

Company Registration No. 193800054G

BRC Asia Limited and its Subsidiaries

**Condensed Unaudited Interim Financial Statements
For the six months ended 31 March 2025**

BRC Asia Limited and its Subsidiaries

Table of contents

	Page
Condensed unaudited interim consolidated Statement of Comprehensive Income	3
Condensed unaudited interim Statements 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 2025**

	Note	6 months ended 31 March		Change %
		2025 S\$'000	2024 S\$'000	
Revenue		715,626	758,291	(6)
Cost of sales		(648,216)	(683,616)	(5)
Gross profit		67,410	74,675	(10)
Other income	5	7,122	2,153	231
Expenses				
Distribution expenses		(4,231)	(3,590)	18
Administrative expenses		(13,255)	(11,961)	11
Finance costs		(3,822)	(6,587)	(42)
Other operating expenses		(2,739)	(5,539)	(51)
Reversal of/(allowance for) expected credit losses on trade receivables		256	(670)	n.m.
Share of results of joint venture		229	4	5,625
Share of results of associate		-	(1,500)	n.m.
Profit before tax	6	50,970	46,985	8
Income tax expense	8	(8,902)	(8,459)	5
Profit for the period		42,068	38,526	9
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		4	(3)	n.m.
Items that may be reclassified subsequently to profit or loss				
Net exchange (loss)/gain on net investment in foreign operations		(19)	1,044	n.m.
Foreign currency translation: Exchange differences on translation of foreign operations		(329)	(232)	42
Other comprehensive income for the period, net of tax		(344)	809	n.m.
Total comprehensive income for the period		41,724	39,335	6
Basic and diluted earnings per share (cents)		15.33	14.04	

n.m. denotes not meaningful

BRC Asia Limited and its Subsidiaries

**Condensed unaudited interim Statements of Financial Position
As at 31 March 2025**

	Note	Group		Company	
		31.3.2025 S\$'000	30.9.2024 S\$'000	31.3.2025 S\$'000	30.9.2024 S\$'000
Non-current assets					
Property, plant and equipment	9	102,608	110,930	92,471	100,089
Investment properties		2,020	2,054	-	-
Investment in subsidiaries		-	-	24,634	24,634
Interest in joint venture		10,350	10,004	6,076	6,076
Investment securities		19,019	19,021	19,019	19,021
		133,997	142,009	142,200	149,820
Current assets					
Inventories		426,402	377,454	412,788	367,529
Trade and other receivables	10	147,870	153,148	153,112	153,329
Prepayments		55,107	39,526	54,964	38,555
Deposits		507	507	487	487
Cash and cash equivalents		143,809	191,374	135,555	189,292
		773,695	762,009	756,906	749,192
Total assets		907,692	904,018	899,106	899,012
Current liabilities					
Trade and other payables		118,389	128,475	116,939	127,446
Contract liabilities		11,052	20,440	11,012	20,400
Loans and borrowings	11	238,212	220,780	236,860	220,780
Lease liabilities		6,595	6,484	6,595	6,484
Provisions	12	9,846	2,123	9,846	2,123
Derivatives		267	2,662	93	2,508
Income tax liabilities		17,836	17,401	17,391	17,330
		402,197	398,365	398,736	397,071
Net current assets		371,498	363,644	358,170	352,121
Non-current liabilities					
Lease liabilities		15,141	18,467	15,141	18,467
Provisions	12	4,053	4,053	4,053	4,053
Deferred tax liabilities		7,702	7,849	6,984	7,117
		26,896	30,369	26,178	29,637
Total liabilities		429,093	428,734	424,914	426,708
Net assets		478,599	475,284	474,192	472,304

BRC Asia Limited and its Subsidiaries

**Condensed unaudited interim Statements of Financial Position
As at 31 March 2025**

		Group		Company	
	Note	31.3.2025	30.9.2024	31.3.2025	30.9.2024
		S\$'000	S\$'000	S\$'000	S\$'000
Equity attributable to owners of the Company					
Share capital	13	184,546	184,546	184,546	184,546
Treasury shares	13	(1,105)	(1,105)	(1,105)	(1,105)
Other reserves		(1,884)	(1,540)	5,568	5,564
Retained earnings		297,042	293,383	285,183	283,299
Total equity		478,599	475,284	474,192	472,304
Total equity and liabilities		907,692	904,018	899,106	899,012

BRC Asia Limited and its Subsidiaries

**Condensed unaudited interim Statements of Changes in Equity
For the financial period 6 months ended 31 March 2025**

	Note	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Total equity S\$'000
Group						
Balance at 1 October 2023		184,546	(1,105)	(2,608)	246,478	427,311
Profit for the financial period		-	-	-	38,526	38,526
Other comprehensive income for the financial period		-	-	809	-	809
Total comprehensive income for the financial period		-	-	809	38,526	39,335
Cash dividends on ordinary shares	14	-	-	-	(30,178)	(30,178)
Total distributions to owners		-	-	-	(30,178)	(30,178)
Balance at 31 March 2024		184,546	(1,105)	(1,799)	254,826	436,468
Balance at 1 October 2024		184,546	(1,105)	(1,540)	293,383	475,284
Profit for the financial period		-	-	-	42,068	42,068
Other comprehensive income for the financial period		-	-	(344)	-	(344)
Total comprehensive income for the financial period		-	-	(344)	42,068	41,724
Cash dividends on ordinary shares	14	-	-	-	(38,409)	(38,409)
Total distributions to owners		-	-	-	(38,409)	(38,409)
Balance at 31 March 2025		184,546	(1,105)	(1,884)	297,042	478,599

BRC Asia Limited and its Subsidiaries

**Condensed unaudited interim Statements of Changes in Equity
For the financial period 6 months ended 31 March 2025**

	Note	Share capital S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Total equity S\$'000
Company						
Balance at 1 October 2023		184,546	(1,105)	5,563	237,914	426,918
Profit for the financial period		-	-	-	39,725	39,725
Other comprehensive income for the financial period		-	-	(3)	-	(3)
Total comprehensive income for the financial period		-	-	(3)	39,725	39,722
Cash dividends on ordinary shares	14	-	-	-	(30,178)	(30,178)
Total distributions to owners		-	-	-	(30,178)	(30,178)
Balance at 31 March 2024		184,546	(1,105)	5,560	247,461	436,462
Balance at 1 October 2024		184,546	(1,105)	5,564	283,299	472,304
Profit for the financial period		-	-	-	40,293	40,293
Other comprehensive income for the financial period		-	-	4	-	4
Total comprehensive income for the financial period		-	-	4	40,293	40,297
Cash dividends on ordinary shares	14	-	-	-	(38,409)	(38,409)
Total distributions to owners		-	-	-	(38,409)	(38,409)
Balance at 31 March 2025		184,546	(1,105)	5,568	285,183	474,192

BRC Asia Limited and its Subsidiaries

**Condensed unaudited interim consolidated Statement of Cash Flows
For the financial period 6 months ended 31 March 2025**

	6 months ended 31 March	
	2025 S\$'000	2024 S\$'000
Operating activities		
Profit before tax	50,970	46,985
Adjustments for:		
Share of results of joint venture	(229)	(4)
Share of results of associate	-	1,500
Depreciation of investment properties	34	35
Depreciation of property, plant and equipment	9,278	9,775
Write-off of property, plant and equipment	-	4
Allowance for inventory obsolescence	279	413
(Reversal of)/allowance for expected credit losses on trade receivables	(256)	670
Fair value changes on trade receivables subject to provisional pricing	123	(564)
Fair value changes on derivatives, net	(2,391)	664
Gain on disposal of property, plant and equipment	(12)	(127)
Provision/(reversal of provision) for onerous contracts	7,723	(3,063)
Unrealised exchange differences	(1,514)	2,476
Interest expense	3,822	6,587
Interest income	(1,679)	(1,704)
Operating cash flow before working capital changes	66,148	63,647
Changes in working capital:		
Trade and other receivables	5,411	17,998
Inventories	(49,227)	32,880
Prepayments and deposits	(15,581)	(18,552)
Trade and other payables and contract liabilities	(41,669)	(8,981)
Cash flows generated from operations	(34,918)	86,992
Income taxes paid	(8,614)	(6,863)
Restoration costs paid	-	(670)
Net cash flows (used in)/generated from operating activities	(43,532)	79,459
Investing activities		
Purchase of property, plant and equipment	(1,261)	(2,353)
Proceeds from disposal of property, plant and equipment	17	140
Interest received	1,679	1,704
Proceeds from disposal of investment securities	6	-
Net cash flows generated from/(used in) investing activities	441	(509)
Financing activities		
Repayment of principal obligations under lease liabilities	(3,215)	(3,319)
Proceeds from/(repayment of) bills payable, net	18,091	(106,013)
Repayment of bank loans	(659)	(2,473)
Dividends paid on ordinary shares	(16,461)	(13,718)
Interest paid	(3,575)	(6,150)
Net cash flows used in financing activities	(5,819)	(131,673)
Net decrease in cash and cash equivalents	(48,910)	(52,723)
Cash and cash equivalents at beginning of period	191,374	184,624
Effects of exchange rate changes on cash and cash equivalents	1,345	(1,205)
Cash and cash equivalents at end of period	143,809	130,696

BRC Asia Limited and its Subsidiaries

Notes to the financial statements

For the financial period 6 months ended 31 March 2025

1. Corporate information

BRC Asia Limited (the "Company") 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 limited company 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.

2. Basis of preparation

The condensed unaudited interim financial statements for the six months ended 31 March 2025 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 2024.

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.

2.2 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 2024.

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 and assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the financial statements is included in Note 3 in the audited financial statements for the year ended 30 September 2024.

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 2025

4. Segment and revenue information

(a) Reportable segments

Period from 1 October 2024 to 31 March 2025	Fabrication and manufacturing SS\$'000	Others SS\$'000	Trading SS\$'000	Adjustments and eliminations SS\$'000	Group SS\$'000
Revenue:					
External customers	582,741	-	132,885	-	715,626
Inter-segment	-	-	-	-	-
Total revenue	582,741	-	132,885	-	715,626
Results:					
Interest income	1,679	-	-	-	1,679
Interest expense	(3,547)	-	(275)	-	(3,822)
Depreciation expense	(9,278)	(34)	-	-	(9,312)
Share of results of joint venture	229	-	-	-	229
Provision for onerous contracts	(7,723)	-	-	-	(7,723)
Reversal of expected credit losses on trade receivables	256	-	-	-	256
Fair value changes on trade receivables subject to provisional pricing	(123)	-	-	-	(123)
Other non-cash expense	(279)	-	-	-	(279)
Income tax expense	(8,571)	22	(353)	-	(8,902)
Segment profit	40,253	-	1,815	-	42,068

BRC Asia Limited and its Subsidiaries

Notes to the financial statements

For the financial period 6 months ended 31 March 2025

4. Segment and revenue information (cont'd)

(a) Reportable segments (cont'd)

Period from 1 October 2023 to 31 March 2024	Fabrication and manufacturing SS\$'000	Others SS\$'000	Trading SS\$'000	Adjustments and eliminations SS\$'000	Group SS\$'000
Revenue:					
External customers	662,946	-	95,345	-	758,291
Inter-segment	-	-	-	-	-
Total revenue	662,946	-	95,345	-	758,291
Results:					
Interest income	1,704	-	-	-	1,704
Interest expense	(6,251)	-	(336)	-	(6,587)
Depreciation expense	(9,775)	(35)	-	-	(9,810)
Share of results of joint venture	4	-	-	-	4
Share of results of associate	-	(1,500)	-	-	(1,500)
Reversal of provision for onerous contracts	3,063	-	-	-	3,063
Allowance for expected credit losses on trade receivables	(670)	-	-	-	(670)
Fair value changes on trade receivables subject to provisional pricing	564	-	-	-	564
Other non-cash expense	(417)	-	-	-	(417)
Income tax expense	(8,245)	-	(214)	-	(8,459)
Segment profit	39,386	(2,143)	1,283	-	38,526

BRC Asia Limited and its Subsidiaries

Notes to the financial statements

For the financial period 6 months ended 31 March 2025

4. Segment and revenue information (cont'd)

(b) Disaggregation of revenue

	Group	
	6 months ended	
	31 March	
	2025	2024
	S\$'000	S\$'000
Primary geographical markets		
Australia	1,162	2,815
Brunei	1,029	4,031
Hong Kong	–	1,650
India	5,408	1,714
Indonesia	24,738	14,710
Malaysia	64,110	53,248
Singapore	592,481	666,223
Thailand	25,086	13,788
Others	1,612	112
	715,626	758,291
	715,626	758,291
Timing of transfer of goods		
At a point in time	715,626	758,291
	715,626	758,291

5. Other income

	Group	
	6 months ended	
	31 March	
	2025	2024
	S\$'000	S\$'000
Bad debts recovered	150	1
Interest income	1,679	1,704
Government grant	69	76
Rental income	91	88
Sundry income	193	83
Foreign exchange gain, net	2,514	–
Fair value changes on derivatives, net	2,391	–
Gain on disposal of property, plant and equipment	12	127
Insurance claims for bad debts	23	74
	7,122	2,153
	7,122	2,153

BRC Asia Limited and its Subsidiaries

Notes to the financial statements

For the financial period 6 months ended 31 March 2025

6. Profit before tax

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

	Group 6 months ended 31 March	
	2025	2024
	S\$'000	S\$'000
Depreciation of property, plant and equipment	9,278	9,775
Depreciation of investment properties	34	35
Interest expense	3,822	6,587
Expenses relating to short-term leases	1,193	1,386
Expenses relating to low-value assets	7	9
Foreign exchange (gain)/loss, net	(2,514)	3,174
Fair value changes on derivatives, net	(2,391)	664
Provision/(reversal of provision) for onerous contracts	7,723	(3,063)
Allowance for inventory obsolescence	279	413
(Reversal of)/allowance for expected credit losses on trade receivables	(256)	670
Fair value changes on trade receivables, subject to provisional pricing	123	(564)
Gain on disposal of property, plant and equipment	(12)	(127)
Write-off of property, plant and equipment	-	4

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	
	2025	2024
	S\$'000	S\$'000
Sales to companies related to substantial shareholders	32,261	10,371
Purchases from companies related to substantial shareholders	1,654	235

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:

	Group 6 months ended 31 March	
	2025 S\$'000	2024 S\$'000
Current income tax	9,035	8,591
Deferred income tax	(133)	(132)
Income tax expense recognised in profit or loss	8,902	8,459

The OECD has published the Pillar Two Model Rules, which include a minimum 15% tax rate by jurisdiction ("Pillar Two"). The Group is within the scope of the OECD Pillar Two Model Rules. The Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions that the Group operates in, namely Singapore, Malaysia, Thailand and Australia.

The legislation will be effective for the Group's financial year beginning on or after 1 January 2024 for Australia and on or after 1 January 2025 for Singapore, Thailand and Malaysia. The Group is in scope of the enacted or substantively enacted legislation.

The Group intends to apply the mandatory temporary 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.

The Group does not expect a material exposure to Pillar Two income taxes in Australia.

9. Property, plant and equipment

During the 6 months ended 31 March 2025, the Group acquired assets amounting to S\$1,261,000 (31 March 2024: S\$2,353,000) and disposed property, plant and equipment amounting to S\$168,000 (31 March 2024: S\$522,000).

BRC Asia Limited and its Subsidiaries

Notes to the financial statements

For the financial period 6 months ended 31 March 2025

10. Trade and other receivables

	Group		Company	
	31.3.2025 S\$'000	30.9.2024 S\$'000	31.3.2025 S\$'000	30.9.2024 S\$'000
Trade receivables (current)				
Trade receivables, net:				
- Due from third parties	138,626	149,098	132,689	142,924
- Due from related parties	9,072	3,543	8,262	2,614
- Due from subsidiaries	-	-	11,345	6,928
	<u>147,698</u>	<u>152,641</u>	<u>152,296</u>	<u>152,466</u>
Other receivables (current)				
- Due from third parties	171	506	-	-
- Due from subsidiaries	-	-	815	862
- Due from a joint venture	1	1	1	1
	<u>172</u>	<u>507</u>	<u>816</u>	<u>863</u>
Total trade and other receivables (current)	<u>147,870</u>	<u>153,148</u>	<u>153,112</u>	<u>153,329</u>
Total trade and other receivables (current and non-current)	<u>147,870</u>	<u>153,148</u>	<u>153,112</u>	<u>153,329</u>

Expected credit losses

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

	Group	
	31.3.2025 S\$'000	30.9.2024 S\$'000
Movements in allowance accounts:		
At beginning of financial period	5,628	6,547
Reversal for the financial period	(256)	(66)
Exchange differences	(12)	27
Written off	(577)	(880)
At end of financial period	<u>4,783</u>	<u>5,628</u>

Trade receivables relating to debtors who are 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 2025

11. Loans and borrowings

	Group		Company	
	31.3.2025	30.9.2024	31.3.2025	30.9.2024
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Current</i>				
Bills payable to banks (unsecured)	237,879	219,788	236,525	219,788
Bank loans (unsecured)	333	992	333	992
	<hr/>	<hr/>	<hr/>	<hr/>
	238,212	220,780	236,858	220,780
	<hr/>	<hr/>	<hr/>	<hr/>
Total loans and borrowings (current and non-current)	238,212	220,780	236,858	220,780
	<hr/>	<hr/>	<hr/>	<hr/>

BRC Asia Limited and its Subsidiaries

Notes to the financial statements

For the financial period 6 months ended 31 March 2025

12. Provisions

	Group		Company	
	31.3.2025 S\$'000	30.9.2024 S\$'000	31.3.2025 S\$'000	30.9.2024 S\$'000
Current				
Provision for onerous contracts	9,846	2,123	9,846	2,123
	9,846	2,123	9,846	2,123
Non-current				
Provision for retirement benefits	47	47	47	47
Provision for restoration costs	4,006	4,006	4,006	4,006
	4,053	4,053	4,053	4,053

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. Reversal of the provision is dependent on the timing of fulfilment of the contracts and the actual steel prices at that point.

	Group		Company	
	31.3.2025 S\$'000	30.9.2024 S\$'000	31.3.2025 S\$'000	30.9.2024 S\$'000
At beginning of the financial period	2,123	9,471	2,123	9,434
Reversal for the period, net Exchange differences	7,723	(7,347)	7,723	(7,311)
	-	(1)	-	-
At end of the financial period	9,846	2,123	9,846	2,123

BRC Asia Limited and its Subsidiaries

Notes to the financial statements

For the financial period 6 months ended 31 March 2025

13. Share capital and treasury shares

Group and Company	No. of ordinary shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital S\$'000	Treasury shares S\$'000
Balance as at 1 October 2023, 30 September 2024, 1 October 2024 and 31 March 2025	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 2024 and 31 March 2025.

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 (2024: 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 2025

14. Dividends

	Group 6 months ended 31 March	
	2025 S\$'000	2024 S\$'000
<i>Declared and paid/payable during the financial period:</i>		
<i>Cash dividends on ordinary shares:</i>		
- Final tax-exempt (one-tier) dividend for 2024 of 8 cents (2023: 5.5 cents) per share in respect of the previous financial year	21,948	15,089
- Special tax-exempt (one-tier) dividend for 2024 of 6 cents (2023: 5.5 cents) per share in respect of the previous financial year	16,461	15,089
	<u>38,409</u>	<u>30,178</u>

Final and special tax-exempt (one-tier) dividend for 2024 of 8 cents and 6 cents respectively each per ordinary share had been approved by members at the 2025 Annual General Meeting and will be paid on 15 May 2025.

15. Net asset value

	Group		Company	
	31.3.2025	30.9.2024	31.3.2025	30.9.2024
Net asset value per ordinary share (cents)	174.45	173.24	172.84	172.15

Net asset value per ordinary share was calculated based on 274,350,089 shares as at 31 March 2025 and 30 September 2024.

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 2025

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	
31 March 2025				
Assets measured at fair value				
Financial assets:				
<u>Investment securities</u>				
- Quoted equity securities at FVOCI	27	-	-	27
- Unquoted equity securities at FVPL	-	-	18,992	18,992
<u>Debt instruments at FVPL</u>				
- Trade receivables subject to provisional pricing	-	-	37,066	37,066
Financial assets as at 31 March 2025	27	-	56,058	56,085
Liabilities measured at fair value				
Financial liabilities:				
<u>Derivatives</u>				
- Currency forward contracts	-	267	-	267
Financial liabilities as at 31 March 2025	-	267	-	267

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)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
	S\$'000	S\$'000	S\$'000	S\$'000
30 September 2024				
Assets measured at fair value				
Financial assets:				
<u>Investment securities</u>				
- Quoted equity securities at FVOCI	29	-	-	29
- Unquoted equity securities at FVPL	-	-	18,992	18,992
<u>Debt instruments at FVPL</u>				
- 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:				
<u>Derivatives</u>				
- Currency forward contracts	-	2,662	-	2,662
Financial liabilities as at 30 September 2024	-	2,662	-	2,662

(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

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 at FVPL:

The fair value of the Group's investment in unquoted equity securities at FVPL as at 30 September 2024 was based on the net asset value of the entity, adjusted for the fair value of properties using market comparable approach on the price per square feet. The directors have determined that there are no material changes in the fair value for the 6 months ended 31 March 2025.

1. Review

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 31 March 2025 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 decreased by 6% to S\$715.6 million for the first half ended 31 March 2025 ("1H2025") from S\$758.3 million in the first half ended 31 March 2024 ("1H2024"), mainly due to lower steel prices while delivery tonnage remained stable.

Gross profit margin and gross profit

The Group's gross profit for 1H2025 was S\$67.4 million, representing a 10% decline from S\$74.7 million in 1H2024. The gross profit margin decreased to 9.4% in 1H2025 from 9.8% in 1H2024 primarily due to a provision of onerous contracts amounting of S\$7.7 million in 1H2025, compared to a S\$3.1 million reversal in 1H2024.

Other income

Other income increased by 231% to S\$7.1 million in 1H2025 from S\$2.2 million in 1H2024. The increase was mainly attributable to the net foreign exchange gain of S\$2.5 million and a net gain from fair value changes on derivatives of S\$2.4 million.

Distribution and administrative expenses

Distribution expenses increased by 18% to S\$4.2 million in 1H2025 from S\$3.6 million in 1H2024, mainly due to costs from a new subsidiary in Thailand.

Administrative expenses increased by 11% to S\$13.3 million in 1H2025 from S\$12.0 million in 1H2024. This was mainly due to increased legal and professional fees related to potential acquisitions and increased bonus provisions related to better financial performance.

Finance costs

Finance costs decreased by 42% to S\$3.8 million in 1H2025 from S\$6.6 million in 1H2024. This decline was primarily attributable to a lower quantum of borrowing which corresponded with the general decline in steel prices.

Other operating expenses

Other operating expenses decreased by 51% to S\$2.7 million in 1H2025 from S\$5.5 million in 1H2024. The higher expenses in 1H2024 were mainly due to a net foreign exchange loss of S\$3.2 million and a net loss from fair value changes on derivatives of S\$0.7 million, partially offset by a gain from fair value changes on trade receivables of S\$0.6 million.

BRC Asia Limited and its Subsidiaries

Other Information required by Listing Rule Appendix 7.2 For the financial period 6 months ended 31 March 2025

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

Statement of Comprehensive Income (cont'd)

Reversal of / (allowance for) expected credit losses on trade receivables

In 1H2025, a reversal of S\$0.3 million was mainly attributed to lower trade receivables from credit sales. In 1H2024, an allowance of S\$0.7 million was recorded due to a specific trade debt provision.

Share of results of joint venture

The Group's share of profit from its joint venture increased to S\$0.2 million in 1H2025 from S\$4k in 1H2024. This increase was largely due to higher tonnage delivered for its joint venture in the People's Republic of China in current financial period.

Share of results of associate

In the second half of last financial year, the Group disposed its 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. Following this disposal, there Group no longer had any associate.

Statement of Financial Position

As of 31 March 2025, the Group's balance sheet remained strong with net assets of S\$478.6 million and net asset value per ordinary share of S\$1.74.

The Group's inventories and prepayments increased by S\$48.9 million and S\$15.6 million respectively. The prepayments are mainly deposits to suppliers and advance payments for goods ready for delivery. Loans and borrowings increased by S\$17.4 million, while cash and bank balances decreased by S\$47.6 million.

The Group's contract liabilities decreased by S\$9.4 million, primarily due to final settlement with customers following delivery of goods.

The Group's current provisions increased by S\$7.7 million, mainly due to the provision for onerous contracts in the current financial period.

The Group's derivatives decreased by S\$2.4 million due to mark-to-market loss on US dollars forward contracts at the end of the financial period.

The Group's lease liabilities decreased by S\$3.2 million, mainly due to the repayment.

Statement of Cash Flow

The cash flows were primarily used for operating activities and repaying interim dividend.

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 2025 are in line with the commentary in the full year results announcement dated 21 November 2024.

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's construction sector remains a stabilising force amid a subdued economic outlook, with sustained public infrastructure investments offsetting external headwinds. The Monetary Authority of Singapore (MAS) has revised its 2025 GDP growth forecast downwards to 0.0-2.0%, citing escalating US-China trade tensions and weakened global demand¹. However, the local construction sector continues to demonstrate resilience, supported by strategic government initiatives and a robust project pipeline.

In the first quarter of 2025, the sector extended its growth trajectory to expand by 4.6% year-on-year, even as it contracted 2.3% quarter-on-quarter due to phased project execution and delays in contract awards².

Be that as it may, the Building and Construction Authority (BCA) maintains its 2025 construction demand forecast of S\$47-53 billion (in nominal terms), anchored by mega-projects like Changi Airport Terminal 5 (T5), Marina Bay Sands expansion, and continual public housing development.

The Housing & Development Board (HDB) will launch approximately 5,400 Build-To-Order (BTO) flats in July 2025 across towns such as Bukit Merah, Clementi, and Woodlands. Furthermore, HDB plans to roll out over 50,000 BTO flats between 2025 and 2027, including 19,600 units in 2025, as part of its commitment to expand public housing stock by 11% through 130,000 new flats from 2021 to 2027.³

On the private residential front, the Urban Redevelopment Authority (URA) reports a pipeline supply of 40,721 uncompleted units (including Executive Condominiums, ECs) with planning approvals as of the first quarter of 2025. Additionally, approximately 32,500 units (including 5,030 from the Government Land Sales (GLS) Confirmed List) are expected to enter the market in 2025-2026, ensuring a steady supply to meet demand amid economic uncertainties.⁴ Budget 2025 reinforced this outlook with S\$19.6 billion allocated to critical infrastructure, including T5, clean energy initiatives, and urban rejuvenation⁵.

Medium-term demand (2026-2029) is expected to average S\$39-46 billion annually, supported by healthcare facilities (e.g., Tengah Hospital), MRT expansions, and industrial developments like Woodlands North Coast⁶. The private residential pipeline further underscores this momentum, with 55,600 units slated for completion in the coming years - 26,300 between 2025-2027 and 29,200 beyond 2028. Notably, the GLS programme has ramped up EC supply to 2,000 units in 2025, doubling the annual average from 2021-2023.⁷

¹ MAS Macroeconomic Review, April 2025.

² MTI Sectoral Data, 1Q2025.

³ HDB Public Housing Report, April 2025.

⁴ URA Real Estate Statistics, Q1 2025.

⁵ Budget 2025 Analysis, MOF.

⁶ BCA-REDAS Built Environment Seminar 2025.

⁷ URA Real Estate Statistics, Q1 2025.

- 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)**

Singapore's construction sector remains a cornerstone of its economic stability, underpinned by public infrastructure investments and technological advancements. While global trade risks and labour market adjustments pose challenges, proactive policy measures - such as calibrated land sales and a balanced mix of public-private projects - and a strong project pipeline ensure medium-term resilience. This bodes well for the Singapore reinforcing steel sector, which BRC is an integral part of. In this regard, BRC's sales order book continues to remain healthy, standing at S\$1.5 billion as at 31 March 2025.

BRC Asia Limited and its Subsidiaries

**Other Information required by Listing Rule Appendix 7.2
For the financial period 6 months ended 31 March 2025**

5. Dividend

a) Current Financial Period reported on

1H2025

Name of dividend	Interim tax exempt (one-tier)
Dividend type	Cash
Dividend rate (per ordinary share)	6 cents
Books closure date	To be announced later
Payment date	To be announced later

b) Corresponding period of the immediately preceding financial year

1H2024

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 2025

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 2025 S\$'000	1st Half 2024 S\$'000	1st Half 2025 S\$'000	1st Half 2024 S\$'000
HL Building Materials Pte Ltd - Sale of goods to	-	-	7,810	4,793
HL-Manufacturing Industries Sdn.Bhd. - Sale of goods to	-	-	7,174	5,578
HG Construction Steel Pte. Ltd. - Sale of goods to	17,277	-	-	-
Southern Steel Berhad - Purchase of goods from	1,540	-	-	202
Southern Steel Mesh Sdn. Bhd. - Purchase of goods from	114	-	-	-
Southern PC Steel Berhad - Purchase of goods from	-	33	-	-

Interested person transactions mandates for the following had been renewed at the annual general meeting held on 27 January 2025:

- 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 2025**

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 2025 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
13 May 2025