

BRC ASIA LIMITED

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

UPDATE ON APPLICATION OF RULE 908(2) OF THE LISTING MANUAL TO TRANSACTIONS WITH THE ESTEEL GROUP

Unless otherwise defined or specified in this announcement, all terms and references used herein shall bear the same meanings ascribed to them in the announcement dated 11 April 2025.

1 INTRODUCTION

- 1.1 The Board of Directors ("**Board**") of BRC Asia Limited ("**Company**") and together with its subsidiaries, "**Group**") refers to the following:
- (a) the Company's announcement dated 11 April 2025 in relation to the Group entering into transactions from time to time in the ordinary course of business with, *inter alia*, Green Estee Pte. Ltd. (a controlling shareholder of the Company) ("**Estee**") and its associates (collectively, "**Estee Group**"), such transactions constituting interested person transactions as defined under the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and
 - (b) the Company's announcement dated 22 April 2025 in relation to the Company's entry into a conditional share purchase agreement ("**SPA**") with Southern Steel Berhad ("**SSB**") for the acquisition of 12,883,562 ordinary shares in Southern Steel Mesh Sdn. Bhd. (the "**Target**"), representing approximately 55.0% of the existing share capital of the Target (the "**Proposed Acquisition**").
- 1.2 As a recap and as stated in the aforementioned announcements, the Company had, on 17 April 2025, made certain submissions to Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") on the application of Rule 908(2) of the Listing Manual vis-à-vis disaggregating transactions with the SSB Group and the rest of the Estee Group ("**Chapter 9 Application**"). Further details (including bases on which the Chapter 9 Application was sought) are set out in the Company's announcement dated 11 April 2025.

2 OUTCOME OF THE CHAPTER 9 APPLICATION

The Board wishes to update the shareholders of the Company ("**Shareholders**") that pursuant to the Chapter 9 Application, SGX RegCo has informed the Company on its agreement with the Company's views that SSB can be regarded as a "listed interested person" for the purposes of Rule 908(2) of the Listing Manual ("**Outcome on Chapter 9 Application**"), 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 Estee Group; and
- (b) the transactions entered into by the Group with the SSB Group (including the Proposed Acquisition) 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 Estee Group,

as SGX RegCo took into account, *inter alia*, the Company's submissions that:

- (c) the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on related party transactions are substantially similar to those set out in Chapter 9 of the Listing Manual and are underpinned by similar objectives to address the risk of transactions

with related or interested persons being carried out to the detriment of minority shareholders;

- (d) both the listed boards of HG and SSB meet the criteria for distinct and independent boards, with their audit committees comprising different members and as such are not accustomed to act on the instructions of the other listed group and/or its board; and
- (e) the SSB Group and HG Group do not share any common director with Esteel and are not accustomed to act on the instructions of Esteel in any commercial transactions between them.

3 FULFILMENT OF RELEVANT CONDITION UNDER THE TERMS OF THE PROPOSED ACQUISITION

- 3.1 As announced by the Company, the Proposed Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual.
- 3.2 Under the terms of the Proposed Acquisition, it is a condition to completion of the Proposed Acquisition that the Company obtains either: (a) an assessment by SGX RegCo on the Company's views on the application of Rule 908(2) of the Listing Manual vis-à-vis disaggregating transactions with the SSB Group and the HG Group with transactions with the rest of the Esteel Group; or (b) approval from the Shareholders in a general meeting for the Proposed Acquisition (the "**Chapter 9 SPA Condition**").

In view of the Outcome on Chapter 9 Application, the Company is pleased to confirm that the Chapter 9 SPA Condition has been fulfilled.

- 3.3 Please note that the Proposed Acquisition is subject to the fulfilment of other conditions precedent under the SPA. There is no certainty or assurance that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully.

4 DETAILS OF THE INTERESTED PERSON TRANSACTIONS WITH SSB GROUP AND HG GROUP

- 4.1 Further to the Outcome on Chapter 9 Application, the Company wishes to update the following interested person transactions with (i) the HG Group from 16 December 2024 (being the date on which the HG Group became interested persons of the Group) and (ii) the SSB Group from 14 January 2025 (being the date on which the SSB Group became interested persons of the Group), until the date of this announcement ("**YTD-IPTs**"):

YTD-IPTs for HG Group

No.	Interested Person	Details of the YTD-IPTs	Aggregate value of YTD-IPTs ^(*) (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
Total			17,277

YTD-IPTs for SSB Group

No.	Interested Person	Details of the YTD-IPTs	Aggregate value of YTD-IPTs ⁽¹⁾ (S\$'000)
1.	Southern Steel Berhad	Proposed Acquisition	18,190
		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.	1,540
2.	Southern PC Steel Sdn Bhd		2,433
3.	Southern Steel Mesh Sdn Bhd		208
Total			22,371

Note:

- (1) Any discrepancies in the above tables 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 rationale for the YTD-IPTs and benefits to the Group have been disclosed by the Company in its announcement dated 11 April 2025.

4.2 The aggregate value of the YTD-IPTs:

- (a) (with respect to the HG group) is approximately S\$17,277,000 ("**Aggregate HG Group YTD-IPT Value**"), representing approximately 3.64% of the Group's latest audited NTA of approximately S\$475,284,000 as at 30 September 2024; and
- (b) (with respect to the SSB Group) is approximately S\$22,371,000 ("**Aggregate SSB Group YTD-IPT Value**"), representing approximately 4.71% of the Group's NTA as at 30 September 2024.

4.3 The Aggregate HG Group 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 HG Group YTD-IPTs under Rule 906(1) of the Listing Manual.

4.4 The Aggregate SSB Group 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 HG Group YTD-IPTs under Rule 906(1) of the Listing Manual.

4.5 For completeness, the Company has not entered into any interested person transactions with the Esteel Group (excluding all YTD-IPTs with the HG Group and the SSB Group) between 1 October 2024 until the date of this announcement.

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

- 6.1 Mr. Seah Kiin Peng, who is a Director of the Company, is currently the chairman and non-executive non-independent director of SSB.
- 6.2 Hong Leong Asia Ltd. ("**HLA**") is deemed interested in shares representing approximately 20.15% of the total number of issued shares (excluding shares held in treasury) in the Company and is considered a person connected with major shareholders of SSB. In this regard, Kwek Pei Xuan and Stephen Ho Kiam Kong, being nominee directors of HLA, have voluntarily abstained from any decision in the Proposed Acquisition, in view of HLA's interest in both the Company and SSB.
- 6.3 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 Proposed Acquisition and/or YTD-IPTs.

By Order of the Board

Lee Chun Fun
Company Secretary

5 May 2025