

BRC ASIA LIMITED

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

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

1. INTRODUCTION

The Board of Directors ("**Board**") of BRC Asia Limited ("**Company**") and together with its subsidiaries, ("**Group**") wishes to highlight that the Group enters into transactions from time to time in the ordinary course of business with certain associates of Mr. You Zhenhua, a controlling shareholder of the Company, which constitute interested person transactions as defined under the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Reference is made also to the interested person transaction mandate granted by the Company's shareholders at the Company's annual general meeting held on 27 January 2025 for certain of such associates ("**BPT/SEHE IPT Mandate**").

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

2. DETAILS OF THE INTERESTED PERSONS

Mr. You Zhenhua is a controlling shareholder of the Company and is deemed interested in 167,795,536 Shares, representing approximately 61.16% of share capital of the Company (excluding treasury shares), held by Green Estee Pte. Ltd. ("**Estee**").

On 16 December 2024, Estee increased its stake in HG Metal Manufacturing Limited ("**HG**") from 29.00% to 44.44% via the subscription and allotment of shares under HG's renounceable non-underwritten rights issue. Accordingly, HG and its subsidiaries ("**HG Group**") became interested persons of the Group on the same day. Estee further announced its intention to make a mandatory conditional general cash offer for all the shares in the capital of HG, other than treasury shares and those shares already owned, controlled or agreed to be acquired by Estee. The offer closed on 3 February 2025, with Estee increasing its interests in HG to 52.59%.

On 14 January 2025, Estee acquired 50.10% interest in Southern Steel Berhad ("**SSB**") via the issuance and allotment of new ordinary shares in SSB. Accordingly, SSB and its subsidiaries ("**SSB Group**") became interested persons of the Group on the same day.

During the current financial year ending 30 September 2025 ("**FY2025**"), the Group has entered into various transactions with the following associates:

Name of entity	Relationship with Esteel	Country of incorporation	Principal business
HG Construction Steel Pte Ltd	Subsidiary of HG Metal Investments Pte Ltd, which is a wholly-owned subsidiary of HG (of which Esteel is a direct 52.59% shareholder of HG)	Singapore	Manufacturing and supply of steel material to the construction industry
Southern Steel Berhad (listed on the Bursa Malaysia Securities Berhad)	Esteel is a direct 50.10% shareholder of SSB	Malaysia	Investment holding, manufacturing, sale and trading in steel bars and related products
Southern PC Steel Sdn Bhd	Wholly-owned subsidiary of SSB (of which Esteel is a direct 50.10% shareholder of SSB)	Malaysia	Manufacture and sale of pre-stressed concrete strands, wires, bars and other related products
Southern Steel Mesh Sdn Bhd	Wholly-owned subsidiary of SSB (of which Esteel is a direct 50.10% shareholder of SSB)	Malaysia	Manufacture, sale and marketing of steel wire mesh, concrete wires, cut and bend bars and other related products

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

For the purposes of Rules 905, 906 and 907 of the Listing Manual, Esteel, the abovementioned entities and all other interested persons who are of the same group ("**Esteel Group**") are treated as the "same interested person" and such transactions entered into between the Group and the Esteel Group during the same financial year are aggregated in determining whether the respective financial thresholds under Rules 905 and 906 of the Listing Manual have been triggered. The Listing Manual also provides under Rule 908(2) that:

- (a) Transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person; and
- (b) If an interested person (which is a member of a group) is listed¹, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested person and have audit committees whose members are completely different.

¹ In this regard, a "listed" issuer is defined under the Listing Manual as one which is admitted to the Official List of the SGX-ST and not removed.

In this regard, transactions between the Group and the Esteel Group (which include the HG Group and the SSB Group) will have to be aggregated, given that the SSB Group is listed on Bursa. The Company intends to seek a ruling from Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") that the application of Rule 908(2) may be modified ("**Modification**") such that SSB is regarded as a "listed interested person", and accordingly:

- (a) the transactions entered into by the Group with the HG Group need not be aggregated with, and may be excluded from, those entered into by the Group with the SSB Group and the rest of the Esteel Group; and
- (b) the transactions entered into by the Group with the SSB Group need not be aggregated with, and may be excluded from, those entered into by the Group with the HG Group and the rest of the Esteel Group.

Subject to SGX RegCo's ruling on the Modification, the Company will announce any future "interested person transactions" entered into by the Group with the Esteel Group (including the HG Group and the SSB Group) in the current financial year on a monthly basis, provided that in the event the aggregate value of the "interested person transactions" with the same group in the current financial year exceeds 5% of the Group's latest audited NTA, it will seek shareholders' approval in compliance with Rule 906 of the Listing Manual.

The Company will make further announcement(s) to update its shareholders as and when there are any material developments relating to or arising from the Modification (if granted).

3. DETAILS OF THE INTERESTED PERSON TRANSACTIONS

The Company wishes to update that the Group has entered into the following interested person transactions with the HG Group from 16 December 2024 (being the date on which HG Group became interested persons of the Group) and the SSB Group from 14 January 2025 (being the date on which SSB Group became interested persons of the Group) to-date ("**YTD-IPTs**"):

No.	Interested Person	Details of the YTD-IPTs	Aggregate value of YTD-IPTs ⁽¹⁾⁽²⁾ (S\$'000)
1.	HG Construction Steel Pte Ltd	Purchase and/or sale of raw materials and intermediate goods comprising steel, steel products, steel-related products and steel byproducts used by the Group for its business activities.	17,277
2.	Southern Steel Berhad		1,540
3.	Southern PC Steel Sdn Bhd		2,433
4.	Southern Steel Mesh Sdn Bhd		21
Total			21,271

Note:

- (1) Any discrepancies in this table between the listed amounts and the totals thereof are due to rounding and accordingly, figures shown in totals may not be an arithmetic aggregation of the figures which precede them.
- (2) The Company has included in the above computation, for record purposes, transactions which are below S\$100,000 in value, notwithstanding that this is not required under Rules 905 and 906 of the Listing Manual.

The aggregate value of the YTD-IPTs is approximately S\$21,271,000 ("**Aggregate YTD-IPT Value**"), representing approximately 4.48% of the Group's latest audited NTA of approximately S\$475,284,000 as at 30 September 2024, of which:

- (a) the aggregate value of the YTD-IPTs undertaken with the HG Group is approximately S\$17,277,000, representing approximately 3.64% of the Group's NTA as at 30 September 2024; and
- (b) the aggregate value of the YTD-IPTs undertaken with the SSB Group is approximately S\$3,994,000, representing approximately 0.84% of the Group's NTA as at 30 September 2024.

The Aggregate YTD-IPT Value exceeds 3% but does not exceed 5% of the Group's NTA. As such, the Company is making this announcement pursuant to Rule 905(2) of the Listing Manual of the SGX-ST but the Company is not required to seek shareholder approval for the YTD-IPTs under Rule 906(1) of the Listing Manual.

The aggregate value of all the interested person transactions with the Esteel Group (including the YTD-IPTs and, for record purposes, any transactions with the Esteel Group which are below S\$100,000 in value, but excluding any transactions conducted under BPT/SEHE IPT Mandate) to date is approximately S\$21,271,000.

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

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

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

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

5. STATEMENT BY THE AUDIT AND RISK MANAGEMENT COMMITTEE

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

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Mr. Seah Kiin Peng, who is a Director of the Company, is also the non-executive chairman and non-independent director of SSB.

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

By Order of the Board

Lee Chun Fun
Company Secretary

11 April 2025