rule 710 of the listing manual of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**SGX-ST Listing Manual**").

Throughout the financial year ended 30 September 2024 ("**FY2024**"), the Group is generally in compliance with the principles and provisions of the Code. Where the Company's practices differ from the principles and provisions under the Code, the Company's position and reasons in respect of the same are explained in this report.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Group.

The Company is headed by its Board of Directors (the "**Board**") comprising professionals from various disciplines who are entrusted with the responsibilities for the overall management of the Group. All Directors recognise that they have to discharge their duties and responsibilities in the best interests of the Company.

The Board assumes responsibility for setting the right 'tone at the top' in its policies and decisions to ensure the Company's corporate values are observed and there is proper accountability throughout the Group.

A code of conduct setting out the fundamental guiding principles and standards for Directors to carry out their duties has been adopted in conjunction with, the Constitution, laws and regulations, and terms of reference of the Board and Board Committees and its relevant rules.

Each Director is expected to act in good faith, honestly and diligently exercising his/her independent judgement in overseeing the business and affairs of the Company.

Composition of the Board of Directors

The Board comprises ten Directors, four of whom are Independent Directors and three are Non-Independent and Non-Executive Directors. The Board consists of:

Mr. Teo Ser Luck	Chairman and Independent Director
Mr. Seah Kiin Peng	Executive Director and Chief Executive Officer
Mr. Xu Jiguo	Executive Director and Chief Procurement Officer
Mr. Zhang Xingwang	Executive Director and Chief Operating Officer
Ms. Chang Pui Yook	Independent Director
Mr. Joel Leong Kum Hoe	Independent Director
Mr. Toh Kian Sing	Independent Director
Mr. Darrell Lim Chee Lek	Non-Independent and Non-Executive Director
Ms. Kwek Pei Xuan	Non-Independent and Non-Executive Director
Mr. Stephen Ho Kiam Kong	Non-Independent and Non-Executive Director

The profile of each Board member is provided on pages 12 to 13 of the Annual Report.

Primary Functions of the Board

In addition to its statutory duties, the primary functions of the Board are to:

- approve and supervise strategic directions of the Group;
- decide on policies covering corporate governance and business matters;
- review the business practices and risk management of the Group;
- review the management performance of the Group;
- review and approve interested person transactions;
- review and approve matters beyond the authority of the Key Executive Officers;
- ensure that there are policies and safeguards within the system of internal controls to preserve the integrity of assets;
- ensure compliance with legal and regulatory requirements;
- review and approve all communications with Shareholders;
- review and approve recommendations made by the Audit and Risk Management, Nominating and Remuneration Committees;
- consider sustainability issues such as environmental and social factors as part of its strategic plans; and
- review the Workplace Safety and Health position and practices of the Company annually.

Disclosure of Interest

Directors and the Chief Executive Officer shall maintain transparency at all times. Each Director and the Chief Executive Officer is aware of the requirements in respect of his/her disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive information.

There is a requirement for Directors and the Chief Executive Officer to declare the nature of their direct and indirect interests in a transaction or proposed transaction to the Company in accordance with the Companies Act 1967. Each Director and the Chief Executive Officer must disclose any conflict of interest relating to a matter as soon as the Director becomes aware of the conflict, to the Board directly or the Company Secretaries. The Company Secretaries will inform Board members immediately upon receipt of such notification. The respective Director and the Chief Executive Officer must not participate in the discussion and decision-making involving the interest at stake.

Delegation by the Board

To assist the Board in the discharge of its oversight function, various Board Committees, namely the Audit and Risk Management Committee, Nominating Committee, Remuneration Committee and Sustainability Committee, have been constituted to operate under defined terms of references. A key global trend is increasing demand for high quality Environmental, Social and Governance ("**ESG**") data by investor, in tandem with the global effort to establish common sustainability reporting and assurance standard, the Company has established a Sustainability Committee for its ESG reporting.

Each Committee, chaired by an Independent Director, has been delegated the power to make decisions, execute actions or make recommendations within its terms of reference and applicable limits of authority. The primary functions of the Board are either carried out directly by the Board or delegated to the various Board Committees established by the Board with clear written terms of reference setting out their composition, authority and responsibilities, of which, includes reporting to the Board.

Transactions beyond the limits authorised by the Board and material matters will be referred to the Board for review and approval. Material matters which require Board's approval may include matters notwithstanding, new investments or increase in investments, material acquisitions or disposals of assets exceeding certain limits, share issues, all commitments to funding from banks and dividend payments. In addition, approvals of release of financial results and financial statements are tabled to the Board for its review and approval.

The Board is apprised of the decisions made by the Committees. Draft notices of each Committee meeting will be circulated to the respective members in advance, to ensure the members have sufficient time to peruse through the proposed agenda.

Board's Conduct of Affairs

During the financial year ended 30 September 2024, eight Board meetings were held. Ad-hoc matters which require the Board's approval are dealt with through circular resolutions, when necessary. In addition, the Directors have on numerous occasions exchanged views outside of the formal environment of Board meetings.

The Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate constructive and effective discussions during meetings. The joint Company Secretaries assist the Chairman in the preparation of notices, Board papers and minutes of Board proceedings. The Company Secretaries are the primary channel of communication with SGX-ST and are also responsible for assisting the Chairman to ensure Board procedures are adhered to. All Directors may, where necessary, seek independent professional advice, of which the fees will be paid for by the Company.

The attendance of the Directors at the Board and Committee meetings for the financial year ended 30 September 2024 is as follows:

	Board of Directors	Audit and Risk Management Committee	Remuneration Committee	Nominating Committee	Sustainability Committee
Total Number of Meetings Held	**8**	**4**	**1**	**1**	**1**
Name of Director					
Mr. Teo Ser Luck	8/8	Note [1]	1/1	1/1	–
Mr. Seah Kiin Peng	8/8	Note [1]	–	Note [1]	1/1
Mr. Xu Jiguo	8/8	Note [1]	–	Note [1]	–
Mr. Zhang Xingwang	8/8	Note [1]	–	Note [1]	–
Mr. Stephen Ho Kiam Kong	8/8	Note [1]	–	Note [1]	–
Ms. Kwek Pei Xuan	8/8	Note [1]	–	Note [1]	1/1
Mr. Darrell Lim Chee Lek	8/8	Note [1]	–	Note [1]	1/1
Ms. Chang Pui Yook	8/8	4/4	1/1	Note [1]	–
Mr. Joel Leong Kum Hoe	8/8	4/4	1/1	1/1	1/1
Mr. Toh Kian Sing	8/8	4/4	–	1/1	–

Note:

[1] The Director who is not a member of the committee has attended the meeting(s) by invitation.

To assist the Board in discharging its duties, the Board is provided with reports as well as financial results on a regular basis. Board papers are also distributed in advance of Board meetings so that the Directors would have sufficient time to peruse them and understand the matters which are to be discussed.

The Independent Directors provide guidance to the Management on business issues and in areas which they specialise in. They also provide independent judgement during the Board meetings.

Under the direction of the Chairman, the Company Secretaries ensure good information flow, within the Board and its committees and between the Management and Independent Directors, while advising the Board on all governance matters as well as facilitating orientation and assisting with professional development whenever required. During the financial year, the Company Secretaries attended all Board and Board Committee meetings.

The Directors may communicate directly with the Management and Company Secretaries on all matters whenever they deem necessary to ensure adherence to the Board procedures as well as relevant rules and regulations which are applicable to the Company.

The appointment and removal of the Company Secretary is a matter for the Board as a whole.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Composition and Balance

The Board consists of four Independent Directors, three Non-Independent and Non-Executive Directors and three Executive Directors. The Nominating Committee, with concurrence of the Board, is satisfied that the current Board and the respective Board Committee size and composition are considered appropriate for the Company's needs and nature of the operations, with an objective of achieving a good mix and diversity of skills, experience, gender and knowledge of the business to ensure that the Board will be able to make satisfactory and independent decisions regarding the affairs of the Company.

Every Board member is encouraged to constantly keep abreast of developments in regulatory, legal and accounting frameworks that are of relevance to the Group through the participation in external training seminars and courses. The costs incurred for seminars and trainings are borne by the Company.

Regular briefings and updates on developments in accounting and governance standards are conducted by the external auditor, Ernst & Young LLP, and the internal auditor, Yang Lee & Associates ("**YLA**").

The Directors also attend other appropriate courses and seminars to keep abreast with changes in regulations, financial reporting standards, continuing listing obligations as well as industry-related matters.

As at the date of this report, all Directors have attended the prescribed sustainability training course as required by the Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") to equip themselves with basic knowledge on sustainability matters. In addition, training programmes attended during FY2024 include: Board Dynamics, Board Performance, Stakeholder Engagement, Board Risk Committee Essentials, and Nominating Committee Essentials.

The Nominating Committee reviews the existing Board composition annually, to ensure that the existing Board and Board Committees are appropriate. The Nominating Committee is of the view that there is a strong and independent element on the Board as Independent Directors and Non-Executive Directors form majority of the Board, thereby eliminating the risk of a particular group dominating the decision-making process. The Board ensures that the process of decision-making by the Board is independent and is based on collective decision, without any concentration of power. The Nominating Committee has also reviewed the training and professional development programmes attended by the Directors and supported by the Company.

The Independent Directors provide, amongst others, strategic guidance to the Company based on their professional knowledge. They also contribute to the Board's processes by monitoring and reviewing Management's performance. When dealing with challenging proposals or decisions, they bring independent judgement to bear on business activities and transactions which may, involve, among other things, conflict of interest and other complexities.

To facilitate more effective checks on Management, a meeting was held during the financial year among the Independent Directors, without the presence of Management. Subsequent feedback was provided by the Chairman of the meeting to the Chairman of the Board.

The Company has put in place a Board Diversity Policy. This policy sets out the framework for promoting diversity within the Board. The Directors recognise the benefits of diversity derived from variety in skills, industry and business experiences, professional experiences, core competencies, gender, age, and tenure of service as a key element to support the attainment of objectives and development of the Group. The Board conducts annual reviews to assess if the existing attributes and core competencies of the Board are complementary and contribute to the efficacy of the Board, so as to maintain and/or enhance balance and diversity.

The Board has reviewed and believes that its composition reflects an appropriate diversity of experience and skillset, age, and gender and is satisfied that the objectives of the Board Diversity Policy continues to be met, as further described:

(a) Core competencies

The Board considers that the main target of the Board Diversity Policy to have been met, as the Board collectively comprises Directors who come from diverse industry and professional backgrounds, enabling the Group to benefit from varied perspectives and innovative solutions as well as effective leadership and direction, as detailed below:

	Number of Directors	**Proportion of Board**
Core Competencies		
Audit / Accounting & Finance	5	50%
Legal	1	10%
Corporate governance	7	70%
Industry / Customer based knowledge or experience	8	80%
Strategic planning	9	90%
Leadership / Management	10	100%
Risk Management	9	90%
Corporate Finance / Mergers & Acquisitions	7	70%
Sustainability	9	90%
Digital / Information Technology	3	30%
Regional Background / Experience	8	80%
Entrepreneurship	5	50%
Human Resources	7	70%

(b) Gender diversity

The Board is of the view that it has met its gender diversity objectives under its Board Diversity Policy, with the Board comprising two female Directors, out of a total of ten Directors. The Company remains committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board in order to attract and retain women participation on the Board.

(c) Age diversity

The Company does not set any specific target for the boardroom age diversity but will continue to work towards having appropriate age diversity in the Board, balancing the other aspects of diversity for the Board. The Company does not fix age limit for its Directors given that its Directors are reputed and experienced in the corporate world who continue to make valuable contributions to the Company. The Board is fully committed to promoting age, diversity, valuing the contribution of its members regardless of age, and seek to eliminate age stereotyping and discrimination on age.

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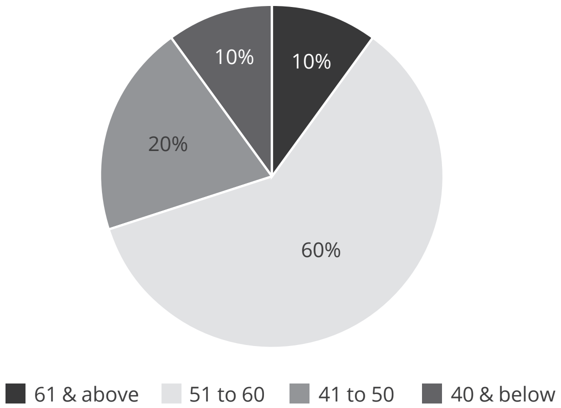
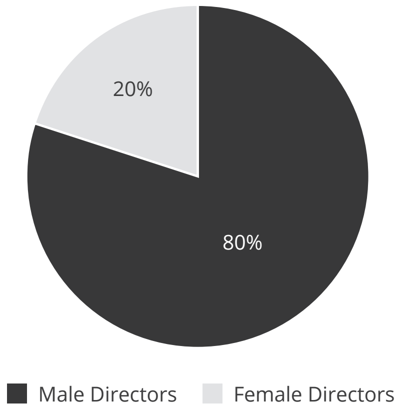
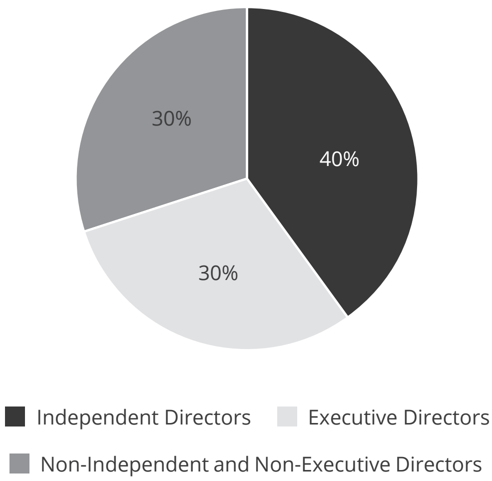
(d) Board independence

The Independent Directors make up at least one-third of the Board, which meets the requirements set out in the Code and SGX-ST Listing Manual. This provides a strong and independent element on the Board which is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgement on corporate affairs. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined.

Details of the Board Composition as of the date of this Report are as follows:







The Company is committed to implementing the Board Diversity Policy and will review this Policy periodically to ensure its effectiveness and alignment with best practice and the requirements of the Code, or as amended from time to time, and any other relevant legislation. Any further progress made towards the implementation of this Policy will be disclosed in future Corporate Governance Reports of the Company, as appropriate.

The Nominating Committee ("**NC**") is tasked to determine on an annual basis and as and when the circumstances require whether or not a Director is independent, bearing in mind the guidelines set forth in the Code and any other salient factor which would render a Director to be deemed not independent. The NC has reviewed, determined and confirmed the independence of the Independent Directors. More details are set out under Principle 4 of the Code.

Taking into account the nature and scope of the Group's business and the composition of Board Committees, the Board believes that the current size and composition provides sufficient diversity without interfering with efficient decision making.

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Under Provision 3.1 of the Code, the Chairman and the Chief Executive Officer are to be separate persons to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. Mr. Teo Ser Luck was appointed as Independent and Non-Executive Chairman of the Company on 28 November 2017 and Mr. Seah Kiin Peng was appointed as Chief Executive Officer of the Company on 26 September 2018. The Chairman and the Chief Executive Officer are not immediate family members.

The Chairman leads the Board and has a clear role that is distinct from that of the Chief Executive Officer. He is responsible for, amongst others:

- leading the Board to ensure its effectiveness on all aspects of its role, scheduling meetings of the Board and setting the Board meeting agenda after consultation with the Management;
- exercising control over quality, quantity and timeliness of the flow of information between Management and the Board;
- inviting participation from advisors or Management to facilitate in-depth discussions, where necessary;
- calling for informal meetings with Management as and when needed;
- assisting to ensure compliance with the Company's guidelines on corporate governance;
- ensuring effective communication with Shareholders;
- encouraging constructive relations between the Board and Management as well as between the Executive Directors and Independent Directors;
- facilitating the effective contribution of Independent Directors; and
- promoting high standards of corporate governance.

The Chief Executive Officer is responsible for implementing the Group's strategies and policies as well as the daily management and operations of the Group.

During the year, the Board has reviewed the need for appointing a lead Independent Director for the Company. Given that the Chairman of the Board is independent and there have been no situations in which the Chairman of the Board is noted to have conflicts, the Board resolved that no lead Independent Director is required.

The Board has no dissenting view on the Chairman's statement to the Shareholders for the financial year under review.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

Nominating Committee

Mr. Toh Kian Sing was appointed as Chairman of the Nominating Committee on 12 May 2022. The Nominating Committee comprises three Independent Directors, as follows:

Mr. Toh Kian Sing	Chairman
Mr. Teo Ser Luck	Member
Mr. Joel Leong Kum Hoe	Member

The Nominating Committee is established for the purpose of ensuring that there is a formal and transparent process for all Board appointments, taking into account the need for progressive renewal of the Board. All members of the Nominating Committee are Independent Directors.

The Nominating Committee is governed by its adopted written terms of reference and its functions are to:

- recommend to the Board on relevant matters relating to (a) the review of board succession plans for Directors (including Independent Directors), in particular, the Chairman, Chief Executive Officer and Executive Directors, taking into consideration, contribution and performance of each Director; (b) the development of a process for evaluation of the performance of the Board, the Board Committees and individual Directors; (c) the review of training and professional development programmes for the Board; and (d) making evaluations, assessments and recommendations with respect to the selection, appointment and re-appointment of Directors (including alternate Directors, if applicable);

- review whether the size of the Board is appropriate;

- review annually the composition of the Board to ensure that the Board has sufficient balance of expertise, skills, attributes and abilities;

- review and determine annually, and, as and when circumstances require, if a Director is independent;

- review where a Director has multiple Board representations, whether the Director is able to and has been adequately carrying out his/her duties as Director, taking into consideration the number of listed Company Board representations of the Directors and other principal commitments;

- recommend Directors who are retiring by rotation to be put forward for re-election. The Constitution of the Company requires at least one-third of the Directors (or if their number is not a multiple of three, the number nearest to, but not less than one-third) shall retire from office by rotation every year and each Director to retire from the office at least once every three years;

- review and approve any new employment of related persons and the proposed terms of their employment;

- recommend to the Directors candidates for Key Executive Officer positions and candidates for directorship (including executive directorships);

- review succession plans for Key Executive Officers and recommend them to the Board for approval; and

- review that no individual member of the Board dominates the Board's decision-making process.

The process for the short-listing, selection and appointment of all new Directors is spearheaded by the Nominating Committee. In the selection and nomination of new Directors, the Nominating Committee taps on the resources of the Directors' personal contacts for recommendation of potential candidates. External help (e.g. open advertisement, executive search, consultants) may be used to source for potential candidates. The Nominating Committee meets with the short-listed potential candidate(s) to assess their suitability and to ensure that the candidate(s) is/are aware of the expectations to be met before a decision is made for recommendation to the Board for approval. For any new appointments, the Nominating Committee will request female candidates to be fielded for consideration.

All Board appointments are made based on merits, in the context of skills, experience, core competencies, independence and other relevant factors, having due regard for the benefits of diversity on the Board and the potential contributions that the selected candidate(s) will bring to the Board.

Upon appointment to the Board, each of them received a formal letter which sets out their duties and obligations as Directors. The Company conducted an induction programme for each newly appointed Director to familiarise the new Directors with the Group's businesses, strategic direction, core values, corporate governance practices and in the case of appointments to any of the board committees, the roles and responsibilities of such committees. All questions raised by the new Directors in relation to businesses, operations and practices are addressed by the executive Directors, key executives, auditors and/or company secretaries.

In FY2024, no new Directors were appointed.

Independence of Directors

The independence of Directors shall be reviewed by the Nominating Committee annually, in accordance with the SGX-ST Listing Manual's definition of independence.

The criteria of independence are based on the definition given in the SGX-ST Listing Manual and the Code. Under Provision 2.1 of the Code, an "independent" Director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related companies, its substantial Shareholders or its Officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

Mr. Teo Ser Luck, Mr. Joel Leong Kum Hoe, Ms. Chang Pui Yook and Mr. Toh Kian Sing have confirmed that they and their immediate family members are not employed or have been employed by the Company or any of its related Companies for the current and any of the past three financial years and whose remuneration is determined by the Remuneration Committee. They have also confirmed that they do not have any relationship with the Company, its related companies, its substantial Shareholders or its Officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Group.

As of the date of this report, there is no Independent Director that served for an aggregate period of nine or more years from the date of his/her first appointment.

During the year, the Nominating Committee has reviewed the independence of all Independent Directors and is satisfied that there are no relationships which would deem any of them not to be independent. The Nominating Committee has considered the relationships identified by the Code and, additionally, that the Independent Directors are also independent from substantial shareholders of the Company. No individual or small group of individuals dominates the Board's decision-making process.

Re-election of Directors

The Constitution of the Company states that at least one-third of the Directors (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office and all Directors shall retire from office at least once every three years. A retiring Director shall be eligible for re-election and a Director retiring at a meeting shall retain office until the close of the meeting, whether adjourned or not.

When considering the re-nomination of Director for re-election, the Nominating Committee would take into account the time commitment by the Board members with multiple board representation. For Executive Directors, the Nominating Committee resolved that each of them shall hold not more than three directorships in other listed companies and non-governmental organisation. For Independent Directors and Non-Executive Directors, the Nominating Committee is satisfied that they are able to carry out and have been carrying out their duties as a Director of the Company and sufficient time and attention have been given to the affairs of the Company. Therefore, it has decided not to fix a numerical limit on the number of directorships that they can hold.

During the financial year under review, the Board has experienced minimal competing time commitments among its members as Board meetings are planned and scheduled well in advance.

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Key information of the Directors as at the date of this report is set out below:

Director	Position in the Company	Director in Other Listed Companies and Other Principal Commitments
Mr. Teo Ser Luck	Independent Director and Non-Executive Chairman	2YSL Pte. Ltd. (Director) China Aviation Oil (Singapore) Corporation Ltd. (Non-Executive and Independent Director) F4U Pte. Ltd. (Director) Helicap Pte. Ltd. (Adviser) Institute of Singapore Chartered Accountants (President) Singapore FinTech Association (Adviser) Straco Corporation Limited (Non-Executive and Independent Director) Super Hi International Holding Ltd. (Non-Executive and Independent Director) Yanlord Land Group Limited (Non-Executive and Independent Director) Serial System Ltd (Non-Executive Independent Deputy Chairman)
Mr. Seah Kiin Peng	Executive Director and Chief Executive Officer	–
Mr. Xu Jiguo	Executive Director and Chief Procurement Officer	–
Mr. Zhang Xingwang	Executive Director and Chief Operating Officer	–
Mr. Stephen Ho Kiam Kong	Non-Independent Director and Non-Executive Director	China Yuchai International Limited (Non- Executive Director) Hong Leong Asia Ltd. (Executive Director and Chief Executive Officer) Tasek Corporation Berhad (Non-Executive and Non-Independent Director)
Ms. Kwek Pei Xuan	Non-Independent Director and Non-Executive Director	Hong Leong Asia Ltd. (Executive Director, Head of Sustainability and Corporate Affairs) Tasek Corporation Berhad (Non-Executive and Non-Independent Director)
Mr. Darrell Lim Chee Lek	Non-Independent Director and Non-Executive Director	Bright Point Capital Pte. Ltd. (Director) New Silkroutes Group Limited (Non-Executive Independent Chairman) Prometheus Pte. Ltd. (Director) XM Studios Pte. Ltd. (Director) E Street Capital Pte. Ltd. (Director) Hafary Holdings Limited (Independent Director) Prospera Global Limited (Non-Executive Independent Chairman)

Director	Position in the Company	Director in Other Listed Companies and Other Principal Commitments
Ms. Chang Pui Yook	Independent Director	–
Mr. Joel Leong Kum Hoe	Independent Director	Burztech Pte. Ltd. (Director) Ignenieux Advisory Pte. Ltd. (Director) FOZL Corporate Strategy Pte Ltd (Director) Tomowork Ltd (Board Chairman) Brilliance Mobility Pte. Ltd. (Director) Brilliance Mobility Sdn Bhd (Director) GCS Great Connection System Pte. Ltd. (Director) Way Li International Pte. Ltd. (Director) Chang Wei International Pte. Ltd. (Director)
Mr. Toh Kian Sing	Independent Director	Rajah & Tann Singapore LLP (Senior Partner) Sealink International Berhad (Non-Executive Independent Director)

Currently, no alternate Director has been appointed by the Directors.

At the forthcoming annual general meeting, the following Directors are seeking for re-election as Directors of the Company:

(a) Mr. Seah Kiin Peng

(b) Mr. Xu Jiguo

(c) Mr. Stephen Ho Kiam Kong

(d) Ms. Kwek Pei Xuan

CORPORATE
GOVERNANCE REPORT

Pursuant to Rule 720(6) of the SGX-ST Listing Manual, the information relating to the retiring Directors as set out in Appendix 7.4.1 of the Listing Manual is disclosed below:

Name of Director	Seah Kiin Peng	Xu Jiguo	Stephen Ho Kiam Kong
Date of appointment	1 March 2010	28 November 2017	8 February 2022
Date of last re-appointment (if applicable)	31 January 2023	31 January 2023	31 January 2023
Age	49	53	66
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity, considerations, and the search and nomination process)	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Mr. Seah Kiin Peng, Mr. Xu Jiguo and Mr. Stephen Ho Kiam Kong for re-election as Directors of the Company, as well as the overall size, composition and diversity of skillsets of the Board, concluded that they possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.		
Country of principal residence	Singapore	Singapore	Singapore
Whether appointment is executive, and if so, the area of responsibility	Executive Director Mr. Seah oversees the business of the BRC Group, and is responsible for its management and performance.	Executive Director Mr. Xu is in-charge for the procurement of steel raw materials for the Group. He also oversees the steel trading activities of the Group.	Non-Independent and Non-Executive Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Executive Officer Sustainability Committee Member	Executive Director and Chief Procurement Officer	Non-Independent and Non-Executive Director
Professional qualifications	Bachelor and Master of Science in Management, London School of Economics and Political Science	Master of Business Administration (Degree), University of South Australia, Australia	Advanced Management Program, Harvard Business School, Boston, US Bachelor of Commerce and Administration, Victoria University of Wellington, New Zealand
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	Yes Mr. Ho is an Executive Director and Chief Executive Officer of Hong Leong Asia Ltd., a substantial shareholder of BRC Asia Limited.

Name of Director	Seah Kiin Peng	Xu Jiguo	Stephen Ho Kiam Kong
Conflict of Interest (including any competing business)	No	No	No
Working experience and occupation(s) during the past 10 years	Executive Director of BRC Asia Limited and subsidiaries	• Bright Point Pte. Ltd. (Deputy General Manager) • Everwin Shipping Pte. Ltd. (Director) • Gold Sky Shipping Pte. Ltd. (Director) • Luyang Hong Kong Group (Deputy General Manager) • Rainbow Ace Shipping Pte. Ltd. (Director)	• Hong Leong Asia Ltd. (Executive Director and Chief Executive Officer) • Wilmar International Limited (Chief Financial Officer)
Undertaking submitted to the listed issuer in the format of Appendix 7.7 (Listing Rule 704(7)) or Appendix 7H (Catalist Rule704(6))	Yes	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil
Other principal commitments* including directorships			
Past (for the last 5 years)	• Maxlee Development Pte. Ltd. • Lee Metal Group Pte. Ltd. • Lee Welded Mesh Singapore Pte. Ltd. • Lingco Marine Services Pte. Ltd. • Pristine Islands Investment Pte. Ltd.	• Rainbow Ace Shipping Pte. Ltd. • Everwin Shipping Pte. Ltd. • Maxlee Development Pte. Ltd. • Lee Metal Group Pte. Ltd. • Lee Welded Mesh Singapore Pte. Ltd. • Gold Sky Shipping Pte. Ltd.	• Shree Renuka Sugars Limited • Wilmar International Limited

* “Principal Commitments” has the same meaning as defined in the Code of Corporate Governance 2018

Name of Director	Seah Kiin Peng	Xu Jiguo	Stephen Ho Kiam Kong
Present	• LMG Realty Pte. Ltd. • BRC International Pte. Ltd. • East Oceanic Shipyard Sdn Bhd • Anhui BRC & Ma Steel Weldmesh Co Ltd • BRC Prefab Sdn Bhd • BRC Prefab Holdings Sdn Bhd • BRC Projects Pte. Ltd. • BRC Asia (Australia) Pty Ltd • The Prefabrication Association of Singapore for Precast & Steel Limited • Eden Flame Sdn. Bhd. • BRC Asia (Thailand) Limited	• LMG Realty Pte. Ltd. • BRC International Pte. Ltd. • Anhui BRC & Ma Steel Weldmesh Co Ltd • BRC Projects Pte. Ltd. • BRC Asia (Australia) Pty Ltd • BRC Prefab Holdings Sdn. Bhd. • BRC Asia (Thailand) Limited	• Hong Leong Asia Limited and 33 of its subsidiaries and associated companies • China Yuchai International Limited and 9 of its subsidiaries and associated companies • Tasek Corporation Berhad and 7 of its subsidiaries and associated companies
Responses to questions (a) to (k) under Appendix 7.4.1 to the SGX Listing Manual	• Negative confirmation	• Negative confirmation	• Negative confirmation

Name of Director	Kwek Pei Xuan
Date of appointment	8 February 2022
Date of last re-appointment (if applicable)	31 January 2023
Age	34
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity, considerations, and the search and nomination process)	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Ms. Kwek Pei Xuan for re-election as Director of the Company, as well as the overall size, composition and diversity of skillsets of the Board, concluded that she possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Independent and Non-Executive Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Independent and Non-Executive Director Sustainability Committee Chairperson
Professional qualifications	Master of Business Administration in Hospitality Management, Les Roches International School of Hotel Management, Switzerland Bachelor of Commerce, University of Melbourne

Name of Director	Kwek Pei Xuan
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes Ms. Kwek is an Executive Director and Head of Sustainability and Corporate Affairs of Hong Leong Asia Ltd., a substantial shareholder of BRC Asia Limited.
Conflict of Interest (including any competing business)	No
Working experience and occupation(s) during the past 10 years	● Hong Leong Asia Ltd. (Head of Sustainability and Corporate Affairs) ● Hong Leong Asia Ltd. (Senior Business Development Manager) ● JW Marriott Singapore South Beach (Marketing Communications Executive) ● Hong Leong Corporation Holdings Pte Ltd (Corporate Investments Executive)
Undertaking submitted to the listed issuer in the format of Appendix 7.7 (Listing Rule 704(7)) or Appendix 7H (Catalist Rule704(6))	Yes
Shareholding interest in the listed issuer and its subsidiaries	Nil
Other principal commitments* including directorships	
Past (for the last 5 years)	Nil
Present	● Hong Leong Asia Limited and 19 of its subsidiaries and associated companies ● Tasek Corporation Berhad and 2 of its subsidiaries and associated companies
Responses to questions (a) to (k) under Appendix 7.4.1 to the SGX Listing Manual	Negative confirmation

* “Principal Commitments” has the same meaning as defined in the Code of Corporate Governance 2018

The Board had accepted the Nominating Committee’s recommendation to seek approval from the Shareholders at the forthcoming Annual General Meeting to re-elect Mr. Seah Kiin Peng, Mr. Xu Jiguo, Mr. Stephen Ho Kiam Kong and Ms. Kwek Pei Xuan, who will be retiring according to regulations of the Constitution of the Company, as Directors of the Company.

In reviewing the re-nomination of the Board members who are due for re-election as Directors of the Company, the members of the Board concerned abstains from voting on the resolution in respect of his/her own re-nomination as a Director.

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.

The Company has in place a system to assess the Board's performance as a whole, each Board Committee separately, and also each Director individually. With the recommendation of the Nominating Committee, the Board uses objective performance criteria to evaluate the Board's performance, bearing in mind that each member of the Board contributes in a different way to the success of the Company and Board decisions are made collectively. To-date, no external facilitator has been engaged for the purposes of Board assessment.

On an annual basis, the Nominating Committee in consultation with the Chairman of the Board, will review and evaluate the performance of the Board as a whole. The qualitative criteria used to evaluate the overall Board performance includes the composition of the Board, information flow to the Board, Board procedures, corporate strategy and planning, risk management and accountability as well as matters concerning Key Executive Officers and standard conduct of its Board members. The Nominating Committee will evaluate the process for performance evaluation review and its effectiveness from time to time. The Chairman of the Board will act on the results of the performance evaluations and, in consultation with the Nominating Committee, propose, where appropriate, new members to be appointed to the Board or seek the resignation of existing members.

The Board has taken the view that the recommendations under the Code to include financial indicators as part of the performance criteria for Board evaluation is not appropriate as it is more of a measurement of Management's performance and therefore, less applicable to the Board as a whole.

The Nominating Committee met in November 2024 and discussed amongst others, the performance of individual Directors, the Board committees and the Board as a whole, independence of the Independent Directors and re-election of Directors who will be retiring at the forthcoming annual general meeting. All committee members present at the meeting participated in the discussion and voting other than that in the respect of his/her own re-nomination as Director. No significant issues were identified from the evaluation of the Board's performance for the financial year under review.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and Key Executive Officers. No Director is involved in deciding his/her own remuneration.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and Key Executive Officers are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Remuneration Committee

The Remuneration Committee, regulated by a set of written terms of reference, consists of three members who are all Independent Directors.

The Remuneration Committee consists of:

Ms. Chang Pui Yook	Chairman
Mr. Teo Ser Luck	Member
Mr. Joel Leong Kum Hoe	Member

The principal functions of the Remuneration Committee are to:

- recommend to the Board a framework of remuneration for the Directors and Key Executive Officers of the Group, including Chief Executive Officer (or equivalent) and Chief Financial Officer (or equivalent);
- determine specific remuneration packages for each Executive Director including the Chief Executive Officer (or equivalent);
- review all aspects of remuneration of employees (including, among others, employees who are related to the Directors and relatives of the Directors and controlling Shareholders), including Directors' fees, salaries, allowances, bonuses and other benefits-in-kind;
- review and ensure that the remuneration of Independent Directors is appropriate to the level of contribution by them taking into account factors such as effort and time spent and responsibilities of the Directors;
- recommend the employees' share option schemes or any long-term incentive scheme, which may be set up from time to time and to do all acts necessary in connection therewith; and
- review the Company's obligation arising in the event of termination of the Executive Directors and Key Executive Officers' contract of services to ensure that such contract of services contain fair and reasonable clauses which are not overly generous.

The Remuneration Committee's recommendations are made in consultation with the Chief Executive Officer and Executive Directors and submitted for endorsement by the Board.

In determining the remuneration system for the Key Executive Officers, the Remuneration Committee may seek advice from human resource consultants and senior practitioners in order to obtain comparable information on the market and the industry. The annual review covers all aspects of remuneration including salaries, fees, allowances, bonuses, options and benefits-in-kind, taking into consideration the long-term interests of the Group. The Remuneration Committee will also take into account the performance of the Group as well as that of the Directors and Key Executive Officers, aligning their interests with those of Shareholders and linking rewards to corporate and individual performance as well as industry benchmarks. It ensures that remuneration package is appropriate to attract, retain and motivate the Directors and Key Executive Officers to provide good stewardship of the Group and successfully manage the Group for the long term. The review of remuneration packages takes into consideration the financial and commercial health, business needs and long-term interests of the Group. Performance-related remuneration is aligned with the interests of Shareholders and other Stakeholders and promotes the long-term success of the Group.

The Remuneration Committee met in November 2024 to discuss the various remuneration matters and its decision was recorded by way of minutes. The committee members present at the meeting were involved in the deliberations. No Director was involved in the fixing of his/her own remuneration, except in providing information and documents if requested by the Remuneration Committee to assist in its deliberation.

No external remuneration consultants were appointed for the financial year under review.

Principle 8: Disclosure on Remuneration

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedures for setting remuneration, and the relationships between remuneration, performance and value creation.

The remuneration package of Executive Directors and Key Executive Officers consists of:

Basic Salary

Basic salary is determined based on the market value of the job. Merit increments, if any, are added to the basic salary. In line with the Singapore government's recommendations, the Company has designated a portion of the basic salary as a monthly variable component for certain employees, including Key Executive Officers.

Bonus

The Executive Directors and Key Executive Officers are entitled to a bonus which is determined by the Group's performance. The Board, as recommended by the Remuneration Committee, approves bonuses paid to the Executive Directors and Key Executive Officers.

Benefits-in-kind

Customary benefits-in-kind consistent with market practices are given to Executive Directors and Key Executive Officers.

Employee Share Option Scheme

The Company does not have an Employee Share Option Scheme in place.

Remuneration of Directors and Chief Executive Officer

Given the competitive environment that the Company is operating in and the confidentiality of remuneration matters, the Company will not disclose the exact amount and breakdown of the remuneration of each individual Director and Chief Executive Officer, as the Company believes that such disclosure may be prejudicial to its business interests. The Company believes that disclosing individual Director and Chief Executive Officer remuneration in bands of S$250,000 and breakdown in percentage terms strike a good balance between detailed disclosure and confidentiality. The Company believes that disclosing the respective remuneration of the Directors in bands no wider than S$250,000 and the aggregate remuneration of Directors provides a sufficient overview.

The remuneration (in percentage terms and in bands no wider than S$250,000) of the Directors and Chief Executive Officer is set out below:

Name of Director	Salary %	Bonus %	Fees[1] %	Benefits-in-kind[2] %	Total %
S$2,250,000 to S$2,500,000					
Mr. Seah Kiin Peng	11	86	–	3	100
Mr. Xu Jiguo	8	89	–	3	100
S$1,750,000 to S$2,000,000					
Mr. Zhang Xingwang	11	86	–	3	100
Up to S$250,000					
Mr. Teo Ser Luck	–	–	100	–	100
Ms. Chang Pui Yook	–	–	100	–	100
Mr. Darrell Lim Chee Lek	–	–	100	–	100
Mr. Joel Leong Kum Hoe	–	–	100	–	100
Ms. Kwek Pei Xuan	–	–	100	–	100
Mr. Stephen Ho Kiam Kong	–	–	100	–	100
Mr. Toh Kian Sing	–	–	100	–	100

The annual aggregate remuneration of Directors for financial year ended 30 September 2024 is S$7,271,000.

Notes:

1 The fees have been approved by Shareholders at the last Annual General Meeting held on 31 January 2024.

2 Includes transport allowances, contributions to Central Provident Fund and other benefits-in-kind.

The Non-Executive and Independent Directors are entitled to Directors' fees. The level of fees is reviewed for reasonableness taking into account the size of the Company, level of contribution and the additional duties and responsibilities of the Directors.

Remuneration of Top 3 Key Executive Officers

Regarding the Code's recommendation to fully disclose the remuneration of at least the top 5 Key Executive Officers who are not Directors or Chief Executive Officer, the Board does not believe it to be in the Company's best interests to disclose the individual remuneration of these executives.

The Company had only three Key Executive Officers for the financial year ended 30 September 2024. The profiles of the Key Executive Officers can be found on page 14 of the Annual Report. Having considered the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities, the Company is of the view that disclosure of specific remuneration information such as remuneration of each Key Executive Officer in bands no wider than S$250,000, may give rise to recruitment and talent retention issue. There will be negative impact to the Company if members of the experienced and qualified senior management team are poached. This may affect the ability to both nurture a sustainable talent pool and ensure the smooth continuity in leadership critical for the achievement of the strategic objectives of the Company. The total aggregate remuneration of the Key Executive Officers who are not Directors or Chief Executive Officer for the financial year ended 30 September 2024 was S$5,151,000. The Company believes that shareholders' interest will not be prejudiced since the total aggregate remuneration has been disclosed.

Remuneration of Employees Related to Directors

There are no employees related to a Director or the Chief Executive Officer or a substantial Shareholder of the Company whose remuneration exceeds S$100,000 in the Company's employment for the financial year ended 30 September 2024.

For the financial year under review, there were no terminations, retirements or post-employment benefits granted to the Directors, the Chief Executive Officer and Key Executive Officers.

Where appropriate, the Remuneration Committee reviews the service contracts of the Company's Chief Executive Officer and the Executive Directors.

There is no contractual provision under the present remuneration structure that allows the Company to reclaim variable incentive components of remuneration from the Chief Executive Officer, Executive Directors and Key Executive Officers. However, in alignment with the current regulatory standards, the variable incentives of the Chief Executive Officer, Executive Directors and Key Executive Officers may be clawed back in the event of exceptional circumstances of misstatement of financial results or of misconduct resulting in financial or other losses to the Company.

The Company's compensation framework comprises fixed salary and short-term incentives. The Company subscribes to linking the executive remuneration to corporate and individual performance, based on an annual appraisal of employees and using indicators such as core values, competencies, key result areas, performance rating and potential of the employees.

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its Shareholders.

Internal Controls

The Board is responsible for the overall risk governance, risk management and internal control framework of the Group and is fully aware of the need to put in place a system of internal controls within the Group to safeguard Shareholders' interest. Management also reviews the system of internal controls regularly in order to ensure that sufficient checks and balances exist within the system to safeguard the Group's assets. The Audit and Risk Management Committee ensures that these controls are effective by engaging an external consultant as the internal auditor. The internal auditor works within the scope of an audit plan, which has been approved by the Audit and Risk Management Committee, to review and test the adequacy, effectiveness and independence of the internal controls of the Group. The external independent auditor will, in the course of the external audit, conduct a review of certain internal controls relevant to the preparation of financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. The roles of risk management have been delegated to the Audit and Risk Management Committee.

The Board approves the key risk management policies and ensures a sound system of risk management and internal controls and monitors performance against them. In addition to determining the approach to risk governance, the Board sets and instils the right risk-focused culture throughout the Group for effective risk governance.

The Board has reviewed the adequacy and effectiveness of the Group's internal controls framework in relation to financial, operational, compliance and information technology controls as well as risk management systems of the Group. The Board, with the concurrence of the Audit and Risk Management Committee, is of the view that the Group's internal controls addressing financial, operational, compliance and information technology risk as well as the Group's risk management systems are effective and adequate as at 30 September 2024. The Board and Audit and Risk Management Committee did not identify any major concern on the Group's internal controls or risk management systems for the financial year under review.

The system of internal controls provides reasonable assurance against material financial misstatements or loss and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practices and the identification and management of business risks.

The Board acknowledges that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the financial records as at 30 September 2024 have been properly maintained and the financial statements for the financial year under review give a true and fair view of the Group's operations and finances. The Board has also received assurance from the Chief Executive Officer and Key Executive Officers that the Company's risk management and internal control systems are adequate and effective.

Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

Audit and Risk Management Committee

The Audit and Risk Management Committee consists of:

Mr. Joel Leong Kum Hoe	Chairman
Ms. Chang Pui Yook	Member
Mr. Toh Kian Sing	Member

The role of the Audit and Risk Management Committee is to, inter alia, assist the Board in discharging its responsibilities to safeguard the Group's assets, maintain adequate accounting records, develop and maintain effective systems of internal controls and oversee risk management of the Group. The Board is of the opinion that the members of the Audit and Risk Management Committee have sufficient accounting and financial management expertise and experience in discharging their duties and responsibilities. There is a good mix of expertise among the members who can handle financial, legal as well as commercial issues relating to the Group's business.

There were four Audit and Risk Management Committee meetings held during the year. In the meetings dealing with the announcement of the Group's results, all other Directors and the Chief Financial Officer were invited to join the meetings.

The Audit and Risk Management Committee has written terms of reference and its key functions are to:

- review the independence, objectivity, adequacy, effectiveness, scope of results and objectivity of the internal and external auditors and approve the audit plans of the Company's internal and external auditors as well as consider and make recommendations to the Board on (i) the proposals to the shareholders on the appointment or re- appointment and removal of external auditors and (ii) the remuneration and terms of engagement of the internal and external auditors;
- review the evaluation of the system of internal accounting controls in the course of the internal and external audit, their letter to Management, Management's response, results of the Company's audit conducted by internal and external auditors as well as the reports and statements to be included in the annual report concerning the adequacy and effectiveness of the risk management and internal controls systems, including financial, operational, compliance and information technology controls;
- review the periodic financial statements of the Company and results announcements of the Company, focusing, in particular, on changes in policies and practices, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards, the Listing Manual and any other statutory/regulatory requirements, as well as concerns and issues arising from the audit;
- review the significant financial reporting issues and judgements, so as to ensure integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- review key financial risk areas of the Group, with a view to providing an independent oversight on the Group's financial reporting, and the outcome of such review will be disclosed in the annual reports or if there are material findings, to be immediately announced via SGXNET;
- review the assistance and co-operation given by the Management to the internal and external auditors, and discuss problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (in the absence of the Management, where necessary);
- monitor and follow up on the implementation of outstanding internal control weaknesses highlighted by the Auditors and Reporting Accountants in their memorandum prepared in connection with the listing process;
- review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual (including any entrusted loans that may be provided to interested persons prior to such loans being entered into, to ensure that (i) the terms and (ii) the grant of the entrusted loans (taking into account various factors that may include, but are not limited to, the rationale for the grant, the creditworthiness of the borrower and the interest rate payable to the Group) are not prejudicial to the Group and the Shareholders);
- review and consider transactions in which there may be potential conflicts of interests between the Company and the interested persons and recommend whether those who are in a position of conflict should abstain from participating in any discussions or deliberations of the Board or voting on resolutions of the Board or the Shareholders in relation to such transactions as well as to ensure that proper measures to mitigate such conflicts of interest have been put in place;
- review and recommend hedging policies and instruments, if any, to be implemented by the Company to the Directors;

- review the suitability of the Chief Financial Officer;
- undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit and Risk Management Committee;
- generally undertake such other functions and duties as may be required by statute or the Listing Manual, or by such amendments as may be made thereto from time to time on a quarterly basis;
- commission, review and discuss with the internal and external auditors any findings of internal and external investigations in the event of suspected fraud, irregularity, failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material adverse impact on the Group's operating results and/or financial position, and the Management's response. In addition, all future transactions with related parties shall comply with the requirements of the Listing Manual;
- review the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels as determined by the Board;
- review the cash management processes of the Group;
- review and establish procedures for receipt, retention and treatment of complaints received by the Group involving, among others, criminal offences involving the Group or its employees and questionable accounting, auditing, business, safety or other matters that impact negatively on the Group and ensuring that there are arrangements in place for independent investigation and follow-up action(s);
- review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on; and to ensure that the Company publicly discloses, and clearly communicates to its employees, the existence of a whistle-blowing policy and procedures for raising such concerns;
- approve the framework, policies and adequacy of resources, to identify, measure, manage and report risks;
- approve the risk management strategies of the Company, specifically to address clearing and counterparty risks, technology risks, sustainability risks (including climate-related risks) and other enterprise risks that may have a significant impact on the reputation, financial position and business operations of the Company; and
- review the adequacy of the Company's programs and initiatives in managing sustainability risks (including climate- related risks).

The Audit and Risk Management Committee has full access to and the cooperation from the Management, along with the full discretion to invite any Directors or Key Executive Officers to attend its meetings, and reasonable resources to enable it to discharge its function properly. The Board considers Mr. Joel Leong Kum Hoe, well qualified to chair the Audit and Risk Management Committee. The Key Executive Officers of the Company attend meetings of the Audit and Risk Management Committee on invitation.

Whistle-blowing Policy

The Company has put in place a whistle-blowing policy and the Audit and Risk Management Committee has the authority to conduct independent investigations into any complaints. The Audit and Risk Management Committee oversees and monitors the administration of whistle-blowing policy. Periodic reports will be submitted to the Audit and Risk Management Committee stating the number of and details of complaints received, the results of the investigations and follow-up actions. The Company does not prohibit anonymous reporting under its whistle-blowing policy. The Company is committed to ensuring that the identity of the whistleblower is kept confidential and he/she is protected against detrimental or unfair treatment.

The email address for whistle-blowing is whistleblow@brc.com.sg. In order to facilitate whistle-blowing, the whistle-blowing policy together with the whistle-blowing communication channels are available on the Company's intranet which is accessible by all employees.

There have been no reported incidents pertaining to whistle-blowing for FY2024.

No former Partner or Director of the Company's existing auditing firm or auditing corporation has acted as a member of the Company's Audit and Risk Management Committee: (a) within a period of 2 years commencing on the date of his/her ceasing to be a Partner of the auditing firm or Director of the auditing corporation; and in any case (b) for as long as he/she has any financial interest in the auditing firm or auditing corporation.

During the year, the Audit and Risk Management Committee has met with the external auditor and internal auditor without the presence of Management.

Independent Auditor

In appointing the audit firm for the Group, the Audit and Risk Management Committee takes into account several factors such as the adequacy of resources and experience of the auditing firm, the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited as well as the number and experience of supervisory and professional staff assigned to the audit. The Audit and Risk Management Committee is satisfied that the Company has complied with the Listing Rules 712 and 715. All the subsidiaries incorporated in Singapore except for one dormant subsidiary are audited by Ernst & Young LLP.

The Audit and Risk Management Committee has reviewed all non-audit services provided by the external auditor to ensure that the provision of these services has not affected the independence of the external auditor and is satisfied that the nature and extent of such services would not prejudice the independence and objectivity of the external auditor and accordingly, has recommended the re-appointment of the external auditor at the forthcoming annual general meeting. The amount of fees paid to the external auditor in respect of the audit and non-audit services for the year under review can be found on page 93 of the Annual Report.

The Audit and Risk Management Committee is kept abreast of changes to the accounting standards and issues that have a direct impact on the financial statements.

Internal Audit

The Company has, with approval from the Audit and Risk Management Committee, outsourced its internal audit function to an independent professional service firm, YLA. YLA is a professional service firm that specialises in the provision of Internal Audit, Enterprise Risk Management and Sustainability Reporting advisory services. The firm was set up in the year 2005, and currently maintains a diversified internal audit portfolio of SGX-ST listed companies across different industries including distribution, manufacturing, services, food & beverage, trading, retail and property development. YLA is staffed with professionals with relevant experience and qualifications such as the Certified Internal Auditor and Certification in Risk Management Assurance with the Institute of Internal Auditors.

YLA reports directly to the Chairman of the Audit and Risk Management Committee and has direct access to the Audit and Risk Management Committee and unrestricted access to the Group's documents, records, properties and personnel that are relevant to their work. YLA is a corporate member of Institute of Internal Auditors of Singapore. The Company's engagement with YLA stipulates that its work shall be guided by the International Standards for the Professional Practice of Internal Auditing Issued by the Institute of Internal Auditors of Singapore.

On an annual basis, YLA prepares and executes a risk-based internal audit plan so as to review the adequacy and effectiveness of the system of internal controls of the Group. The risk-based internal audit plan is subject to approval by the Audit and Risk Management Committee. During the financial year under review, one internal audit review was conducted. The findings and recommendations of YLA, Management's responses, and Management's implementation of the recommendations have been reviewed and discussed with the Audit and Risk Management Committee. For the financial year ended 30 September 2024, the Audit and Risk Management Committee is satisfied that YLA had been able to discharge its duties effectively as the internal auditor.

The Audit and Risk Management Committee will, at least annually, review the adequacy, effectiveness and independence of the internal audit function.

Based on a review on the internal audit function and activities performed, the Audit and Risk Management Committee is of the view that the internal audit function is independent, effective, qualified and adequately resourced.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

The Company treats all Shareholders equitably and provides an accessible platform for them to exercise their Shareholders' rights through voting and dialogues on matters affecting the Company. The Company is committed to providing its Shareholders with a balanced and understandable assessment of its performance and prospects.

Principle 12: Engagement with Shareholders

The Company communicates regularly with its Shareholders through the facilitation of general meetings and other forms of engagement activities.

The Company recognises the important role its Shareholders play in promoting sustainable growth. The Company makes timely business disclosures in compliance with SGX-ST regulations and takes proactive efforts in building an efficient and effective communication channel with its Shareholders. As of the date of this report, the Company has an investor relations policy in place. This policy ensures that Shareholders receive pertinent and timely information about the Company. The policy is uploaded onto the Company's website at https://www.brc.com.sg/investors/corporate-governance/ for easy access and reference.

The Company provides quarterly business updates which include an operational overview and key financial matrices on a voluntary basis in addition to the mandatory half-yearly financial reporting. All announcements and press releases are published on the Company's website and SGXNet.

The Company's website also provides contact details and enquiry forms for investors to submit their feedback and raise any queries. After the end of the financial year, the Group publishes both the annual report and sustainability report on the Company's website and SGXNet, summarising the Company's financial performance and business developments for the past year.

In line with the continuous disclosure obligations under the relevant rules, the Board ensures that Shareholders are promptly informed of all major developments that may have a material impact on the Group through the appropriate channels.

Headed by Executive Director and Chief Executive Officer, Mr Seah Kiin Peng, the Group's investor relations team comprises an internal team and an external team. The internal team is responsible for stakeholder engagements as well as timely, complete, and accurate disclosures. The external team, through an appointed investor relations agency, Sino-Lion Communications Pte Ltd (Financial PR), facilitates regular communications with the investment community. Collectively, the team is committed to further enhance transparency and build long-term relationships with its stakeholders.

The Company's forthcoming annual general meeting ("**AGM**") for the financial year ended 30 September 2024 will be held physically. Please refer to the notice of AGM for more information.

All Shareholders have the opportunity to participate effectively in and vote at the general meetings. Shareholders will be given the opportunity to communicate their views and are encouraged to ask the Directors and the Management questions regarding matters affecting the Company. The external auditors and the Management are also available at the annual general meetings to respond to, and to assist the Directors in responding to Shareholders' queries.

The rights of the Shareholders, including the details of the rules governing voting procedures at general meetings, are contained in the Company's Constitution and are also set out in applicable laws. The details of the general meetings can be found in the notices. The notices, together with the annual report and proxy form, are available on the Company's website and SGXNet.

Shareholders may submit questions related to the resolutions ahead of the general meetings. Shareholders can also raise any question at the general meetings.

The Company will endeavour to address all substantial and relevant questions received from Shareholders before the general meetings on SGXNet at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.brc.com.sg/investors/announcements/. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed.

The Company ensures that sufficient explanations of all resolutions are included in the notices of general meetings. Separate resolutions on each distinct issue are tabled at the general meetings. "Bundling" of resolutions is kept to a minimum and executed only where the resolutions are interdependent so as to form one significant proposal and only where there are reasons and material implications involved.

In accordance with the Company's Constitution, each Shareholder may appoint not more than two proxies to attend and vote on their behalf at the general meetings. A proxy need not be a member of the Company.

The Company acknowledges that voting by poll in all its general meetings is integral to upholding good corporate governance. The Company adheres to the requirements of the Listing Rules of the SGX-ST and will put all resolutions at the Company's general meetings to vote by poll.

The voting results of each of the resolutions tabled are announced on the same day after the meeting. The total numbers of votes cast for or against the resolutions are also announced after the meeting via SGXNet.

The proceedings of the general meetings are properly recorded, including all comments or queries raised by Shareholders relating to the agenda of the meetings and responses from the Board and Management. The minutes of the general meetings will be published on SGXNet within one month after the general meetings. The minutes will record substantial and relevant comments or queries from Shareholders relating to the agenda of the general meetings, and responses from the Board and Management. All minutes of general meetings are available to Shareholders upon their request.

The Constitution of the Company allows the Board, at its sole direction, to implement voting in absentia (such as voting via mail, email or fax). As the authentication of shareholder identity and the system supporting such voting manner remains a concern, the Board has decided not to implement voting in absentia for the time being.

All Directors, the Chief Financial Officer and Company Secretary were present at the annual general meeting of the Company held in FY2024.

Dividends

The Company does not have a fixed dividend policy. The Company is committed to generating stable and sustainable returns to its Shareholders. The form, frequency and amount of dividends will depend on the Company's earnings, financial position, capital needs, plans for expansion and other factors which the Board may deem appropriate. The Board would consider establishing a dividend policy at the appropriate time.

On 21 November 2024, the Board has recommended a final tax-exempt (one-tier) dividend of 8 Singapore cents per ordinary share and a special tax-exempt (one-tier) dividend of 6 Singapore cents per ordinary share for the financial year ended 30 September 2024, for Shareholders' approval at the forthcoming AGM. Together with the interim tax-exempt (one-tier) dividend of 6 Singapore cents paid on 15 November 2024, the total dividend declared for the financial year ended 30 September 2024 stands at 20 Singapore cents which equates to a pay-out ratio of 59%.

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations. The identified key stakeholders of the Group include suppliers, customers, employees, community, investors and regulators.

The Company has in place an investor relations ("**IR**") policy which outlines the principles and framework for the Company to provide investors, analysts, and other IR stakeholders with balanced, clear, and pertinent information on matters pertaining to and/or affecting the Group. Shareholders and investors can contact the Company or access information on the Company at its corporate website at https://www.brc.com.sg which provides, inter alia, information on the Board of Directors, Management, and the Group's key business units, Annual Reports, corporate announcements, press releases and financial results as released by the Company on SGXNet, and contact details of its IR.

The Company regularly engages its stakeholders through various channels to ensure that the business interests are aligned with its stakeholders. Stakeholders of the Company will be able to communicate with the Company through the contact information provided on the Company's website.

Sustainability Committee

The Board has established a new Board Sustainability Committee on 21 November 2023 to assist the Board in driving the sustainability agenda as well as providing oversight for ESG matters relating to the businesses of the Group.

The Sustainability Committee consists of:

Ms. Kwek Pei Xuan	Chairperson
Mr. Seah Kiin Peng	Member
Mr. Joel Leong Kum Hoe	Member
Mr. Darrell Lim Chee Lek	Member

The Sustainability Committee has written terms of reference and its key functions are to:

- review and recommend for Board adoption the Company's risk tolerance limits, framework, policies, and guidelines for identifying, assessing, controlling, monitoring, and reporting climate-related and sustainability or environmental, social and governance risks;
- review and recommend for Board adoption sustainability goals, policies, and guidelines for identifying, assessing, controlling, monitoring, and reporting the Company's sustainability issues, including those related to climate change;
- foster a climate and sustainability awareness culture within the Company;
- review the nature and extent of significant climate-related and other ESG risks taken by the Company and assess key controls implemented to manage these risks, annually reporting to the Board; and
- evaluate the Company's efforts in addressing sustainability issues, including ESG factors, and review actions taken to mitigate adverse impacts.

The Sustainability Committee shall meet at least once a year.

Interested Person Transactions

The Company has set out the procedures for review and approval of the Group's interested person transactions. All interested person transactions entered into by the Group are submitted to the Audit and Risk Management Committee for review and to the Board for approval on a quarterly basis.

Disclosure according to Rule 907 of the SGX-ST Listing Manual in respect of interested person transactions for the financial year ended 30 September 2024 is stated in the table below:

Name of interested person and nature of transaction	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920) (S$'000)	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) (S$'000)
HL Building Materials Pte Ltd			
- Sales of goods to	Associate of Hong Leong Investment Holdings Pte. Ltd. ("**HLIH**"), the Controlling shareholder of the Company	–	7,145
HL-Manufacturing Industries Sdn. Bhd.			
- Sales of goods to	Associate of HLIH, the Controlling shareholder of the Company	–	14,178
HL-Sunway JV Pte. Ltd.			
- Sales of goods to	Associate of HLIH, the Controlling shareholder of the Company	14	–
Southern Steel Berhad			
- Purchase of goods from	Associate of HLIH, the Controlling shareholder of the Company	–	308
Southern PC Steel Berhad			
- Purchase of goods from	Associate of HLIH, the Controlling shareholder of the Company	13	–

Risk Management

The Board acknowledges that risks are inherent in business and views the taking of risks as a prelude to generating returns. However, the Board's policy is that risks should be managed in order to reduce the variability of returns. The Board regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks.

The primary responsibility for identifying business risks lies with Management, who then tables and recommends processes to the Board for their deliberation and for formulating policies to deal with the risks. The Board approves the recommended processes for managing risks which may include but are not limited to optimisation, hedging, reduction of exposure or limiting possible losses through controls.

Material Contracts

There were no material contracts of the Group involving the interests of any Director or controlling Shareholders subsisting at the end of the financial year ended 30 September 2024 or, if not then subsisting, entered into since the previous financial year.

Utilisation of Proceeds

There have been no proceeds raised in the financial year under review and no outstanding proceeds from previous fund raising.

Dealing in the Company's Securities

The Group's internal code on dealing in Company's securities is in place and there has not been any incidence of non-compliance.

The Company has informed its Directors and Officers not to deal in the Company's shares whilst they are in possession of unpublished material and price-sensitive information and during the period commencing one month before the announcement of the Company's half year and full year financial results/statements and the period commencing two (2) weeks before the voluntary announcement of the Company's business updates for the first and third quarters.

In addition, the Directors and Officers of the Company are also advised not to deal in the Company's securities on short-term considerations.

In line with Rule 1207(19) of the Listing Manual and the Company's internal guide on securities dealings, the Company will not purchase or acquire any Shares during the period commencing one (1) month before the announcement of the Company's half year and full year results and the period commencing two (2) weeks before the voluntary announcement of the Company's business updates for the first and third quarters.

The Directors and Officers are also advised to observe insider trading provisions under the Securities and Futures Act 2001 at all times even when dealing in the Company's securities within the permitted periods. Directors of the Company are required to report all dealings to the Company Secretary. The Company Secretary ensures that all disclosure announcements are released to SGX-ST within the prescribed timeline.

In view of the processes in place, in the opinion of the Board, the Company has complied with Rule 1207(19) of the Listing Manual issued by SGX-ST on dealing in securities.

Sustainability Report

Apart from creating long term value for its stakeholders and upholding high standards of governance, the Company recognises the importance of environmental sustainability and social responsibilities. The Board has overall responsibility for the Group's sustainability issues and exercises oversight of the identification, management and implementation of material environmental, social and governance factors through the Sustainability Committee, under the Board's guidance.

In defining the Company's sustainability reporting content, the Company will apply the principles of the Global Reporting Initiative ("**GRI**") Sustainability Reporting Standards by considering the Group's activities, impact, as well as substantive expectations and interests of its stakeholders.

The sustainability report for the financial year ended 30 September 2024 of the Company can be found in the annual report. This is in line with the Group's commitment to keep the stakeholders and market abreast of the Group's sustainability front and in accordance with the Listing Rules.

The Company welcomes feedback from stakeholders with regards to the Company's sustainability efforts. The stakeholders may send feedback to the Company at: info@brc.com.sg.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of BRC Asia Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 September 2024.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2024 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this report are:

Teo Ser Luck
Seah Kiin Peng
Xu Jiguo
Zhang Xingwang
Chang Pui Yook
Darrell Lim Chee Lek
Joel Leong Kum Hoe
Kwek Pei Xuan
Stephen Ho Kiam Kong
Toh Kian Sing

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967, the directors of the Company who held office at the end of the financial year had no interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year and 21 October 2024.

Share options

(a) Options to take up unissued shares

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

(b) Options exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under options

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under options.

Audit and Risk Management Committee

The Audit and Risk Management Committee performed the functions specified in the Singapore Companies Act 1967. The functions performed are detailed in the Report on Corporate Governance.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors,

Seah Kiin Peng
Director

Xu Jiguo
Director

Singapore
10 January 2025

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 September 2024
Independent auditor's report to the members of BRC Asia Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of BRC Asia Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 30 September 2024, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policies information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Allowance for expected credit losses on trade receivables

Trade receivable balances are significant to the Group as they represent 20% of the Group's current assets and trade receivables carried at amortised cost are subject to expected credit loss assessment. The expected credit loss assessment requires significant management estimation over the correlation between historical observed default rates and forward-looking factors, including consideration of general economic conditions. Consequently, we determined that this is a key audit matter.

Our audit procedures included, amongst others, evaluating the Group's processes and controls for monitoring and identifying trade receivables with collection risks. In particular, we tested the data and inputs used by management in computing the historical loss rate and evaluated the basis used for the forward-looking adjustment in determining the expected credit loss rate. We discussed with management on the collectability of trade receivables and inquired management if there are any known customers potentially impacted by the general economic conditions which may then affect their ability to repay their debts. On a sample basis, we have also checked for evidence of receipts subsequent to the year end. We also checked the mathematical accuracy of the expected credit loss allowance provision matrix and assessed the adequacy of the Group's disclosures on trade receivables and the related risks such as credit risk and liquidity risk in Notes 33(a) and 33(b) to the financial statements.

Key audit matters (cont'd)

Provision for onerous contracts

As at 30 September 2024, the Group recognised provision for onerous contracts amounting to $2.1 million. The process of estimating provision for onerous contracts requires management's judgement on the estimated unavoidable costs of meeting its contractual obligations based on the inventory on hand, plus estimated costs of inventory purchases and conversion costs required. Consequently, we determined that this is a key audit matter.

Our audit procedures included, amongst others, evaluating the Group's process for identifying onerous contracts. We tested the completeness of this identification against open sales orders and current year sales as well as through analysis of the underlying contracts in place. In particular, we evaluated management's assessment for the unavoidable costs in meeting the obligations under these contracts. We also checked the mathematical accuracy of management's computation of the provision for onerous contracts and assessed the adequacy of the Group's disclosures on provision for onerous contracts in Note 24 of the financial statements.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ng Boon Heng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
10 January 2025

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the financial year ended 30 September 2024

	Note	2024	2023
		$'000	$'000
Revenue	4	**1,481,361**	1,626,998
Cost of sales		**(1,327,558)**	(1,487,949)
Gross profit		**153,803**	139,049
Other income	5	**22,454**	14,435
Expenses			
Distribution expenses		**(7,586)**	(7,585)
Administrative expenses		**(32,835)**	(24,242)
Finance costs	6	**(11,273)**	(12,852)
Other operating expenses		**(12,318)**	(8,866)
Reversal of/(allowance for) expected credit losses on trade receivables	18	**66**	(1,739)
Share of results of joint venture	14	**364**	830
Share of results of associate	15	**(1,500)**	(7,809)
Profit before tax	7	**111,175**	91,221
Income tax expense	9	**(17,631)**	(15,473)
Profit for the year		**93,544**	75,748
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Net fair value gain/(loss) on equity instruments at fair value through other comprehensive income		**1**	(10)
Items that may be reclassified subsequently to profit or loss			
Net exchange gain on net investment in foreign operations		**561**	349
Foreign currency translation:			
Exchange differences on translation of foreign operations		**506**	(922)
Other comprehensive income for the year, net of tax		**1,068**	(583)
Total comprehensive income for the year		**94,612**	75,165
Basic and diluted earnings per share (cents)	10	**34.10**	27.61

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 30 September 2024

	Note	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Non-current assets					
Property, plant and equipment	11	**110,930**	117,640	**100,089**	107,094
Investment properties	12	**2,054**	2,124	**–**	–
Investment in subsidiaries	13	**–**	–	**24,634**	36,517
Interest in joint venture	14	**10,004**	9,989	**6,076**	6,076
Interest in associate	15	**–**	4,120	**–**	4,120
Investment securities	16	**19,021**	28	**19,021**	28
Other receivables	18	**–**	1,994	**–**	1,994
		142,009	135,895	**149,820**	155,829
Current assets					
Inventories	17	**377,454**	407,094	**367,529**	402,740
Trade and other receivables	18	**153,148**	180,622	**153,329**	176,925
Prepayments		**39,526**	42,614	**38,555**	42,469
Deposits		**507**	505	**487**	492
Derivatives	19	**–**	1,007	**–**	1,007
Cash and cash equivalents	20	**191,374**	184,624	**189,292**	180,188
		762,009	816,466	**749,192**	803,821
Total assets		**904,018**	952,361	**899,012**	959,650
Current liabilities					
Trade and other payables	21	**128,475**	89,173	**127,446**	97,396
Contract liabilities	4(c)	**20,440**	19,733	**20,400**	19,698
Loans and borrowings	22	**220,780**	354,202	**220,780**	354,202
Lease liabilities	23	**6,484**	5,462	**6,484**	5,462
Provisions	24	**2,123**	12,411	**2,123**	12,374
Derivatives	19	**2,662**	–	**2,508**	–
Income tax liabilities		**17,401**	14,504	**17,330**	14,437
		398,365	495,485	**397,071**	503,569
Net current assets		**363,644**	320,981	**352,121**	300,252
Non-current liabilities					
Loans and borrowings	22	**–**	2,092	**–**	2,092
Lease liabilities	23	**18,467**	18,923	**18,467**	18,923
Provisions	24	**4,053**	1,230	**4,053**	1,230
Deferred tax liabilities	25	**7,849**	7,320	**7,117**	6,918
		30,369	29,565	**29,637**	29,163
Total liabilities		**428,734**	525,050	**426,708**	532,732
Net assets		**475,284**	427,311	**472,304**	426,918
Equity attributable to owners of the Company					
Share capital	26	**184,546**	184,546	**184,546**	184,546
Treasury shares	26	**(1,105)**	(1,105)	**(1,105)**	(1,105)
Other reserves	27	**(1,540)**	(2,608)	**5,564**	5,563
Retained earnings		**293,383**	246,478	**283,299**	237,914
Total equity		**475,284**	427,311	**472,304**	426,918
Total equity and liabilities		**904,018**	952,361	**899,012**	959,650

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF
CHANGES IN EQUITY

For the financial year ended 30 September 2024

	Note	Share capital $'000	Treasury shares $'000	Other reserves $'000	Retained earnings $'000	Total equity $'000
Group						
Balance at 1 October 2022		184,546	(1,105)	(2,025)	217,370	398,786
Profit for the year		–	–	–	75,748	75,748
Other comprehensive income for the year		–	–	(583)	–	(583)
Total comprehensive income for the year		–	–	(583)	75,748	75,165
Cash dividends on ordinary shares	28	–	–	–	(46,640)	(46,640)
Total contributions by and distributions to owners		–	–	–	(46,640)	(46,640)
Balance at 30 September 2023 and 1 October 2023		**184,546**	**(1,105)**	**(2,608)**	**246,478**	**427,311**
Profit for the year		**–**	**–**	**–**	**93,544**	**93,544**
Other comprehensive income for the year		**–**	**–**	**1,068**	**–**	**1,068**
Total comprehensive income for the year		**–**	**–**	**1,068**	**93,544**	**94,612**
Cash dividends on ordinary shares	28	**–**	**–**	**–**	**(46,639)**	**(46,639)**
Total contributions by and distributions to owners		**–**	**–**	**–**	**(46,639)**	**(46,639)**
Balance at 30 September 2024		**184,546**	**(1,105)**	**(1,540)**	**293,383**	**475,284**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	Share capital $'000	Treasury shares $'000	Other reserves $'000	Retained earnings $'000	Total equity $'000
Company						
Balance at 1 October 2022		184,546	(1,105)	475	209,011	392,927
Effects of amalgamation		–	–	5,098	(18,502)	(13,404)
Profit for the year		–	–	–	94,045	94,045
Other comprehensive income for the year		–	–	(10)	–	(10)
Total comprehensive income for the year		–	–	(10)	94,045	94,035
Cash dividends on ordinary shares	28	–	–	–	(46,640)	(46,640)
Total contributions by and distributions to owners		–	–	–	(46,640)	(46,640)
Balance at 30 September 2023 and 1 October 2023		**184,546**	**(1,105)**	**5,563**	**237,914**	**426,918**
Profit for the year		**–**	**–**	**–**	**92,024**	**92,024**
Other comprehensive income for the year		**–**	**–**	**1**	**–**	**1**
Total comprehensive income for the year		**–**	**–**	**1**	**92,024**	**92,025**
Cash dividends on ordinary shares	28	**–**	**–**	**–**	**(46,639)**	**(46,639)**
Total contributions by and distributions to owners		**–**	**–**	**–**	**(46,639)**	**(46,639)**
Balance at 30 September 2024		**184,546**	**(1,105)**	**5,564**	**283,299**	**472,304**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED
CASH FLOW STATEMENT

For the financial year ended 30 September 2024

	Note	2024 $'000	2023 $'000
Operating activities			
Profit before tax		**111,175**	91,221
Adjustments for:			
Share of results of joint venture	14	**(364)**	(830)
Share of results of associate	15	**1,500**	7,809
Depreciation of investment properties	12	**70**	70
Depreciation of property, plant and equipment	11	**19,131**	18,363
Write-off of property, plant and equipment	7	**4**	179
Allowance for/(reversal of) inventory obsolescence	17	**557**	(6,970)
(Reversal of)/allowance for expected credit losses on trade receivables	18	**(66)**	1,739
Fair value changes on trade receivables subjected to provisional pricing	7	**(643)**	3,731
Fair value changes on derivatives, net	19	**3,657**	117
Fair value changes on investment securities	16	**(1,200)**	–
(Gain)/loss on disposal of property, plant and equipment	7	**(133)**	103
Gain on disposal of interest in an associate	15	**(16,476)**	–
Reversal of provision for onerous contracts	7	**(7,347)**	(23,772)
Provision for retirement benefits	8	**6**	8
Unrealised exchange differences		**6,896**	4,610
Interest expense	6	**11,273**	12,852
Interest income	5	**(3,703)**	(3,737)
Dividend income from investment securities	5	**(4)**	–
Operating cash flow before working capital changes		**124,333**	105,493
Changes in working capital:			
Trade and other receivables		**28,331**	3,358
Inventories		**29,083**	45,647
Prepayments and deposits		**3,086**	(18,256)
Trade and other payables and contract liabilities		**36,785**	41,202
Cash flows generated from operations		**221,618**	177,444
Income taxes paid		**(14,205)**	(17,914)
Restoration costs paid	24	**(670)**	–
Retirement benefits paid	24	**(59)**	–
Net cash flows generated from operating activities		**206,684**	159,530

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CASH FLOW STATEMENT

For the financial year ended 30 September 2024

	Note	2024 $'000	2023 $'000
Investing activities			
Purchase of property, plant and equipment	11	**(4,307)**	(3,267)
Proceeds from disposal of property, plant and equipment		**448**	16
Proceeds from disposal of an associate		**18,917**	–
Interest received		**3,703**	1,920
Dividend income from interest in joint venture		**1,846**	3,989
Dividend income from investment securities		**4**	–
Acquisition of investment securities		**(17,792)**	–
Net cash flows generated from investing activities		**2,819**	2,658
Financing activities			
Repayment of principal obligations under lease liabilities	22	**(6,548)**	(6,101)
Repayment of bills payable, net	22	**(129,460)**	(48,498)
Repayment of bank loans	22	**(6,054)**	(27,359)
Dividends paid on ordinary shares	28	**(43,896)**	(32,922)
Interest paid		**(10,792)**	(12,142)
Net cash flows used in financing activities		**(196,750)**	(127,022)
Net increase in cash and cash equivalents		**12,753**	35,166
Cash and cash equivalents at beginning of year		**184,624**	154,574
Effects of exchange rate changes on cash and cash equivalents		**(6,003)**	(5,116)
Cash and cash equivalents at end of year	20	**191,374**	184,624

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

BRC Asia Limited (the “Company” or “BRC”) is a public company limited by shares incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The immediate and ultimate holding company is Green Esteel Pte. Ltd. (“Esteel”), a private company limited by shares incorporated and domiciled in Singapore.

The registered office and principal place of business of the Company is at 350 Jalan Boon Lay, Jurong Industrial Estate, Singapore 619530.

The principal activities of the Company are the prefabrication of steel reinforcement for use in concrete, trading of steel reinforcing bars, and manufacturing and sale of wire mesh fences. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

In the previous financial year, BRC’s wholly-owned subsidiaries, Lee Metal Group Pte. Ltd. (“LMG”) and Lee Welded Mesh Singapore Pte. Ltd. (“LWM”) were amalgamated with the Company, with BRC being the surviving company after amalgamation. The amalgamation is undertaken to streamline operations to improve operational efficiencies, attain economies of scale and synergies from better allocation of resources within the Group. The entire shares of these entities were cancelled pursuant to Section 215D of the Companies Act 1967.

The amalgamation was accounted for in the books using the pooling of interest method and accordingly, all the assets, liabilities and reserves of these entities were recorded by the Company at their existing carrying amounts.

2. Material accounting policies information

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (“SGD” or “$”) and all values in the tables are rounded to the nearest thousand (“$’000”), except when otherwise indicated.

2.2 *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year, except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 October 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

2. Material accounting policies information (cont'd)

2.3 ***Standards issued but not yet effective***

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 1-1 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 16 *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7 *Supplier Finance Arrangements*	1 January 2024
Amendments to SFRS(I) 1-21 *Lack of Exchangeability*	1 January 2025
Amendments to SFRS(I) 9 and SFRS(I) 7 *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Annual Improvements to SFRS(I) – Volume 11	1 January 2026
SFRS(I) 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

Except for SFRS(I) 18, the directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 18 is described below.

SFRS(I) 18 Presentation and Disclosure in Financial Statements

SFRS(I) 18 establishes the requirement to present income and expenditures in the statement of profit or loss in one of five categories – operating, investing, financing, income taxes and discontinued operations, based on the assessment of the Group's main business activity. The standard also introduces the requirement to disclose management-defined performance measures in a single note.

The standard is effective for annual periods beginning on or after 1 January 2027. As at the financial year end, the Group is assessing the impact of the adoption of SFRS(I) 18 in the year of initial application.

2.4 ***Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company's. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2. Material accounting policies information (cont'd)

2.5 ***Foreign currency***

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss on disposal of the foreign operation.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into Singapore Dollars at the rate of exchange ruling at the end of reporting period and the profit or loss are translated at the weighted average exchange rates for the financial year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.6 ***Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, all property, plant and equipment except for freehold land are measured at cost less accumulated depreciation and accumulated impairment losses.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated.

2. Material accounting policies information (cont'd)

2.6 ***Property, plant and equipment (cont'd)***

Depreciation is computed on a straight-line basis over the estimated useful life of the asset as follows:

Leasehold land and building	–	2 to 36 years
Plant and machinery	–	4 to 15 years
Motor vehicles	–	7 to 10 years
Furniture and equipment	–	3 to 5 years

Assets under construction are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.7 ***Investment properties***

Investment properties are properties that are either owned by the Group or right-of-use assets that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

Investment properties are initially measured at cost, including transaction costs and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed using the straight-line method to allocate their depreciable amount over the estimated useful life as follows:

Leasehold property	–	Over lease term of 45 years
Freehold property	–	30 years

The carrying value of investment properties are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognised in profit or loss in the year of retirement or disposal.

2. Material accounting policies information (cont'd)

2.8 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate balance sheet, investment in subsidiaries are accounted for at cost less impairment losses.

2.10 *Joint arrangements*

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for interest in joint venture is set out in Note 2.11.

2. Material accounting policies information (cont'd)

2.11 *Joint venture and associates*

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its interest in associate and joint venture using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the interest in associate or joint venture is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate or joint venture. The profit or loss reflects the share of results of the operations of the associate or joint venture. Distributions received from associate or joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's interest in associate or joint venture. The Group determines at each balance sheet date whether there is any objective evidence that the interest in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount within "share of results of associate or joint venture" in profit or loss.

The financial statements of the associate and joint venture are prepared as at the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's balance sheet, interests in joint venture and associate are stated at cost less accumulated impairment losses.

2. Material accounting policies information (cont'd)

2.12 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

At initial recognition, the Group measures a financial asset at its fair value, plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

<u>Investments in debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through the amortisation process.

(ii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income ("FVOCI") are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss ("FVPL") and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

<u>Investments in equity instruments</u>

On initial recognition of an investment in quoted equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in FVOCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

For investments in equity instruments which the Group has not elected to present subsequent changes in FVOCI, changes in fair value are recognised in profit or loss.

<u>Derivatives</u>

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

2. Material accounting policies information (cont'd)

2.12 ***Financial instruments (cont'd)***

(a) ***Financial assets (cont'd)***

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received, and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or has expired. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.13 ***Impairment of financial assets***

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantees. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default ("a lifetime ECL").

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. Material accounting policies information (cont'd)

2.13 *Impairment of financial assets (cont'd)*

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

2.15 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a weighted average basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 *Financial guarantee*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.13 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2. Material accounting policies information (cont'd)

2.18 ***Borrowing costs***

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress, and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other cost that an entity incurs in connection with the borrowing of funds.

2.19 ***Government grants***

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented as a credit in profit or loss, under "Other income".

2.20 ***Employee benefits***

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group makes contributions to the Central Provident Fund in Singapore, a defined contribution pension scheme. Similar defined contributions are made in accordance to other schemes in the jurisdiction that the Group operates in. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Retirement benefits*

Retirement benefits are granted to employees who commenced employment with the Company prior to 1 January 1983. The retirement benefits are calculated based on one week's pay for each full year of service at the employee's last-drawn salary at date of retirement.

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of a defined benefit plan is the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is calculated annually. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality government bonds that are denominated in the currency in which the benefits will be paid; and it has tenures approximating that of the related benefit obligations.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

2. Material accounting policies information (cont'd)

2.20 ***Employee benefits (cont'd)***

(b) *Retirement benefits (cont'd)*

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

(c) *Employee leave entitlements*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period. The net total of service costs, net interest on the liability and remeasurement of the liability are recognised in profit or loss.

2.21 ***Leases***

As lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and an estimate of costs of restoring the underlying asset required by terms and conditions of the lease. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.8 Impairment of non-financial assets. The Group's right-of-use assets are presented within property, plant and equipment (Note 11).

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group recognises those payments as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

2. Material accounting policies information (cont'd)

2.21 ***Leases (cont'd)***

As lessee (cont'd)

Lease liabilities (cont'd)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of land and machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of factory and office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.22 ***Revenue***

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Sale of goods*

The Group supplies steel products to its customers. Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

Some contracts with customers allow for price adjustments based on changes in steel reinforcement prices for the stipulated delivery month. These are referred to as provisional pricing arrangements. The period between provisional invoicing and the finalisation is up to two months.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price, net of estimated prompt payment discount and sales discount.

At the end of the reporting period, the Group updates its assessment of the estimated transaction price. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes.

2. Material accounting policies information (cont'd)

2.22 ***Revenue (cont'd)***

(b) *Rental income*

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(c) *Dividend income*

Dividend income is recognised when the Group's right to receive payment is established.

(d) *Interest income*

Interest income is recognised using the effective interest method.

2.23 ***Taxes***

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint venture and associate, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Material accounting policies information (cont'd)

2.23 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity; and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2. Material accounting policies information (cont'd)

2.23 ***Taxes (cont'd)***

(d) *Pillar Two rules*

The Organisation for Economic Co-operation and Development ("OECD") Inclusive Framework on Base Erosion and Profit Shifting ("BEPS") addresses the tax challenges arising from the digitalisation of the global economy. The Global Anti-Base Erosion Model Rules (Pillar Two model rules) apply to multinational enterprises ("MNEs") with annual revenue in excess of EUR 750 million per their consolidated financial statements.

The Pillar Two model rules introduce four new taxing mechanisms under which MNEs would pay a minimum level of tax (the Minimum Tax):

– The Qualified Domestic Minimum Top-up Tax ("QDMTT")
– The Income Inclusion Rule ("IIR")
– The Under Taxed Payments/Profits Rule ("UTPR")

The Subject to Tax Rule is a tax treaty-based rule that generally proposes a Minimum Tax on certain cross-border intercompany transactions that otherwise are not subject to a minimum level of tax.

The new taxing mechanisms can impose a minimum tax on the income arising in each jurisdiction in which an MNE operates. The IIR, UTPR and QDMTT do so by imposing a top-up tax in a jurisdiction whenever the effective tax rate ("ETR"), determined on a jurisdictional basis under the Pillar Two rules, is below a 15% minimum rate.

The Group is within the scope of the OECD Pillar Two model rules. The Group operates in jurisdictions such as Singapore, Malaysia and Australia.

Pillar Two legislation is effective in Australia from 1 January 2024 and the legislation is expected to come into effect from 1 January 2025 for Singapore and Malaysia.

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to SFRS(I) 1-12 issued in May 2023.

All entities within the group have an effective tax rate that exceeds 15%.

Due to complexities in applying the legislation and uncertainties surrounding when and how each jurisdiction will enact the legislations, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. Therefore, even for those entities with an accounting effective tax rate above 15%, there might still be Pillar Two tax implications. The Group is currently engaged with tax specialists to assist them with applying the legislation.

2.24 ***Share capital and share issuance expenses***

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.25 ***Treasury shares***

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2. Material accounting policies information (cont'd)

2.26 ***Contingencies***

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of asset or liability affected in the future periods.

3.1 ***Judgements made in applying accounting policies***

Management is of the opinion that there is no significant judgement made in applying the accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.2 ***Key sources of estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) **Impairment of trade receivables**

The Group uses a provision matrix to calculate ECLs for trade receivables carried at amortised cost. The provision rates are based on days past due for grouping of various customers that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in forward-looking estimates are analysed.

3. Significant accounting judgements and estimates (cont'd)

3.2 *Key sources of estimation uncertainty (cont'd)*

(a) **Impairment of trade receivables (cont'd)**

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables carried at amortised cost is disclosed in Note 33(a).

(b) **Provision for onerous contracts**

Provision for onerous contracts is recorded in respect of outstanding order books vis-à-vis inventory on hand and committed purchases whereby the costs to meet the obligations are expected to exceed the economic benefits to be received. Management assessed and estimated the unavoidable costs required to fulfil its contractual obligation based on the value of inventory on hand, plus estimated costs of inventory purchases and conversion costs required.

The carrying amount of the Group's and Company's provision for onerous contracts as at 30 September 2024 was $2,123,000 (2023: $9,471,000) and $2,123,000 (2023: $9,434,000) respectively (Note 24).

(c) **Impairment of investment in subsidiaries and interest in associate**

The Group and Company assesses at each reporting date whether there is an indicator that an asset may be impaired. If any indicator exists, the Group and Company make an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use ("VIU"), and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Management prepared discounted cash flow analysis to determine the recoverable amounts of certain subsidiaries and associate that are active using the VIU model. These were prepared based on assumptions such as forecasted revenue, profit margin, terminal growth rate and discount rate. These involve management judgement and estimation. For non-active subsidiaries, the recoverable amounts were determined based on fair value less cost of disposal. As a result of such impairment assessments, an impairment loss on investment in subsidiaries of $2,421,000 at Company level was recorded as at 30 September 2024 (2023: impairment loss on investment in subsidiaries and associate of $1,057,000 and $26,181,000 respectively). Refer to details in Notes 13 and 15.

The carrying amounts of the Company's investment in subsidiaries and the Group's interest in associate as at 30 September 2024 were $24,634,000 (2023: $36,517,000) and $Nil (2023: $4,120,000) respectively.

4. Revenue

(a) Disaggregation of revenue

	Group	
	2024	**2023**
	$'000	$'000
Primary geographical markets		
Australia	**5,317**	10,385
Brunei	**5,257**	14,777
Hong Kong	**1,650**	12,884
India	**4,337**	5,367
Indonesia	**41,101**	35,941
Malaysia	**116,865**	101,856
Singapore	**1,279,617**	1,252,742
Thailand	**26,537**	190,476
Others	**680**	2,570
	1,481,361	1,626,998
Timing of transfer of goods		
At a point in time	**1,481,361**	1,626,998

(b) Estimating variable consideration

In estimating the variable consideration for sale of goods with fluctuation clause based on published steel reinforcement index from the Building and Construction Authority, the Group applied the 'most likely amount method' to predict the steel reinforcement index based on spot sales prices and steel price trends.

(c) Contract balances

Information about receivables and contract liabilities from contracts with customers is disclosed as follows:

		Group		
	Note	**30.9.2024**	**30.9.2023**	**1.10.2022**
		$'000	$'000	$'000
Receivables from contracts with customers	18	**152,641**	179,785	187,601
Contract liabilities		**20,440**	19,733	9,743

The Group recognised a reversal of expected credit losses on trade receivables from contracts with customers amounting to $66,000 (2023: allowance for expected credit losses on trade receivables of $1,739,000).

Contract liabilities primarily relate to the Group's obligation to transfer goods to customers for which the Group has received advances from customers. These are recognised as revenue as the Group performs under the contract.

4. Revenue (cont'd)

(c) Contract balances (cont'd)

Significant changes in the contract liabilities balances during the period are as follows:

	Group	
	2024	**2023**
	$'000	$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**19,733**	9,576

5. Other income

	Group	
	2024	**2023**
	$'000	$'000
Bad debts recovered	**23**	419
Interest income from debt instruments at amortised cost	**3,703**	3,737
Dividend income from investment securities	**4**	–
Government grants	**188**	30
Rental income	**185**	170
Sundry income	**116**	167
Gain on disposal of property, plant and equipment	**133**	–
Fair value changes on investment securities	**1,200**	–
Foreign exchange gain, net	**–**	4,436
Insurance claims for bad debts	**426**	5,476
Gain on disposal of an associate	**16,476**	–
	22,454	14,435

Government grant income consist of Senior Employment Credit ("SEC"), CPF Transition Offset ("CTO") and Progressive Wage Credit Scheme ("PWCS").

6. Finance costs

	Group	
	2024	**2023**
	$'000	$'000
Interest expense on:		
- bills payable to banks	**10,446**	11,545
- lease liabilities	**737**	750
- bank loans	**90**	557
	11,273	12,852

7. Profit before tax

Profit before tax is arrived after charging/(crediting) the following:

		Group	
	Note	2024	2023
		$'000	$'000
Audit fees payable/paid to			
- Auditors of the company		**318**	386
- Other member firms of Ernst & Young Global		**12**	13
Non-audit fees payable/paid to			
- Auditors of the company		**28**	45
(Reversal of)/allowance for expected credit losses on trade receivables	18	**(66)**	1,739
Depreciation of property, plant and equipment	11	**19,131**	18,363
Depreciation of investment properties	12	**70**	70
Expenses relating to short-term leases	23(c)	**2,577**	2,465
Expenses relating to leases of low-value assets	23(c)	**16**	51
Foreign exchange loss/(gain), net		**5,069**	(4,436)
Fair value changes on derivatives, net		**3,657**	117
Reversal of provision for onerous contracts	24	**(7,347)**	(23,772)
Fair value changes on trade receivables subject to provisional pricing		**(643)**	3,731
Allowance for/(reversal of) inventory obsolescence	17	**557**	(6,970)
(Gain)/loss on disposal of property, plant and equipment		**(133)**	103
Write-off of property, plant and equipment		**4**	179
Employee compensation	8	**46,660**	41,574
Utilities		**6,524**	6,744
Repair and maintenance		**10,451**	10,091
Transportation expenses		**7,586**	6,974
Legal and other professional fees		**3,038**	776

8. Employee compensation

		Group	
	Note	2024	2023
		$'000	$'000
Wages and salaries		**42,959**	38,467
Employer's contribution to Central Provident Fund		**3,695**	3,099
Retirement benefits	24	**6**	8
		46,660	41,574

9. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 30 September 2024 and 2023 are:

	Group	
	2024	**2023**
	$'000	$'000
Current income tax		
- Current financial year	**17,109**	13,570
- Over provision in respect of previous financial years	**(7)**	(1,211)
	17,102	12,359
Deferred income tax		
- Current financial year arising from origination and reversal of temporary differences	**556**	2,991
- (Over)/under provision in respect of previous financial years	**(27)**	123
	529	3,114
Income tax expense recognised in profit or loss	**17,631**	15,473

Relationship between tax expense and profit before tax

A reconciliation between the tax expense and the product of profit before tax multiplied by the applicable corporate tax rate for the years ended 30 September 2024 and 2023 is as follows:

	Group	
	2024	**2023**
	$'000	$'000
Profit before tax	**111,175**	91,221
Tax calculated at domestic rates applicable to profits in the countries where the Group operates	**19,127**	15,470
Adjustments:		
Income not subject to taxation	**(2,914)**	(128)
Expenses not deductible for tax purposes	**1,759**	1,693
Effect of partial tax exemption and tax relief	**(55)**	(71)
Effects of deferred tax assets not recognised	**–**	89
Benefits from previously unrecognised capital allowances and tax losses	**(263)**	(318)
Over provision in respect of previous financial years	**(34)**	(1,088)
Reinvestment allowances from qualifying capital expenditure	**–**	(159)
Others	**11**	(15)
Income tax expense recognised in profit or loss	**17,631**	15,473

Tax consequences of proposed dividends

There is no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements as at 30 September 2024.

10. Earnings per share

Basic earnings per share is calculated by dividing profit net of tax attributable to owners of the Company by the weighted average number of ordinary shares (excluding treasury shares) outstanding during the financial year.

There were no dilutive potential ordinary shares for the financial years ended 30 September 2024 and 30 September 2023.

The earnings per share is calculated as follows:

	Group	
	2024	**2023**
	$'000	$'000
Profit for the year attributable to owners of the Company	**93,544**	75,748

	Weighted average no. of ordinary shares	
	2024	**2023**
	'000	'000
Weighted average number of ordinary shares (excluding treasury shares) for basic and diluted earnings per share computation	**274,350**	274,350

	Group	
	2024	**2023**
Basic and diluted earnings per share (cents)	**34.10**	27.61

11. Property, plant and equipment

	Leasehold land and buildings	Freehold land	Plant and machinery	Motor vehicles	Furniture and equipment	Construction in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Cost							
At 1 October 2022	113,410	2,080	131,905	7,272	7,094	1,535	263,296
Additions	6,427	–	910	1,089	69	141	8,636
Reclassification	1,198	–	5	276	197	(1,676)	–
Disposal	–	–	(459)	–	(4)	–	(463)
Written-off	(156)	–	(60)	–	(518)	–	(734)
Exchange differences	(353)	(124)	(587)	–	(41)	–	(1,105)
At 30 September 2023 and 1 October 2023	**120,526**	**1,956**	**131,714**	**8,637**	**6,797**	**–**	**269,630**
Additions	**7,805**	**–**	**1,095**	**2,486**	**241**	**400**	**12,027**
Disposal	**–**	**–**	**(460)**	**(992)**	**(23)**	**–**	**(1,475)**
Written-off	**–**	**–**	**(4)**	**–**	**(513)**	**–**	**(517)**
Expiry of leases	**(7,820)**	**–**	**–**	**–**	**–**	**–**	**(7,820)**
Exchange differences	**398**	**137**	**788**	**–**	**49**	**32**	**1,404**
At 30 September 2024	**120,909**	**2,093**	**133,133**	**10,131**	**6,551**	**432**	**273,249**
Accumulated depreciation							
At 1 October 2022	44,552	–	79,382	4,540	6,465	–	134,939
Disposal	–	–	(340)	–	(4)	–	(344)
Written-off	(5)	–	(33)	–	(517)	–	(555)
Exchange differences	(104)	–	(268)	–	(41)	–	(413)
Depreciation charge	8,663	–	8,127	1,208	365	–	18,363
At 30 September 2023 and 1 October 2023	**53,106**	**–**	**86,868**	**5,748**	**6,268**	**–**	**151,990**
Disposal	**–**		**(367)**	**(770)**	**(23)**	**–**	**(1,160)**
Written-off	**–**	**–**	**–**	**–**	**(513)**	**–**	**(513)**
Expiry of leases	**(7,820)**	**–**	**–**	**–**	**–**	**–**	**(7,820)**
Exchange differences	**142**	**–**	**512**	**–**	**37**	**–**	**691**
Depreciation charge	**10,161**	**–**	**7,626**	**1,009**	**335**	**–**	**19,131**
At 30 September 2024	**55,589**	**–**	**94,639**	**5,987**	**6,104**	**–**	**162,319**
Net carrying amount							
At 30 September 2024	**65,320**	**2,093**	**38,494**	**4,144**	**447**	**432**	**110,930**
At 30 September 2023	67,420	1,956	44,846	2,889	529	–	117,640

11. Property, plant and equipment (cont'd)

	Leasehold land and buildings	Plant and machinery	Motor vehicles	Furniture and equipment	Construction in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Company						
Cost						
At 1 October 2022	56,671	81,098	2,864	4,835	1,676	147,144
Effects of amalgamation	50,764	28,561	4,773	1,040	–	85,138
Additions	6,288	910	724	69	–	7,991
Reclassification	1,198	5	276	197	(1,676)	–
Disposal	–	(459)	–	–	–	(459)
Written-off	–	(22)	–	(2)	–	(24)
At 30 September 2023 and 1 October 2023	**114,921**	**110,093**	**8,637**	**6,139**	**–**	**239,790**
Additions	**7,750**	**1,091**	**2,486**	**136**	**–**	**11,463**
Disposal	**–**	**(460)**	**(992)**	**–**	**–**	**(1,452)**
Written-off	**–**	**–**	**–**	**(512)**	**–**	**(512)**
Expiry of leases	**(7,820)**	**–**	**–**	**–**	**–**	**(7,820)**
At 30 September 2024	**114,851**	**110,724**	**10,131**	**5,763**	**–**	**241,469**
Accumulated depreciation						
At 1 October 2022	30,290	52,335	2,076	4,424	–	89,125
Effects of amalgamation	13,166	12,117	3,044	979	–	29,306
Disposal	–	(340)	–	–	–	(340)
Written-off	–	(17)	–	(2)	–	(19)
Depreciation charge	7,883	5,764	629	348	–	14,624
At 30 September 2023 and 1 October 2023	**51,339**	**69,859**	**5,749**	**5,749**	**–**	**132,696**
Disposal	**–**	**(367)**	**(770)**	**–**	**–**	**(1,137)**
Written-off	**–**	**–**	**–**	**(512)**	**–**	**(512)**
Expiry of leases	**(7,820)**	**–**	**–**	**–**	**–**	**(7,820)**
Depreciation charge	**9,935**	**6,934**	**1,009**	**275**	**–**	**18,153**
At 30 September 2024	**53,454**	**76,426**	**5,988**	**5,512**	**–**	**141,380**
Net carrying amount						
At 30 September 2024	**61,397**	**34,298**	**4,143**	**251**	**–**	**100,089**
At 30 September 2023	63,582	40,234	2,888	390	–	107,094

11. Property, plant and equipment (cont'd)

Assets under construction

The Group's assets under construction mainly relate to expenditure for property and plant and machinery in the course of construction.

Subsequent measurement of leasehold building

Included in leasehold buildings is a building which was revalued based on valuation by an independent firm of professional valuers in 1993. The valuation was based on the open market value of the leasehold building. The revaluation surplus was taken to asset revaluation reserve.

Prior to the introduction of SFRS(I), the Group does not have a policy of periodic revaluation of property leasehold buildings (as allowed under FRS 16 for one-off revaluation performed on property, plant and equipment between 1 January 1984 and 31 December 1996). On transition from FRS 16 to SFRS(I) 1-16, upon adoption of SFRS(I) the property leasehold building was deemed to be held at cost based on the one-off revaluation performed on property, plant and equipment in 1993.

Assets pledged as security

The Group's leasehold buildings with a carrying amount of $Nil (2023: $4,100,000) are mortgaged to secure the Group's bank loans (Note 22).

Lease additions

The Group made adjustments of $7,720,000 (2023: $5,369,000) to the right-of-use asset as a result of lease and restoration costs reassessment. The cash outflow on acquisition of property, plant and equipment amounted to $4,307,000 (2023: $3,267,000).

Right-of-use assets

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 23.

12. Investment properties

	Group $'000
Balance sheet:	
Cost:	
At 1 October 2022, 30 September 2023, 1 October 2023 and 30 September 2024	**2,494**
Accumulated depreciation:	
At 1 October 2022	300
Depreciation charge	70
At 30 September 2023 and 1 October 2023	**370**
Depreciation charge	**70**
At 30 September 2024	**440**
Net carrying amount:	
At 30 September 2024	**2,054**
At 30 September 2023	2,124

12. Investment properties (cont'd)

	Group	
	2024	2023
	$'000	$'000
Statement of comprehensive income:		
Rental income from investment properties:		
- Minimum lease payments	**185**	170
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating properties	**(100)**	(97)

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance or enhancements.

The investment properties held by the Group as at 30 September 2024 and 2023 are as follows:

Description and location	Existing use	Tenure	Unexpired lease term
Factory unit, 3791 Jalan Bukit Merah^	Industrial	Leasehold	37 years (2023: 38 years)
Apartment unit, 2909/75-89 A'Beckett Street, Melbourne VIC 3000#	Residential	Freehold	N/A

^ Independently valued by Knight Frank Pte Ltd ("KFPL") at $1,950,000 for the entire premise at $7,529 per sqm in September 2022. The valuation was carried out based on direct comparison approach in which current market conditions and other relevant factors were considered.

Independently valued by KFPL at AUD 500,000 for the entire premise at AUD 9,091 per sqm in September 2022. The valuation was carried out based on direct comparison approach in which current market conditions and other relevant factors were considered.

13. Investment in subsidiaries

	Company	
	2024	2023
	$'000	$'000
Shares, at cost	**26,366**	29,123
Impairment loss	**(2,421)**	(1,057)
	23,945	28,066
Intercompany indebtedness:		
Non-trade amount due from a subsidiary	**689**	8,451
Total investment in subsidiaries	**24,634**	36,517

In the previous financial year, BRC's wholly-owned subsidiaries, LMG and LWM were amalgamated with the Company, with BRC being the surviving company after amalgamation (Note 1). Subsequent to the amalgamation, the share capital of the amalgamated entities were cancelled. As a result, the cost of investment in subsidiaries were reduced by $100,991,000 to $29,123,000 and the corresponding impairment loss of $4,200,000 were written off.

13. Investment in subsidiaries (cont'd)

During the financial year, a subsidiary of the Company undertook a capital reduction exercise. Accordingly, the cost of investment were reduced by $6,533,000. Additionally, the Company incorporated a wholly-owned subsidiary which led to an increase in the investment in subsidiaries by $3,776,000.

Intercompany indebtedness

The amount owing by a subsidiary included as part of the Company's net investment in the subsidiary is unsecured, bears interest at 4.26% to 4.76% per annum (2023: 4.24% to 4.89% per annum), has no fixed repayment terms and is repayable only when the cash flows of the subsidiary permit. During the year, the subsidiary made a repayment of $7,762,000.

Impairment assessment of investment in subsidiaries

In performing the impairment assessment of subsidiaries, the Company determined the recoverable amounts of the subsidiaries based on the higher of value-in-use calculations and fair value less cost of disposal. Based on the assessment, an impairment loss of $2,421,000 was recognised for the financial year ended 30 September 2024. For recoverable amounts using value-in-use computations, the key assumptions include forecasted revenue growth rate that ranges between -11.5% and 3.0% (2023: -9.7% and 1.7%), terminal growth rate of 2.2% (2023: 2.3%) and discount rate of 9.6% (2023: 11.3%). Management has also considered possible reasonable changes in the respective key assumptions and concluded that it will not result in significant changes.

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation/ business	Proportion of ownership interest (%) 2024	2023
Held by the Company				
BRC Asia (Australia) Pty. Ltd.[(1)]	Trading and distribution of steel products	Australia	**100**	100
BRC Asia (Thailand) Limited.[(2)]	Trading and distribution of steel products	Thailand	**100**	–
BRC International Pte. Ltd.[(3)]	Inactive	Singapore	**100**	100
BRC Prefab Holdings Sdn. Bhd.[(4)]	Prefabrication, trading and manufacturing and sale of steel products	Malaysia	**100**	100
BRC Prefab Sdn. Bhd.[(5)]	Inactive	Malaysia	**100**	100
BRC Projects Pte. Ltd.[(1)]	Dormant	Singapore	**100**	100
LMG Realty Pte. Ltd.[(3)]	Property development and investment	Singapore	**100**	100
Steel Park Malaysia Sdn. Bhd.[(6)]	Inactive	Malaysia	**100**	100

(1) Exempted from audit
(2) Audited by STTK Accounting Company Limited
(3) Audited by Ernst & Young LLP, Singapore
(4) Audited by a member firm of EY Global in the respective country
(5) Audited by Roger Yue & Associates
(6) Audited by Crowe Malaysia PLT

14. Interest in joint venture

The Company has a 50% (2023: 50%) equity interest in a joint venture, Anhui BRC & Ma Steel Weldmesh Co. Ltd, incorporated in the People's Republic of China ("PRC"). The joint venture's principal activity is to market and manufacture steel welded wire mesh and other forms of wire and reinforcing steel products for use in the construction industry in the PRC. The Group jointly controls the venture with the other partner under the contractual agreement and unanimous consent is required for all major decisions.

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000
Unquoted shares, at cost	**6,076**	6,076	**6,076**	6,076
Share of post-acquisition reserves	**12,403**	12,039	**–**	–
Less: Accumulated dividends received	**(7,277)**	(5,283)	**–**	–
Less: Dividend receivable from joint venture	**–**	(1,994)	**–**	–
Effects of exchange rates	**(1,198)**	(849)	**–**	–
	10,004	9,989	**6,076**	6,076

The summarised financial information of the joint venture and reconciliation with the carrying amount of the interest in the consolidated financial statements are as follows:

	2024	**2023**
	$'000	$'000
Summarised balance sheet		
Cash and cash equivalents	**3,550**	2,685
Other current assets	**33,580**	37,481
Current assets	**37,130**	40,166
Non-current assets	**4,549**	3,747
Total assets	**41,679**	43,913
Current liabilities	**21,082**	20,189
Non-current liabilities	**589**	3,746
Total liabilities	**21,671**	23,935
Net assets	**20,008**	19,978
Proportion of the Group's ownership	**50%**	50%
Group's share of net assets/carrying amount of the interest	**10,004**	9,989

14. Interest in joint venture (cont'd)

	2024	2023
	$'000	$'000
Summarised statement of comprehensive income		
Revenue	**53,430**	63,806
Depreciation	**(43)**	(64)
Interest expense	**(619)**	(546)
Operating expenses	**(51,992)**	(61,470)
Profit before tax	**776**	1,726
Tax	**(48)**	(66)
Profit after tax representing total comprehensive income	**728**	1,660
50% share of results of joint venture	**364**	830

In the previous financial year, a reversal of allowance for impairment was recorded by the Company for dividends declared in financial year ended 30 September 2019 that amounted to $5,983,000. Dividends of $3,989,000 were received by the Company in the previous financial year and the remaining dividends was received during the financial year.

15. Interest in associate

The Group's interest in associate is summarised below:

	Group	Company
	2023	2023
	$'000	$'000
Unquoted shares, at cost	**2,155**	2,155
Shareholder loans	**28,146**	28,146
Share of post-acquisition reserve	**(19,309)**	–
Impairment loss	**(7,079)**	(26,181)
Effects of exchange difference	**207**	–
	4,120	4,120

Impairment of interest in associate

In the previous financial year, indicators of impairment were noted for the Group's associate, Pristine Islands Investment Pte. Ltd. due to escalating operating costs and higher interest rates. The Group and Company carried out a review of the recoverable amount of this investment. The recoverable amount was estimated based on the value-in-use model.

The key assumptions underlying the Group's impairment assessment of its interest in an associate and the associate's assessment of its underlying investee's operations which comprises hotel and resort operations and airport management are:

- Cash flow projections covering a 5-year period; and

- Cash flows beyond the 5-year period were extrapolated using an estimated long-term growth rate which did not exceed the long-term average growth rate of the country in which the associate's investments are located.

15. Interest in associate (cont'd)

Impairment of interest in associate (cont'd)

The significant inputs are set out in the table as follows:

	2023 %
Hotel and resort operations	
Average revenue growth rate	6.1
Terminal growth rate	2.0
Discount rate	17.0
Airport management	
Average revenue growth rate	3.9
Terminal growth rate	2.0
Discount rate	17.0

Arising from the impairment assessment, an impairment charge of $5,387,000 was recognised in the "share of results of associate" line item of the consolidated statement of comprehensive income at Group level for the financial year ended 30 September 2023. At Company level, the impairment loss of the interest in associate amounted to $7,107,000. Management had also considered possible reasonable changes in the respective key assumptions and concluded that it will not result in significant changes.

During the financial year, the interest in associate was disposed and a gain on disposal of $16,476,000 was recorded under "Other income".

Details of the associate is as follows:

Name of associate	Principal activities	Country of incorporation/ business	Proportion of ownership interest (%) 2023
Held by the Company			
Pristine Islands Investment Pte. Ltd.[1]	Investment holding	Singapore	17

[1] Audited by Mazars LLP, this associate holds an investment which operates primarily in the hospitality and tourism industry in the Maldives

The shareholder loans were unsecured and bore interest at 1% per annum above the prevailing bank lending rates. Included in the amount comprise interest receivable of $6,352,000 as at 30 September 2023 and were not expected to be repaid in the next twelve months.

15. Interest in associate (cont'd)

The summarised financial information in respect of Pristine Islands Investment Pte. Ltd. ("PII") based on its SFRS financial statements and a reconciliation with the carrying amount of the interest in the consolidated financial statements are as follows:

	2023
	$'000
Summarised balance sheet	
Current assets	14,411
Non-current assets	157,986
Total assets	172,397
Current liabilities	63,121
Non-current liabilities	209,033
Total liabilities	272,154
Net liabilities	(99,757)
Less: Non-controlling interest	71
Net liabilities attributable to owners of the associate	(99,686)
Net liabilities excluding goodwill	(99,686)
Proportion of the Group's ownership	17%
Group's share of net liabilities	(16,947)
Shareholder loans	28,146
Less: Impairment loss	(7,079)
Carrying amount of the interest	4,120

	1.10.2023 to 7.6.2024	**2023**
	$'000	$'000
Summarised statement of comprehensive income		
Revenue	**33,845**	51,295
Loss after tax representing total comprehensive income	**(8,824)**	(14,248)
17% share of results of associate	**(1,500)**	(2,422)

The Company pledged its entire shareholdings in PII to a consortium of banks in respect of loan facilities granted to PII. A similar charge was executed by all other shareholders of PII in respect of their shareholdings.

16. Investment securities

	Note	Group and Company 2024	Group and Company 2023
		$'000	$'000
At fair value through other comprehensive income			
- Equity securities (quoted)		**29**	28
At fair value through profit or loss			
- Equity securities (unquoted)		**18,992**	–
		19,021	28
At beginning of the financial year		**28**	38
Fair value changes recognised in other comprehensive income	27(a)	**1**	(10)
Acquisition of investment securities		**17,792**	–
Fair value changes recognised in profit or loss	5	**1,200**	–
At end of the financial year		**19,021**	28

The Group has elected to measure the quoted equity securities at fair value through other comprehensive income due to the Group's intention to hold these equity instruments as long-term investments and the unquoted equity securities at fair value through profit or loss.

In the financial year, the Group recognised dividends of $4,000 (2023: $Nil) from investment securities at FVOCI.

17. Inventories

	Group 2024	Group 2023	Company 2024	Company 2023
	$'000	$'000	$'000	$'000
Balance Sheet:				
Raw materials	**364,052**	353,033	**360,517**	349,053
Finished goods	**7,740**	1,991	**1,350**	1,617
Goods in transit	**6,598**	52,449	**6,598**	52,449
	378,390	407,473	**368,465**	403,119
Allowance for inventory obsolescence	**(936)**	(379)	**(936)**	(379)
	377,454	407,094	**367,529**	402,740

The cost of inventories recognised as expense and included in "Cost of sales" in the consolidated statement of comprehensive income amounted to $883,699,000 (2023: $928,190,000).

The allowance for inventory obsolescence recognised as expense and included in "Cost of sales" in the consolidated statement of comprehensive income amounted to $557,000 (2023: reversal of allowance for inventory obsolescence of $6,970,000).

18. Trade and other receivables

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000
Trade receivables (current)				
Trade receivables, net:				
- Due from third parties	**149,098**	175,789	**142,924**	168,051
- Due from related parties	**3,543**	3,996	**2,614**	2,777
- Due from subsidiaries	**–**	–	**6,928**	4,421
	152,641	179,785	**152,466**	175,249
Other receivables (current)				
- Due from third parties	**506**	831	**–**	789
- Due from subsidiaries	**–**	–	**862**	881
- Due from a joint venture	**1**	6	**1**	6
	507	837	**863**	1,676
Total trade and other receivables (current)	**153,148**	180,622	**153,329**	176,925
Other receivables (non-current)				
- Dividend receivable from a joint venture (Note 14)	**–**	1,994	**–**	1,994
Total trade and other receivables (current and non-current)	**153,148**	182,616	**153,329**	178,919
Add:				
Deposits	**507**	505	**487**	492
Cash and cash equivalents (Note 20)	**191,374**	184,624	**189,292**	180,188
Less:				
Sales tax receivables, net	**(446)**	–	**–**	–
Trade receivables subject to provisional pricing	**(38,130)**	(55,492)	**(38,130)**	(55,492)
Total financial assets carried at amortised cost	**306,453**	312,253	**304,978**	304,107
Trade receivables subject to provisional pricing	**38,130**	55,492	**38,130**	55,492
Add:				
Investment securities (Note 16)	**18,992**	–	**18,992**	–
Currency forward contracts (Note 19)	**–**	1,007	**–**	1,007
Total financial assets at fair value through profit or loss	**57,122**	56,499	**57,122**	56,499

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables subject to provisional pricing amounting to $38,130,000 (2023: $55,492,000) relate to sale of goods with price fluctuation clause which allow for price adjustments based on the market price.

18. Trade and other receivables (cont'd)

Trade receivables (cont'd)

Receivables denominated in foreign currencies are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000
Australian Dollar	**583**	3,034	**583**	3,034
United States Dollar	**3,159**	1,096	**3,159**	475

Related party balances

The non-trade amounts due from subsidiaries and joint venture are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

Dividend receivable from joint venture was expected to be received in January 2025 and was classified as non-current other receivable in the previous financial year.

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group	
	2024	**2023**
	$'000	$'000
Movements in allowance accounts:		
At beginning of financial year	**6,547**	5,339
(Reversal)/charge for the financial year	**(66)**	1,739
Exchange differences	**27**	(29)
Written off	**(880)**	(502)
At end of financial year	**5,628**	6,547

Trade receivables relating to debtors who were undergoing liquidation was written off as the Group does not expect to receive future cash flows from these debtors.

19. Derivatives

Derivatives comprise currency forward contracts that are used to hedge foreign currency payables and contracted purchase commitments of inventories denominated in US Dollar which exist at the balance sheet date and extending to December 2024 (2023: January 2024).

	Group					
	2024			2023		
	Contract/ Notional Amount	Assets	Liabilities	Contract/ Notional Amount	Assets	Liabilities
	$'000	$'000	$'000	$'000	$'000	$'000
Currency forward contracts	**127,486**	**–**	**2,662**	70,546	1,007	–

	Company					
	2024			2023		
	Contract/ Notional Amount	Assets	Liabilities	Contract/ Notional Amount	Assets	Liabilities
	$'000	$'000	$'000	$'000	$'000	$'000
Currency forward contracts	**123,925**	**–**	**2,508**	70,546	1,007	–

20. Cash and cash equivalents

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Cash at banks and on hand	**191,374**	184,624	**189,292**	180,188

Cash at banks earn interest at floating rates based on daily bank deposit rates.

Cash and cash equivalents denominated in foreign currencies are as follows:

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Australian Dollar	**5,727**	4,334	**5,727**	4,334
Malaysia Ringgit	**376**	623	**376**	623
United States Dollar	**95,956**	71,670	**95,952**	71,666

21. Trade and other payables

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000
Trade payables:				
- Due to third parties	**81,854**	48,925	**81,785**	48,874
	81,854	48,925	**81,785**	48,874
Other payables:				
- Due to a subsidiary	**–**	–	**–**	9,192
- Due to a related party	**–**	2,132	**–**	2,131
- Sales tax payables, net	**2,600**	2,675	**2,600**	2,675
- Accrued employee compensation	**22,749**	17,369	**22,260**	16,962
- Accrued operating expenses	**4,811**	4,354	**4,340**	3,844
- Accrued dividend payable	**16,461**	13,718	**16,461**	13,718
	46,621	40,248	**45,661**	48,522
Total trade and other payables	**128,475**	89,173	**127,446**	97,396
Add:				
Loans and borrowings (Note 22)	**245,731**	380,679	**245,731**	380,679
Less:				
Provision for unutilised leave	**(1,168)**	(1,144)	**(1,168)**	(1,144)
Sales tax payables, net	**(2,600)**	(2,675)	**(2,600)**	(2,675)
Lease liabilities (Note 23)	**(24,951)**	(24,385)	**(24,951)**	(24,385)
Total financial liabilities carried at amortised cost	**345,487**	441,648	**344,458**	449,871

Trade payables are generally settled on 30 to 60 days' terms.

The other payables due to a subsidiary were unsecured, non-interest bearing, repayable on demand and were expected to be settled in cash, except for $8,773,000 which was interest bearing at 4.24% to 4.89%. Other payables due to a related party relates to settlement amounts arising from cancellation of purchase contracts payable to a company related to the shareholder and were unsecured, non-interest bearing and expected to be settled in cash.

Trade and other payables denominated in foreign currencies are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000
Euro	**37**	38	**37**	38
Malaysia Ringgit	**20**	42	**20**	78
United States Dollar	**66,116**	2,930	**66,116**	2,930

22. Loans and borrowings

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000
Current				
Bills payable to banks (unsecured)	**219,788**	349,248	**219,788**	349,248
Bank loans (secured)	**–**	3,657	**–**	3,657
Bank loans (unsecured)	**992**	1,297	**992**	1,297
	220,780	354,202	**220,780**	354,202
Non-current				
Bank loans (secured)	**–**	1,100	**–**	1,100
Bank loans (unsecured)	**–**	992	**–**	992
	–	2,092	**–**	2,092
Total loans and borrowings (current and non-current)	**220,780**	356,294	**220,780**	356,294

Bills payable to banks

Bills payable bear interest at 3.66% to 5.88% per annum (2023: 4.21% to 6.28% per annum) and are repayable within 6 months (2023: 5 months) after the financial year end.

Bank loans (secured)

As of 30 September 2023, the bank loans bore interest at 1.88% per annum. These were secured by certain leasehold buildings (Note 11) and were repayable in equal instalments over the next 2 years. The loan has been fully repaid during the year.

Bank loans (unsecured)

This comprise the balance of an initial loan of $5,000,000, interest bearing at 2.25% per annum and repayable in 48 equal monthly instalments from July 2021.

22. Loans and borrowings (cont'd)

A reconciliation of liabilities arising from financing activities is as follows:

	1.10.2023	Cash flows	Non-cash changes: Accretion of interest	Additions	Other*	30.9.2024
	$'000	$'000	$'000	$'000	$'000	$'000
Bills payable and bank loans						
- Current	**354,202**	**(144,950)**	**10,536**	**–**	**992**	**220,780**
- Non-current	**2,092**	**(1,100)**	**–**	**–**	**(992)**	**–**
Lease liabilities						
- Current	**5,462**	**(7,285)**	**737**	**2,627**	**4,943**	**6,484**
- Non-current	**18,923**	**–**	**–**	**4,487**	**(4,943)**	**18,467**
	380,679	**(153,335)**	**11,273**	**7,114**	**–**	**245,731**

* relates to reclassification of non-current portion due to passage of time.

	1.10.2022	Cash flows	Non-cash changes: Accretion of interest	Additions	Other*	30.9.2023
	$'000	$'000	$'000	$'000	$'000	$'000
Bills payable and bank loans						
- Current	405,483	(68,337)	12,102	–	4,954	354,202
- Non-current	26,668	(19,622)	–	–	(4,954)	2,092
Lease liabilities						
- Current	4,645	(6,851)	750	3,140	3,778	5,462
- Non-current	21,181	–	–	1,520	(3,778)	18,923
	457,977	(94,810)	12,852	4,660	–	380,679

* relates to reclassification of non-current portion due to passage of time.

23. Leases

Group and Company as lessee

The Group and Company have lease contracts for leasehold land for its offices and production facilities. These generally have lease terms between 2 to 27 years. The Group and Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group and Company are restricted from assigning and subleasing the leased assets.

The Group and Company also have certain leases with lease terms of 12 months or less and leases of low value. The Group and Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(a) **Carrying amounts of right-of-use assets classified within property, plant and equipment**

Group	**Leasehold land** $'000
Cost	
As at 1 October 2022	41,352
Remeasurements	5,369
As at 30 September 2023 and 1 October 2023	**46,721**
Additions	**7,236**
Expiry of leases	**(7,820)**
Remeasurements	**484**
As at 30 September 2024	**46,621**
Accumulated depreciation	
As at 1 October 2022	16,157
Depreciation charge	6,282
As at 30 September 2023 and 1 October 2023	**22,439**
Expiry of leases	**(7,820)**
Depreciation charge	**7,211**
As at 30 September 2024	**21,830**
Net carrying amount	
As at 30 September 2024	**24,791**
As at 30 September 2023	24,282

23. Leases (cont'd)

Group and Company as lessee (cont'd)

(a) **Carrying amounts of right-of-use assets classified within property, plant and equipment (cont'd)**

Company	**Leasehold land**
	$'000
Cost	
As at 1 October 2022	30,392
Effects of amalgamation	11,099
Remeasurements	5,230
As at 30 September 2023 and 1 October 2023	**46,721**
Additions	**6,630**
Expiry of leases	**(7,820)**
Remeasurements	**484**
As at 30 September 2024	**46,015**
Accumulated depreciation	
As at 1 October 2022	12,409
Effects of amalgamation	3,892
Depreciation charge for the year	6,138
As at 30 September 2023 and 1 October 2023	**22,439**
Expiry of leases	**(7,820)**
Depreciation charge for the year	**7,211**
As at 30 September 2024	**21,830**
Net carrying amount	
As at 30 September 2024	**24,185**
As at 30 September 2023	24,282

23. Leases (cont'd)

Group and Company as lessee (cont'd)

(b) **Lease liabilities**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000
As at 1 October	**24,385**	25,826	**24,385**	18,504
Additions	**6,630**	–	**6,630**	–
Effects of amalgamation	**–**	–	**–**	7,349
Remeasurements, net	**484**	4,660	**484**	4,521
Accretion of interest	**737**	750	**737**	630
Payments	**(7,285)**	(6,851)	**(7,285)**	(6,619)
As at 30 September	**24,951**	24,385	**24,951**	24,385
Represented by:				
Current	**6,484**	5,462	**6,484**	5,462
Non-current	**18,467**	18,923	**18,467**	18,923
	24,951	24,385	**24,951**	24,385

(c) **Amounts recognised in profit or loss**

	Group	
	2024	**2023**
	$'000	$'000
Depreciation expense of right-of-use assets	**7,211**	6,282
Interest expense on lease liabilities	**737**	750
Expenses relating to short-term leases	**2,577**	2,465
Expenses relating to low-value leases	**16**	51
Total amount recognised in profit or loss	**10,541**	9,548

The Group had total cash outflows for leases of $9,878,000 (2023: $9,367,000) in 2024. The maturity analysis of lease liabilities are disclosed in Note 33(b).

Group as a lessor

The Group has entered into operating lease on its investment property. This lease has a remaining term of 4 years (2023: 1 year). Future minimum receivables under non-cancellable operating leases as at 30 September 2024 are as follows:

	Group	
	2024	**2023**
	$'000	$'000
Within one year	**162**	82
After one year but not more than five years	**554**	–
	716	82

24. Provisions

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000
Current				
Provision for onerous contracts	**2,123**	9,471	**2,123**	9,434
Provision for restoration costs	**–**	2,884	**–**	2,884
Provision for retirement benefits	**–**	56	**–**	56
	2,123	12,411	**2,123**	12,374
Non-current				
Provision for retirement benefits	**47**	44	**47**	44
Provision for restoration costs	**4,006**	1,186	**4,006**	1,186
	4,053	1,230	**4,053**	1,230

Provision for onerous contracts

Provision for onerous contracts are recorded in respect of certain sales contracts for which the estimated unavoidable costs to meet contractual obligations are expected to exceed the economic benefits to be received under it. Reversal of the provision is dependent on the timing of fulfilment of the contracts and the actual steel prices at that point.

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000
At beginning of the financial year	**9,471**	33,262	**9,434**	32,537
Effects of amalgamation	**–**	–	**–**	233
Reversal for the year, net	**(7,347)**	(23,772)	**(7,311)**	(23,336)
Exchange differences	**(1)**	(19)	**–**	–
At end of the financial year	**2,123**	9,471	**2,123**	9,434

Provision for restoration costs

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000
At beginning of the financial year	**4,070**	3,361	**4,070**	2,981
Effects of amalgamation	**–**	–	**–**	380
Restoration costs paid	**(670)**	–	**(670)**	–
Charge for the year	**606**	709	**606**	709
At end of the financial year	**4,006**	4,070	**4,006**	4,070

24. Provisions (cont'd)

Provision for retirement benefits

The Company has in place a retirement benefit scheme for employees who commenced employment with the Company prior to 1 January 1983. The retirement benefits are calculated based on one week's pay for each full year of service at the employee's estimated last-drawn basic salary at date of retirement. The retirement benefit scheme is unfunded and will be paid out by the Company in cash when due. As at 30 September 2024, there are no plan assets (2023: Nil).

The changes in the present value of the defined retirement benefit obligation recognised as a liability in the balance sheets are as follows:

	Group and Company	
	2024	**2023**
	$'000	$'000
At beginning of the financial year	**100**	92
Payment during financial year	**(59)**	–
Charged to statement of comprehensive income (Note 8)	**6**	8
Service cost	**4**	6
Interest cost	**2**	2
At end of the financial year	**47**	100

Of the total charged, amounts of $3,000 (2023: $5,000) and $3,000 (2023: $3,000) were included in "Cost of Sales" and "Administrative expenses" respectively.

The principal actuarial assumptions at the balance sheet date are as follows:

	Group and Company	
	2024	**2023**
Discount rate at 30 September	**2%**	2%
Future salary increases	**1%**	1%
Resignation rate	**0%**	0%

Amounts for the current and previous four periods are as follows:

	2024	**2023**	**2022**	**2021**	**2020**
	$'000	$'000	$'000	$'000	$'000
Defined benefit obligation	**47**	100	92	178	261

25. Deferred tax assets and liabilities

Deferred tax as at 30 September 2024 and 2023 relates to the following:

	Group				Company	
	Consolidated Balance Sheet		Consolidated Income Statement		Balance Sheet	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred tax assets:						
Provisions	**2,559**	4,114	**1,555**	4,404	**2,386**	3,963
Unutilised tax losses and capital allowances	**–**	400	**400**	328	**–**	–
Lease liabilities	**4,242**	4,145	**(97)**	245	**4,242**	4,145
Deferred tax liabilities:						
Differences in depreciation for tax purposes	**(10,036)**	(11,199)	**(1,163)**	1,877	**(9,131)**	(10,246)
Fair value adjustments on acquisition of subsidiaries	**–**	–	**–**	(3,764)	**–**	–
Undistributed earnings	**(389)**	(635)	**(246)**	129	**(389)**	(635)
Right-of-use assets	**(4,225)**	(4,145)	**80**	(105)	**(4,225)**	(4,145)
Deferred tax liabilities, net	**(7,849)**	(7,320)			**(7,117)**	(6,918)
Deferred tax expense			**529**	3,114		

26. Share capital and treasury shares

	No. of ordinary shares		Amount	
	Issued share capital	**Treasury shares**	**Share capital**	**Treasury shares**
Group and Company	'000	'000	$'000	$'000
Balance as at 1 October 2022, 30 September 2023, 1 October 2023 and 30 September 2024	**275,977**	**1,627**	**184,546**	**(1,105)**

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value. Treasury shares relate to ordinary shares of the Company that are held by the Company.

There has been no purchase of treasury shares during the financial years ended 30 September 2024 and 30 September 2023 and there has been no reissuance of treasury shares since their acquisitions.

27. Other reserves

		Group		Company	
		2024	2023	2024	2023
	Note	$'000	$'000	$'000	$'000
Fair value reserve	(a)	**(131)**	(132)	**(131)**	(132)
Foreign currency translation reserve	(b)	**(2,006)**	(3,073)	**–**	–
Asset revaluation reserve	(c)	**597**	597	**597**	597
Amalgamation reserve	(d)	**–**	–	**5,098**	5,098
		(1,540)	(2,608)	**5,564**	5,563

(a) **Fair value reserve**

Fair value reserve represents the cumulative fair value changes, net of tax, of quoted investment securities until they are disposed or impaired.

	Group and Company	
	2024	2023
	$'000	$'000
At beginning of the financial year	**(132)**	(122)
- Net gain/(loss) on fair value changes during the financial year	**1**	(10)
At end of the financial year	**(131)**	(132)

(b) **Foreign currency translation reserve**

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the effect of exchange differences arising on monetary items that forms part of the Group's net investment in foreign operations.

	Group	
	2024	2023
	$'000	$'000
At beginning of the financial year	**(3,073)**	(2,500)
Net effect of exchange differences arising from the translation of financial statements of foreign operations	**506**	(922)
Net effect of exchange differences arising from the shareholder loans due from an associate and a subsidiary	**561**	349
At end of the financial year	**(2,006)**	(3,073)

(c) **Asset revaluation reserve**

Asset revaluation reserve arose on revaluation of a certain leasehold building in 1993 (Note 11). There is no movement in asset revaluation reserve during the current and previous financial years as the Group does not have a policy of periodic revaluation of leasehold buildings.

(d) **Amalgamation reserve**

Amalgamation reserve relates to the share capital, retained earnings and carrying value of fair value uplift of property, plant and equipment of LMG and LWM upon amalgamation.

28. Dividends

	Group and Company	
	2024	**2023**
	$'000	$'000
Declared and paid/payable during the financial year:		
Cash dividends on ordinary shares:		
- Interim exempt (one-tier) dividend of 6 cents (2023: 5 cents) per share in respect of the current financial year	**16,461**	13,718
- Final exempt (one-tier) dividend of 5.5 cents (2023: 6 cents) per share in respect of the previous financial year	**15,089**	16,461
- Special exempt (one-tier) dividend of 5.5 cents (2023: 6 cents) per share in respect of the previous financial year	**15,089**	16,461
	46,639	46,640

Proposed but not recognised as a liability as at 30 September:

Dividends on ordinary shares, subject to shareholders' approval at the forthcoming Annual General Meeting ("AGM"):

	Group and Company	
	2024	**2023**
	$'000	$'000
- Final exempt (one-tier) dividend for 2024: 8 cents (2023: 5.5 cents) per share	**21,948**	15,089
- Special exempt (one-tier) dividend for 2024: 6 cents (2023: 5.5 cents) per share	**16,461**	15,089
	38,409	30,178

29. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following were significant transactions between the Group and related parties on rates and terms agreed during the financial year:

(a) **Sales and purchases of goods and services**

	Group	
	2024	**2023**
	$'000	$'000
Interest income from associate	**–**	1,817
Sales to companies related to substantial shareholders	**27,946**	22,690
Purchases from a company related to a substantial shareholder	**341**	1,568
Settlement of cancellation of purchase contract with a company related to shareholder	**–**	2,107
Sales commission paid to a company related to a substantial shareholder	**–**	42

29. Related party transactions (cont'd)

(b) Compensation of key management personnel

The remuneration of directors and other members of key management of the Group paid during the financial year is as follows:

	Group	
	2024	**2023**
	$'000	$'000
Wages and salaries	11,480	8,434
Employer's contribution to Central Provident Fund	95	90
Other short-term benefits	388	343
Directors' fees	460	460
	12,423	9,327

Included in the above is total compensation to directors (including directors' fees) of the Company amounting to $7,271,000 (2023: $5,501,000).

30. Commitments and contingencies

(a) Capital commitments

Capital expenditures contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000
Capital commitment in respect of:				
- Plant and machinery	**1,714**	1,139	**1,714**	1,139
- Motor vehicles	**405**	–	**405**	–
	2,119	1,139	**2,119**	1,139

(b) Contingencies

In the previous financial year, the Company provided a corporate guarantee in respect of banking facilities provided by a consortium of banks to an associate up to the extent of the Company's 17% shareholding in the investee. As at 30 September 2023, the amount of facilities drawn down by the associate amounted to $41,593,000.

31. Segment reporting

For management purposes, the Group is organised into three (2023: three) business units based on its products and services, and has reportable segments as follows:

(i) The fabrication and manufacturing segment is involved in the business of processing and prefabrication of steel reinforcement, including sale of standard-length rebar, for use in concrete.

(ii) Trading segment is involved in trading of steel and steel related products in both domestic and international market.

31. Segment reporting (cont'd)

(iii) Others relates to property development and interest in associate who operates in the business of management of airport, hotel and resort and property development.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Year ended 30 September 2024	Fabrication and manufacturing	Others	Trading	Adjustments and eliminations	Note	Group
	$'000	$'000	$'000	$'000		$'000
Revenue:						
External customers	**1,263,674**	–	**217,687**	–		**1,481,361**
Inter-segment	–	–	–	–		–
Total revenue	**1,263,674**	–	**217,687**	–		**1,481,361**
Results:						
Interest income	**3,703**	–	–	–		**3,703**
Interest expense	**(10,806)**	–	**(467)**	–		**(11,273)**
Dividend income	**4**	–	–	–		**4**
Depreciation expense	**(19,131)**	**(70)**	–			**(19,201)**
Share of results of joint venture	**364**	–	–	–		**364**
Share of results of associate	–	**(1,500)**	–	–		**(1,500)**
Reversal of provision for onerous contracts	**7,347**	–	–	–		**7,347**
Reversal of expected credit losses on trade receivables	**66**	–	–	–		**66**
Fair value changes on trade receivables subject to provisional pricing	**643**	–	–	–		**643**
Other non-cash expense	**(561)**	–	–	–		**(561)**
Income tax expense	**(17,108)**	**(19)**	**(504)**	–		**(17,631)**
Segment profit	**76,176**	**14,969**	**2,399**	–		**93,544**
Assets:						
Segments assets	**862,173**	**17,063**	**24,782**	–	**A**	**904,018**
Additions to property, plant and equipment	**4,306**	–	**1**	–		**4,307**
Interest in joint venture	**10,004**	–	–	–		**10,004**
Liabilities:						
Segment liabilities	**(387,244)**	**(6,725)**	**(34,765)**	–	**A**	**(428,734)**

Note A: Inter-segment assets/liabilities are deducted from segment assets/liabilities to arrive at total assets/liabilities reported in the consolidated balance sheet.

31. Segment reporting (cont'd)

Year ended 30 September 2023	Fabrication and manufacturing	Others	Trading	Adjustments and eliminations	Note	Group
	$'000	$'000	$'000	$'000		$'000
Revenue:						
External customers	1,213,728	–	413,270	–		1,626,998
Inter-segment	–	–	–	–		–
Total revenue	1,213,728	–	413,270	–		1,626,998
Results:						
Interest income	3,737	–	–	–		3,737
Interest expense	(12,006)	(43)	(803)	–		(12,852)
Depreciation expense	(17,733)	(700)	–			(18,433)
Share of results of joint venture	830	–	–	–		830
Share of results of associate	–	(7,809)	–	–		(7,809)
Reversal of provision for onerous contracts	23,772	–	–	–		23,772
Allowance for expected credit losses on trade receivables, net	(1,739)	–	–	–		(1,739)
Fair value changes on trade receivables subject to provisional pricing	(3,731)	–	–	–		(3,731)
Other non-cash expense	6,791	–	–	–		6,791
Income tax expense	(14,786)	(175)	(512)	–		(15,473)
Segment profit/(loss)	78,654	(6,753)	3,847	–		75,748
Assets:						
Segments assets	898,574	40,002	15,401	(1,616)	A	952,361
Additions to property, plant and equipment	3,267	–	–	–		3,267
Interest in joint venture	9,989	–	–	–		9,989
Interest in associates	–	4,120	–	–		4,120
Liabilities:						
Segment liabilities	(501,695)	(7,028)	(17,943)	1,616	A	(525,050)

Note A: Inter-segment assets/liabilities are deducted from segment assets/liabilities to arrive at total assets/liabilities reported in the consolidated balance sheet.

31. Segment reporting (cont'd)

Geographical segments

Revenue and non-current assets information based on geographical locations of customers and assets respectively are as follows:

	Group Revenue		Group Non-current assets	
	2024	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000
Australia	**5,317**	10,385	**–**	–
Brunei	**5,257**	14,777	**–**	–
China	**–**	–	**10,004**	9,989
Hong Kong	**1,650**	12,884	**–**	–
India	**4,337**	5,367	**–**	–
Indonesia	**41,101**	35,941	**–**	–
Malaysia	**116,865**	101,856	**10,937**	10,643
Singapore	**1,279,617**	1,252,742	**121,067**	115,263
Thailand	**26,537**	190,476	**1**	–
Others	**680**	2,570	**–**	–
	1,481,361	1,626,998	**142,009**	135,895

Non-current assets information presented above consist of property, plant and equipment, investment properties, interest in joint venture, interest in associate, investment securities and other receivables as presented in the consolidated balance sheet.

32. Fair value of assets and liabilities

(a) **Fair value hierarchy**

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

32. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	$'000	$'000	$'000	$'000
30 September 2024				
Assets measured at fair value				
Financial assets:				
Investment securities (Note 16)				
- *Quoted equity securities at FVOCI*	**29**	**–**	**–**	**29**
- *Unquoted equity securities at FVPL*	**–**	**–**	**18,992**	**18,992**
Debt instruments at FVPL (Note 18)				
- *Trade receivables subject to provisional pricing*	**–**	**–**	**38,130**	**38,130**
Financial assets as at 30 September 2024	**29**	**–**	**57,122**	**57,151**
Liabilities measured at fair value				
Financial liabilities:				
Derivatives (Note 19)				
- *Currency forward contracts*	**–**	**2,662**	**–**	**2,662**
Financial liabilities as at 30 September 2024	**–**	**2,662**	**–**	**2,662**
30 September 2023				
Assets measured at fair value				
Financial assets:				
Investment securities (Note 16)				
- *Quoted equity securities at FVOCI*	28	–	–	28
Debt instruments at FVPL (Note 18)				
- *Trade receivables subject to provisional pricing*	–	–	55,492	55,492
Derivatives (Note 19)				
- *Currency forward contracts*	–	1,007	–	1,007
Financial assets as at 30 September 2023	28	1,007	55,492	56,527

32. Fair value of assets and liabilities (cont'd)

(c) **Level 2 fair value measurements**

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives (Note 19):

Currency forward contracts are valued according to valuations obtained from reputable financial institutions as at the end of the reporting period.

(d) **Level 3 fair value measurements**

Debt instruments at FVPL:

The Group applied the 'most likely amount method' to predict steel reinforcement index based on historical published indices from the Building and Construction Authority, spot sales prices and steel price trends. The Group also takes into consideration the credit risk with reference to the provisional matrix developed under the simplified approach for lifetime ECL, which involves adjustment to historical credit loss experience with forward-looking information such as forecast of economic conditions.

Investment securities (Note 16):

The Group acquired unquoted equity securities at FVPL in August 2024 and determined that the net asset value of the entity, adjusted for the fair value of properties using market comparable approach on the price per square feet, reflects the fair value at the end of the financial year.

	Valuation technique	Significant unobservable inputs (Level 3)	Range	Sensitivity of the input to fair value
Group and Company				
30 September 2024				
Investment securities	Market comparison approach	Price per sqm of properties	$1,600 to $2,000	5% increase/(decrease) in the price per sqm would result in a fair value gain/(loss) by $1,500,000.

32. Fair value of assets and liabilities (cont'd)

(e) **Assets not measured at fair value, for which fair value is disclosed**

The following table shows an analysis of the Group's assets not measured at fair value, for which fair value is disclosed:

		Group	
		Fair value measurements at the end of the reporting period using	
	Note	**Significant unobservable inputs (Level 3)** $'000	**Carrying amount** $'000
30 September 2024			
Assets:			
Investment properties	**12**	**2,394**	**2,054**
30 September 2023			
Assets:			
Investment properties	12	2,390	2,124

Determination of fair value

Fair value as disclosed in the table above is based on independent valuations performed. Details are disclosed in Note 12.

(f) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value***

Fair value information is not disclosed for the following financial instruments of the Group as at 30 September 2024 as the difference between the carrying amounts and their fair values are not significant.

	Group	
	2024 $'000	**2023** $'000
Financial assets:		
Other receivables (non-current)	–	1,994
Financial liabilities:		
Bank loans (unsecured) (non-current)	–	992

33. Financial risk management objective and policies

The Group and the Company are exposed to financial risks arising from its operations and use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board of Directors reviews and agrees on the policies and procedures for the management of these risks, which are executed by the Chief Executive Officer and/or the Chief Financial Officer.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and procedures for the management of these risks.

(a) **Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, derivatives, and cash and cash equivalents), the Group and the Company minimise credit risks by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.

- Actual or expected significant changes in the operating results of the borrower.

- Significant increase in credit risk on other financial instruments of the same borrower.

- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- There is significant difficulty of the issuer or the borrower.

- A breach of contract, such as a default or past due event.

- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

- There is a disappearance of an active market for that financial asset because of financial difficulty.

33. Financial risk management objective and policies (cont'd)

(a) Credit risk (cont'd)

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The loss allowance provision as at 30 September 2024 is determined as follows, the expected credit losses below also incorporate forward-looking information such as forecast of economic conditions.

Summarised below is the information about the credit risk exposure on the Group's trade receivables at amortised cost, excluding trade receivables subject to provisional pricing, using provision matrix.

2024	**Current** $'000	**1 to 30 days past due** $'000	**31 to 60 days past due** $'000	**61 to 90 days past due** $'000	**More than 90 days past due** $'000	**Total** $'000
Gross carrying amount	**79,808**	**29,834**	**8,640**	**1,114**	**743**	**120,139**
Loss allowance provision	**(3,196)**	**(1,272)**	**(467)**	**(81)**	**(612)**	**(5,628)**
	76,612	**28,562**	**8,173**	**1,033**	**131**	**114,511**

2023	**Current** $'000	**1 to 30 days past due** $'000	**31 to 60 days past due** $'000	**61 to 90 days past due** $'000	**More than 90 days past due** $'000	**Total** $'000
Gross carrying amount	87,270	29,687	11,192	1,378	1,313	130,840
Loss allowance provision	(3,831)	(1,367)	(635)	(115)	(599)	(6,547)
	83,439	28,320	10,557	1,263	714	124,293

Information regarding loss allowance movement of trade receivables are disclosed in Note 18.

During the financial year, the Group wrote off $880,000 (2023: $502,000) of trade receivables which were more than 90 days past due as the Group does not expect to receive future cash flows.

33. Financial risk management objective and policies (cont'd)

(a) Credit risk (cont'd)

Financial guarantees

The Group assessed the expected credit loss for financial guarantees using the probability of default approach. In determining ECL for financial guarantees, the Group considers events such as breach of loan covenants, default on instalment payments and determined that significant increase in credit risk occur when there is changes in the risk that the specific debtor will default on the contract and concluded no provision is required as at 30 September 2024 and 2023.

Credit risk concentration profile

The Group's and the Company's trade receivables concentration profiles by geographical areas and industry sectors as at the end of reporting period are as follows:

	Group	
	2024	**2023**
	$'000	$'000
By geographical areas:		
- Australia	**577**	1,064
- Indonesia	**816**	974
- Malaysia	**9,917**	8,441
- Singapore	**139,981**	166,975
- Thailand	**1,348**	1,354
- Others	**2**	977
	152,641	179,785
By industry sector:		
- Construction	**152,641**	179,785

At the end of the reporting period, approximately:

- 34% (2023: 32%) of the Group's and 35% (2023: 34%) of the Company's trade receivables were due from 10 (2023: 10) major customers who are in the construction industry in Singapore.

- 7% (2023: 6%) of the Company's trade and other receivables were due from related parties.

Amount due from subsidiaries and related parties

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the allowance for expected credit losses using 12-month ECL and determined that the ECL is insignificant.

33. Financial risk management objective and policies (cont'd)

(b) **Liquidity risk**

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage liquidity risk by ensuring the availability of funding through an adequate amount of committed credit facilities from reputable financial institutions. In addition, the Group and the Company also maintain sufficient cash balances for operating and future investment opportunities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of reporting period based on contractual undiscounted repayment obligations:

Group	Within 1 year $'000	2 to 5 years $'000	More than 5 years $'000	Total $'000
At 30 September 2024				
Financial assets:				
Investment securities	–	19,021	–	19,021
Trade and other receivables	152,702	–	–	152,702
Cash and cash equivalents	191,374	–	–	191,374
Other current assets - deposits	507	–	–	507
Total undiscounted financial assets	344,583	19,021	–	363,604
Financial liabilities:				
Trade and other payables	124,707	–	–	124,707
Loans and borrowings	221,269	–	–	221,269
Lease liabilities	7,227	11,463	10,582	29,272
Derivatives				
- Receipts	(127,486)	–	–	(127,486)
- Payments	130,148	–	–	130,148
Total undiscounted financial liabilities	355,865	11,463	10,582	377,910
Total net undiscounted financial (liabilities)/assets	(11,282)	7,558	(10,582)	(14,306)

33. Financial risk management objective and policies (cont'd)

(b) **Liquidity risk (cont'd)**

Group	Within 1 year $'000	2 to 5 years $'000	More than 5 years $'000	Total $'000
At 30 September 2023				
Financial assets:				
Investment securities	–	28	–	28
Trade and other receivables	180,622	1,994	–	182,616
Cash and cash equivalents	184,624	–	–	184,624
Other current assets - deposits	505	–	–	505
Derivatives				
- Receipts	71,553	–	–	71,553
- Payments	(70,546)	–	–	(70,546)
Total undiscounted financial assets	366,758	2,022	–	368,780
Financial liabilities:				
Trade and other payables	85,354	–	–	85,354
Loans and borrowings	355,018	2,122	–	357,140
Lease liabilities	6,098	10,801	12,095	28,994
Total undiscounted financial liabilities	446,470	12,923	12,095	471,488
Total net undiscounted financial liabilities	(79,712)	(10,901)	(12,095)	(102,708)

33. Financial risk management objective and policies (cont'd)

(b) Liquidity risk (cont'd)

Company	Within 1 year $'000	2 to 5 years $'000	More than 5 years $'000	Total $'000
At 30 September 2024				
Financial assets:				
Investment securities	**–**	**19,021**	**–**	**19,021**
Trade and other receivables	**153,329**	**–**	**–**	**153,329**
Cash and cash equivalents	**189,292**	**–**	**–**	**189,292**
Other current assets - deposits	**487**	**–**	**–**	**487**
Total undiscounted financial assets	**343,108**	**19,021**	**–**	**362,129**
Financial liabilities:				
Trade and other payables	**123,678**	**–**	**–**	**123,678**
Loans and borrowings (excluding lease liabilities)	**221,269**	**–**	**–**	**221,269**
Lease liabilities	**7,227**	**11,463**	**10,582**	**29,272**
Derivatives				
- Receipts	**(123,925)**	**–**	**–**	**(123,925)**
- Payments	**126,433**	**–**	**–**	**126,433**
Total undiscounted financial liabilities	**354,682**	**11,463**	**10,582**	**376,727**
Total net undiscounted financial liabilities	**(11,574)**	**7,558**	**(10,582)**	**(14,598)**
At 30 September 2023				
Financial assets:				
Investment securities	–	28	–	28
Trade and other receivables	176,925	1,994	–	178,919
Cash and cash equivalents	180,188	–	–	180,188
Other current assets - deposits	492	–	–	492
Derivatives				
- Receipts	71,553	–	–	71,553
- Payments	(70,546)	–	–	(70,546)
Total undiscounted financial assets	358,612	2,022	–	360,634
Financial liabilities:				
Trade and other payables	93,577	–	–	93,577
Loans and borrowings (excluding lease liabilities)	355,018	2,122	–	357,140
Lease liabilities	6,098	10,801	12,095	28,994
Total undiscounted financial liabilities	454,693	12,923	12,095	479,711
Total net undiscounted financial liabilities	(96,081)	(10,901)	(12,095)	(119,077)

33. Financial risk management objective and policies (cont'd)

(b) **Liquidity risk (cont'd)**

The table below shows the contractual expiry by maturity of the Group and Company's commitments. The maximum amount of the corporate guarantee is allocated to the earliest period in which the guarantee could be called.

	2024	2023
	$'000	$'000
Group and Company		
Corporate guarantee – 1 year or less	–	1,626
Corporate guarantee – 1 to 5 years	–	5,445
	–	7,071

(c) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2023: 6 months) from the balance sheet date.

Sensitivity analysis for interest rate risk

At the end of reporting period, if SGD interest rates had been 50 basis points lower/higher with all other variables constant, the Group's profit before tax would have been $1,099,000 (2023: $1,746,000) higher/lower respectively as a result of lower/higher interest expense on floating rate loans and borrowings.

(d) **Foreign currency risk**

The Group and the Company have transactional currency exposures arising from purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The foreign currency in which these transactions are denominated is mainly the US Dollar ("USD") and Australian Dollar ("AUD") (2023: US Dollar ("USD") and Australian Dollar ("AUD")).

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are mainly in USD and AUD (2023: USD and AUD).

The Group and the Company use currency forward contracts to hedge its exposure to foreign currency exchange risk arising from purchases which are mainly denominated in USD.

33. Financial risk management objective and policies (cont'd)

(d) **Foreign currency risk (cont'd)**

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD/SGD exchange rate, with all other variables held constant, of the Group's profit before tax:

	2024	2023
	Profit before tax	
	Increase/ (decrease)	Increase/ (decrease)
	$'000	$'000
Group		
USD/SGD - strengthened 7% (2023: 7%)	**2,310**	5,024
- weakened 7% (2023: 7%)	**(2,310)**	(5,024)

The impact of a reasonably possible change in AUD/SGD exchange rate is not significant to the results of the Group.

34. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital structure in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 September 2024 and 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. The Group includes within net debt and loans and borrowings, less cash and cash equivalents. Capital includes equity attributable to owners of the Company.

	Group	
	2024	2023
	$'000	$'000
Loans and borrowings (Note 22)	**245,731**	380,679
Less: Cash and cash equivalents (Note 20)	**(191,374)**	(184,624)
Net debt	**54,357**	196,055
Equity attributable to owners of the Company	**475,284**	427,311
Capital plus net debt	**529,641**	623,366
Gearing ratio	**10%**	31%

35. Authorisation of financial statements for issue

The financial statements for the year ended 30 September 2024 were authorised for issue in accordance with a resolution of the Board of Directors dated on 10 January 2025.

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APPENDIX DATED 10 JANUARY 2025

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This Appendix explains the rationale and provides information to Shareholders in relation to the Proposed Renewal of Share Purchase Mandate, the Proposed Renewal of BPT/SEHE IPT Mandate and the Proposed Renewal of HLIH Group IPT Mandate, to be tabled at the 2025 AGM of the Company to be held at Chartroom, Level 2, Raffles Marina Ltd, 10 Tuas West Drive, Singapore 638404, on 27 January 2025 at 10.00 a.m.. Shareholders will be able to participate fully at the physical AGM but will not be able to attend the 2025 AGM by way of electronic means. The Notice of AGM, Proxy Form, Request Form and this Appendix are made available to Shareholders on the same date hereof, via SGXNET and the Company's website. A printed copy of the Notice of AGM, Proxy Form and Request Form will be despatched to Shareholders.

If you have sold or transferred all your Shares, you should forward this Appendix immediately to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Appendix.

ASIA

BRC ASIA LIMITED

(Incorporated in Singapore on 14 December 1938)
(Company Registration No. 193800054G)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

IN RELATION TO:

(I) PROPOSED RENEWAL OF SHARE PURCHASE MANDATE;

(II) PROPOSED RENEWAL OF BPT/SEHE IPT MANDATE; AND

(III) PROPOSED RENEWAL OF HLIH GROUP IPT MANDATE

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DEFINITIONS

General

"**2022 EGM**"	:	The EGM of the Company held on 5 July 2022
"**2024 AGM**"	:	The AGM of the Company held on 31 January 2024
"**2025 AGM**"	:	The AGM of the Company to be held on 27 January 2025, and any adjournment thereof
"**ACRA**"	:	The Accounting and Corporate Regulatory Authority of Singapore
"**AGM**"	:	An annual general meeting of the Company
"**Appendix**"	:	This appendix to the notice of annual general meeting
"**Approval Date**"	:	The date of the 2025 AGM at which the Proposed Renewal of Share Purchase Mandate is approved
"**approved exchange**"	:	Has the meaning ascribed to it in Paragraph 3(d)(iv)
"**Approving Directors**"	:	Directors (other than Directors with either direct or indirect interest in the transaction(s)) who will be reviewing and approving the relevant contract under Paragraph 5.6(b)(i) of this Appendix
"**associate**"	:	Has the meaning ascribed to it in Paragraph 3(d)(iii)
"**Audit and Risk Management Committee**"	:	The audit and risk management committee of the Company for the time being. As at the date of this Appendix, the Audit and Risk Management Committee comprises Mr. Joel Leong Kum Hoe (as chairman) and Ms. Chang Pui Yook and Mr. Toh Kian Sing (as members).
"**Average Closing Price**"	:	Has the meaning ascribed to it in Paragraph 2.2(d)
"**AVIL**"	:	Advance Venture Investments Limited
"**Board**"	:	The board of directors of the Company
"**BPT**"	:	Bright Point Trading Pte. Ltd.
"**BPT/SEHE IPT Mandate**"	:	The interested person transaction mandate first granted by Shareholders on 28 January 2021 for transactions with the BPT/SEHE Mandated Persons, which is proposed to be renewed on the terms set out in this Appendix
"**BPT/SEHE IPT Mandate Circular**"	:	The circular to Shareholders dated 6 January 2021 in relation to the proposed interested person transaction mandate for transactions with the BPT/SEHE Mandated Interested Persons
"**BPT/SEHE Mandated Interested Persons**" or each a **"BPT/SEHE Mandated Interested Person**"	:	The interested persons to be covered under the Proposed Renewal of BPT/SEHE IPT Mandate as set out in Paragraph 4.4 of this Appendix
"**BPT/SEHE Mandated Transactions**"	:	Means the transactions referred to in Paragraph 4.3 of this Appendix
"**BPVL**"	:	Bright Power Ventures Limited

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DEFINITIONS

"**Buy-Sell Transaction**"	:	Has the meaning ascribed to it in the BPT/SEHE IPT Mandate Circular
"**CDP**"	:	The Central Depository (Pte) Limited
"**Companies Act**"	:	The Companies Act 1967 of Singapore
"**Company**"	:	BRC Asia Limited
"**Constitution**"	:	The constitutive documents of the Company
"**Control**"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the company
"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly 15% or more of the Company's total voting rights. The SGX-ST may determine that a person who satisfies this paragraph (a) is not a controlling shareholder; or (b) in fact exercises Control over the Company
"**CPF**"	:	The Central Provident Fund
"**CPF Agent Banks**"	:	Agent banks included under the CPFIS
"**CPF Investors**"	:	Investors who have purchased Shares pursuant to the CPFIS
"**CPFIS**"	:	CPF Investment Scheme
"**date of the making of the offer**"	:	Has the meaning ascribed to it in Paragraph 2.2(d)
"**Davos**"	:	Davos Investment Holdings Private Limited
"**Director**"	:	Director of the Company
"**EGM**"	:	An extraordinary general meeting of the Company
"**entity at risk**"	:	Has the meaning ascribed to it in Paragraph 3(d)(i)
"**EPS**"	:	Earnings per Share
"**Esteel**"	:	Green Esteel Pte. Ltd.
"**Financial Limit**"	:	Equal to or exceeding S$100,000 but below five per cent. (5%) of the Group's latest announced audited consolidated NTA at the time of entry into the relevant interested person transaction
"**FY**"	:	Financial year ended or ending 30 September
"**FY2024**"	:	Financial year ended 30 September 2024
"**Goods**"	:	Has the meaning ascribed to it in the BPT/SEHE IPT Mandate Circular
"**Group**"	:	The Company and its subsidiaries

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DEFINITIONS

"**HLA**"	:	Hong Leong Asia Ltd.
"**HLAI**"	:	Hong Leong Asia Investments Pte. Ltd.
"**HLCH**"	:	Hong Leong Corporation Holdings Pte. Ltd.
"**HLE**"	:	Hong Leong Enterprises Pte. Ltd.
"**HLIH**"	:	Hong Leong Investment Holdings Pte. Ltd.
"**HLIH Group**"	:	HLIH and its associates
"**HLIH Group IPT Mandate**"	:	The interested person transaction mandate first granted by Shareholders on 5 July 2022 for transactions with the HLIH Group Mandated Persons, which is proposed to be renewed on the terms set out in this Appendix
"**HLIH Group IPT Mandate Circular**"	:	The circular to Shareholders dated 20 June 2022 in relation to the HLIH Group IPT Mandate
"**HLIH Group Mandated Interested Persons**" or each a "**HLIH Group Mandated Interested Person**"	:	The interested persons to be covered under the Proposed Renewal of HLIH Group IPT Mandate as set out in Paragraph 5.4 of this Appendix
"**HLIH Group Mandated Transactions**"	:	The transactions referred to in Paragraph 5.3 of this Appendix
"**interested person**"	:	Has the meaning ascribed to it in Paragraph 3(d)(ii)
"**interested person transaction**"	:	Has the meaning ascribed to it in Paragraph 3(d)(v)
"**KH**"	:	Kwek Holdings Pte. Ltd.
"**Latest Practicable Date**"	:	16 December 2024, being the latest practicable date prior to the release of this Appendix
"**Listing Manual**"	:	The Listing Manual of the SGX-ST
"**Market Days**"	:	Has the meaning ascribed to it in Paragraph 2.2(d)
"**Maximum Percentage**"	:	Has the meaning ascribed to it in Paragraph 2.2(a)
"**Maximum Price**"	:	Has the meaning ascribed to it in Paragraph 2.2(d)
"**Mr. You**"	:	Mr. You Zhenhua, a Controlling Shareholder
"**Non-Executive Director**"	:	A Director (including an Independent Director) who is not an Executive Director
"**Notice of AGM**"	:	Notice of the 2025 AGM
"**NTA**"	:	Net tangible assets
"**Off-Market Purchases**"	:	Has the meaning ascribed to it in Paragraph 2.2(c)

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DEFINITIONS

"**On-Market Purchases**"	:	Has the meaning ascribed to it in Paragraph 2.2(c)
"**Proposed Renewal of BPT/SEHE IPT Mandate**"	:	The proposed renewal of the BPT/SEHE IPT Mandate
"**Proposed Renewal of HLIH Group IPT Mandate**"	:	The proposed renewal of the HLIH Group IPT Mandate
"**Proposed Renewal of Share Purchase Mandate**"	:	The proposed renewal of the Share Purchase Mandate
"**Proxy Form**"	:	The proxy form in respect of the 2025 AGM
"**public**"	:	Has the meaning ascribed to it in Paragraph 2.10
"**Purchase Order**"	:	Has the meaning ascribed to it in the BPT/SEHE IPT Mandate Circular
"**Relevant Period**"	:	The period commencing from the Approval Date and until the date the next AGM is held or is required by law to be held, whichever is the earlier (whereupon the Share Purchase Mandate will lapse, unless renewed at such meeting) or until the Share Purchase Mandate is varied or revoked by the Company in a general meeting (if so varied or revoked prior to the date the next AGM is held or is required by law to be held, whichever is the earlier)
"**Request Form**"	:	The request form to request for a printed copy of the annual report for FY2024 including this Appendix
"**Rex Plastics**"	:	Rex Plastics Pte. Ltd.
"**Rule 14**"	:	Has the meaning ascribed to it in Paragraph 2.11
"**Securities Accounts**"	:	The securities account maintained with CDP, but not including the securities accounts maintained with a Depository Agent
"**SEHE**"	:	Shanghai Emetal Hong Energy Co., Ltd. (上海东铭红一能源有限公司)
"**SFA**"	:	The Securities and Futures Act 2001 of Singapore
"**SGXNET**"	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system network prescribed by the SGX-ST
"**SGX-ST**"	:	The Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Registered holders of Shares except that where the registered holder is CDP, the term "**Shareholders**" in relation to Shares held by CDP shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
"**Share Purchase Mandate**"	:	The mandate renewed by Shareholders on 31 January 2024 for the Company to purchase or otherwise acquire its Shares, which is proposed to be further renewed in the manner and on the terms set out in this Appendix

DEFINITIONS

"**Shares**"	:	Ordinary shares in the capital of the Company
"**SRS**"	:	Supplementary Retirement Scheme
"**SRS Agent Banks**"	:	Agent banks included under the SRS
"**SRS Investors**"	:	Investors who have purchased Shares under the SRS
"**Starich**"	:	Starich Investments Pte. Ltd.
"**Subsidiary**"	:	Has the meaning ascribed to it in Section 5 of the Companies Act
"**subsidiary holdings**"	:	Has the meaning ascribed to it in the Listing Manual
"**Substantial Shareholder**"	:	Has the meaning ascribed to it in Section 81 of the Companies Act
"**Take-over Code**"	:	The Singapore Code on Take-overs and Mergers, as may be amended, supplemented or modified from time to time
"**TIHL**"	:	Theme International Holdings Limited
"**Treasury Shares**"	:	Issued Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances which Section 76H of the Companies Act applies and has, since it was so purchased, been continuously held by the Company
"**usage**"	:	Has the meaning ascribed to it in Paragraph 2.4(c)
"**WB**"	:	Wide Bridge Limited

Currencies, Units and Others

"**S$**" and "**cents**"	:	Singapore dollars and cents respectively
"**%**" or "**per cent.**"	:	Percentage or per centum

The terms "**Depositor**", "**Depository**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Words importing the singular number shall include the plural number where the context admits and vice versa. Words importing the masculine gender shall include the feminine gender where the context admits. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being in force, as may be amended or re-enacted. Any word defined under the Companies Act, the Listing Manual, the SFA, the Take-over Code or any statutory modification thereof and used in this Appendix shall have the meaning assigned to it under the said Companies Act, Listing Manual, SFA, Take-over Code or statutory modification, as the case may be, unless the context otherwise requires.

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.

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DEFINITIONS

Any reference to a time of day or date in this Appendix is a reference to a time of day or date, as the case may be, in Singapore, unless otherwise stated.

In this Appendix, unless otherwise stated, the total number of issued Shares in the capital of the Company is 274,350,089 Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date. All percentages calculated with reference to the issued Shares are rounded to the nearest two decimal places.

Any discrepancies in this Appendix between the sum of the figures stated and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures which precede them.

Drew & Napier LLC has been appointed as the Singapore legal adviser to the Company in relation to the Proposed Renewal of Share Purchase Mandate, the Proposed Renewal of BPT/SEHE IPT Mandate and the Proposed Renewal of HLIH Group IPT Mandate.

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LETTER TO SHAREHOLDERS

BRC ASIA LIMITED

(Company Registration No. 193800054G)
(Incorporated in Singapore)

Board of Directors:

Mr. Teo Ser Luck (Chairman and Independent Director)
Mr. Seah Kiin Peng (Executive Director and Chief Executive Officer)
Mr. Xu Jiguo (Executive Director and Chief Procurement Officer)
Mr. Zhang Xingwang (Executive Director and Chief Operating Officer)
Ms. Chang Pui Yook (Independent Director)
Mr. Joel Leong Kum Hoe (Independent Director)
Mr. Toh Kian Sing (Independent Director)
Mr. Darrell Lim Chee Lek (Non-Independent and Non-Executive Director)
Ms. Kwek Pei Xuan (Non-Independent and Non-Executive Director)
Mr. Stephen Ho Kiam Kong (Non-Independent and Non-Executive Director)

Registered Office:

350 Jalan Boon Lay
Jurong Town
Singapore 619530

10 January 2025

Dear Shareholders,

(I) PROPOSED RENEWAL OF SHARE PURCHASE MANDATE;
(II) PROPOSED RENEWAL OF BPT/SEHE IPT MANDATE; AND
(III) PROPOSED RENEWAL OF HLIH GROUP IPT MANDATE

1. INTRODUCTION

The purpose of this Appendix is to provide Shareholders with the relevant information relating to, and to seek Shareholders' approval for:

(a) the proposed renewal of a general mandate to the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares, on the terms of the Share Purchase Mandate;

(b) the proposed renewal of a general mandate for the purposes of Chapter 9 of the Listing Manual to enable the Company to enter into recurrent interested person transactions, on the terms of the BPT/SEHE IPT Mandate; and

(c) the proposed renewal of a general mandate for the purposes of Chapter 9 of the Listing Manual to enable the Company to enter into recurrent interested person transactions, on the terms of the HLIH Group IPT Mandate,

at the 2025 AGM to be held at Chartroom, Level 2, Raffles Marina Ltd, 10 Tuas West Drive, Singapore 638404 on 27 January 2025 at 10.00 a.m.. The Notice of AGM, Proxy Form, Request Form and this Appendix are made available to Shareholders on the same date hereof via SGXNET and may also be accessed via the Company's website at https://www.brc.com.sg/investors/announcements/. A printed copy of the Notice of AGM, Proxy Form and Request Form will be despatched to Shareholders.

If you are in any doubt as to the course of action to take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This Appendix has been prepared solely for the purposes set out herein and may not be relied upon by any persons (other than Shareholders) or for any other purpose.

The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained, or opinions expressed in this Appendix.

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2. PROPOSED RENEWAL OF SHARE PURCHASE MANDATE

2.1 **Background and Rationale**

It is a requirement under the Companies Act for a company to obtain the approval of its shareholders to purchase or otherwise acquire its own shares at a general meeting of its shareholders. At the 2024 AGM, Shareholders had approved, *inter alia*, the renewal of the Share Purchase Mandate, authorising the Company to purchase or otherwise acquire issued Shares.

The Share Purchase Mandate will expire on the date of the 2025 AGM, unless renewed. The Directors wish to renew the Share Purchase Mandate to allow the Company to purchase issued Shares. The Share Purchase Mandate will allow the Directors to make share purchases at the appropriate price level and is one of the ways through which the return on equity of the Group may be enhanced. Share purchases or acquisitions provide the Company with an easy mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. Share purchases or acquisitions also allow the Directors to exercise control over the share structure of the Company and may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS and/or NTA per Share of the Company.

During the period when the Share Purchase Mandate is in force, the Share Purchase Mandate will give the Directors the flexibility to purchase or acquire Shares when and if the circumstances permit. The Share Purchase Mandate will also give the Company the opportunity to purchase or acquire Shares when such Shares are undervalued, to help mitigate short-term market volatility and to offset the effects of short-term speculation. The Share Purchase Mandate will also allow the Directors to effectively manage and minimise the dilution impact (if any) associated with share option schemes and performance share plans.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares of up to ten per cent. (10%) of the issued share capital of the Company (excluding Treasury Shares and subsidiary holdings) as at the date of the AGM at which the Share Purchase Mandate is approved, Shareholders should note that purchases and acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full ten per cent. (10%) limit as authorised and no purchases or acquisitions of Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. Please refer to Paragraph 2.2(a) below for further information on the Maximum Percentage (as defined below).

2.2 **Details of the Share Purchase Mandate**

The authority and limitations placed on purchases or acquisitions of Shares under the Share Purchase Mandate, if renewed at the 2025 AGM, are the same as previously approved by Shareholders at the 2024 AGM and, for the benefit of Shareholders, are summarised below:

(a) **Maximum Number of Shares**

Only Shares which are issued and fully paid-up may be purchased by the Company. The total number of Shares which may be purchased is limited to the number of Shares representing not more than ten per cent. (10%) of the issued Shares (excluding Treasury Shares and subsidiary holdings) as at the Approval Date ("**Maximum Percentage**"), unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the Companies Act, in which event the issued share capital of the Company as altered pursuant to such reduction, and subject always to the free float requirement as set out in Paragraph 2.10 of this Appendix.

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As at the Latest Practicable Date, the Company is holding 1,626,600 Shares as Treasury Shares and has no subsidiary holdings. Based on 274,350,089 Shares in issue (excluding Treasury Shares) as at the Latest Practicable Date and assuming that no further Shares are issued, no further Shares are purchased or acquired and held by the Company as Treasury Shares and there are no subsidiary holdings on or prior to the 2025 AGM, the purchase by the Company of up to the maximum limit of ten per cent. (10%) of its issued Shares (excluding Treasury Shares and subsidiary holdings) will result in the purchase or acquisition of 27,435,008 Shares.

However, as stated in Paragraph 2.10 below, purchases or acquisitions pursuant to the Share Purchase Mandate need not be carried out to the full extent mandated, and, in any case, would not be carried out to such an extent that would result in the Company being delisted from the SGX-ST. **Thus, notwithstanding that the Share Purchase Mandate may enable purchases or acquisitions of up to ten per cent. (10%) of the issued Shares (excluding Treasury Shares and subsidiary holdings) to be carried out, it should be noted that in order to maintain the listing status of the Shares on the SGX-ST, the Company must ensure (pursuant to Rule 723 of the Listing Manual) that there is at all times a public float of not less than ten per cent. (10%) in the issued Shares.** In other words, the Maximum Percentage gives the Company the flexibility to purchase or acquire its Shares up to the Maximum Percentage, should the Company's free float subsequently allow for the same.

Accordingly, assuming solely for illustrative purposes that 49,093,653 Shares (or 17.89% of the issued Shares (excluding Treasury Shares)) are held in public hands as at the Latest Practicable Date, in order to preserve the listing status of the Shares on the SGX-ST by maintaining a public float of not less than ten per cent. (10%) in the issued Shares (excluding Treasury Shares), the Company would not purchase or acquire more than 24,065,160 Shares (or 8.77% of the issued Shares (excluding Treasury Shares and subsidiary holdings) as at that date) pursuant to the Share Purchase Mandate. The public float of the issued Shares as at the Latest Practicable Date is disclosed in Paragraph 2.10 below.

(b) **Duration of Authority**

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the AGM at which the renewal of the Share Purchase Mandate is approved, up to the earliest of:

(i) the next AGM of the Company is held or required by law to be held;

(ii) purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

(iii) the authority conferred by the Share Purchase Mandate is varied or revoked.

(c) **Manner of Purchases**

Purchases or acquisitions of Shares may be made on the SGX-ST ("**On-Market Purchases**"); and/or otherwise than on the SGX-ST, effected pursuant to an equal access scheme ("**Off-Market Purchases**").

On-Market Purchases refer to purchases of Shares by the Company transacted on the SGX-ST through the ready market, through one or more duly licensed stockbrokers appointed by the Company for the purpose.

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Off-Market Purchases refer to purchases of Shares by the Company made under an equal access scheme or schemes for the purchase of Shares from Shareholders. The Directors may impose such terms and conditions, which are consistent with the Share Purchase Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:

(i) offers for the purchase or acquisition of issued Shares shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;

(ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers are the same, except that there shall be disregarded:

- (A) differences in consideration attributable to the fact that offers relate to Shares with different accrued dividend entitlements;
- (B) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
- (C) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, pursuant to Rule 885 of the Listing Manual and Section 76C of the Companies Act, in making an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document or notice to all Shareholders which must contain at least the following information:

(I) the terms and conditions of the offer;

(II) the maximum number of Shares or the maximum percentage of ordinary shares authorised to be purchased or acquired;

(III) the maximum price which may be paid for the Shares;

(IV) the date on which the Share Purchase Mandate is to expire, being a date that must not be later than the date on which the next AGM of the Company is or is required by law to be held, whichever is earlier;

(V) the sources of funds to be used for the purchase or acquisition of the Shares including the amount of financing and its impact on the Company's financial position;

(VI) the period and procedures for acceptances;

(VII) the reasons for the proposed purchase or acquisition of Shares;

(VIII) the consequences, if any, of the proposed purchase or acquisition of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;

(IX) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;

(X) details of any purchase or acquisition of Shares made by the Company in the previous 12 months (whether by way of On-Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions, where relevant, and the total consideration paid for the purchases; and

(XI) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

(d) **Maximum Purchase Price**

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

(i) in the case of an On-Market Purchase, 105% of the Average Closing Price (as defined hereinafter) of the Shares; and

(ii) in the case of an Off-Market Purchase, 110% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the purchase or acquisition ("**Maximum Price**").

"**Average Closing Price**" means the average of the closing market prices of a Share for the five (5) days on which the SGX-ST is open for trading in securities ("**Market Days**") on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs after the relevant five (5) Market Day period; and

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.3 **Status of Purchased Shares**

Any Share which is purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a Treasury Share. At the time of each purchase or acquisition of the Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company, which are cancelled and are not held as Treasury Shares.

All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

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2.4 **Treasury Shares**

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Some of the key provisions on Treasury Shares under the Companies Act are summarised below:

(a) **Maximum Holdings**

The number of Shares held as Treasury Shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares.

(b) **Voting and Other Rights**

The Company cannot exercise any right in respect of the Treasury Shares. In particular, the Company will not have the right to attend or vote at meetings and to receive any dividends or other distribution of the Company's assets in respect of the Treasury Shares.

However, the allotment of Treasury Shares as fully paid bonus shares in respect of Treasury Shares is allowed. A subdivision or consolidation of any Treasury Share into Treasury Shares of a smaller number is also allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

(c) **Disposal and Cancellation**

Where the Company holds Shares as Treasury Shares, it may dispose of such Treasury Shares at any time in the following ways:

(i) sell the Treasury Shares for cash;

(ii) transfer the Treasury Shares for the purposes of or pursuant to an employees' share scheme;

(iii) transfer the Treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the Treasury Shares; or

(v) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

In addition, under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage and the value of the treasury shares comprised in the usage.

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2.5 **Reporting Requirements**

Within 30 days of passing a Shareholders' resolution to approve the purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchase or acquisition including the date of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled and the number of Shares held as Treasury Shares, the Company's issued share capital before and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, and such other information required by the Companies Act.

Rule 886 of the Listing Manual specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

(a) in the case of an On-Market Purchase, on the Market Day following the day on which the On-Market Purchase was made; and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme in accordance with Section 76C of the Companies Act, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

2.6 **Source of Funds**

The Company may only apply funds for the purchase or acquisition of Shares as provided in the Constitution of the Company and in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares pursuant to the Share Purchase Mandate, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or distributable profits provided that:

(a) there is no ground on which the Company could be found to be unable to pay its debts;

(b) if:

   (i) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or

   (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and

(c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the purchase of Shares become less than the value of its liabilities (including contingent liabilities).

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Where the purchase of Shares is made out of distributable profits, such purchase (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the purchase of Shares is made out of capital, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares but the amount available for the distribution of cash dividends by the Company will not be reduced.

The Company will use its internal resources and/or external borrowings to finance its purchase or acquisition of the Shares. Where the purchase of Shares is financed through internal resources, it will reduce the cash reserves of the Group and the Company, and thus the current assets and shareholders' funds of the Group and the Company. This will result in an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would be an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

However, the Directors do not propose to exercise the Share Purchase Mandate to such an extent that would have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

2.7 **Financial Effects**

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, how the purchase or acquisition is funded, whether the Shares purchased or acquired are held as Treasury Shares or immediately cancelled on purchase or acquisition as well as how the Shares, if held as Treasury Shares, are subsequently dealt with by the Company in accordance with Section 76K of the Companies Act.

Accordingly, it is not possible for the Company to calculate or quantify the actual impact of purchases or acquisitions of Shares that may be made pursuant to the Share Purchase Mandate on the NTA and EPS of the Company and the Group.

Illustrative Financial Effects

Based on 274,350,089 issued Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date, and a public float of 17.89% in the issued Shares as at that date, the exercise of the Share Purchase Mandate, on the Latest Practicable Date, up to an extent that would not affect adversely the listing status of the Shares on the SGX-ST, might result in the purchase or acquisition by the Company of 24,065,160 Shares (or 8.77% of such issued Shares (excluding Treasury Shares and subsidiary holdings)) (instead of a purchase or acquisition of 27,435,008 Shares, representing ten per cent. (10%) of the issued Shares (excluding Treasury Shares and subsidiary holdings)).

For illustrative purposes only, based on the audited financial statements of the Company and the Group for the FY2024 (please refer to page 69 of the Company's annual report for FY2024), and based on the assumptions set out below:

(a) in the case of On-Market Purchases by the Company and assuming that the Company purchases or acquires 24,065,160 Shares, representing 8.77% of its issued share capital as at the Latest Practicable Date (excluding Treasury Shares and subsidiary holdings) and the Shares are purchased at S$2.690 per Share, being a price representing 105% of the Average Closing Price as at the Latest Practicable Date; and

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(b) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 24,065,160 Shares, representing 8.77% of its issued share capital as at the Latest Practicable Date (excluding Treasury Shares and subsidiary holdings) and the Shares are purchased at S$2.818 per Share, being a price representing 110% of the Average Closing Price as at the Latest Practicable Date, and provided that the purchases or acquisitions are financed entirely out of internal sources of funds and external borrowings and the purchased or acquired Shares are cancelled or held in treasury, the impact of the purchase of Shares by the Company pursuant to the Share Purchase Mandate on the Group's and the Company's audited financial statements for FY2024 would be as set out below:

	On-Market Purchase (S$'000)		Off-Market Purchase (S$'000)	
Group				
Total Equity	475,284	410,549	475,284	407,468
Net assets attributable to owners	475,284	410,549	475,284	407,468
Current Assets	762,009	697,274	762,009	694,193
Current Liabilities	398,365	398,365	398,365	398,365
Total Borrowings	245,731	245,731	245,731	245,731
Cash and Bank Balances	191,374	126,639	191,374	123,558
No. of issued and paid up Shares ('000) (1a) (excluding Treasury Shares)	274,350	250,285	274,350	250,285
Financial Ratios				
Net assets per Share attributable to owners (cents) (1b)	173.24	164.03	173.24	162.80
Gearing (times) (1c)	0.52	0.60	0.52	0.60
Basis EPS (cents) (1d)	34.10	37.37	34.10	37.37
Company				
Total Equity	472,304	407,569	472,304	404,488
NTA	472,304	407,569	472,304	404,488
Current Assets	749,192	684,457	749,192	681,376
Current Liabilities	397,071	397,071	397,071	397,071
Total Borrowings	245,731	245,731	245,731	245,731
Cash and Bank Balances	189,292	124,557	189,292	121,476
No. of issued and paid up Shares ('000) (excluding Treasury Shares)	274,350	250,285	274,350	250,285
Financial Ratios				
NTA per Share (cents) (1e)	172.15	162.84	172.15	161.61
Gearing (times) (1c)	0.52	0.60	0.52	0.61
Basis EPS (cents) (1d)	33.54	36.77	33.54	36.77

Notes:

For the purposes of the above calculations:

(1a) Shares (excluding Treasury Shares) as at the Latest Practicable Date;

(1b) "**Net assets per Share attributable to owners**" is calculated based on the net assets attributable to owners and the issued and paid-up Shares (excluding Treasury Shares) as at the Latest Practicable Date;

(1c) "**Gearing**" represents the ratio of total borrowings to total equity;

(1d) "**Basic EPS**" is calculated based on the profit attributable to Shareholders and the number of issued and paid-up Shares (excluding Treasury Shares) as at the Latest Practicable Date; and

(1e) "**NTA per Share**" is calculated based on the NTA and the issued and paid-up Shares (excluding Treasury Shares) as at the Latest Practicable Date.

Shareholders should note that the financial effects set out in this paragraph are purely for illustrative purposes only and are in no way indicative of the Company's real financial position or a forecast of the Group's and the Company's financial figures.

2.8 **Tax Implications**

The proceeds received by Shareholders from the Company will be treated for income tax purposes in the same manner as proceeds arising from any other disposal of shares. Whether the payment is taxable in the hands of such Shareholders will depend on whether such proceeds are receipt of an income or a capital nature.

Shareholders should note that the foregoing is not to be regarded as advice on the tax position of any Shareholder. Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.9 **Listing Manual**

Under Rule 884 of the Listing Manual, a listed company may purchase shares by way of On-Market Purchases at a price per share which is not more than five per cent. (5%) above the average of the closing market prices of the shares over the last five (5) Market Days, on which transactions in the shares were recorded, before the day on which the purchases were made, and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the day on which the purchases are made.

The Maximum Price for a Share in relation to On-Market Purchases by the Company conforms to this restriction.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time(s), because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. In line with Rule 1207(19) of the Listing Manual and the Company's internal guide on securities dealings, the Company will not purchase or acquire any Shares during the period commencing one (1) month before the announcement of the Company's half year and full year results and the period commencing two (2) weeks before the voluntary announcement of the Company's results for the first and third quarters.

2.10 **Listing Status**

The Company is required under Rule 723 of the Listing Manual to ensure that at least ten per cent. (10%) of any class of its equity securities (excluding preference shares and convertible equity securities) are in the hands of the public. The "**public**", as defined under the Listing Manual, are persons other than its Directors, chief executive officer, Substantial Shareholders or controlling shareholders and its subsidiaries, as well as the associates of such persons. For purposes of this Appendix, the terms "**controlling shareholder**" and "**associate**" shall have the meanings ascribed to them in the Listing Manual.

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As at the Latest Practicable Date, there are 49,093,653 Shares in the hands of the public (as defined above), representing 17.89% of the issued Shares (excluding Treasury Shares). As such, notwithstanding that the Share Purchase Mandate may enable purchases or acquisitions of up to ten per cent. (10%) of the issued Shares (excluding Treasury Shares and subsidiary holdings) to be carried out, it should be noted that in order to preserve the listing status of the Shares on the SGX-ST by maintaining a public float of not less than ten per cent. (10%) in the issued Shares (excluding Treasury Shares), the Company would not purchase or acquire more than 24,065,160 Shares, representing 8.77% of the issued Shares (excluding Treasury Shares) as at the Latest Practicable Date. It should be noted that the foregoing statement is **for illustrative purposes only** and should not be taken as any indication that the Directors will effect such purchases of its Shares. Having regard to the Company's current free float of approximately 17.89%, the Company will only undertake purchases and/or acquisitions of Shares up to the Maximum Percentage of ten per cent. (10%) if and when the number of Shares in the hands of the public increases subsequently to allow the Company to maintain the requisite float of ten per cent. (10%).

It should further be noted that in undertaking any purchases of its Shares through On-Market Purchases, the Directors will use their best efforts to ensure that a sufficient number of Shares remains in public hands so that the Share purchase(s) will not:

(a) adversely affect the listing status of the Shares on the SGX-ST;

(b) cause market illiquidity; or

(c) adversely affect the orderly trading of Shares.

2.11 **Obligations to Make a Take-over Offer**

Under the Take-over Code, a person will be required to make a general offer for a public company if:

(a) he acquires 30% or more of the voting rights of the company; or

(b) he holds between 30% and 50% of the voting rights of the company and he increases his voting rights in the company by more than one per cent. (1%) in any period of six (6) months.

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code ("**Rule 14**").

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons, inter alia, will be presumed to be acting in concert:

(i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);

(ii) a company, its parent, its subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies as well as any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforementioned entities for the purchase of voting rights, all with each other;

(iii) a company with any of its pension funds and employee share schemes;

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(iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent. (10%) or more of the client's equity share capital;

(vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts, which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;

(vii) partners; and

(viii) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the aforementioned, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the equity share capital of a company will be regarded as the test of associated company status. The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

Under Appendix 2 of the Take-over Code, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights in the Company of such Directors and their concert parties:

(A) increase to 30% or more; or

(B) if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties increase by more than one per cent. (1%) in any period of six (6) months.

A Shareholder not acting in concert with the Directors will not incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company increase to 30% or more, or if the voting rights of such Shareholder fall between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

The interests of the Directors and Substantial Shareholders as at the Latest Practicable Date are disclosed in Paragraph 7 below. As at the Latest Practicable Date, assuming that the Company purchases the maximum limit of ten per cent. (10%) of its issued Shares (excluding Treasury Shares and subsidiary holdings):

(I) none of the Directors (together with persons acting in concert with them, if any) will be obligated to make a takeover offer for the Company under Rule 14 as a result of the purchase by the Company of Shares under the Share Purchase Mandate; and

(II) none of the Directors are aware of any Substantial Shareholders who may become obligated to make a take-over offer for the Company under Rule 14 as a result of the purchase by the Company of Shares under the Share Purchase Mandate.

This Paragraph 2.11 does not purport to be a comprehensive or exhaustive description of all the implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their own professional advisers at the earliest opportunity.

2.12 **Share Purchases in the Previous 12 Months**

In the last 12 months immediately preceding the Latest Practicable Date, the Company has not purchased any Shares pursuant to the Share Purchase Mandate approved by Shareholders at the 2024 AGM.

3. CHAPTER 9 OF THE LISTING MANUAL

Chapter 9 of the Listing Manual governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be entities at risk, with the listed company's interested persons. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

Under Chapter 9 of the Listing Manual, where a listed company or any of its subsidiaries or any of its associated companies which are controlled by the listed group and its interested person(s) (other than a subsidiary or associated company that is listed on the SGX-ST or an approved stock exchange) proposes to enter into transactions with the listed company's interested persons, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval if the value of the transaction is equal to or exceeds certain financial thresholds. In particular:

(a) where the value of any such transaction is equal to or exceeds three per cent. (3%) of the latest audited consolidated NTA of the listed company and its subsidiaries and is less than five per cent. (5%) of the latest audited consolidated NTA of the listed company and its subsidiaries, an immediate announcement is required;

(b) where the value of any such transaction is equal to or exceeds five per cent. (5%) of the latest audited consolidated NTA of the listed company and its subsidiaries, an immediate announcement and shareholders' approval are required;

(c) if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to three per cent. (3%) or more of the latest audited consolidated NTA of the listed company and its subsidiaries, the listed 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; and

(d) if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to five per cent. (5%) or more of the latest audited consolidated NTA of the listed company and its subsidiaries, an immediate announcement must be made and shareholders' approval must be obtained in respect of the latest and all future transactions entered into with that interested person during that financial year.

The rules referred to above do not apply to any transaction below S$100,000.

Based on the Group's audited consolidated financial statements for FY2024, three per cent. (3%) and five per cent. (5%) of the latest audited consolidated NTA of the Group as at 30 September 2024 is S$14.26 million and S$23.76 million, respectively.

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Chapter 9 of the Listing Manual permits a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons.

Under the Listing Manual:

(i) an "**entity at risk**" means:

(A) the listed company;

(B) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

(C) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;

(ii) an "**interested person**" means a director, chief executive officer or controlling shareholder of the listed company or an associate of any such director, chief executive officer or controlling shareholder;

(iii) an "**associate**":

(A) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:

(I) his immediate family (that is, the person's spouse, child, adopted-child, step-child, sibling and parent);

(II) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(III) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and

(B) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

(iv) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;

(v) an "**interested person transaction**" means a transaction between an entity at risk and an interested person; and

(vi) a "**transaction**" includes:

(A) the provision or receipt of financial assistance;

(B) the acquisition, disposal or leasing of assets;

(C) the provision or receipt of services;

(D) the issuance or subscription of securities;

(E) the granting of or being granted options; and

(F) the establishment of joint ventures or joint investments,

whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

4. PROPOSED RENEWAL OF BPT/SEHE IPT MANDATE

4.1 **Background on the BPT/SEHE IPT Mandate**

At the 2024 AGM, Shareholders had approved, *inter alia*, the renewal of an interested person transaction mandate pursuant to Rule 920 of the Listing Manual for recurrent interested person transactions to be entered into by the Company with the BPT/SEHE Mandated Interested Persons in the ordinary course of business.

The BPT/SEHE IPT Mandate is subject to annual renewal and accordingly, it is proposed that the Proposed Renewal of BPT/SEHE IPT Mandate be put forth for Shareholders' approval at the 2025 AGM.

4.2 **BPT/SEHE IPT Mandate**

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 projects, as well as designs, manufactures, packs and tags the prefabricated steel reinforcing components for easy and efficient handling and on-site assembly.

Mr. You has a deemed shareholding interest in 167,795,536 Shares, representing an interest of approximately 61.16% in the Company (excluding Treasury Shares), and is accordingly a Controlling Shareholder. Mr. You's shareholding interest in the Company is held through (a) his direct interest of approximately 39.52% in Esteel; (b) (i) his direct interest of approximately 0.04% in TIHL, and (ii) his indirect 100% interest in WB (held through his wholly-owned special purpose vehicle BPVL) which holds approximately 64.02% of TIHL, and TIHL in turn holds approximately 20.42% of the shares in Esteel; and (c) his wholly-owned special purpose vehicle AVIL which in turn holds 36.81% of the shares in Esteel. Esteel in turn holds 167,795,536 Shares, representing approximately 61.16% of share capital of the Company (excluding Treasury Shares). Pursuant to the BPT/SEHE IPT Mandate, the Group can enter into BPT/SEHE Mandated Transactions with BPT/SEHE Mandated Interested Persons.

4.3 **BPT/SEHE Mandated Transactions**

BPT/SEHE Mandated Transactions comprise the purchase and/or sale of raw materials and intermediate goods, comprising steel, steel products, steel-related products and steel by-products used by the Company for its business activities, to lock in prices for such products which are attractive and cost-efficient and ensure that such prices are complementary to the Company's risk appetite, internal practices and pricing policies.

The Company will benefit from having access to competitive quotes from the BPT/SEHE Mandated Interested Persons on payment and credit terms which are arm's length and (a) not more favourable than those offered to third party customers; or (b) not less favourable than those offered by third party suppliers (as the case may be), in addition to obtaining quotes from non-interested and unrelated third party persons.

4.4 **BPT/SEHE Mandated Interested Persons**

The interested persons to be covered under the Proposed Renewal of BPT/SEHE IPT Mandate are BPT and SEHE (collectively, "**BPT/SEHE Mandated Interested Persons**"), each being an associate of Mr. You.

BPT is a private company limited by shares and was incorporated in Singapore on 5 October 2016. BPT is 100% held by TIHL. TIHL is listed on the Hong Kong Stock Exchange and is 0.04% owned by Mr. You and 64.02% owned by WB, with the balance owned by public shareholders. WB is in turn 100% beneficially owned by Mr. You. Accordingly, BPT is an "**associate**" of Mr. You and an "**interested person**". The principal business activities of BPT comprise the wholesale of metals and metals ores and wholesale on a fee or contract basis.

SEHE is a private company limited by shares and was incorporated in the People's Republic of China on 7 March 2018. Mr. You Zhenwu, the brother of Mr. You, has a deemed shareholding interest of 70% in SEHE which is held through Emetal Industrial Group Co., Ltd. which is in turn indirectly controlled by RGL Group Co., Ltd. in which Mr. You Zhenwu has an aggregate interest of 88.24% which is held directly and indirectly through Shanghai Huaxi Industrial Co., Ltd.. Accordingly, SEHE is an "**associate**" of Mr. You and an "**interested person**". The principal business activities of SEHE comprise the import and export of steel, iron ore products and building materials.

4.5 **Rationale for the Proposed Renewal of BPT/SEHE IPT Mandate**

The Proposed Renewal of BPT/SEHE IPT Mandate will:

(a) facilitate the entry into BPT/SEHE Mandated Transactions with the BPT/SEHE Mandated Interested Persons in the ordinary course of the Group's businesses;

(b) give the Company the ability to select transactions, service providers, customers or business relationships on the basis of which provides the best commercial advantage to the Company regardless of relationship with its interested persons; and

(c) eliminate the need to convene separate general meetings under Chapter 9 of the Listing Manual, to seek Shareholders' approval, thereby:

  (i) substantially reducing administrative time and costs associated with the convening of such meetings;

  (ii) avoiding delay in the execution of financing transactions which facilitate the Group's business;

  (iii) enabling the Group to maintain its overall competitiveness and not be disadvantaged as compared to other parties that do not require Shareholders' approval to be obtained for entering into such transactions; and

  (iv) allowing manpower resources and time to be channelled towards attaining corporate objectives rather than to the convening of repeated Shareholders' meetings.

4.6 **Guidelines and Review Procedures in respect of the BPT/SEHE IPT Mandate**

(a) **Review Procedures**

Quotation exercises are generally conducted for most of the Company's purchases except where the transaction value is below the threshold specified in the internal control procedures of the Group which are in line with the non-appliable threshold stipulated in Chapter 9 of the Listing Manual. The specific terms of supply and/or purchase in a Buy-Sell Transaction are usually contained in a Purchase Order.

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To ensure that the BPT/SEHE Mandated Transactions with BPT/SEHE Mandated Interested Persons are undertaken at:

(i) arm's length and on normal commercial terms, being consistent with the Company's usual business practices and on terms which, taken as a whole, are not more favourable than those extended to unrelated third parties (in the case of sale or provision of Goods by the Company) or not less favourable than those obtained from unrelated third parties (in the case of purchase or procurement of Goods by the Company); or

(ii) in any event on terms, which taken as a whole, are not prejudicial to the interests of the Company and the minority Shareholders, the Company will adopt the following review procedures:

(A) When purchasing Goods from a BPT/SEHE Mandated Interested Person, the Company will require that rate quotations for the relevant product be obtained from the Shanghai Futures Exchange, being the only active futures market for steel rebars, to the extent such rate quotations are reasonably representative of market transactions after taking into account the nature, quantum and frequency of Buy-Sell Transactions involved. The Company will only enter into such purchasing transactions with such BPT/SEHE Mandated Interested Person provided that the rate quoted is on terms competitive and not prejudicial to the interest of the Company as compared to those rate(s) obtained from the Shanghai Futures Exchange (and taking into account, where applicable, the futures market situation). In determining whether the price and terms offered by such BPT/SEHE Mandated Interested Person are competitive and not prejudicial to the interest of the Company, all pertinent factors, including but not limited to quality, track record, specification compliance, delivery time, experience and expertise, and where applicable, preferential rates, discounts or rebates accorded for bulk purchases, may be taken into consideration.

In the event that such competitive quotations cannot be obtained from the Shanghai Futures Exchange (for instance, if at or around the time the Company intends to enter into the Buy-Sell Transaction with the relevant BPT/SEHE Mandated Interested Person, there are no similar transactions of a Good being traded on the Shanghai Futures Exchange of a similar quantity within a comparable timeframe), the Company will require that quotations for the relevant product be obtained from at least two (2) other unrelated third party suppliers for similar quantities and/or quality of products (which may include products manufactured in other countries) for comparison. The pricing for products will not be higher than the most competitive price obtained through the unrelated third party quotations to ensure that the price and terms offered by the BPT/SEHE Mandated Interested Person are fair and reasonable and competitive to those offered by other unrelated third parties for the same or similar type of products. In determining the transaction price payable to such BPT/SEHE Mandated Interested Person for such products, all pertinent factors, including but not limited to quality, track record, specification compliance, delivery time, experience and expertise, and where applicable, preferential rates, discounts or rebates accorded for bulk purchases, may also be taken into consideration.

(B) When selling Goods to a BPT/SEHE Mandated Interested Person, the Company will require that rate quotations for the relevant product be obtained from the Shanghai Futures Exchange to the extent such rate quotations are reasonably representative of market transactions after taking into account the nature, quantum and frequency of Buy-Sell Transactions involved. The Company will only enter into such selling transactions with such BPT/SEHE Mandated Interested Person provided that the rate quoted is on terms competitive and not prejudicial to the interest of the Company as compared to those rate(s) obtained from the futures exchange(s) (and taking into account, where applicable, the futures market situation). Considerations such as preferential rates, discounts and/or rebates accorded to corporate customers or for bulk purchases will be taken into account in the assessment.

In the event that contracted sale rates or prices are not available on the Shanghai Futures Exchange (for instance, at or around the time the Company intends to enter into the Buy-Sell Transaction with the relevant BPT/SEHE Mandated Interested Person, there are no similar transactions of a Good being traded on the Shanghai Futures Exchange of a similar quantity within a comparable timeframe), the Company will require that quotations for the relevant product be obtained from at least two (2) other unrelated third party suppliers for similar quantities and/or quality of products (which may include products manufactured in other countries) for comparison. The pricing for products will not be lower than the most competitive price obtained through the unrelated third party quotations to ensure that the price and terms offered by the BPT/SEHE Mandated Interested Person are fair and reasonable and competitive to those offered by other unrelated third parties for the same or similar type of products and generally in accordance (where applicable) with industry norms. The transaction prices will, where applicable, be in accordance with the Company's usual business practices and pricing policies, consistent with the usual margin of the Company for the same or substantially similar type(s) of transaction with unrelated third parties. In determining the transaction price payable by such BPT/SEHE Mandated Interested Person for such products, all pertinent factors, including but not limited to quantity, volume, duration of contract, strategic purposes of the transaction, and where applicable, preferential rates, discounts and/or rebates accorded for bulk purchases, will also be taken into account in the assessment.

(b) **Threshold Limit**

In addition to the above review procedures, the following approval threshold shall be adopted in respect of the BPT/SEHE Mandated Transactions:

(i) Each transaction with a value falling within the Financial Limit will be reviewed and approved by two (2) uninterested Directors, and reported to the Audit and Risk Management Committee on a quarterly basis.

(ii) Each BPT/SEHE Mandated Transaction with a value exceeding the Financial Limit in value will be reviewed and approved by the Audit and Risk Management Committee prior to the Company's entry into such BPT/SEHE Mandated Transaction.

(iii) Any of the Approving Directors, and the Audit and Risk Management Committee, may, as he/ it deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including requesting for an independent financial adviser's opinion and/or the obtaining of valuations from independent professional valuers.

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(c) **Abstention from decision-making and voting at a Board meeting**

If any of the Directors has an interest in the transaction or is a nominee for the time being of either or both of the BPT/SEHE Mandated Interested Persons, or if any associate of such Director is involved in the decision making process on the part of either or both of the BPT/SEHE Mandated Interested Persons, the review and approval process shall be undertaken by the remaining Directors who do not have an interest in the transaction or are not nominees for the time being of the relevant BPT/SEHE Mandated Interested Person(s), and who are not subject to such conflicts of interest, save that if all of the Directors have an interest in the transaction, or are nominees for the time being of either or both of the BPT/SEHE Mandated Interested Persons or are subject to such conflicts of interest, the review and approval process shall be undertaken by the Audit and Risk Management Committee or such other senior executive(s) of the Company designated by the Audit and Risk Management Committee from time to time for such purpose.

If a member of the Audit and Risk Management Committee has an interest in a transaction or is a nominee for the time being of either or both of the BPT/SEHE Mandated Interested Persons, or if any associate of a member of the Audit and Risk Management Committee is involved in the decision-making process on the part of either or both of the BPT/SEHE Mandated Interested Persons, he shall abstain from participating in the review and approval process of the Audit and Risk Management Committee in relation to that transaction.

(d) **Register of Mandated Transactions**

The Company will maintain a register of mandated transactions (including transactions below S$100,000) carried out with the BPT/SEHE Mandated Interested Persons (recording the basis, including quotations, enquiries and/or reports obtained to support such basis, on which they are entered into).

The Audit and Risk Management Committee will review the register of mandated transactions on a quarterly basis to ascertain that the guidelines and review procedures for BPT/SEHE Mandated Transactions have been complied with. The Audit and Risk Management Committee shall also review the appropriateness and sufficiency of the guidelines and review procedures for BPT/SEHE Mandated Transactions at least annually.

(e) **Periodic Reviews**

The internal auditors shall periodically, at the request of the Audit and Risk Management Committee, carry out audit reviews on the adequacy and compliance of the internal control system and reporting procedures for BPT/SEHE Mandated Transactions and will report to the Audit and Risk Management Committee on their findings.

The internal auditors shall periodically, at the request of the Audit and Risk Management Committee, carry out audit reviews to ascertain that the established guidelines and procedures for BPT/SEHE Mandated Transactions are appropriate and have been adequately complied with.

The Audit and Risk Management Committee shall review these internal audit reports on BPT/SEHE Mandated Transactions to ascertain that the internal control procedures for BPT/SEHE Mandated Transactions have been complied with.

If during any of the reviews by the Audit and Risk Management Committee, the Audit and Risk Management Committee is of the view that the established guidelines and review procedures for BPT/SEHE Mandated Transactions have become inappropriate or insufficient for whatever reason, such as in the event of changes to the nature of, or manner in which, the business activities of the Company or the BPT/SEHE Mandated Interested Persons are conducted, the Company will seek a fresh mandate from Shareholders based on new guidelines and review procedures with a view to ensuring that BPT/SEHE Mandated Transactions will be carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders. In such a situation, prior to obtaining the new Shareholders' mandate, all transactions with the BPT/SEHE Mandated Interested Persons will be reviewed and approved by the Audit and Risk Management Committee.

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4.7 **Excluded Transactions in respect of the BPT/SEHE IPT Mandate**

The BPT/SEHE IPT Mandate will not cover any transaction with an interested person that is below S$100,000 in value, as Chapter 9 of the Listing Manual provides that any such transaction is to be disregarded.

Transactions between the Company and BPT/SEHE Mandated Interested Persons which do not fall within the ambit of the BPT/SEHE IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual, or other applicable provisions of the Listing Manual, if any.

4.8 **Validity Period of the BPT/SEHE IPT Mandate**

The Proposed Renewal of BPT/SEHE IPT Mandate is subject to Shareholders' approval at the 2025 AGM, and will take effect on and from its approval until the next AGM of the Company (unless earlier revoked or varied by the Company in a general meeting).

Approval from Shareholders will be sought for the Proposed Renewal of BPT/SEHE IPT Mandate at each subsequent AGM of the Company, subject to satisfactory review by the Audit and Risk Management Committee of its continued application to BPT/SEHE Mandated Transactions with the BPT/SEHE Mandated Interested Persons.

4.9 **Details of Directors (if any) to be appointed in connection with the BPT/SEHE IPT Mandate**

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Renewal of BPT/SEHE IPT Mandate.

4.10 **Disclosure in respect of the BPT/SEHE IPT Mandate**

The Company will announce the aggregate value of transactions conducted with each of the BPT/SEHE Mandated Interested Persons pursuant to the BPT/SEHE IPT Mandate for the financial periods that it is required to report on pursuant to Rule 705 of the Listing Manual (which relates to periodic reporting by listed companies) within the time required for the announcement of such report.

Disclosure will be made in the Company's annual report of the aggregate value of the transactions conducted with interested persons pursuant to the BPT/SEHE IPT Mandate during the relevant financial year, and in the annual reports for the subsequent financial years that the BPT/SEHE IPT Mandate continues in force, in accordance with the requirements and form set out in Chapter 9 of the Listing Manual.

4.11 **Abstention from voting in respect of the BPT/SEHE IPT Mandate**

Esteel, being an interested person, will abstain and shall procure its associates to abstain from voting on the Proposed Renewal of BPT/SEHE IPT Mandate. Esteel and its associates will also not act as proxies in relation to the Proposed Renewal of BPT/SEHE IPT Mandate unless specific voting instructions have been given by Shareholders.

5. PROPOSED RENEWAL OF HLIH GROUP IPT MANDATE

5.1 **Background on the HLIH Group IPT Mandate**

At the 2022 EGM, Shareholders had granted an interested person transaction mandate pursuant to Rule 920 of the Listing Manual for recurrent interested person transactions to be entered into by the Company with the HLIH Group Mandated Interested Persons in the ordinary course of business and as set out in the HLIH Group IPT Mandate Circular.

The HLIH Group IPT Mandate is subject to annual renewal and accordingly, it is proposed that the Proposed Renewal of HLIH Group IPT Mandate be put forth for Shareholders' approval at the 2025 AGM.

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5.2 **HLIH Group IPT Mandate**

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 projects, as well as designs, manufactures, packs and tags the prefabricated steel reinforcing components for easy and efficient handling and on-site assembly.

Based on the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, HLAI has a direct shareholding interest in 54,875,000 Shares, representing an interest of approximately 20.00% in the Company (excluding Treasury Shares), and is accordingly a Controlling Shareholder. HLIH is the ultimate holding company of HLAI and is deemed under Section 4 of the SFA to have an interest in the shares in the capital of the Company held by the subsidiaries of HLIH, which include HLAI. Accordingly, HLIH is also a Controlling Shareholder. Pursuant to Rule 904(4) of the Listing Manual, HLIH and its associates are deemed as "**interested persons**" within the meaning of Chapter 9 of the Listing Manual, and transactions between the Group and the HLIH Group are deemed "**interested person transactions**" within the meaning of Chapter 9 of the Listing Manual.

Pursuant to the HLIH Group IPT Mandate, the Group can enter into HLIH Group Mandated Transactions with HLIH Group Mandated Interested Persons.

5.3 **HLIH Group Mandated Transactions**

HLIH Group Mandated Transactions comprise the 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.

The Group has entered into, and expects to continue entering into, certain recurrent transaction transactions with the HLIH Group, as set out in the paragraph above, in the ordinary course of business to leverage on synergies between the businesses of the two groups. Such recurrent transactions are likely to occur with some degree of frequency and are part of the day-to-day operations of the Group and could arise at any time.

5.4 **HLIH Group Mandated Interested Persons**

The interested persons to be covered under the Proposed Renewal of HLIH Group IPT Mandate are set out in the table below (collectively, the "**HLIH Group Mandated Interested Persons**"), all of which are 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 (listed on the Bursa Malaysia Securities 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 30 June 2024 rounded to the nearest whole number.

5.5 **Rationale for the Proposed Renewal of HLIH Group IPT Mandate**

In view of the time-sensitive nature of commercial transactions, and the need for smooth and efficient conduct of business which is envisaged to include the entry into the HLIH Group Mandated Transactions which are recurring in nature or in the ordinary course of business with the HLIH Group Mandated Interested Persons, the Directors are seeking the approval of Shareholders (which shall exclude Shareholders who are required to abstain from voting pursuant to Rule 920(1)(b)(viii) of the Listing Manual) for the Proposed Renewal of HLIH Group IPT Mandate in respect of future transactions that the Group may enter into with the HLIH Group Mandated Interested Persons provided that the HLIH Group Mandated Transactions are entered into on an arm's length basis and on normal commercial terms and are not prejudicial to the Company and its minority Shareholders.

The Proposed Renewal of HLIH Group IPT Mandate will eliminate the need for the Company to announce and convene separate general meetings on each occasion, where necessary, to seek Shareholders' approval for each separate HLIH Group Mandated Transaction to be entered between the Group and the HLIH Group Mandated Interested Person of a revenue or trading nature or those necessary for its day-to-day operations, thereby substantially reducing the time and expenses associated with the convening of such general meetings (including the engagement of external advisers and preparation of documents) on an ad hoc basis, improving administrative efficacy considerably, allowing manpower resources and time to be channeled towards attaining other corporate objectives.

5.6 **Guidelines and Review Procedures in respect of the HLIH Group IPT Mandate**

To ensure that the HLIH Group Mandated Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, the Company has put in place guidelines and review procedures for the HLIH Group Mandated Transactions under the proposed HLIH Group IPT Mandate as set out below in this Paragraph 5.6.

In general, these are procedures established by the Group to ensure that the HLIH Group Mandated Transactions with HLIH Group Mandated Interested Persons are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are generally no more favourable to the HLIH Group Mandated Interested Persons than those extended to unrelated third parties, and will not be prejudicial to the interests of the Company and its minority Shareholders.

(a) **Review Procedures**

(i) Sale of products to a HLIH Group Mandated Interested Person

The review procedures are:

(A) all sale of products to HLIH Group Mandated Interested Persons will be carried out at the prevailing market prices offered by the Group for the same or substantially similar type of products and on terms no more favourable than the usual commercial terms extended to at least two (2) unrelated third party customers for the same or substantially similar types of products; and

(B) where the prevailing market rates or prices are not available due to the nature of the product to be sold, the Group's pricing and terms offered for such products to be sold to HLIH Group Mandated Interested Persons are to be determined in accordance with the Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the Group for the same or substantially similar type of transaction with unrelated third parties. In determining the pricing and terms offered to HLIH Group Mandated Interested Persons for such products, the Approving Directors or the Audit and Risk Management Committee (depending on the threshold limit set out in Paragraph 5.6(b) below), shall consider whether the transaction is beneficial to the interests of the Group and taking into consideration factors such as, but not limited to, quantity, volume, consumption, customer requirements and customer's available alternate product.

(ii) Purchase of products from a HLIH Group Mandated Interested Person

The review procedures are:

(A) all purchase of products from HLIH Group Mandated Interested Persons will be carried out at the prevailing market prices offered to the Group for the same or substantially similar type of products and on terms no more favourable than the usual commercial terms extended to at least two (2) unrelated third-party suppliers for the same or substantially similar types of products; and

(B) in the event that quotations from unrelated third party vendors cannot be obtained (for instance, if there are no unrelated third party vendors of similar products, or if the product is only available from the HLIH Group Mandated Interested Persons), the Approving Directors or the Audit and Risk Management Committee (depending on the threshold limit set out in Paragraph 5.6(b) below), will determine whether the price and terms offered by the HLIH Group Mandated Interested Persons are fair and reasonable after taking into consideration factors such as, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases.

(b) **Threshold Limit**

In addition to the above review procedures, depending on whether the value of the contract to be entered into in relation to the HLIH Group Mandated Transactions is within the Financial Limit, the following approval thresholds shall be adopted:

(i) Each contract with a value falling within the Financial Limit will be reviewed and approved by two (2) Directors (other than Directors with either direct or indirect interest in the transaction(s)) ("**Approving Directors**") and reported to the Audit and Risk Management Committee on a quarterly basis.

(ii) Each contract with a value exceeding the Financial Limit in value will be reviewed and approved by the Audit and Risk Management Committee prior to the Company's entry into of such HLIH Group Mandated Transaction.

(iii) Any of the Approving Directors, and the Audit and Risk Management Committee, may, as he/it deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including requesting for an independent financial adviser's opinion and/or the obtaining of valuations from independent professional valuers.

(c) **Abstention from decision-making and voting at a Board meeting**

If any of the Directors has an interest in the transaction under consideration for approval or is a nominee for the time being of any of the HLIH Group Mandated Interested Persons, or if any associate of such Director is involved in the decision-making process on the part of either or both of the HLIH Group Mandated Interested Persons, the review and approval process shall be undertaken by the remaining Directors who do not have an interest in the transaction under consideration for approval or are not nominees for the time being of the relevant HLIH Group Mandated Interested Person(s), and who are not subject to such conflicts of interest, save that if all of the Directors have an interest in the transaction under consideration for approval, or are nominees for the time being of either or both of the HLIH Group Mandated Interested Persons or are subject to such conflicts of interest, the review and approval process shall be undertaken by the Audit and Risk Management Committee or such other senior executive(s) of the Company designated by the Audit and Risk Management Committee from time to time for such purpose.

LETTER TO SHAREHOLDERS

If a member of the Audit and Risk Management Committee has an interest in a transaction under consideration for approval or is a nominee for the time being of either or both of the HLIH Group Mandated Interested Persons, or if any associate of a member of the Audit and Risk Management Committee is involved in the decision-making process on the part of either or both of the HLIH Group Mandated Interested Persons, he shall abstain from participating in the review and approval process of the Audit and Risk Management Committee in relation to that transaction under consideration for approval.

(d) **Register of Mandated Transactions**

The Company will maintain a register of mandated transactions carried out with HLIH Group Mandated Interested Persons (including transactions below S$100,000 and the HLIH Group Mandated Transactions) (recording the contracts entered into in relation to the HLIH Group Mandated Transactions and basis for pricing and other commercial terms thereunder, including quotations, enquiries and/or reports obtained to support such basis, on which they are entered into).

The Audit and Risk Management Committee will review the register of mandated transactions on a quarterly basis to ascertain that the guidelines and review procedures for HLIH Group Mandated Transactions have been complied with. The Audit and Risk Management Committee shall also review the appropriateness and sufficiency of the guidelines and review procedures for HLIH Group Mandated Transactions at least annually.

(e) **Periodic Reviews**

The internal auditors shall annually, or at the request of the Audit and Risk Management Committee, carry out audit reviews on the adequacy and compliance of the internal control system and reporting procedures for HLIH Group Mandated Transactions and will report to the Audit and Risk Management Committee on their findings.

The internal auditors shall annually, or at the request of the Audit and Risk Management Committee, carry out audit reviews to ascertain that the established guidelines and procedures for HLIH Group Mandated Transactions are appropriate and have been adequately complied with.

The Audit and Risk Management Committee shall review these internal audit reports on HLIH Group Mandated Transactions to ascertain that the internal control procedures for HLIH Group Mandated Transactions have been complied with.

If during any of the reviews by the Audit and Risk Management Committee, the Audit and Risk Management Committee is of the view that the established guidelines and review procedures for HLIH Group Mandated Transactions have become inappropriate or insufficient for whatever reason, such as in the event of changes to the nature of, or manner in which, the business activities of the Company or the HLIH Group Mandated Interested Persons are conducted, the Company will seek a fresh mandate from Shareholders based on new guidelines and review procedures with a view to ensuring that HLIH Group Mandated Transactions will be carried out at arm’s length, on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders. In such a situation, prior to obtaining the new Shareholders’ mandate, all transactions with the HLIH Group Mandated Interested Persons will be reviewed and approved by the Audit and Risk Management Committee.

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5.7 **Excluded Transactions in respect of the HLIH Group IPT Mandate**

The HLIH Group IPT Mandate will not cover any transaction with an interested person that is below S$100,000 in value, as Chapter 9 of the Listing Manual provides that any such transaction is to be disregarded. However, the SGX-ST may aggregate any such transactions below S$100,000 that are entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902 of the Listing Manual. Based on the Group's past transactions with the HLIH Group, a large proportion of the transactions with the HLIH Group may each be below S$100,000 in value. For good order, the Company will aggregate the purchase and sales orders from the HLIH Group Mandated Interested Persons and subject them to the review procedures under the Proposed Renewal of HLIH Group IPT Mandate.

Transactions between the Company and HLIH Group Mandated Interested Persons which do not fall within the ambit of the HLIH Group IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual, or other applicable provisions of the Listing Manual, if any.

5.8 **Validity Period of the HLIH Group IPT Mandate**

The Proposed Renewal of HLIH Group IPT Mandate is subject to Shareholders' approval at the 2025 AGM, and will take effect on and from its approval until the next AGM of the Company (unless earlier revoked or varied by the Company in general meeting).

Approval from Shareholders will be sought for the Proposed Renewal of HLIH Group IPT Mandate at each subsequent AGM of the Company, subject to satisfactory review by the Audit and Risk Management Committee of its continued application to HLIH Group Mandated Transactions with the HLIH Group Mandated Interested Persons.

5.9 **Details of Directors (if any) to be appointed in connection with the HLIH Group IPT Mandate**

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Renewal of HLIH Group IPT Mandate.

5.10 **Disclosure in respect of the HLIH Group IPT Mandate**

The Company will announce the aggregate value of transactions conducted with each of the HLIH Group Mandated Interested Persons pursuant to the HLIH Group IPT Mandate for the financial periods that it is required to report on pursuant to Rule 705 of the Listing Manual (which relates to periodic reporting by listed companies) within the time required for the announcement of such report.

Disclosure will be made in the Company's annual report of the aggregate value of the transactions conducted with interested persons pursuant to the HLIH Group IPT Mandate during the relevant financial year, and in the annual reports for the subsequent financial years that the HLIH Group IPT Mandate continues in force, in accordance with the requirements and form set out in Chapter 9 of the Listing Manual.

5.11 **Abstention from voting in respect of the HLIH Group IPT Mandate**

The relevant companies within the HLIH Group, being interested persons, will abstain, and shall procure their associates to abstain from voting on the Proposed Renewal of HLIH Group IPT Mandate. The relevant companies within the HLIH Group and their associates will also not act as proxies in relation to the Proposed Renewal of HLIH Group IPT Mandate unless specific voting instructions have been given by Shareholders. For completeness, the HLIH Group Mandated Interested Persons do not hold Shares.

6. STATEMENT FROM THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee, comprising Mr. Joel Leong Kum Hoe, Ms. Chang Pui Yook and Mr. Toh Kian Sing, all of whom are considered independent for the purposes of considering the Proposed Renewal of BPT/SEHE IPT Mandate and the Proposed Renewal of HLIH Group IPT Mandate, having reviewed the rationale for and the terms and benefits of the Proposed Renewal of BPT/SEHE IPT Mandate and the Proposed Renewal of HLIH Group IPT Mandate, is satisfied and of the view that:

(a) the guidelines and review procedures under the BPT/SEHE IPT Mandate have not changed since the last approval granted by Shareholders on 31 January 2024;

(b) the guidelines and review procedures under the BPT/SEHE IPT Mandate are sufficient and appropriate to ensure that the BPT/SEHE Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders;

(c) the guidelines and review procedures under the HLIH Group IPT Mandate have not changed since the last approval granted by Shareholders on 31 January 2024; and

(d) the guidelines and review procedures under the HLIH Group IPT Mandate are sufficient and appropriate to ensure that the HLIH Group Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

However, in the event that the Audit and Risk Management Committee subsequently no longer holds such views, the Company shall approach Shareholders for a fresh mandate for the interested person transactions concerning the Group based on new guidelines and/or review procedures (as may be applicable).

7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the register of Directors' shareholding as at the Latest Practicable Date, the Directors do not own any interests, directly or indirectly, in the Shares. Based on the register of Substantial Shareholders as at the Latest Practicable Date, the interests of the Substantial Shareholders, direct or indirect, in the Shares are set out below:

	Direct Interest		Deemed Interest		Total Interest	
Shareholders	**Number of Shares**	**% of total issued Shares (1)**	**Number of Shares**	**% of total issued Shares (1)**	**Number of Shares**	**% of total issued Shares (1)**
Esteel	167,795,536	61.16	–	–	167,795,536	61.16
TIHL (2)	–	–	167,795,536	61.16	167,795,536	61.16
WB (3)	–	–	167,795,536	61.16	167,795,536	61.16
BPVL (4)	–	–	167,795,536	61.16	167,795,536	61.16
AVIL (5)	–	–	167,795,536	61.16	167,795,536	61.16
Mr. You (6)	–	–	167,795,536	61.16	167,795,536	61.16
HLAI	54,875,000	20.00	–	–	54,875,000	20.00
HLA (7)	–	–	55,280,500	20.15	55,280,500	20.15
HLCH (8)	–	–	55,571,900	20.26	55,571,900	20.26
HLE (9)	–	–	55,571,900	20.26	55,571,900	20.26
HLIH (10)	–	–	57,460,900	20.94	57,460,900	20.94
Davos (11)	–	–	57,460,900	20.94	57,460,900	20.94
KH (12)	–	–	57,460,900	20.94	57,460,900	20.94

LETTER TO SHAREHOLDERS

Notes:

(1) Based on the total issued Shares (excluding Treasury Shares), comprising 274,350,089 Shares as at the Latest Practicable Date.

(2) TIHL has an approximate 20.42% interest in Esteel. Accordingly, TIHL is deemed to have an interest in the Shares held by Esteel pursuant to Section 4 of the SFA.

(3) WB has an approximate 64.02% interest in TIHL, and TIHL in turn holds approximately 20.42% of the shares in Esteel. Accordingly, WB is deemed to have an interest in the Shares held by Esteel pursuant to Section 4 of the SFA.

(4) BPVL is deemed under Section 4 of the SFA to have an interest in the Shares in which its subsidiary, WB, has an interest.

(5) AVIL has an approximate 36.81% interest in Esteel. Accordingly, AVIL is deemed to have an interest in the Shares held by Esteel pursuant to Section 4 of the SFA.

(6) Mr. You has (i) an approximate 39.52% interest in Esteel, (ii) (a) a direct interest of approximately 0.04% in TIHL, and (b) an indirect 100% interest in WB (held through his wholly-owned special purpose vehicle BPVL) which holds approximately 64.02% of TIHL, and TIHL in turn holds approximately 20.42% of the shares in Esteel, and (iii) a 100% interest in AVIL. Accordingly, Mr. You is deemed to have an interest in the Shares held by Esteel pursuant to Section 4 of the SFA.

(7) HLA has a 100% interest in HLAI and an indirect 100% interest in Rex Plastics. Accordingly, HLA is deemed to have an interest in the Shares held by HLAI and Rex Plastics pursuant to Section 4 of the SFA.

(8) HLCH is deemed under Section 4 of the SFA to have an interest in the Shares in which its subsidiaries, HLAI, Starich and Rex Plastics, have an interest.

(9) HLE is entitled to exercise or control the exercise of not less than 20% of the voting shares in HLCH. Accordingly, HLE is deemed to have an interest in the Shares held by HLCH pursuant to Section 4 of the SFA.

(10) HLIH is deemed under Section 4 of the SFA to have an interest in the Shares in which its subsidiaries, HLAI, Starich, Rex Plastics and Shanwood Development Pte Ltd have an interest.

(11) Davos is entitled to exercise or control the exercise of not less than 20% of the voting shares in HLIH. Accordingly, Davos is deemed to have an interest in the Shares held by HLIH pursuant to Section 4 of the SFA.

(12) KH is entitled to exercise or control the exercise of not less than 20% of the voting shares in HLIH. Accordingly, KH is deemed to have an interest in the Shares held by HLIH pursuant to Section 4 of the SFA.

8. ANNUAL GENERAL MEETING

The 2025 AGM will be held at Chartroom, Level 2, Raffles Marina Ltd, 10 Tuas West Drive, Singapore 638404, on 27 January 2025 at 10.00 a.m. for the purposes of considering and, if thought fit, passing, with or without modification, the ordinary resolutions relating to the Proposed Renewal of Share Purchase Mandate, the Proposed Renewal of BPT/SEHE IPT Mandate and the Proposed Renewal of HLIH Group IPT Mandate.

APPENDIX I

LETTER TO SHAREHOLDERS

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Printed copies of the Notice of AGM, Proxy Form, and Request Form will be sent to Shareholders. Electronic copies of the aforementioned documents, the annual report of the Company for FY2024, and this Appendix will be made available to Shareholders via SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.brc.com.sg/investors/announcements/.

Shareholders may submit questions related to the resolutions to be tabled for approval at the 2025 AGM in advance of the 2025 AGM no later than 5.00 p.m. on 17 January 2025:

(a) by email to sg.is.proxy@sg.tricorglobal.com; or

(b) by post to the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619.

Shareholders submitting questions are required to state: (i) their full name; and (ii) their identification/ registration number; and (iii) the manner in which his/her/its shares in the Company are held (e.g. via CDP, CPF, SRS and/or scrip), failing which the Company shall be entitled to regard the submission as invalid and not respond to the questions submitted.

All questions submitted in advance of the 2025 AGM must be received by the Company by the time and date stated above to be treated as valid.

The Company will endeavour to address all substantial and relevant questions received from Shareholders either before the 2025 AGM on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.brc.com.sg/investors/announcements/ before 10.00 a.m. on 22 January 2025 or during the 2025 AGM. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed.

The Company will, within one (1) month after the date of the 2025 AGM, publish the minutes of the AGM on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.brc.com.sg/investors/announcements/ and the minutes will include the responses to the substantial and relevant questions raised during the 2025 AGM.

Shareholders who are unable to attend the 2025 AGM and wish to appoint a proxy to attend and vote at the 2025 AGM on their behalf must first download, complete and sign the Proxy Form, before submitting it by post to the address provided below, or before scanning and sending it by email to the email address provided below.

Investors whose Shares are held with relevant intermediaries including CPF Investors and SRS Investors, who are unable to attend the 2025 AGM and wish to appoint a proxy to attend and vote at the 2025 AGM on their behalf, should approach their respective intermediaries such as CPF Agent Banks or SRS Agent Banks to submit their votes at least seven (7) working days before the 2025 AGM in order to allow sufficient time for their respective CPF Agent Banks or SRS Agent Banks to in turn submit a Proxy Form to appoint a proxy to vote on their behalf by the cut-off date.

The duly completed Proxy Form must be submitted to the Company in the following manner:

(a) if by email, the proxy form must be received at sg.is.proxy@sg.tricorglobal.com; or

(b) if sent personally or by post, the proxy form must be lodged at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619,

in either case, by 10.00 a.m. on 24 January 2025 (being not less than 72 hours before the time fixed for holding the 2025 AGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

The completion and return of a duly completed Proxy Form by a Shareholder does not preclude him from attending and voting in person at the 2025 AGM if he finds that he is able to do so. In such event, the relevant Proxy Form will be deemed to be revoked.

10. DIRECTORS' RECOMMENDATIONS

10.1 The Directors, having carefully considered the terms and rationale of the Proposed Renewal of Share Purchase Mandate, are of the view that the Proposed Renewal of Share Purchase Mandate is in the best interests of the Company and accordingly, recommend that Shareholders vote in favour of the ordinary resolution in relation to the Proposed Renewal of Share Purchase Mandate at the 2025 AGM.

10.2 Having considered the rationale for the Proposed Renewal of BPT/SEHE IPT Mandate, the Directors who are deemed to be independent for the purposes of making a recommendation to Shareholders in respect of the Proposed Renewal of BPT/SEHE IPT Mandate, being Mr. Teo Ser Luck, Mr. Seah Kiin Peng, Mr. Xu Jiguo, Mr. Zhang Xingwang, Mr. Darrell Lim Chee Lek, Mr. Stephen Ho Kiam Kong, Ms. Kwek Pei Xuan, Mr. Joel Leong Kum Hoe, Ms. Chang Pui Yook and Mr. Toh Kian Sing, are of the opinion that the Proposed Renewal of BPT/SEHE IPT Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution in relation to the Proposed Renewal of BPT/SEHE IPT Mandate at the 2025 AGM.

10.3 Having considered the rationale for the Proposed Renewal of HLIH Group IPT Mandate, the Directors who are deemed to be independent for the purposes of making a recommendation to Shareholders in respect of the Proposed Renewal of HLIH Group IPT Mandate, being Mr. Teo Ser Luck, Mr. Seah Kiin Peng, Mr. Xu Jiguo, Mr. Zhang Xingwang, Mr. Darrell Lim Chee Lek, Mr. Joel Leong Kum Hoe, Ms. Chang Pui Yook and Mr. Toh Kian Sing, are of the opinion that the Proposed Renewal of HLIH Group IPT Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution in relation to the Proposed Renewal of HLIH Group IPT Mandate at the 2025 AGM.

10.4 Mr. Stephen Ho Kiam Kong and Ms. Kwek Pei Xuan, who are Directors of the Company, are also executive directors of HLA, and the chief executive officer and the head of sustainability and corporate affairs of HLA, respectively. Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of the ordinary resolution in relation to the Proposed Renewal of HLIH Group IPT Mandate at the 2025 AGM.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Renewal of Share Purchase Mandate, the Proposed Renewal of BPT/SEHE IPT Mandate, the Proposed Renewal of HLIH Group IPT Mandate, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix 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 Appendix in its proper form and context.

APPENDIX I

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12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619, during normal business hours from the date of this Appendix up to and including the date of the 2025 AGM:

(a) the Constitution; and

(b) the annual report of the Company for FY2024.

This Appendix and the annual report for FY2024 are also available on the Company's website https://www.brc.com.sg/investors/announcements/ and SGXNET.

Yours faithfully
For and on behalf of the Board

Teo Ser Luck
(Chairman and Independent Director)

STATISTICS OF
SHAREHOLDINGS
As at 16 December 2024

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

No. of Share	:	275,976,689
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each Ordinary Share
Treasury Shares	:	1,626,600
Percentage of each holding against total number of issued Ordinary Shares (excluding treasury shares)	:	0.59%

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES*	%
1 - 99	14	0.91	232	0.00
100 - 1,000	810	52.36	346,742	0.12
1,001 - 10,000	492	31.80	2,359,359	0.86
10,001 - 1,000,000	222	14.35	19,278,140	7.03
1,000,001 and above	9	0.58	252,365,616	91.99
TOTAL	**1,547**	**100.00**	**274,350,089**	**100.00**

*Excluding Treasury Shares as at 16 December 2024 - 1,626,600 shares

TWENTY LARGEST SHAREHOLDERS AS AT 16 DECEMBER 2024

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	UOB KAY HIAN PTE LTD	176,494,936	64.33
2	CGS INTERNATIONAL SECURITIES SINGAPORE PTE LTD	56,724,800	20.68
3	KGI SECURITIES (SINGAPORE) PTE. LTD	5,068,100	1.85
4	BPSS NOMINEES SINGAPORE (PTE.) LTD.	4,118,100	1.50
5	DBS NOMINEES PTE LTD	2,760,682	1.01
6	CITIBANK NOMINEES SINGAPORE PTE LTD	2,124,087	0.77
7	PHILLIP SECURITIES PTE LTD	2,000,093	0.73
8	SHANWOOD DEVELOPMENT PTE LTD	1,889,000	0.69
9	RAFFLES NOMINEES (PTE) LIMITED	1,185,818	0.43
10	SEAH BOON HWA	1,000,000	0.36
11	GOH TIOW GUAN	1,000,000	0.36
12	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	920,133	0.34
13	HSBC (SINGAPORE) NOMINEES PTE LTD	840,188	0.31
14	TIGER BROKERS (SINGAPORE) PTE. LTD.	825,400	0.30
15	SIA LING SING	800,000	0.29
16	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	791,300	0.29
17	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	780,915	0.28
18	LIM YIT WAH @NG YOE NIE	550,000	0.20
19	LIM CHIN LOON	510,000	0.19
20	LIU SONG	500,000	0.18
	TOTAL:	**260,883,552**	**95.09**

Notes:

%: Based on 274,350,089 shares (excluding shares held as treasury shares) as at 16 December 2024
*Treasury Shares as at 16 December 2024 - 1,626,600 shares

STATISTICS OF
SHAREHOLDINGS

As at 16 December 2024

DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the register of Directors' shareholding as at the Latest Practicable Date, the Directors do not own any interests, directly or indirectly, in the Shares. Based on the register of Substantial Shareholders as at the Latest Practicable Date, the interests of the Substantial Shareholders, direct or indirect, in the Shares are set out below:

	Direct Interest		Deemed Interest		Total Interest	
Shareholders	**Number of Shares**	**% of total issued Shares (1)**	**Number of Shares**	**% of total issued Shares (1)**	**Number of Shares**	**% of total issued Shares (1)**
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BPVL (4)	–	–	167,795,536	61.16	167,795,536	61.16
AVIL (5)	–	–	167,795,536	61.16	167,795,536	61.16
Mr. You (6)	–	–	167,795,536	61.16	167,795,536	61.16
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HLE (9)	–	–	55,571,900	20.26	55,571,900	20.26
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Davos (11)	–	–	57,460,900	20.94	57,460,900	20.94
KH (12)	–	–	57,460,900	20.94	57,460,900	20.94

Notes:

(1) Based on the total issued Shares (excluding Treasury Shares), comprising 274,350,089 Shares as at the Latest Practicable Date.

(2) TIHL has an approximate 20.42% interest in Esteel. Accordingly, TIHL is deemed to have an interest in the Shares held by Esteel pursuant to Section 4 of the SFA.

(3) WB has an approximate 64.02% interest in TIHL, and TIHL in turn holds approximately 20.42% of the shares in Esteel. Accordingly, WB is deemed to have an interest in the Shares held by Esteel pursuant to Section 4 of the SFA.

(4) BPVL is deemed under Section 4 of the SFA to have an interest in the Shares in which its subsidiary, WB, has an interest.

(5) AVIL has an approximate 36.81% interest in Esteel. Accordingly, AVIL is deemed to have an interest in the Shares held by Esteel pursuant to Section 4 of the SFA.

(6) Mr. You has (i) an approximate 39.52% interest in Esteel, (ii) (a) a direct interest of approximately 0.04% in TIHL, and (b) an indirect 100% interest in WB (held through his wholly-owned special purpose vehicle BPVL) which holds approximately 64.02% of TIHL, and TIHL in turn holds approximately 20.42% of the shares in Esteel, and (iii) a 100% interest in AVIL. Accordingly, Mr. You is deemed to have an interest in the Shares held by Esteel pursuant to Section 4 of the SFA.

(7) HLA has a 100% interest in HLAI and an indirect 100% interest in Rex Plastics. Accordingly, HLA is deemed to have an interest in the Shares held by HLAI and Rex Plastics pursuant to Section 4 of the SFA.

(8) HLCH is deemed under Section 4 of the SFA to have an interest in the Shares in which its subsidiaries, HLAI, Starich and Rex Plastics, have an interest.

(9) HLE is entitled to exercise or control the exercise of not less than 20% of the voting shares in HLCH. Accordingly, HLE is deemed to have an interest in the Shares held by HLCH pursuant to Section 4 of the SFA.

(10) HLIH is deemed under Section 4 of the SFA to have an interest in the Shares in which its subsidiaries, HLAI, Starich, Rex Plastics and Shanwood Development Pte Ltd have an interest.

(11) Davos is entitled to exercise or control the exercise of not less than 20% of the voting shares in HLIH. Accordingly, Davos is deemed to have an interest in the Shares held by HLIH pursuant to Section 4 of the SFA.

(12) KH is entitled to exercise or control the exercise of not less than 20% of the voting shares in HLIH. Accordingly, KH is deemed to have an interest in the Shares held by HLIH pursuant to Section 4 of the SFA.

PUBLIC SHAREHOLDINGS

Based on information available to the Company, approximately 17.89% of the Company's shares are held in the hands of the public as at 16 December 2024 and therefore, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF
ANNUAL GENERAL MEETING

BRC ASIA LIMITED
(Company Registration No.: 193800054G)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the annual general meeting ("**AGM**") of BRC Asia Limited ("**Company**") will be held at Chartroom, Level 2, Raffles Marina Ltd, 10 Tuas West Drive, Singapore 638404 on Monday, 27 January 2025 at 10.00 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 September 2024 and the Auditor's Report thereon. **(Resolution 1)**

2. To declare a final tax-exempt (one-tier) dividend of 8 Singapore cents per ordinary share for the financial year ended 30 September 2024. **(Resolution 2)**

3. To declare a special tax-exempt (one-tier) dividend of 6 Singapore cents per ordinary share for the financial year ended 30 September 2024. **(Resolution 3)**

4. To approve the Directors' fees of S$650,000 for the financial year ending 30 September 2025 (2024: S$500,000). **(Resolution 4)**

5. To re-elect Mr. Seah Kiin Peng, who is retiring pursuant to Regulation 104 of the Constitution of the Company, as director of the Company. *(See Explanatory Note 1)* **(Resolution 5)**

6. To re-elect Mr. Xu Jiguo, who is retiring pursuant to Regulation 104 of the Constitution of the Company, as director of the Company. *(See Explanatory Note 1)* **(Resolution 6)**

7. To re-elect Mr. Stephen Ho Kiam Kong, who is retiring pursuant to Regulation 104 of the Constitution of the Company, as director of the Company. *(See Explanatory Note 1)* **(Resolution 7)**

8. To re-elect Ms. Kwek Pei Xuan, who is retiring pursuant to Regulation 104 of the Constitution of the Company, as director of the Company. *(See Explanatory Note 1)* **(Resolution 8)**

9. To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix its remuneration. **(Resolution 9)**

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modifications, the following ordinary resolutions:

10. Authority to Issue Shares **(Resolution 10)**

"That pursuant to Section 161 of the Companies Act 1967 ("**Act**") and the listing rules ("**Listing Rules**") of the listing manual ("**Listing Manual**") of Singapore Exchange Securities Trading Limited ("**SGX-ST**"), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, to:

(a) (i) issue shares in the capital of the Company ("**Shares**") whether by way of bonus, rights or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, options, debentures or other instruments convertible into Shares,

(b) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this resolution was in force,

Provided that:

(i) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) shall not be more than 50% of the total number of Shares (excluding treasury shares and subsidiary holdings), in the capital of the Company or such other limit as may be prescribed by the SGX-ST as at the date the general mandate is passed;

(ii) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro-rata basis to existing shareholders shall not be more than 20% of the total number of Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company or such other limit as may be prescribed by the SGX-ST as at the date the general mandate is passed;

(iii) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraphs (i) and (ii) above, the total number of Shares (excluding treasury shares and subsidiary holdings) shall be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date the general mandate is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or employee stock options or vesting of share awards which are outstanding or subsisting at the date the general mandate is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares; and

(iv) unless earlier revoked or varied by the Company in general meeting, such authority shall continue in force until the next Annual General Meeting or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier." *(See Explanatory Note 2)*

11. Renewal of the Share Purchase Mandate **(Resolution 11)**

"That:

(a) for the purposes of Sections 76C and 76E of the Act, the exercise by the directors of the Company ("**Directors**") of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Percentage (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) purchases or acquisitions of Shares made on the SGX-ST ("**On-Market Purchases**") transacted through the ready market, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) purchases or acquisitions of Shares made otherwise than on the SGX-ST, in accordance with an equal access scheme or schemes for the purchase of Shares from Shareholders ("**Off-Market Purchases**") as may be determined or formulated by the Directors as they consider fit in the interests of the Company, which scheme(s) shall satisfy the conditions, which are consistent with the Share Purchase Mandate (as hereinafter defined), the Listing Rules and the Act, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earliest date on which:

(i) the next annual general meeting of the Company is held or required by law to be held;

(ii) purchases or acquisitions of Shares pursuant to the Share Purchase Mandate have been carried out to the full extent mandated; or

(iii) the authority contained in the Share Purchase Mandate is varied or revoked in a general meeting;

(c) in this resolution:

"**Average Closing Price**" means the average of the closing market prices of a Share for the five (5) days on which the SGX-ST is open for trading in securities ("**Market Days**") on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs after the relevant five (5) Market Day period;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Maximum Percentage**" means that number of Shares representing not more than ten per cent (10%) of the issued ordinary share capital as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings), subject always to the free float requirement as set out in paragraph 2.10 of the Appendix I to the Notice of AGM dated 10 January 2025 as at the date of passing of this Resolution (excluding any Shares which are held as Treasury Shares or subsidiary holdings as at that date); and

"**Maximum Price**" in relation to a Share to be purchased, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed:

(i) in the case of an On-Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, 110% of the Average Closing Price of the Shares, in each case, excluding related expenses of the purchase or acquisition; and

(d) the Directors and/or any of the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary in the interests of the Company to give effect to the Share Purchase Mandate and/or this resolution." *(See Explanatory Note 3)*

12. Renewal of the BPT/SEHE IPT Mandate **(Resolution 12)**

"That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Chapter 9**"), for the Company and its subsidiaries that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions as set out in paragraph 4 of the Appendix I to the Notice of AGM dated 10 January 2025, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions as set out in the Appendix (the "**BPT/SEHE IPT Mandate**");

(b) the BPT/SEHE IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or is required by the law to be held, whichever is earlier; and

(c) the Directors of the Company be and are hereby authorised to do all acts and things as they may in their discretion deem necessary, desirable or expedient in the interests of the Company to give effect to the BPT/SEHE IPT Mandate and/or this resolution." (*See Explanatory Note 4)*

13. Renewal of the HLIH Group IPT Mandate **(Resolution 13)**

"That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Chapter 9**"), for the Company and its subsidiaries that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions as set out in paragraph 5 of the Appendix I to the Notice of AGM dated 10 January 2025, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions as set out in the Appendix (the "**HLIH Group IPT Mandate**");

(b) the HLIH Group IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or is required by the law to be held, whichever is earlier; and

(c) the Directors of the Company be and are hereby authorised to do all acts and things as they may in their discretion deem necessary, desirable or expedient in the interests of the Company to give effect to the HLIH Group IPT Mandate and/ or this resolution." *(See Explanatory Note 5)*

14. To transact any other ordinary business which may be properly transacted at an annual general meeting.

BRC ASIA LIMITED
(Company Registration No.: 193800054G)
(Incorporated in the Republic of Singapore)

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders for the proposed dividends being obtained at the Annual General Meeting, the Register of Members and Share Transfer Books of the Company will be closed on 2 May 2025 at 5.00 p.m. to determine the shareholders' entitlements to the proposed dividends.

Duly completed transfers of shares received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place #26-01 Republic Plaza, Singapore 048619, up to 5.00 p.m. on 2 May 2025 will be registered to determine shareholders' entitlements to the proposed dividends. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 2 May 2025 will be entitled to the proposed dividends.

The proposed dividends, if approved by the members at the Annual General Meeting, will be paid on 15 May 2025.

BY ORDER OF THE BOARD

Lee Chun Fun
Chiang Wai Ming
Company Secretaries

10 January 2025

Explanatory Notes:

1. For ordinary resolutions 5, 6, 7 and 8 above, detailed information of the directors who are subject to retiring can be found under the "Board of Directors" and "Corporate Governance Report" sections of the Annual Report 2024.

2. Resolution 10, if passed, will authorise and empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and/or shares to be issued in pursuance of Instruments made or granted pursuant to this resolution in the Company up to an amount not exceeding in aggregate 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of which the total number of shares and shares to be issued in pursuance of Instruments made or granted pursuant to this resolution issued other than on a pro-rata basis to existing shareholders shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

   For the purpose of Resolution 10, the total number of issued shares (excluding treasury shares and subsidiary holdings) is based on the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this proposed ordinary resolution is passed after adjusting for new shares arising from the conversion or exercise of Instruments or the vesting of share awards outstanding or subsisting at the time when this proposed ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

3. Resolution 11 relates to the renewal of the mandate which was last renewed by shareholders on 31 January 2024 and, if passed, will authorise the Directors to make purchases or otherwise acquire Shares from time to time subject to and in accordance with the guidelines set out in the Appendix I to the Annual Report 2024, the Listing Manual and such other laws as may for the time being be applicable. Please refer to Appendix I for further information.

4. Resolution 12 relates to the renewal of the mandate which was last renewed by shareholders on 31 January 2024 and, if passed, will empower the Company and its subsidiaries or any of them to enter into certain interested person transactions with persons who are considered "interested persons" as defined in Chapter 9 of the Listing Manual. Please refer to Appendix I to the Annual Report 2024 for further information.

5. Resolution 13 relates to the renewal of the mandate which was last renewed by shareholders on 31 January 2024 and, if passed, will empower the Company and its subsidiaries or any of them to enter into certain interested person transactions with persons who are considered "interested persons" as defined in Chapter 9 of the Listing Manual. Please refer to Appendix I to the Annual Report 2024 for further information.

NOTICE OF
ANNUAL GENERAL MEETING

BRC ASIA LIMITED

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

Notes:

1. The members of the Company are invited to attend physically at the AGM. **There will be no option for the members to participate virtually.** The Notice of AGM, Proxy Form, Request Form, the Annual Report (including the Appendix) will be made available on the SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.brc.com.sg/investors/announcements/. A printed copy of the Notice of AGM, Proxy Form and Request Form will be sent to members of the Company.

2. Please bring along your NRIC/passport so as to enable the Company to verify your identity.

Voting by proxy

3. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/ her/ its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.

4. A proxy need not be a member of the Company.

5. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.

7. The instrument appointing the proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either:

   (a) if sent personally or by post, the proxy form must be lodged at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or

   (b) if by email, the proxy form must be received at sg.is.proxy@sg.tricorglobal.com,

   in either case, by 10.00 a.m. on 24 January 2025 (being 72 hours before the time fixed for the AGM), and in default the instrument of proxy shall not be treated as valid.

   A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

   The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

8. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

9. For investors who hold shares through relevant intermediaries, including Central Provident Fund ("**CPF**") Investment Schemes (such investors, the "**CPF Investors**") and/or Supplementary Retirement Scheme ("**SRS**") (such investors, the "**SRS Investors**") should approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes at least seven (7) working days before the AGM. CPF Investors and SRS Investors should contact their respective CPF Agent Banks or SRS Agent Banks for any queries they may have with regard to the appointment of proxy for the AGM.

10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument.

Submission of questions in advance of the AGM

11. Shareholders may submit questions related to the resolutions to be tabled for approval for the AGM in advance of the AGM no later than 5.00 p.m. on 17 January 2025:

    (a) by email to sg.is.proxy@sg.tricorglobal.com; or

    (b) by post to the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619.

    Shareholders submitting questions are required to state: (a) their full name; (b) their identification/registration number; and (c) the manner in which his/her/its shares in the Company are held (e.g. via CDP, CPF, SRS and/or scrip), failing which the Company shall be entitled to regard the submission as invalid and not respond to the questions submitted.

    All questions submitted in advance of the AGM must be received by the Company by the time and date stated above to be treated as valid.

12. The Company will endeavour to address all substantial and relevant questions received from Shareholders either before the AGM on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.brc.com.sg/investors/announcements/ before 10.00 a.m. on 22 January 2025 or during the AGM. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed.

13. The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.brc.com.sg/investors/announcements/ and the minutes will include the responses to the substantial and relevant questions raised during the AGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof and/or submitting any question to the Company in advance of the AGM in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines and (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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BRC ASIA LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 193800054G)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:
1. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967) may appoint more than two (2) proxies to attend, speak and vote at the AGM.
2. This Proxy Form is not valid for use by investors who hold shares through relevant intermediaries, including Central Provident Fund Investment Schemes (such investors, the "**CPF Investors**") and/or Supplementary Retirement Scheme (such investors, "**SRS Investors**") and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. Investors who hold Shares through relevant intermediaries (including CPF Investors and SRS Investors) who wish to vote should approach their relevant intermediaries (including their respective CPF Agent Banks and SRS Agent Banks) to submit their voting instructions at least seven (7) working days before the date of the AGM.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 January 2025.

*I/We ______________________ (Name) *NRIC/Passport/Co. Reg. No. ______________________

of ____ (Address)

being a *member/members of BRC Asia Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

or failing *him/her/them, the Chairman of the Annual General Meeting (the "**AGM**" or "**Meeting**") or such other person the Chairman may designate, as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the AGM of the Company, to be held at Chartroom, Level 2, Raffles Marina Ltd, 10 Tuas West Drive, Singapore 638404 on Monday, 27 January 2025 at 10.00 a.m. and at any adjournment thereof.

Voting will be conducted by poll. The Chairman intends to cast undirected proxy votes in favour of each of the proposed resolutions. Where the Chairman is appointed as *my/our proxy/proxies, *I/we acknowledge that the Chairman may exercise *my/our proxy/proxies even if he has an interest in the outcome of the resolutions.

*I/We direct *my/our proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the Meeting.

No.	Resolutions	For	Against	Abstain
Ordinary Business				
1.	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 September 2024 and the Auditor's Report thereon.			
2.	To declare a final tax-exempt (one-tier) dividend of 8 Singapore cents per ordinary share for the financial year ended 30 September 2024.			
3.	To declare a special tax-exempt (one-tier) dividend of 6 Singapore cents per ordinary share for the financial year ended 30 September 2024.			
4.	To approve the Directors' fees of S$650,000 for the financial year ending 30 September 2025 (2024: S$500,000).			
5.	To re-elect Mr. Seah Kiin Peng as Director of the Company (Regulation 104).			
6.	To re-elect Mr. Xu Jiguo as Director of the Company (Regulation 104).			
7.	To re-elect Mr. Stephen Ho Kiam Kong as Director of the Company (Regulation 104).			
8.	To re-elect Ms. Kwek Pei Xuan as Director of the Company (Regulation 104).			
9.	To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
Special Business				
10.	To authorise Directors to allot and issue shares.			
11.	To approve the renewal of the Share Purchase Mandate.			
12.	To approve the renewal of the BPT/SEHE IPT Mandate.			
13.	To approve the renewal of the HLIH Group IPT Mandate.			

Notes: If you wish to exercise all your votes "For" or "Against" the resolutions or if you wish to abstain from voting on the resolutions in respect of all your votes, please indicate with an "x" or a "✓" within the box provided. Alternatively, if you wish to exercise some and not all of your votes "For", "Against" or "Abstain", please indicate the number of votes "For", the number of votes "Against" and/or the number of votes "Abstain" in the boxes provided for the resolutions.
For the avoidance of doubt, if you are required to abstain from voting on the resolutions, you must abstain in respect of all (and not some only) of your votes.

Total No. of Shares in	No. of shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Shareholder(s) or
Common Seal of Corporate Shareholder
**Delete where inapplicable.*

Dated this ________ day of ____________ 2025

IMPORTANT: PLEASE READ NOTES BELOW CAREFULLY BEFORE COMPLETING THIS FORM

Notes:

1. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.

2. A proxy need not be a member of the Company.

3. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

4. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.

6. The instrument appointing the proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either:

   (a) if sent personally or by post, the proxy form must be lodged at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or

   (b) if by email, the proxy form must be received at sg.is.proxy@sg.tricorglobal.com,

   in either case, by 10.00 a.m. on 24 January 2025 (being 72 hours before the time fixed for the AGM), and in default the instrument of proxy shall not be treated as valid.

   A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

   The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

7. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

8. For investors who hold shares through relevant intermediaries, including Central Provident Fund Investment Schemes (such investors, the "**CPF Investors**") and/or Supplementary Retirement Scheme (such investors, "**SRS Investors**") should approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes at least seven (7) working days before the AGM. CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Agent Banks for any queries they may have with regard to the appointment of proxy for the AGM.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 January 2025.

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Teo Ser Luck
Chairman and Independent Director

Seah Kiin Peng
Executive Director and Chief Executive Officer

Xu Jiguo
Executive Director and Chief Procurement Officer

Zhang Xingwang
Executive Director and Chief Operating Officer

Chang Pui Yook
Independent Director

Joel Leong Kum Hoe
Independent Director

Toh Kian Sing
Independent Director

Darrell Lim Chee Lek
Non-Executive & Non-Independent Director

Kwek Pei Xuan
Non-Executive & Non-Independent Director

Stephen Ho Kiam Kong
Non-Executive & Non-Independent Director

KEY EXECUTIVE OFFICERS

Lee Chun Fun
Chief Financial Officer and Company Secretary

Tan Lau Ming
Deputy Chief Operating Officer

Ong Lian Teck
Chief Commercial Officer

REGISTERED OFFICE

350 Jalan Boon Lay
Jurong Industrial Estate
Singapore 619530
Tel: 6265 2333
Fax: 6264 3063
Website: www.brc.com.sg
Co. Reg. No. 193800054G

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner-in-charge: **Ng Boon Heng**
(Date of appointment: since financial year ended 30 September 2023)

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte Ltd)
9 Raffles Place
#26-01 Republic Plaza
Singapore 048619
Co. Reg. No. 53035217J

COMPANY SECRETARIES

Lee Chun Fun
Chiang Wai Ming *(appointed on 16 October 2024)*

SOLICITORS

Allen & Gledhill LLP
Chan Neo LLP
Drew & Napier LLC
Harry Elias Partnership LLP
Rajah & Tann Singapore LLP

PRINCIPAL BANKERS

Cathay United Bank
CIMB Bank Berhad
CTBC Bank Co., Ltd
DBS Bank Ltd
HL Bank
KBC Bank N.V. Singapore Branch
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
Shanghai Pudong Development Bank Co., Ltd. Singapore Branch
Standard Chartered Bank (Singapore) Limited
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

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