

Company Registration No. 193800054G

## **BRC Asia Limited and its Subsidiaries**

**Condensed Unaudited Interim Financial Statements  
For the six months ended 31 March 2023**

## BRC Asia Limited and its Subsidiaries

### Table of contents

---

	<b>Page</b>
Condensed unaudited interim consolidated Statement of Comprehensive Income	3
Condensed unaudited interim Statement of Financial Position	4
Condensed unaudited interim Statements of Changes in Equity	6
Condensed unaudited interim consolidated Statement of Cash Flows	8
Notes to the financial statements	9
Other Information required by Listing Rule Appendix 7.2	24

**BRC Asia Limited and its Subsidiaries**

**Condensed unaudited interim consolidated Statement of Comprehensive Income  
For the financial period 6 months ended 31 March 2023**

	Note	6 months ended 31 March		Change %
		2023 S\$'000	2022 S\$'000	
Revenue		717,057	793,330	(10)
Cost of sales		(664,341)	(724,553)	(8)
<b>Gross profit</b>		<b>52,716</b>	<b>68,777</b>	<b>(23)</b>
Other income	5	3,655	2,577	42
<b>Expenses</b>				
Distribution expenses		(3,879)	(2,826)	37
Administrative expenses		(9,380)	(12,952)	(28)
Finance costs		(6,334)	(2,346)	170
Other operating expenses		(3,230)	(5,396)	(40)
Provision for impairment loss on trade receivables		(125)	(929)	(87)
Share of results of joint venture		290	943	(69)
Share of results of associates		(1,055)	(411)	157
<b>Profit before tax</b>	6	<b>32,658</b>	<b>47,437</b>	<b>(31)</b>
Income tax expense	8	(6,420)	(7,596)	(15)
<b>Profit for the period</b>		<b>26,238</b>	<b>39,841</b>	<b>(34)</b>
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Net fair value gain on equity instruments at fair value through other comprehensive income		4	-	n.m.
<b>Items that may be reclassified subsequently to profit or loss</b>				
Net exchange loss on net investment in foreign operations		(2,376)	(110)	n.m.
Foreign currency translation: Exchange differences on translation of foreign operations		(164)	(134)	22
<b>Other comprehensive income for the period, net of tax</b>		<b>(2,536)</b>	<b>(244)</b>	<b>n.m.</b>
<b>Total comprehensive income for the period</b>		<b>23,702</b>	<b>39,597</b>	<b>(40)</b>
Basic and diluted earnings per share (cents)		9.61	14.65	

n.m. denotes not meaningful

**BRC Asia Limited and its Subsidiaries**

**Condensed unaudited interim Statement of Financial Position  
As at 31 March 2023**

	Note	Group		Company	
		31.3.2023 S\$'000	30.9.2022 S\$'000	31.3.2023 S\$'000	30.9.2022 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	9	121,449	128,357	54,210	58,019
Investment properties		2,158	2,194	-	-
Investment in subsidiaries		-	-	125,708	125,708
Interest in joint venture		13,654	15,761	6,076	6,076
Interest in associate		8,772	10,704	8,682	10,704
Investment securities		42	38	42	38
Deferred tax assets		2,086	2,086	2,086	2,086
		148,161	159,140	196,804	202,631
<b>Current assets</b>					
Inventories		345,637	445,771	341,563	440,861
Trade and other receivables	10	166,115	187,633	159,647	174,487
Prepayments		48,269	24,458	47,816	24,243
Deposits		572	405	263	263
Derivatives		-	1,124	-	1,124
Cash and cash equivalents		115,215	154,574	106,110	141,595
		675,808	813,965	655,399	782,573
<b>Total assets</b>		<b>823,969</b>	<b>973,105</b>	<b>852,203</b>	<b>985,204</b>
<b>Current liabilities</b>					
Trade and other payables		103,231	43,533	150,855	80,737
Contract liabilities		16,234	9,743	16,037	9,544
Loans and borrowings	11	219,468	410,128	219,237	408,970
Provisions	12	27,571	35,494	27,287	34,769
Derivatives		497	-	497	-
Current income tax liabilities		17,601	20,059	14,649	16,666
		384,602	518,957	428,562	550,686
<b>Net current assets</b>		<b>291,206</b>	<b>295,008</b>	<b>226,837</b>	<b>231,887</b>
<b>Non-current liabilities</b>					
Loans and borrowings	11	42,442	47,849	35,323	40,750
Provisions	12	1,221	1,221	841	841
Deferred tax liabilities		6,138	6,292	-	-
		49,801	55,362	36,164	41,591
<b>Total liabilities</b>		<b>434,403</b>	<b>574,319</b>	<b>464,726</b>	<b>592,277</b>
<b>Net assets</b>		<b>389,566</b>	<b>398,786</b>	<b>387,477</b>	<b>392,927</b>

**BRC Asia Limited and its Subsidiaries****Condensed unaudited interim Statement of Financial Position  
As at 31 March 2023**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>31.3.2023</b>	<b>30.9.2022</b>	<b>31.3.2023</b>	<b>30.9.2022</b>
		<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	13	184,546	184,546	184,546	184,546
Treasury shares	13	(1,105)	(1,105)	(1,105)	(1,105)
Other reserves		(4,561)	(2,025)	479	475
Retained earnings		210,686	217,370	203,557	209,011
<b>Total equity</b>		<b>389,566</b>	<b>398,786</b>	<b>387,477</b>	<b>392,927</b>
<b>Total equity and liabilities</b>		<b>823,969</b>	<b>973,105</b>	<b>852,203</b>	<b>985,204</b>

**BRC Asia Limited and its Subsidiaries**

**Condensed unaudited interim Statements of Changes in Equity  
For the financial period 6 months ended 31 March 2023**

	Note	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b>Group</b>						
<b>Balance at 1 October 2021</b>		138,754	(1,105)	(2,263)	165,563	300,949
Profit for the financial period		-	-	-	39,841	39,841
Other comprehensive income for the financial period		-	-	(244)	-	(244)
<b>Total comprehensive income for the financial period</b>		-	-	(244)	39,841	39,597
Cash dividends on ordinary shares	14	-	-	-	(21,948)	(21,948)
Issuance of shares		45,902	-	-	-	45,902
Share issuance expense		(110)	-	-	-	(110)
<b>Total contributions by and distributions to owners</b>		45,792	-	-	(21,948)	23,844
<b>Balance at 31 March 2022</b>		184,546	(1,105)	(2,507)	183,456	364,390
<b>Balance at 1 October 2022</b>		184,546	(1,105)	(2,025)	217,370	398,786
Profit for the financial period		-	-	-	26,238	26,238
Other comprehensive income for the financial period		-	-	(2,536)	-	(2,536)
<b>Total comprehensive income for the financial period</b>		-	-	(2,536)	26,238	23,702
Cash dividends on ordinary shares	14	-	-	-	(32,922)	(32,922)
<b>Total distributions to owners</b>		-	-	-	(32,922)	(32,922)
<b>Balance at 31 March 2023</b>		184,546	(1,105)	(4,561)	210,686	389,566

**BRC Asia Limited and its Subsidiaries**

**Condensed unaudited interim Statements of Changes in Equity  
For the financial period 6 months ended 31 March 2023**

	Note	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b>Company</b>						
<b>Balance at 1 October 2021</b>		138,754	(1,105)	494	166,541	304,684
Profit for the financial period		-	-	-	37,116	37,116
<b>Total comprehensive income for the financial period</b>		-	-	-	37,116	37,116
Cash dividends on ordinary shares	14	-	-	-	(21,948)	(21,948)
Issuance of shares		45,902	-	-	-	45,902
Share issuance expense		(110)	-	-	-	(110)
<b>Total contributions by and distributions to owners</b>		45,792	-	-	(21,948)	23,844
<b>Balance at 31 March 2022</b>		184,546	(1,105)	494	181,709	365,644
<b>Balance at 1 October 2022</b>		184,546	(1,105)	475	209,011	392,927
Profit for the financial period		-	-	-	27,468	27,468
Other comprehensive income for the financial period		-	-	4	-	4
<b>Total comprehensive income for the financial period</b>		-	-	4	27,468	27,472
Cash dividends on ordinary shares	14	-	-	-	(32,922)	(32,922)
<b>Total distributions to owners</b>		-	-	-	(32,922)	(32,922)
<b>Balance at 31 March 2023</b>		184,546	(1,105)	479	203,557	387,477

**BRC Asia Limited and its Subsidiaries**

**Condensed unaudited interim consolidated Statement of Cash Flows  
For the financial period 6 months ended 31 March 2023**

	6 months ended 31 March	
	2023 S\$'000	2022 S\$'000
<b>Operating activities</b>		
Profit before tax	32,658	47,437
<b>Adjustments for:</b>		
Share of results of joint venture	(290)	(943)
Share of results of associates	1,055	411
Depreciation of investment properties	36	36
Depreciation of property, plant and equipment	8,799	8,861
Write-off of property, plant and equipment	173	3
Allowance for inventory obsolescence	-	296
Provision for impairment loss on trade receivables	125	929
Fair value changes on trade receivables subject to provisional pricing	(799)	1,967
Fair value changes on derivatives, net	1,621	1,022
Loss/(gain) on disposal of property, plant and equipment	104	(3)
Reversal of provision for onerous contracts	(7,914)	(1,805)
Unrealised exchange differences	6,748	(50)
Interest expense	6,334	2,346
Interest income	(225)	(93)
<b>Operating cash flow before working capital changes</b>	48,425	60,414
Changes in working capital:		
Trade and other receivables	22,192	(43,386)
Inventories	100,134	29,664
Prepayments and deposits	(23,978)	(8,819)
Trade and other payables and contract liabilities	32,805	(244)
<b>Cash flows generated from operations</b>	179,578	37,629
Income taxes paid	(9,032)	(8,113)
Retirement benefits paid	-	(89)
<b>Net cash flows generated from operating activities</b>	170,546	29,427
<b>Investing activities</b>		
Purchase of property, plant and equipment	(2,330)	(932)
Proceeds from disposal of property, plant and equipment	15	3
Interest received	225	93
Dividend income from interest in joint venture	1,994	-
<b>Net cash flows used in investing activities</b>	(96)	(836)
<b>Financing activities</b>		
Repayment of principal obligations under lease liabilities	(2,882)	(2,793)
(Repayment of)/proceeds from bills payable, net	(189,486)	13,875
Repayment of bank loans	(3,865)	(4,321)
Proceeds from issuance of shares	-	45,902
Share issuance expense	-	(110)
Dividends paid	-	(21,948)
Interest paid	(5,872)	(2,259)
<b>Net cash flows (used in)/generated from financing activities</b>	(202,105)	28,346
<b>Net (decrease)/increase in cash and cash equivalents</b>	(31,655)	56,937
Cash and cash equivalents at beginning of period	154,574	82,970
Effects of exchange rate changes on cash and cash equivalents	(7,704)	60
<b>Cash and cash equivalents at end of period</b>	115,215	139,967



## BRC Asia Limited and its Subsidiaries

### Notes to the financial statements

For the financial period 6 months ended 31 March 2023

---

#### 1. Corporate information

BRC Asia Limited (the "Company") is a public limited liability company incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The immediate holding company is Green Esteel Pte. Ltd. (formerly known as Esteel Enterprise Pte. Ltd.) ("Esteel"), a private limited company incorporated and domiciled in Singapore. Its ultimate holding company is Advance Venture Investments Limited ("AVIL"). AVIL is incorporated and domiciled in the British Virgin Islands.

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.

#### 2. Basis of preparation

The condensed unaudited interim financial statements for the six months ended 31 March 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 September 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed unaudited interim financial statements are presented in Singapore Dollars ("SGD" or "\$") and all values in the tables are rounded to the nearest thousand ("S\$'000"), except when otherwise indicated.

##### 2.1 *New and amended standards adopted by the Group*

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

**2. Summary of significant accounting policies (cont'd)**

**2.2 *Use of judgements and estimates***

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 3.2 in the audited financial statements for the year ended 30 September 2022.

**3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

BRC Asia Limited and its Subsidiaries

Notes to the financial statements

For the financial period 6 months ended 31 March 2023

4. Segment and revenue information

(a) Reportable segments

Period from 1 October 2022 to 31 March 2023	Fabrication and manufacturing SS\$'000	Others SS\$'000	Trading SS\$'000	Adjustments and eliminations SS\$'000	Group SS\$'000
<b>Revenue:</b>					
External customers	528,150	-	188,907	-	717,057
Inter-segment	-	-	-	-	-
Total revenue	528,150	-	188,907	-	717,057
<b>Results:</b>					
Interest income	225	-	-	-	225
Interest expense	(5,756)	(43)	(535)	-	(6,334)
Depreciation expense	(8,169)	(666)	-	-	(8,835)
Share of results of joint venture	290	-	-	-	290
Share of results of associates	-	(1,055)	-	-	(1,055)
Reversal of provision for onerous contracts	7,914	-	-	-	7,914
Provision for impairment loss on trade receivables	(125)	-	-	-	(125)
Fair value changes on trade receivables subject to provisional pricing	799	-	-	-	799
Other non-cash expense	(173)	-	-	-	(173)
Income tax expense	(6,266)	(71)	(83)	-	(6,420)
Segment profit	25,410	579	249	-	26,238

BRC Asia Limited and its Subsidiaries

Notes to the financial statements

For the financial period 6 months ended 31 March 2023

4. Segment and revenue information (cont'd)

(a) Reportable segments (cont'd)

Period from 1 October 2021 to 31 March 2022	Fabrication and manufacturing SS\$'000	Others SS\$'000	Adjustments and eliminations SS\$'000	Group SS\$'000
<b>Revenue:</b>				
External customers	793,330	-	-	793,330
Inter-segment	-	-	-	-
Total revenue	793,330	-	-	793,330
<b>Results:</b>				
Interest income	137	-	(44)	93
Interest expense	(2,346)	(44)	44	(2,346)
Depreciation expense	(8,311)	(586)	-	(8,897)
Share of results of joint venture	943	-	-	943
Share of results of associates	-	(411)	-	(411)
Reversal of provision for onerous contracts	1,805	-	-	1,805
Provision for impairment loss on trade receivables	(929)	-	-	(929)
Fair value changes on trade receivables subject to provisional pricing	(1,967)	-	-	(1,967)
Other non-cash expense	(299)	-	-	(299)
Income tax expense	(7,523)	(73)	-	(7,596)
Segment profit	39,756	85	-	39,841

**BRC Asia Limited and its Subsidiaries****Notes to the financial statements****For the financial period 6 months ended 31 March 2023**

---

**4. Segment and revenue information (cont'd)****(b) Disaggregation of revenue**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Primary geographical markets</b>		
Australia	4,837	4,320
Brunei	5,901	8,964
China	-	25,863
Hong Kong	2,352	19,883
India	4,227	-
Indonesia	15,255	7,033
Malaysia	42,106	42,946
Singapore	548,284	678,464
Thailand	93,941	3,206
Others	154	2,651
	<b>717,057</b>	<b>793,330</b>
<b>Timing of transfer of goods</b>		
At a point in time	<b>717,057</b>	<b>793,330</b>

**5. Other income**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Bad debts recovered	183	17
Interest income	225	93
Government grant	14	1,090
Rental income	85	78
Sundry income	68	-
Foreign exchange gain, net	2,654	-
Gain on disposal of property, plant and equipment	-	3
Credit insurance claims for bad debts	426	1,296
	<b>3,655</b>	<b>2,577</b>

## BRC Asia Limited and its Subsidiaries

### Notes to the financial statements

For the financial period 6 months ended 31 March 2023

---

#### 6. Profit before tax

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

	Group 6 months ended 31 March	
	2023	2022
	S\$'000	S\$'000
Depreciation of property, plant and equipment	8,799	8,861
Depreciation of investment properties	36	36
Interest expense	6,334	2,346
Expenses relating to short-term leases	690	1,524
Expenses relating to low-value assets	21	9
Foreign exchange gain, net	(2,654)	(647)
Fair value changes on derivatives, net	1,621	1,022
Reversal of provision for onerous contracts	(7,914)	(1,805)
Allowance for inventory obsolescence	-	296
Provision for impairment loss on trade receivables	125	929
Fair value changes on trade receivables, subject to provisional pricing	(799)	1,967
Loss/(gain) on disposal of property, plant and equipment	104	(3)
Write-off of property, plant and equipment	173	3

#### 7. 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:

##### Sales and purchases of goods and services

	Group 6 months ended 31 March	
	2023	2022
	S\$'000	S\$'000
Sales to companies related to substantial shareholder	11,209	8,042
Purchases from a company related to substantial shareholder	1,258	277

**BRC Asia Limited and its Subsidiaries**

**Notes to the financial statements**

**For the financial period 6 months ended 31 March 2023**

---

**8. Income tax expense**

*Major components of income tax expense*

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Current income tax	6,574	7,747
Deferred income tax	(154)	(151)
Income tax expense recognised in profit or loss	<u>6,420</u>	<u>7,596</u>

**9. Property, plant and equipment**

During the 6 months ended 31 March 2023, the Group acquired assets amounting to S\$2,330,000 (31 March 2022: S\$932,000) and disposed property, plant and equipment amount to S\$459,000 (31 March 2022: Nil).

BRC Asia Limited and its Subsidiaries

Notes to the financial statements  
For the financial period 6 months ended 31 March 2023

10. Trade and other receivables

	Group		Company	
	31 March 2023 S\$'000	30 September 2022 S\$'000	31 March 2023 S\$'000	30 September 2022 S\$'000
<b>Trade receivables (current)</b>				
Trade receivables, net:				
- Due from third parties	162,939	180,796	151,875	163,328
- Due from related parties	3,132	6,805	2,307	5,373
- Due from subsidiaries	-	-	5,434	5,756
	<u>166,071</u>	<u>187,601</u>	<u>159,616</u>	<u>174,457</u>
<b>Other receivables (current)</b>				
- Due from third parties	36	24	1	-
- Due from subsidiaries	-	-	22	22
- Due from a joint venture	8	8	8	8
	<u>44</u>	<u>32</u>	<u>31</u>	<u>30</u>
Total trade and other receivables (current)	<u>166,115</u>	<u>187,633</u>	<u>159,647</u>	<u>174,487</u>

Expected credit losses

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

	Group	
	31 March 2023 S\$'000	30 September 2022 S\$'000
Movements in allowance accounts:		
At beginning of financial period	5,339	6,625
Charge for the financial period	125	448
Exchange differences	(11)	(28)
Written off	-	(1,706)
At end of financial period	<u>5,453</u>	<u>5,339</u>

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



BRC Asia Limited and its Subsidiaries

Notes to the financial statements

For the financial period 6 months ended 31 March 2023

11. Loans and borrowings

	Group		Company	
	31 March 2023 S\$'000	30 September 2022 S\$'000	31 March 2023 S\$'000	30 September 2022 S\$'000
<b>Current</b>				
Bills payable to banks (unsecured)	208,260	397,746	208,260	396,811
Lease liabilities (unsecured)	3,457	4,645	3,226	4,422
Bank loans (secured)	6,469	6,469	6,469	6,469
Bank loans (unsecured)	1,282	1,268	1,282	1,268
	<b>219,468</b>	<b>410,128</b>	<b>219,237</b>	<b>408,970</b>
<b>Non-current</b>				
Lease liabilities (unsecured)	19,653	21,181	12,534	14,082
Bank loans (secured)	21,145	24,379	21,145	24,379
Bank loans (unsecured)	1,644	2,289	1,644	2,289
	<b>42,442</b>	<b>47,849</b>	<b>35,323</b>	<b>40,750</b>
Total loans and borrowings (current and non-current)	<b>261,910</b>	<b>457,977</b>	<b>254,560</b>	<b>449,720</b>

Bank loans are secured by mortgages over certain leasehold properties of the Group.

BRC Asia Limited and its Subsidiaries

Notes to the financial statements

For the financial period 6 months ended 31 March 2023

12. Provisions

	Group		Company	
	31 March 2023 S\$'000	30 September 2022 S\$'000	31 March 2023 S\$'000	30 September 2022 S\$'000
<b>Current</b>				
Provision for onerous contracts	25,339	33,262	25,055	32,537
Provision for restoration costs	2,232	2,232	2,232	2,232
	27,571	35,494	27,287	34,769
<b>Non-current</b>				
Provision for retirement benefits	92	92	92	92
Provision for restoration costs	1,129	1,129	749	749
	1,221	1,221	841	841

Provisions for onerous contracts

Provisions 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. Increase in provision arises from rising steel prices on fixed price contracts and the ultimate realisation or reversal of the provision is dependent on the timing of fulfilment of the contracts and the actual steel prices at that point.

	Group		Company	
	31 March 2023 S\$'000	30 September 2022 S\$'000	31 March 2023 S\$'000	30 September 2022 S\$'000
At beginning of the financial period	33,262	46,104	32,537	43,110
Reversal for the period, net	(7,914)	(12,820)	(7,482)	(10,573)
Exchange differences	(9)	(22)	-	-
At end of the financial period	25,339	33,262	25,055	32,537

**BRC Asia Limited and its Subsidiaries**

**Notes to the financial statements**

**For the financial period 6 months ended 31 March 2023**

---

**13. Share capital and treasury shares**

<b>Group and Company</b>	<b>No. of ordinary shares</b>		<b>Amount</b>	
	<b>Issued share capital</b>	<b>Treasury shares</b>	<b>Share capital</b>	<b>Treasury shares</b>
	<b>'000</b>	<b>'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Balance as at 1 October 2021	244,962	1,627	138,754	(1,105)
Shares issued	31,015	-	45,902	-
Share issuance expense	-	-	(110)	-
Balance as at 30 September 2022, 1 October 2022 and 31 March 2023	275,977	1,627	184,546	(1,105)

Percentage of number of treasury shares against the total number of issued share capital excluding treasury shares was 0.59% as at 30 September 2022 and 31 March 2023.

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 period (2022: Nil) and there has been no reissuance of treasury shares since their acquisitions.

## BRC Asia Limited and its Subsidiaries

### Notes to the financial statements

For the financial period 6 months ended 31 March 2023

---

#### 14. Dividends

	Group 6 months ended 31 March	
	2023 S\$'000	2022 S\$'000
<b><i>Declared and paid/payable during the financial period:</i></b>		
<b><i>Cash dividends on ordinary shares:</i></b>		
- Final tax-exempt (one-tier) dividend for 2022 of 6 cents (2021: 4 cents) per share in respect of the previous financial year	16,461	10,974
- Special tax-exempt (one-tier) dividend for 2022 of 6 cents (2021: 4 cents) per share in respect of the previous financial year	16,461	10,974
	<u>32,922</u>	<u>21,948</u>

Final and special tax-exempt (one-tier) dividend for 2022 of 6 cents per ordinary share respectively had been approved by members at the 2023 Annual General Meeting and will be paid on 19 May 2023.

#### 15. Net asset value

	Group		Company	
	31 March 2023	30 September 2022	31 March 2023	30 September 2022
Net asset value per ordinary share (cents)	142.00	145.36	141.23	143.22

Net asset value per ordinary share was calculated based on 274,350,089 shares as at 31 March 2023 and 30 September 2022.

#### 16. 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.

BRC Asia Limited and its Subsidiaries

Notes to the financial statements

For the financial period 6 months ended 31 March 2023

16. 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			Total
	Quoted prices in active markets for identical instruments (Level 1) S\$'000	Significant observable inputs other than quoted prices (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	
<b>31 March 2023</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
<u>Investment securities</u>				
- Quoted equity securities at FVOCI	42	-	-	42
<u>Debt instruments at FVPL</u>				
- Trade receivables subject to provisional pricing	-	-	62,940	62,940
Financial assets as at 31 March 2023	42	-	62,940	62,982
<b>Liabilities measured at fair value</b>				
<b>Financial liabilities:</b>				
<u>Derivatives</u>				
- Currency forward contracts	-	497	-	497
Financial liabilities as at 31 March 2023	-	497	-	497

BRC Asia Limited and its Subsidiaries

Notes to the financial statements  
For the financial period 6 months ended 31 March 2023

16. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

	Group			Total
	Quoted prices in active markets for identical instruments (Level 1) S\$'000	Significant observable inputs other than quoted prices (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	
<b>30 September 2022</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
<u>Investment securities</u>				
- <i>Quoted equity securities at FVOCI</i>	38	-	-	38
<u>Debt instruments at FVPL</u>				
- <i>Trade receivables subject to provisional pricing</i>	-	-	79,869	79,869
<u>Derivatives</u>				
- <i>Currency forward contracts</i>	-	1,124	-	1,124
Financial assets as at 30 September 2022	38	1,124	79,869	81,031

(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:*

Currency forward contracts are valued according to valuations obtained from reputable financial institutions as at the end of the reporting period.

**16. Fair value of assets and liabilities (cont'd)**

**(d) Level 3 fair value measurements**

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.

**(e) *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 31 March 2023 as the difference between the carrying amounts and their fair values are not significant.

	Group	
	31 March 2023 S\$'000	30 September 2022 S\$'000
<i>Financial liabilities:</i>		
Bank loans (unsecured) (non-current)	1,644	2,289

**17. Subsequent events**

The amalgamation of BRC's wholly-owned subsidiaries, Lee Metal Group Pte. Ltd. ("LMG") and Lee Welded Mesh Singapore Pte. Ltd. ("LWM") with the Company was completed on 1 April 2023.

The amalgamation was undertaken to streamline the operations to improve operational efficiencies, attain economies of scale and synergies from better allocation of resources within the Group. All assets and liabilities and businesses of LMG and LWM have been transferred to the Company and the shares held by the Company in LMG and the shares held by LMG in LWM have been cancelled.

The amalgamation has no financial effect on the share capital, net tangible asset and net asset value per share, earnings per share or the gearing of the Group.

## BRC Asia Limited and its Subsidiaries

### Other Information required by Listing Rule Appendix 7.2 For the financial period 6 months ended 31 March 2023

---

#### 1. Review

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 31 March 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

#### 2. Review of performance of the Group

##### Statement of Comprehensive Income

###### Revenue

The Group's revenue declined by 10% to S\$717.1 million for the first half ended 31 March 2023 ("1H2023") from S\$793.3 million in first half ended 31 March 2022 ("1H2022"). This was primarily due to a lower contractual offtake because of slower site progress, offset by higher activity in the international trading segment.

###### Gross profit margin and gross profit

The Group's gross profit margin fell to 7.4% in 1H2023 from 8.7% in 1H2022. This was mainly caused by lower sales of value-added steel products due to slower activity levels within the domestic construction industry, partially offset by a reversal of provision for onerous contracts of S\$7.9 million (1H2022: S\$1.8 million).

The decrease in the Group's gross profit by 23% to S\$52.7 million in 1H2023 from S\$68.8 million in 1H2022 was mainly attributable to the lower contractual offtake from customers in the domestic construction industry.

###### Other income

Other income increased by 42% to S\$3.7 million in 1H2023 from S\$2.6 million in 1H2022, mainly due to net foreign exchange gains, and partially offset by a reduction in credit insurance claims for bad debts and government grants.

###### Distribution and administrative expenses

Distribution expenses increased by 37% to S\$3.9 million in 1H2023 from S\$2.8 million in 1H2022, mainly attributable to higher costs associated with the increase in the international trading business.

Administrative expenses decreased by 28% to S\$9.4 million in 1H2023 compared with S\$13.0 million in 1H2022, mainly due to lower staff-related costs, which is in line with the Group's financial results, as well as reduced credit insurance expenses, which is in tandem with the Group's lower revenue.



## 2. Review of performance of the Group (cont'd)

### Statement of Comprehensive Income (cont'd)

#### Finance costs

Finance costs increased by 170% to S\$6.3 million in 1H2023 from S\$2.3 million in 1H2022, mainly due to rising interest rates.

#### Other operating expenses

Other operating expenses decreased by 40% to S\$3.2 million in 1H2023 from S\$5.4 million in 1H2022, mainly due to a decrease in foreign exchange loss, and fair value changes on trade receivables.

#### Provision for impairment loss on trade receivables

Impairment loss on trade receivables was reduced by 87% to S\$0.1 million in 1H2023 due to a lower increase in overall trade receivables balance as compared to 1H2022.

#### Share of results of joint venture

The Group's share of profit from its joint venture decreased by 69% to S\$0.3 million in 1H2023 from S\$0.9 million in 1H2022 due to reductions in both sales volume and gross profit margin.

#### Share of results of associates

Share of losses of an associate relates to the Group's interest in Pristine Islands Investment Pte Ltd, an investment holding company with a 100% interest in a subsidiary that operates and manages an airport, hotel and resort in the Maldives. The losses increased by 157% to S\$1.1 million in 1H2023 from S\$0.4 million in 1H2022. Despite the improved occupancy and room rates, heightened operating and finance costs had extended the losses into the current financial period.

### Statement of Financial Position

As at 31 March 2023, the Group's balance sheet remained strong with net assets of S\$389.6 million and net asset value per ordinary share of S\$1.42. The lower net assets as compared to 30 September 2022 of S\$398.9 were mainly due to payables on dividends of S\$32.9 million, partially offset by comprehensive income of S\$23.7 million in 1H2023.

The Group's interest in joint venture decreased by S\$2.1 million, mainly due to the receipt of dividend income of S\$2.0 million in February 2023.

The Group's inventories decreased by S\$100.1 million, correspondingly loans and borrowings decreased by S\$196.1 million.

The Group's trade and other receivables decreased by S\$21.5 million, in tandem with a decrease in revenue.

The Group's prepayments increased by S\$23.8 million due to advances paid to suppliers for steel purchases.

The Group's trade and other payables increased by S\$59.7 million, mainly due to payables on dividends of S\$32.9 million.

**2. Review of performance of the Group (cont'd)**

**Statement of Financial Position (cont'd)**

The Group's contract liabilities increased by S\$6.5 million due to an increase in advances received from customers for which the Group have contractual goods fulfilment obligations.

The Group's provisions decreased by S\$7.9 million, mainly due to a reversal of provision for onerous contracts.

**Statement of Cash Flow**

Net cash flows generated from operating activities of S\$170.5 million were mainly used to repay bank loans and borrowings.

**3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The Group's results for first half ended 31 March 2023 are in line with the commentary in the full year results announcement dated 29 November 2022.

**4. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

**Singapore**<sup>1 2</sup>

Based on advance estimates by the Ministry of Trade and Industry ("MTI"), the Singapore economy grew by only 0.1% on a year-on-year ("y-o-y") basis in the first quarter of 2023 ("1Q23"), compared to the 2.1% growth recorded in the previous quarter. In fact, on a quarter-on-quarter ("q-o-q") seasonally-adjusted basis, the Singapore economy contracted by 0.7%, which was a reversal from the 0.1% growth in the fourth quarter of 2022. According to the Monetary Authority of Singapore ("MAS"), this significant slowdown is largely due to the contraction in trade-related activities arising from the global manufacturing and trade slowdown. The MAS rated the near-term growth outlook as *"...uncertain and fragile, with risks to growth skewed to the downside."* It further warned that *"Should other latent vulnerabilities in the global financial system manifest in the coming months, consumer and investor confidence will take a further hit, with wider adverse implications for the economy beyond the current manufacturing-led downturn."*

On the other hand, the local construction sector grew by 8.5% on a y-o-y basis in 1Q23, extending the 10% growth in the previous quarter. On a q-o-q seasonally-adjusted basis, the sector expanded by 1.8% in 1Q23, which was faster than the 1.4% expansion in the preceding quarter. This is generally in line with the firm performance of the domestic-oriented sectors, as there is limited interdependence between these sectors and the poorer performing trade-related sectors. Be that as it may, the value-added of the local construction sector remained 21.3% below its pre-pandemic (i.e., first quarter of 2019) level. This has also been borne out by our underwhelming contractual offtake over the past two quarters. Nevertheless, activity in the construction sector going forward remains well-supported by a strong pipeline of projects. In particular, contracts awarded in the civil engineering and residential segments have largely returned to pre-Covid levels (Chart 1). The Housing & Development Board's ("HDB") public housing projects remain on track to be progressively completed over the next few years.

---

<sup>1</sup> [https://www.mti.gov.sg/Newsroom/Press-Releases/2023/04/Singapore-GDP-Grew-by-0\\_1-Per-Cent-in-the-First-Quarter-of-2023](https://www.mti.gov.sg/Newsroom/Press-Releases/2023/04/Singapore-GDP-Grew-by-0_1-Per-Cent-in-the-First-Quarter-of-2023)

<sup>2</sup> <https://www.mas.gov.sg/publications/macroeconomic-review/2023/volume-xxii-issue-1-apr-2023>

## BRC Asia Limited and its Subsidiaries

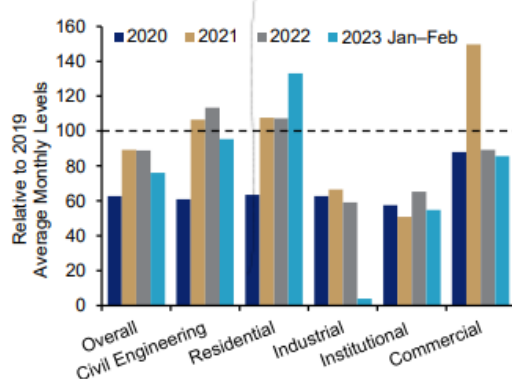
### Other Information required by Listing Rule Appendix 7.2 For the financial period 6 months ended 31 March 2023

4. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months. (cont'd)

Other major public sector and infrastructure projects in the pipeline include the Cross Island Line (Phases 2 & 3), Downtown Line Extension to Sungei Kadut and Brickland North South Line station, Toa Payoh Integrated Development and the Woodlands Checkpoint redevelopment.

#### Chart 1

Contracts awarded by sector



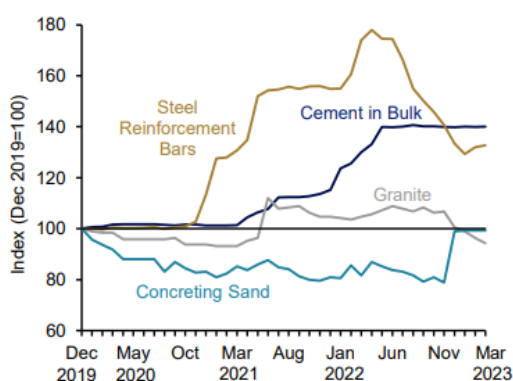
Source: MAS, Building & Construction Authority (BCA)

As of 31 March 2023, our sales order book stood at approximately S\$1.42 billion. The duration of projects in our sales order book range up to 5 years and may be subject to further changes.

In the past month, there has been a moderate recovery in our contractual offtake. Prices of key construction materials had also come off their peaks (Chart 2).

#### Chart 2

Prices of construction materials



Source: MAS, BCA

Taken together, and with the shortfall in skilled construction labour progressively easing as the migrant workers who arrived in 2022 having received the training necessary to be deployed, this bodes well for construction and construction-related activity levels (including reinforcing steel) in the next 12 months.

**BRC Asia Limited and its Subsidiaries**

**Other Information required by Listing Rule Appendix 7.2  
For the financial period 6 months ended 31 March 2023**

---

**5. Dividend**

**a) Current Financial Period reported on**

**1H2023**

Name of dividend	Interim tax exempt (one-tier)
Dividend type	Cash
Dividend rate (per ordinary share)	5 cents
Books closure date	To be announced later
Payment date	To be announced later

**b) Corresponding period of the immediately preceding financial year**

**1H2022**

Name of dividend	Interim tax exempt (one-tier)
Dividend type	Cash
Dividend rate (per ordinary share)	6 cents

**c) If no dividend has been declared/recommended, a statement to that effect**

Not applicable.

## BRC Asia Limited and its Subsidiaries

### Other Information required by Listing Rule Appendix 7.2 For the financial period 6 months ended 31 March 2023

---

#### 6. Interested person transactions

Name of interested person and nature of transaction	Aggregate value of all interested person transactions during the financial period (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions under shareholders' mandate pursuant to Rule 920 during the financial period (excluding transactions less than S\$100,000)	
	1st Half 2023	1st Half 2022	1st Half 2023	1st Half 2022
	S\$'000	S\$'000	S\$'000	S\$'000
HL Building Materials Pte Ltd - Sale of goods to	-	5,686	7,436	-
HL-Manufacturing Industries Sdn.Bhd. - Sale of goods to	-	2,356	3,773	-
Southern Steel Berhad - Purchase of goods from	-	277	1,258	-

Interested person transactions mandates for the following had been renewed at the annual general meeting held on 31 January 2023:

- the mutual supply of steel products between the Company and associates of the Company's controlling shareholder, Bright Point Trading Pte. Ltd. and Shanghai Emetal Hong Energy Co., Ltd; and
- sales and purchases of raw materials and steel products between the Company and associates of the Company's shareholder, HL Building Materials Pte. Ltd., Southern Steel Berhad and HL-Manufacturing Industries Sdn. Bhd.

**BRC Asia Limited and its Subsidiaries**

**Other Information required by Listing Rule Appendix 7.2  
For the financial period 6 months ended 31 March 2023**

---

**7. Confirmation pursuant to Rule 705(5) of the SGX Listing Manual**

We, Xu Jiguo and Seah Kiin Peng, being two directors of BRC Asia Limited, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the six-month period ended 31 March 2023 to be false or misleading in any material aspects.

**8. Confirmation that the issuer has procured undertakings for all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Group confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the listing manual.

On behalf of the Board of Directors

Xu Jiguo  
Executive Director

Seah Kiin Peng  
Executive Director

Singapore  
10 May 2023