ANNUAL REPORT 2023
BUILDING BETTER

CONTENTS

CHAIRMAN'S **MESSAGE**

Dear Shareholders,

I am delighted to present BRC Asia Limited's ("**BRC**" or the "**Company**", and along with its subsidiaries, the "**Group**") Annual Report for the financial year ended 30 September 2023 ("**FY2023**").

It was yet another outstanding year for BRC, with the Group winning two Centurion Club awards for "Overall Sector Winner" and "Highest Returns to Shareholders Over Three Years" under the Cyclical Consumer Products and Services category at The Edge Billion Dollar Club 2023, and its CEO Seah Kiin Peng recognised as the Best CEO for mid-caps at the prestigious Singapore Corporate Awards 2023. The accolades were a testament to our prominence in the industry and our consistency in delivering good returns to our shareholders.

THE YEAR AT A GLANCE

In terms of financial performance, it was a tale of two halves. BRC started FY2023 on the back foot, with average offtake slowing substantially as work at construction sites across Singapore grappled with persistent and serious workplace safety concerns amid rising fatality rates[1]. Demand started picking up after June 2023 with the ending of the six-month Heightened Safety Period imposed by the Ministry of Manpower[2]. With the recovery in construction activities, the Group was able to leverage on its strong order book to achieve an outstanding second-half performance, both on a sequential and on a year-on-year basis.

On the whole, BRC achieved revenues and net profits of S$1.63 billion and S$75.7 million respectively for FY2023. The bottom line was the second highest in the Group's history following the all-time high performance last year.

This year also saw the completion of the legal amalgamation of the Company, Lee Metal Group Pte. Ltd., and Lee Welded Mesh Singapore Pte. Ltd. ("**Amalgamation**"). The merger and acquisition exercise, which was completed in 2018, solidified BRC's footing as the industry leader and the largest reinforcing steel fabricator in Singapore.

SUSTAINABILITY

With a growing number of countries committing to net-zero emissions by 2050, BRC as a leader of our industry is also making conscious efforts to re-position and future-proof ourselves for the ongoing transformation. In November 2023, we made good strides with the establishment of our Sustainability Committee at the Board of Directors level. The four-member committee is chaired by our Non-Executive and Non-Independent Director Ms. Kwek Pei Xuan. Her relevant experience as the Head of Sustainability and Corporate Affairs at Hong Leong Asia Ltd. is a huge advantage to us as we set a greener pathway for the organisation in the years to come.

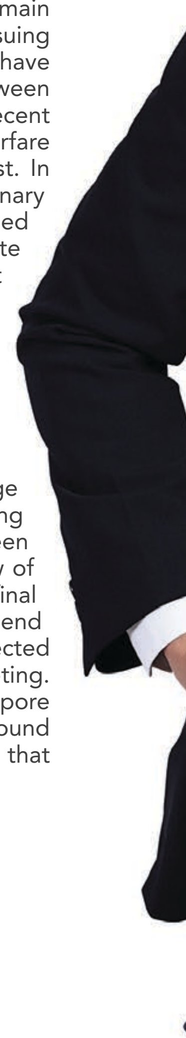
LOOKING AHEAD

Heading into the new year, we are optimistic about the growth trajectory of the Group based on favourable circumstances both internally and externally.

Through the years, we have been consistently reconfiguring and investing significantly in improving our work processes. In particular, we are committed to further automate our production processes as well as to continued digitalisation of our systems, as BRC strives to ever higher standards of customer service and operational efficiencies.

From an industry perspective, we are similarly upbeat with tailwinds seemingly outweighing headwinds at the time of writing. As operational bottlenecks are being resolved, coupled with the fact that more construction projects are expected to be rolled out in 2024, particularly by the government, we are well poised to capitalise on the recovery trajectory to build on our already substantial order book.

While we are generally excited about FY2024, we remain cognisant of the geopolitical volatility and the ensuing macroeconomic challenges that may come. Tensions have been long on the rise since the trade war broke out between the two powerhouses, the USA and China. However, recent conflicts have moved from policies to armed warfare such as those in Eastern Europe and the Middle East. In Singapore, high costs driven by a heightened inflationary environment have increased credit risks and dampened investment in real estate, particularly from the private sector. At the same time, competition in the built environment supply chain has been intensifying, as firms that outlasted the pandemic crises over the last few years look to recover their losses, compressing margins throughout.



APPRECIATION AND DIVIDENDS

As I conclude my message, I would like to acknowledge our shareholders for your continued support during FY2023. Your loyalty and steadfastness in BRC have been the cornerstone of our success over the years! In view of the solid financial results, the Board has proposed a final dividend of 5.5 Singapore cents and a special dividend of a further 5.5 Singapore cents, which will be subjected to approval at the forthcoming Annual General Meeting. This will take our total dividend for FY2023 to 16 Singapore cents. As a result, our dividend payout will come to around 58%, which is 4 percentage points ("**ppts**") higher than that of FY2022.

1 *https://www.todayonline.com/singapore/heightened-safety-workplace-fatalities-mom-1982246*
2 *https://www.channelnewsasia.com/singapore/heightened-safety-period-end-workplace-safety-campaign-new-measures-3508286*

It was yet another outstanding year for BRC, with the Group winning two Centurion Club awards for "Overall Sector Winner" and "Highest Returns to Shareholders Over Three Years" under the Cyclical Consumer Products and Services category at The Edge Billion Dollar Club 2023, and its CEO Seah Kiin Peng recognised as the Best CEO for mid-caps at the prestigious Singapore Corporate Awards 2023. The accolades were a testament to our prominence in the industry and our consistency in delivering good returns to our shareholders.

As we reminisce over our successful year, I would like to extend my gratitude to the management team and all employees at BRC. Your consistency in performing your tasks with the utmost professionalism, determination, and commitment has made this possible. Keep up the good work as we head into another exciting year!

Finally, a big thank you to my fellow board members for your dedication to upholding good corporate governance as well as checks and balances for our stakeholders. I would also like to thank our former Independent Director, Mr. He Jun, who retired from the Board in early 2023, for his contributions over the past 5 years, and we wish him the very best in his future endeavours.

Despite our status as the market leader, we are by no means resting on our laurels. We want to continue to grow from strength to strength as a Company, and your support as key stakeholders will be paramount to this ongoing drive. We shall divest non-core assets and investments, remain focused on our core business and, in this regard, continue to look for different growth opportunities both locally and beyond, with the aim of delivering better and more resilient bottom lines to our shareholders.

MR. TEO SER LUCK
Chairman and Independent Director

主席致辞

尊敬的股东们，

我很荣幸向大家呈现BRC Asia Limited（以下简称"**BRC**"或"**公司**"，与其子公司一起称为"**集团**"）截至2023年9月30日的财政年度（"2023财年"）的年度报告。

对BRC来说，这又是一个不平凡的一年。集团在2023年The Edge Billion Dollar Club中荣获了Centurion Club "Cyclical Consumer Products and Services" 类别中的两项 "Overall Sector Winner" 和 "Highest Returns to Shareholders Over Three Years" 奖项，其首席执行官谢敬平还被评为2023年新加坡企业奖的中型企业最佳首席执行官。这些荣誉证明了我们在行业中的卓越地位以及在为股东提供良好回报方面的稳定表现。

一年总结

全年的业绩表现用低开高走来形容。BRC在2023财年年初步履薄冰，由于新加坡各建筑工地面临持续和严峻的生产安全局面，工亡率不断攀升，致使工地进度和需求明显减缓。到了2023年6月，由于新加坡人力部实施的为期六个月的高度安全戒备期结束，需求开始回升。随着建筑工程的复苏，集团得以充分利用其强大的订单量，在下半年业绩在环比和同比都有优异的体现。

总体而言，BRC在2023财年实现了16.3亿新元的营收和7,570万新元的净利润，是继去年创下的历史最高业绩后的历史第二高水平。

今年我们还见证了 BRC、Lee Metal Group Pte. Ltd. 和 Lee Welded Mesh Singapore Pte. Ltd. 法律层面的最终合并。这项于2018年完成的并购行动巩固了BRC作为行业领导者和新加坡最大的钢筋制造商的地位。

可持续发展

随着越来越多的国家承诺在2050年实现净零排放，作为我们行业的领导者，BRC也正在有意识地努力重新定位并确保自己能够在未来适应这一持续的转变。在2023年11月，我们在董事会层面建立了可持续发展委员会，取得了良好的进展。这个由四名成员组成的委员会由我们的非执行及非独立董事郭佩璇女士担任主席。作为 Hong Leong Asia Ltd. 可持续发展和企业事务主管，郭董事的相关经验对我们未来为组织开辟绿色环保道路是一个巨大的优势。

展望未来

进入新的一年，基于内外部有利的情况，我们对集团的增长轨迹感到乐观。

多年来，我们一直在不断调整和大力投资于改善我们的工作流程。特别是，我们致力于进一步自动化我们的生产流程，并继续数字化我们的系统，以努力实现更高水平的客户服务和运营效率。

> 对BRC来说，这又是一个不平凡的一年。集团在2023年The Edge Billion Dollar Club中荣获了Centurion Club "Cyclical Consumer Products and Services" 类别中的两项 "Overall Sector Winner" 和 "Highest Returns to Shareholders Over Three Years" 奖项，其首席执行官谢敬平还被评为2023年新加坡企业奖的中型企业最佳首席执行官。这些荣誉证明了我们在行业中的卓越地位以及在为股东提供良好回报方面的稳定表现。

从行业的角度来看，在撰写本文时，我们对未来持乐观态度，有利因素大于不利因素。随着运营瓶颈的解决，再加上预计2024年将有更多建设项目，特别是政府推出的项目，我们有望充分利用复苏轨迹，强化我们已经庞大的订单量。

尽管我们对2024财年感到兴奋，我们仍然意识到地缘政治的不稳定性以及随之而来的宏观经济下滑带来的挑战。自中美贸易战爆发以来，世界的政治紧张局势一直在上升，尤其最近的冲突已经从政策上升级为武装冲突，例如在东欧和中东的冲突。在新加坡，由于高通货膨胀环境推高的成本影响，信贷风险增加，尤其是来自私营的房地产投资受到抑制。与此同时，建筑环境供应链中的竞争也在加剧，过去几年在全球疫情危机中幸存下来的公司都在努力弥补损失，从而压缩了整个行业的利润率。

致谢与分红

在结束我的致辞前，我想对我们的股东们在2023财年期间的持续支持表示感谢。多年来，你们对BRC的忠诚和坚定是我们成功的基石！鉴于强劲的财务业绩，董事会提议分发每股5.5新加坡分的最终股息和额外5.5新加坡分的特别股息，此提案将在即将举行的年度股东大会上获得审批。这将使我们2023财年的总股息达到16新加坡分，折合成派息率将达到约58%，比2022财年高4个百分点。

当我们回顾我们过去成功的一年时，我要对BRC的管理团队和所有员工表示感谢。你们以最高的职业精神、决心和承诺，始终如一地执行任务，使这一切成为可能。在即将迎来另一个令人兴奋的一年时，请继续保持好状态！

最后，衷心感谢我的董事会同仁，感谢你们致力于维护良好的公司治理以及为我们的利益相关方提供制衡。我还要感谢我们的前独立董事何俊先生，在2023年初从董事会退休，感谢他过去5年的贡献，祝愿他未来一切顺利。

尽管我们是市场领导者，但我们绝不会因此而安于现状。我们希望继续发扬公司的优势，作为核心利益相关方，你们的支持对于这一持续的努力至关重要。我们将进行非核心资产和投资的剥离，专注于我们的核心业务，并在此方面继续寻找本地和国际的不同增长机会，以实现对股东更好、更具韧性的利润回报。

张思乐
主席及独立董事

OPERATIONS & **FINANCIAL REVIEW**

FY2023 was a year of two halves. The first half of BRC's FY2023 coincided with the imposition of a Heightened Safety Period ("**HSP**") by the Ministry of Manpower ("**MOM**") from 1 September 2022[1], which temporarily but severely interrupted the boom in construction activity across Singapore in the post-COVID recovery period. The HSP was a result of a substantial rise in workplace injuries and fatalities in the preceding 8 months, particularly within the local construction industry[2]. As the HSP tailed off and eventually ended on 31 May 2023[3], BRC was able to leverage on its large order book and fully capitalise on an uptick in construction project activity levels, which enabled the Group to conclude the year with its second-highest set of full-year results.

MARKET REVIEW AND OUTLOOK

The recovery trajectory of the world economy remained muted in 2023. According to the International Monetary Fund ("**IMF**"), the global growth rate was forecasted to decline from 3.5% year-on-year ("**y-o-y**") in 2022 to 3.0% y-o-y in 2023, and 2.9% y-o-y in 2024. The figures are well below the historical average of a 3.8% y-o-y growth recorded during the pre-pandemic period between 2000 and 2019.

The weak economic environment and insufficient policy stimulus have further dampened market sentiments, resulting in subdued demand globally[4]. The worldwide contraction in trade-related sectors has impacted Singapore's economy adversely, resulting in a low growth rate of 0.5% y-o-y in the first two quarters and 1.1% y-o-y in the third quarter of 2023[5].

On a positive note, the above economic figures still fell within the Singapore 2023 economic forecast range of 0.5% to 1.5%[6] and have demonstrated sequential improvements since the second quarter of 2023.

Having said that, the local construction industry, fuelled by the expansions in both public and private sector construction output, remains one of the best performing sectors bolstering Singapore's economic growth. Notwithstanding the temporary slowdown in site progress in 1H2023 the sector's growth momentum continues. According to the Ministry of Trade and Industry Singapore ("**MTI**"), the construction industry grew by 6.3% y-o-y in 3Q2023, extending its growth rate of 7.7% in the preceding quarter.

While both the global and Singapore's economies are projected to remain subdued in the first half of 2024 due to continued tight financial conditions, a broad recovery is expected to happen in the second half. The Monetary Authority of Singapore ("**MAS**") forecasted local inflation to further moderate to an average of 2.5% to 3.5% in 2024. However, it highlighted on volatility risks due to uncertainties in the global economy[7].

The prospects of the local construction sector remain promising, with the Building and Construction Authority of Singapore ("**BCA**") projecting total construction demand for 2024 to 2027 to range between S$25 billion and S$32 billion per year[8]. The strong industry-wide project pipeline, including major developments like Changi Airport Terminal 5 and Tuas Mega Port, is poised to make substantial contributions to the long-term outlook. However, short-term headwinds persist as factors such as labour shortages, recurrent workplace safety concerns, rising utility costs, and high borrowing costs continue to weigh down the recovery efforts.

[1] *https://www.todayonline.com/singapore/heightened-safety-workplace-fatalities-mom-1982246*
[2] *https://www.straitstimes.com/singapore/construction-industry-contributed-most-workplace-deaths-in-first-half-of-2022*
[3] *https://www.mom.gov.sg/newsroom/press-releases/2023/0523-exit-from-heightened-safety-period-and-new-measures-for-sustainable-wsh-outcomes*
[4] *https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023#:~:text=Global%20recovery%20remains%20slow%2C%20with,19)%20average%20of%203.8%20percent*
[5] *https://www.mti.gov.sg/Newsroom/Press-Releases/2023/11/MTI-Forecasts-GDP-Growth-of-Around-1_0-Per-Cent-in-2023-and-1_0-to-3_0-Per-Cent-in-2024*
[6] *https://www.mti.gov.sg/Newsroom/Press-Releases/2023/08/MTI-Narrows-Singapore-GDP-Growth-Forecast-for-2023-to-0_5-to-1_5-Per-Cent*
[7] *https://www.mas.gov.sg/news/monetary-policy-statements/2023/mas-monetary-policy-statement-13oct23#:~:text=MAS%20expects%20Singapore's%20GDP%20growth,output%20gap%20remaining%20slightly%20negative*
[8] *https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2023/01/12/singapore's-construction-demand-to-remain-strong-in-2023*

Over the years, we have remained steadfast in our commitment to assisting our customers in Building Better by striving to provide Better Faster Cheaper reinforcing steel services and solutions on a Just-In-Time ("JIT") basis. As the frontrunner in the local reinforcing steel fabrication sector, we continue to lead the industry in advancing smarter, stronger, and more efficient solutions. We are continuing to progressively incorporating digitalisation tools into our daily operations and introducing industrial automation technologies such as robotics into our production processes.

OPERATIONAL REVIEW AND STRATEGY

The Group has been implementing an expansion strategy in both domestic and international markets and made meaningful progress in FY2023.

On 1 April 2023, we completed the legal amalgamation of BRC, Lee Metal Group Pte. Ltd. ("**Lee Metal**"), and Lee Welded Mesh Singapore Pte. Ltd. This was the final step of the merger process of Lee Metal, following the successful acquisition dated 26 July 2018.

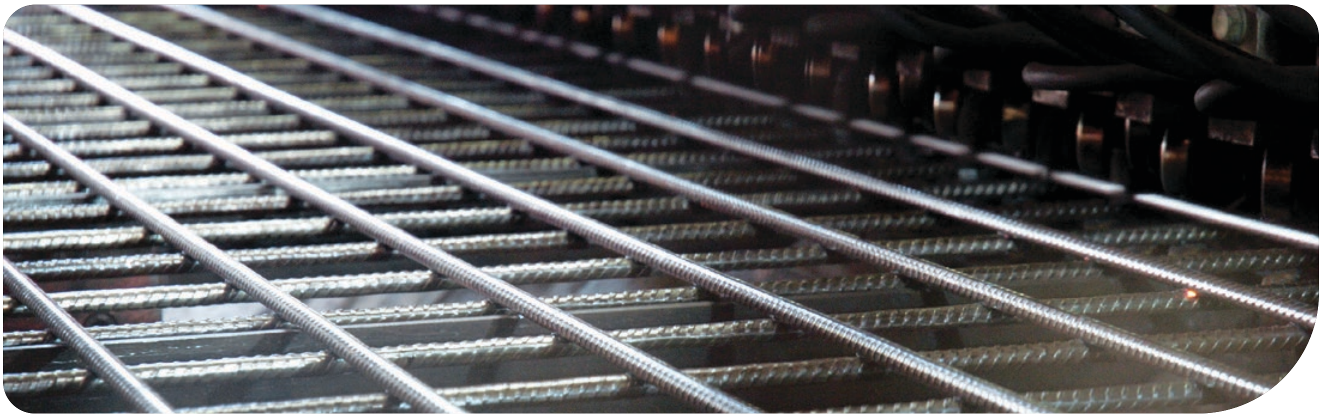
Moreover, we have strengthened our presence in Asia. Notably, the revenue contribution from the Indonesian market doubled compared to the preceding year, and the contribution from the Thailand market grew more than threefold.

Our efforts over the last few years were recognised by The Edge Billion Dollar Club 2023, where the Group was honoured as the "Overall Sector Winner" and awarded the "Highest Returns to Shareholders Over Three Years" under the Cyclical Consumer Products and Services category of the Centurion Club Awards.

Over the years, we have remained steadfast in our commitment to assisting our customers in **Building Better** by striving to provide **Better Faster Cheaper** reinforcing steel services and solutions on a Just-In-Time ("**JIT**") basis. As the frontrunner in the local reinforcing steel fabrication sector, we continue to lead the industry in advancing smarter, stronger, and more efficient solutions. We are continuing to progressively incorporating digitalisation tools into our daily operations and introducing industrial automation technologies such as robotics into our production processes.

Environment, Social, and Governance ("**ESG**") has always been an important part of our business. Recently, we established a Sustainability Committee tasked to drive the Group's sustainability agenda. The committee is chaired by our Non-Executive and Non-Independent Director, Ms. Kwek Pei Xuan, who is an expert in ESG management, sustainability reporting, and corporate communications. With the oversight and guidance from the Sustainability Committee, we hope to improve our ESG performance, mitigate climate-related risks, and build a more sustainable and responsible business in the near future.

With these enhanced capabilities and refined corporate management, we look forward to emerging stronger from the ongoing global economic recovery and further extending our foothold in the Asian market.



OPERATIONS &
FINANCIAL REVIEW

FINANCIAL REVIEW

Despite the temporary slowdown in the local construction sector in 1H2023 and losses and impairment incurred in the Maldives investment, the Group managed to regain momentum and achieved a resilient performance in the second half.

2H2023 revenue remained steady at S$909.9 million compared to the preceding year (S$905.9 million), supported by the normalising activity levels of local construction projects. Gross profit edged up by 2% y-o-y to S$86.3 million in 2H2023. On the other hand, 2H2023 operating expenses rose 9% y-o-y to S$32.3 million, mainly due to higher finance costs, which rose by 35% y-o-y to S$6.5 million. As a result, the Group recorded a net profit of S$49.5 million for 2H2023, showing a marginal decline of 2% compared to the same period last year.

On a full-year basis, the Group's revenue declined by 4% y-o-y to S$1.6 billion, mainly due to a lower contractual offtake in 1H2023 and market-driven lower selling prices. The decrease was partially compensated by the increased sales volume during the period.

FY2023 gross profit decreased by 10% y-o-y to S$139.0 million. The Group recorded a net reversal of provision for onerous contracts of S$23.8 million in FY2023 compared to S$12.8 million in the preceding year.

Operating expenses increased slightly by 2% y-o-y to S$55.3 million, mainly attributable to higher distribution expenses and finance costs, due to higher costs associated with the increase in trading business and rising interest rates, respectively.

In addition, the Group reported an increase in share of losses and impairment of S$7.8 million incurred in its 17% stake in the Maldives resorts investment during the reporting period.

Consequently, the Group achieved an FY2023 net profit of S$75.7 million and a net profit margin of 4.7%, down 16% y-o-y and 0.6 ppts y-o-y, respectively.

The Group continues to maintain a strong financial position as at 30 September 2023, with cash and cash equivalents of S$184.6 million.

As at 30 September 2023, the Group had a total sales order book of approximately S$1.3 billion, spanning a delivery timeframe of up to 5 years.

APPRECIATION

Our business resilience is a result of the collective efforts of our teams and stakeholders. I would like to take this opportunity to express my gratitude to our management team and employees for their dedication throughout the year. I would also like to extend my appreciation to our business partners and shareholders for their unwavering support over the years.

With the ongoing sector-wide recovery, the Group is committed to focusing on growth and creating value in a sustainable and strategic manner.

MR. SEAH KIIN PENG
Executive Director and Chief Executive Officer

多年来，我们基于准时制生产（"JIT"）的基础上始终坚定不移地提供更好、更快、更便宜的钢筋服务和解决方案，协助客户建设更好的建筑。作为本地钢筋制造领域的领跑者，我们继续引领行业推出更智能、更强、更高效的解决方案。我们正在逐步将数字化工具纳入我们的日常运营，并将机器人等工业自动化技术引入我们的生产流程。

BRC的2023财年可以分为两个截然不同的时期，2023财年的上半年恰逢新加坡人力部（"**MOM**"）2022年9月1日实施的高度安全戒备期（"**HSP**"）虽然这只是暂时性时的措施，但极大地抑制了新加坡建筑业在后疫情阶段的复苏。高度安全戒备期是在此前8个月内工作场所事故和死亡率大幅上升的不得已的临时措施。随着本地建筑行业安全形势好转，HSP的措施逐渐减弱并最终于2023年5月31日结束，BRC能够充分利用其庞大的订单量及建筑项目活动水平的回升，使集团以历史性第二高的业绩结束了该财政年。

市场回顾和展望

2023年，全球经济的复苏轨迹仍然温和。根据国际货币基金组织（"**IMF**"）的预测，全球增长率从2022年同比增长3.5%下降到2023年同比增长3.0%，并在2024年同比增长2.9%。这些数字远低于2000年至2019年疫情前期间3.8%的同比增长的年历史平均水平。

经济环境疲弱和政策刺激不足进一步压低了市场情绪，导致全球需求低迷。与之相关的全球贸易部门的萎缩对新加坡经济产生了不利影响，导致2023年前两个季度同比增长仅0.5%，第三季度同比增长1.1%。

值得一提的是，上述经济数据仍在新加坡2023年经济预测范围（0.5%至1.5%）内，并自2023年第二季度以来一直呈现环比改善。

在公共设施建设项目和私营建设项目扩张的推动下，本地建筑业仍然是推动新加坡经济增长的表现最佳的行业之一。虽然2023年上半年工地进度暂时放缓，该行业的增长势头仍在继续。根据新加坡贸工部（"**MTI**"）的数据，2023年第三季度建筑业同比增长6.3%，延续上一季度7.7%的增速。

由于金融状况持续紧张，预计全球和新加坡经济在2024年上半年将继续低迷，但预计下半年将出现全面复苏。新加坡金融管理局（"**MAS**"）预测，2024年本地通胀率将进一步放缓至平均2.5% 至3.5%。不过，它强调了全球经济不确定性带来的波动风险。

本地建筑行业的前景依然乐观，新加坡建设局（"**BCA**"）预计2024年至2027年的建筑需求总额将在每年250亿新元至320亿新元之间。强劲的建筑行业项目储备，包括樟宜机场5号航站楼和大士超大型港口等重大开发项目，将为经济发展做出重大贡献。然而，由于劳动力短缺、工作场所安全问题的反复出现、公用事业成本上升以及借贷成本高等因素继续拖累复苏努力，短期阻力依然存在。

运营回顾和市场策略

集团一直在国内和国际市场实施扩张战略，并在2023财年取得了实质性进展。

在2023年4月1日，我们完成了BRC、Lee Metal Group Pte. Ltd.（"Lee Metal"）和 Lee Welded Mesh Singapore Pte. Ltd.法律层面的最终合并。这是Lee Metal合并过程的最后一步，该过程始于2018年7月26日的成功收购。

此外，我们还加强了在亚洲的影响力。值得注意的是，印尼市场的收入贡献较上年翻了一番，泰国市场的收入贡献也增长了三倍以上。

我们过去几年的努力获得 The Edge Billion Dollar Club 2023 的认可，荣获了 Centurion Club "Cyclical Consumer Products and Services" 类别中的 "Overall Sector Winner" 和 "Highest Returns to Shareholders" 两个奖项。

多年来，我们基于准时制生产（"**JIT**"）的基础上始终坚定不移地提供更好、更快、更便宜的钢筋服务和解决方案，协助客户建设更好的建筑。作为本地钢筋制造领域的领跑者，我们继续引领行业推出更智能、更强、更高效的解决方案。 我们正在逐步将数字化工具纳入我们的日常运营，并将机器人等工业自动化技术引入我们的生产流程。

运营与财务回顾

环境、社会和治理（"**ESG**"）一直是我们业务的重要组成部分。最近，我们成立了可持续发展委员会，负责推动集团的可持续发展议程。该委员会由我们的非执行和非独立董事郭佩璇女士担任主席，她是 ESG 管理、可持续发展报告和企业传播方面的专家。在可持续发展委员会的监督和指导下，我们希望在不久的将来提高我们的ESG绩效，减轻气候相关风险，并建立一个更加可持续和负责任的企业。

凭借这些增强的能力和完善的企业管理，我们期待在全球经济复苏的背景下变得更加强大，并进一步扩大我们在亚洲市场的立足点。

财务回顾

尽管当地建筑业于2023年上半年暂时放缓，且马尔代夫投资出现亏损及减值，但集团仍成功重拾动力，并于下半年取得强劲表现。

与2022年下半收入的9.059亿新元相比，2023年下半年收入稳定在9.099亿新元，这得益于当地建设项目活动水平正常化。2023年下半年毛利润同比小幅增长2%至8,630万新元。另一方面，2023年下半年运营费用同比增长9%至3,230万新元，主要是由于财务成本上升，同比增长35%至650万新元。因此，集团2023年下半年净利润为4,950万新元，较去年同期小幅下降2%。

全年来看，集团收入同比下降4%至16亿新元，主要是由于2023年上半年合同交付量减少以及市场大环境下的销售单价下降。这一下降部分被期内销量的增加所抵消。

2023财年毛利润同比下降10%至1.39亿新元。集团在2023财年录得亏损合同拨备净转回额为2,380万新元，而上一年为1,280万新元。

运营费用同比小幅增长2%至5,530万新元，主要是由于贸易业务量增加和利率上升导致分销费用和财务成本增加。

此外，在集团的财务中，报告期内其所持马尔代夫度假村投资17%的股权所产生的亏损和减值增加了780万新元。

综上所述，集团2023财年净利润为7,570万新元，净利润率为4.7%，分别同比下降16%和0.6个百分点。

截至2023年9月30日，集团继续保持强劲的财务状况，现金及现金等价物为1.846亿新元。集团销售订单总额约为13亿新元，交付周期跨度达到5年。

致谢

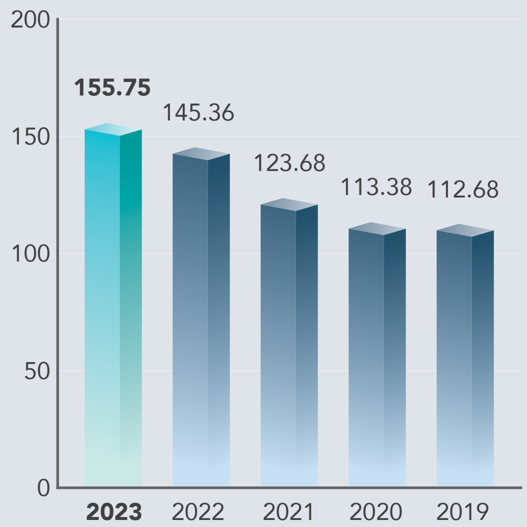
我们的商业成功是我们团队和利益相关者集体努力的结果。我想借此机会对我们的管理团队和员工一年来的奉献表示感谢。我还要感谢我们的业务合作伙伴和股东多年来的坚定支持。

随着全行业的持续复苏，集团致力于以可持续和战略性的方式专注于增长和创造价值。

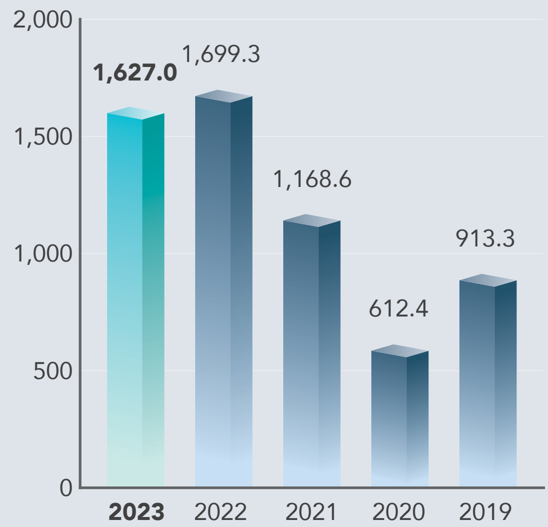
谢敬平
执行董事及首席执行官

FINANCIAL
HIGHLIGHTS

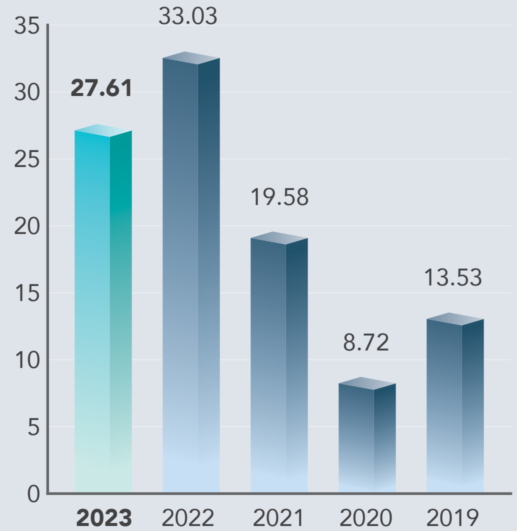
Net asset per share attributable to owners (cents)



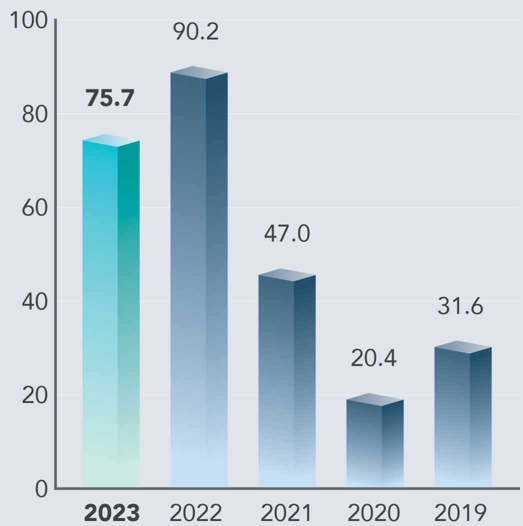
Revenue from continuing operations (S$'million)



Basic earnings per share (cents)



Profit after tax (S$'million)



Group Financial Results	2023	2022	2021	2020	2019
Revenue from continuing operations (S$'000)	**1,626,998**	1,699,266	1,168,647	612,378	913,287
Profit before tax (S$'000)	**91,221**	107,433	58,373	26,990	38,435
Profit after tax (S$'000)	**75,748**	90,216	47,026	20,352	31,562
Net asset attributable to owners (S$'000)	**427,311**	398,786	300,949	264,547	262,928

Per Share Data					
Basic earnings per share (cents)	**27.61**	33.03	19.58	8.72	13.53
Net asset per share attributable to owners (cents)	**155.75**	145.36	123.68	113.38	112.68

BOARD OF **DIRECTORS**

MR. TEO SER LUCK

Chairman and Independent Director

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

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

MR. SEAH KIIN PENG

Executive Director and Chief Executive Officer

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

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

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

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

MR. XU JIGUO

Executive Director and Chief Procurement Officer

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

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

MR. ZHANG XINGWANG

Executive Director and Chief Operating Officer

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

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

MS. CHANG PUI YOOK

Independent Director

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

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

BOARD OF DIRECTORS

MR. JOEL LEONG KUM HOE

Independent Director

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

Mr. Leong is currently a business consultant specialising in corporate restructuring, mergers and acquisitions, and business management. Mr. Leong is also an active volunteer. He is currently the Chairman of Hougang Constituency Community Club Management Committee and Vice Chairman of Kaki Bukit Constituency Citizen Consultative Committee. Mr. Leong has vast experience in various industries like industrial engineering, precision engineering, semiconductor, IT, electronics, ordnance and food. He was Chief Financial Officer and Independent Director of several listed companies on both the Mainboard and Catalist board of SGX-ST in the past.

MR. TOH KIAN SING

Independent Director

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

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

MR. DARRELL LIM CHEE LEK

Non-Executive & Non-Independent Director

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

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

MS. KWEK PEI XUAN

Non-Executive & Non-Independent Director

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

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

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

MR. STEPHEN HO KIAM KONG

Non-Executive & Non-Independent Director

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

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

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

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

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

KEY EXECUTIVE OFFICERS

MS. LEE CHUN FUN

Chief Financial Officer and Company Secretary

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

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

MR. TAN LAU MING

Deputy Chief Operating Officer

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

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

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

MR. ONG LIAN TECK

Chief Commercial Officer

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

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

SUSTAINABILITY **REPORT**

CONTENTS

ABOUT US

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

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

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

OUR BRAND MESSAGING

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

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

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

Build Safer - Improving health and safety on-site from fewer accidents and incidents as well as lower noise and dust pollution. Reduces the risk of injuries, fatalities and potential hazards from on-site fabrication.

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

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

ABOUT THE REPORT

This is the sixth annual sustainability report by BRC, published within our annual report, on 12 January 2024. It details our continuous effort in our sustainability reporting journey, covering Environmental, Social and Governance ("**ESG**") performance in our Singapore operations from 1 October 2022 to 30 September 2023 ("**FY2023**").

This report is based on the principles and requirements in the Sustainability Reporting Guide of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and prepared with reference to the GRI Standards and Task Force for Climate-related Financial Disclosures ("**TCFD**") framework.

The statistical data disclosed in this report are derived from our own statistics. We have adopted a phased approach to our reporting; we seek to provide additional disclosures, assess and improve our data collection as our sustainability reporting matures over time. Internal review on the sustainability reporting process has been incorporated as part of our internal audit review cycle and we will work towards obtaining external assurance for our future sustainability reports.

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

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

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info@brc.com.sg

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Singapore 638934

SUSTAINABILITY
AT BRC

BOARD STATEMENT

In the pursuit of safeguarding and augmenting long-term shareholder value, BRC remains resolute in our dedication to sustainability. As an integral component of the global response to climate change, the Group aligns with the Green Plan outlined by the Singapore government. Our sustainability initiatives, including waste reduction, energy efficiency, and adherence to green standards, are aimed at minimising our environmental impact. We recognise that these efforts not only fulfil our responsibility to the environment but also contribute to the economic stability.

The Board, as the custodian of our long-term strategic objectives, plays a pivotal role in steering our sustainability agenda. We firmly believe that an intensified focus on sustainability positions BRC to generate enduring value for our shareholders, thereby fostering a harmonious relationship with our broader stakeholder community. Our ethos is grounded in doing what is right for both our business and society at large. With a vigilant Management and an unwavering commitment to sustainability, we ensure the sustainable growth and development of the communities where we operate.

Amidst the challenges and opportunities presented by the post-pandemic economic recovery, we extend our gratitude to stakeholders for their continuous support. Looking ahead to 2024, we remain dedicated to enhancing our capabilities, staying abreast of market trends, and maximising synergies with stakeholders to create new value as responsible corporate citizens.

SUSTAINABILITY GOVERNANCE

Under the leadership of our Board, a Sustainability Working Group ("**SWG**") has been formalised. Following a strategic refinement of our governance structure, the oversight of our sustainability initiatives has transitioned from the guidance under Audit and Risk Management Committee ("**ARMC**") to Sustainability Committee ("**SC**"). Under the newly established SC, which reports directly to our Board of Directors, the committee will now guide and supervise our sustainability efforts. This change reflects our commitment to elevating the significance of sustainability within our organisation, ensuring it receives the specialised attention it deserves.

The SC will continue to collaborate closely with the SWG, which is supported by various departments. This strategic shift aims to consolidate our sustainability strategies, streamline decision-making processes, and fortify the alignment of our sustainability efforts with organisational goals. We believe that this transition will strengthen our ability to evaluate performance effectively and drive future successes in our sustainability journey.

The SC oversees the overall effectiveness of this process as part of managing the internal control and risk management framework of the Group's business and operations.

Sustainability Governance Structure

STAKEHOLDER ENGAGEMENT

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

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

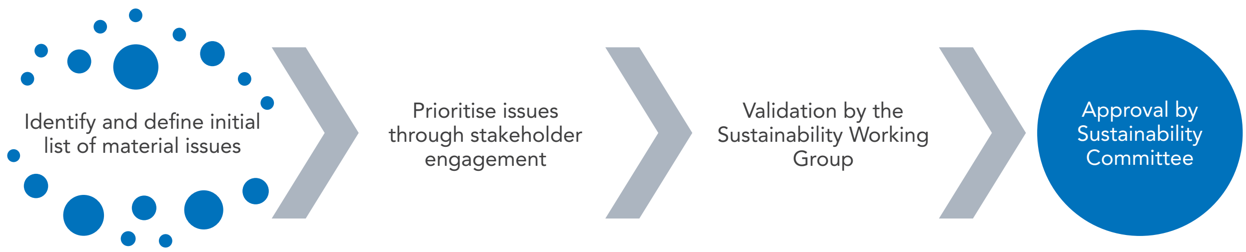
MATERIALITY ASSESSMENT

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

A structured process to materiality assessment was undertaken to first identify issues of concern across the three pillars of ESG. This was based on a review of the issues facing our industry and internal engagement across the business including drawing from industry and ESG best practice.

A survey was then undertaken across the BRC management team to understand the relative rating of each of these issues in terms of its potential impact to our business and the potential importance to our stakeholders. Recognising the escalating global concerns regarding climate change and its associated impacts, Energy and Emissions have been included in our material issues for FY2023.

BRC is committed to continually review its view on materiality including engaging beyond the boundaries of BRC to include our stakeholders' perspectives more effectively.



For the sustainability matters determined as material, we have mapped them to the relevant aspects defined in GRI Material topics.

Material Sustainability Matters	Material Topics (GRI)	Our Responses
Corporate Ethics	205 Anti-Corruption	Our People
Health and Safety	403 Occupational Safety and Health	Our People
Product Quality	417 Marketing and Labelling	Our Value Chain
Energy	302 Energy	Our Environment
Emissions	305 Emissions	Our Environment
Material Efficiency	N.A.	Our Environment

CLIMATE-RELATED RISK AND MANAGEMENT

The Group entered a new phase in its dedication to climate action in FY2023, where we adopted the recommendations of TCFD. This strategic move underscores our commitment to transparency and accountability, aligning our disclosure practices with TCFD standards. By integrating climate-related risks and opportunities into our reporting, we aim to provide stakeholders with a clearer understanding of the associated implications.

GOVERNANCE

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

TCFD Recommendations	BRC's Disclosures
Describe the Board's oversight of climate-related risks and opportunities.	Established in 2023, the SC is the governing body in BRC responsible for providing guidance and supervision on climate-related risks and sustainability matters for the Company. The SC monitors BRC's ESG performance and efforts. The SC has been instituted to focus on overseeing and advancing sustainability initiatives specifically. This SC is pivotal in aligning the Group's strategies with sustainable development goals, reviewing environmental and social impact, and ensuring sustainability is integrated into the overall governance framework. By emphasising sustainability, BRC aims to contribute to environmental stewardship and the creation of long-term value for stakeholders.
Describe management's role in assessing and managing climate-related risks and opportunities.	The SC, formed under the leadership, collaborates closely with the SWG and is supported by various departments. This strategic shift aims to consolidate sustainability strategies, streamline decision-making processes, and fortify the alignment of sustainability efforts with organisational goals. This transition will strengthen the Group's ability to evaluate performance effectively and drive future successes in their sustainability journey. The SC's role is to: • Review and recommend for the Board adoption of the Company's risk tolerance limits, framework, policies, and guidelines for identifying, assessing, controlling, monitoring, and reporting climate-related or ESG goals, policies, and procedures for identifying, assessing, managing, monitoring, and reporting the Company's sustainability issues, including those related to climate change. • Foster a climate and sustainability awareness culture within the Company. • Review the nature and extent of significant climate-related and other ESG risks taken by the Company and assess key controls implemented to manage these risks, annually reporting to the Board. • Evaluate the Company's efforts in addressing sustainability issues, including ESG factors, and review actions to mitigate adverse impacts. • Review major sustainability incidents, identify their causes, and assess the adequacy of proposed actions to prevent future occurrences. • Obtain written assurances from key management personnel annually regarding the adequacy and effectiveness of the Company's climate and sustainability risk management and internal control systems. • Coordinate with relevant committees, such as the Audit and Risk Management Committee, to discuss significant risks and controls. • Review the scope and effectiveness of climate and sustainability activities executed by relevant management personnel. • Report to the Board on activities undertaken in accordance with the Terms of Reference. • Perform other functions as directed by the Board in alignment with its strategic objectives.

STRATEGY

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

TCFD Recommendations	BRC's Disclosures
Disclose the actual and potential impacts of climate-related risks and opportunities on the Company's businesses, strategy, and financial planning where such information is material.	In 2023, BRC collaborated with Marsh Advisory, a global leader in risk management, to perform a qualitative assessment of the potential impact of climate-related risks and opportunities on the Company. A climate risk register resulted from the assessment, which consolidated a broad range of possible physical and transition risks material to the business. Each identified risk has been categorised following the TCFD-aligned Climate Risk Taxonomy and assigned a relevant short-, medium- and long-term time horizon to enable strategic planning for mitigation responses. For BRC, these timeframes align with the Company's risk management framework and are defined as follows: • *Short-term: a material risk within the next 5 years;* • *Mid-term: a material risk in 5 to 10 years; and* • *Long-term: a material risk after 10 years*
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	The aim is for these risk prioritisation results to be considered when strategy, capital allocation, and commercial and operational decisions are made. More information on the results of the climate risk assessment can be found on page 23 of this report.
Describe the resilience of the Company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Across each of the risks defined in the climate risk register, BRC has outlined current and further mitigation actions to minimise risk impact. However, as a next step to developing a more robust resilience strategy that is applicable to a range of plausible future states, BRC will consider performing a scenario analysis exercise.

RISK MANAGEMENT

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

TCFD Recommendations	BRC's Disclosures
Describe the organisation's processes for identifying and assessing climate-related risks.	BRC's climate risk register ensures a consistent identification and assessment of climate-related risks. The climate risk register incorporates BRC's risk management framework to identify material climate risks, evaluate their impact, and develop mitigation measures accordingly. All risks were first allocated under the risk categories as per the TCFD Climate Risk Taxonomy (i.e., physical and transition risks). Each risk event has been described alongside the time horizon and strategic objective(s) that may be impacted if/when the risk materialises. Subsequently, the process of determining the materiality of each risk followed an impact and probability scoring approach. Multiple workshops with various stakeholders were conducted to assess and agree on a risk impact score for the listed transition and physical risk.
Describe the organisation's processes for managing climate-related risks.	Managing climate-related risks starts with BRC's Board of Directors, who provides strategic guidance on climate risks to guarantee their monitoring and effective handling. The Board designates the supervision of risks, risk management, and internal control systems to the SC. The SC, in turn, works closely with the SWG to employ an integrated risk management process across BRC's various departments. Together, they oversee the climate risk register. At the operational level, the climate risk register ensures accountability across the business by defining Risk Managers and Risk Owners for each listed risk. Moreover, relevant mitigation measures are also listed (current and future), and an annual risk review is performed to assess the impact and management of the risk events.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	The final climate risk register was socialised to BRC's highest governance bodies to facilitate longer-term integration of climate risks into existing risk management processes.

METRICS AND TARGETS *The metrics and targets used to assess and manage relevant climate-related risks and opportunities*	
TCFD Recommendations	**BRC's Disclosures**
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	BRC acknowledges the importance of evolving our approach to sustainability and climate-related challenges. BRC discloses key metrics, including energy consumption in gigajoules (GJ), greenhouse gas emissions in tonnes of CO_2 equivalent (tCO_2e), and material efficiency, measured as the percentage of material scrap. As we continue our climate and sustainability journey, we are committed to developing and integrating additional metrics to enhance our ability to assess and manage climate-related risks and opportunities more effectively.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	(see Emissions table below)
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	BRC's material efficiency target to promote a circular economy and reduce the wastage of raw materials is found on page 30 of this report. BRC is developing more targets to manage climate-related risks, opportunities, and performance.

Emissions	FY2022	FY2023
Scope 1 emissions (tCO_2)	3,480	3,607
Scope 2 emissions (tCO_2)	7,859	7,205
Total emissions (tCO_2)	11,339	10,812
Scope 1 emissions intensity (tCO_2/S$ million)	2.5	3.1
Scope 2 emissions intensity (tCO_2/S$ million)	5.8	6.1
Total emissions intensity (tCO_2/S$ million)	8.3	9.2

The table below presents a summarised outcome of the qualitative climate risk assessment BRC conducted in 2023. Material climate risks have been identified across both transition and physical risk categories, alongside potential impact, temporal materiality and actions to address the risk.

Risk Type	Risk	Potential Impact	Temporal Materiality	Actions to Address Risk
Transition: Market	Increased climate-related restrictions to gain capital	Increased costs of capital as more financial institutions commit to reducing financed emissions.	Medium	Exploration around greener technologies (e.g., green steel).
Transition: Policy & Legal	Uncertainty over Singapore's future demand for conventional steel given its climate ambitions	Decreased revenue from sales of rebar steel made from conventional steel.	Long	Regular monitoring of climate-related policy developments as part of risk management. Accelerate pace of investment in greener technologies.
	Increasing climate-related regulatory stringency in Singapore	Failure to comply with regulations and/or increased costs or outlay to upgrade equipment or processes.	Short	
Physical	River and Flash Floods	Operational disruption due to high water levels. Potentially over a prolonged period if infrastructure or equipment is damaged by water.	Medium	Conduct detailed flood exposure analysis and identify suitable flood protection measures.
Physical	Extreme Temperatures	Operational disruptions due to safety concerns and/or destruction of road infrastructure (surface asphalt can be severely degraded).	Medium	Safety talks to educate workers about past safety performances and future expectations.
Physical	Sea Level Rise	Disruption to supply chain as port and waterborne transportation operations may be limited due to a reduction in available routes and cargo-carrying capacity. Could increase transportation costs.	Medium	Conduct climate scenario analysis to identify assets at risk and associated recommended mitigation actions .

Additional transition and physical risks were identified and assessed through the exercise; however, these were assessed as less material, given their estimated impact on BRC's operations and probability of occurrence. These physical risks include water stress and extreme wind, and transition risks include technology leapfrogs for greener steel production methods, which BRC is monitoring closely.

OUR
PEOPLE

CORPORATE GOVERNANCE

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

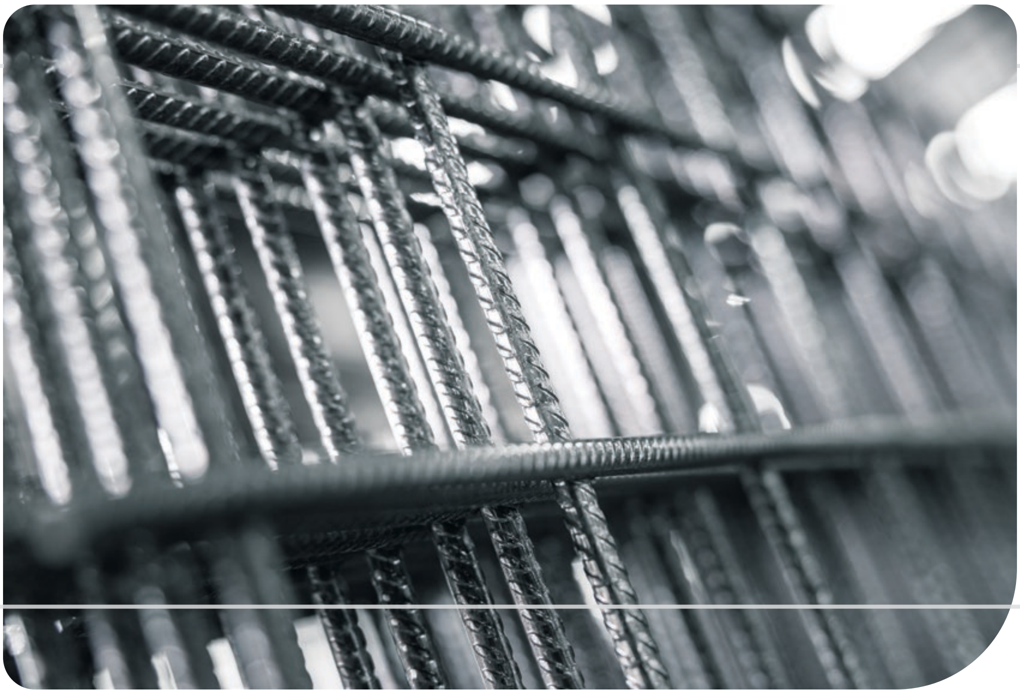
The Group is led by a proficient Board, comprised of professionals from diverse disciplines, entrusted with the comprehensive management of BRC. To support the Board in its oversight role, various board committees have been established, each operating under well-defined terms of reference. The Board's functions are further reinforced by the ARMC, which plays a crucial role in reviewing the material internal control procedures encompassing financial, operational, compliance, and information technology controls.

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

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

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

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



CORPORATE ETHICS

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

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

Dealing in the Company's securities

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

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

Whistle-Blowing

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

Code of Conduct

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

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

Anti-corruption and Conflict of Interest

Business dealings must be handled with integrity, transparency and honesty. BRC takes a strong stance against corruption and does not tolerate corruption in any part of its business.

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

For FY2023, no reports of fraudulent or inappropriate activities or malpractices have been received. In addition, no instances of corruption were reported.

OUR
PEOPLE

OUR WORKFORCE

People are the driving force of every high performing company, and so is it at BRC. As at 30 September 2023, we were a team of 753 (2022: 765) permanent employees for our Singapore operations and there were no significant fluctuations from the previous financial year. In addition to employees, BRC hires labour suppliers for our manufacturing operations. For FY2023, an average of 167 (2022: 137) labour suppliers were engaged by BRC. The increase is mainly due to fewer labour suppliers hired in first half of FY2022 when the Group was still recovering from the Covid-19 pandemic. Due to the nature of our business, majority of our employees are male workers from India and Bangladesh. Among our workforce within our Singapore operations, 27% are covered by collective bargaining agreements.

Employees by Employment Type and Gender

	Female	Male	Total
Full-time	90	661	751
Part-time	2	–	2
Total	**92**	**661**	**753**

Employees by Category and Gender

	Female	Male	Total
Non-production	90	81	171
Production	2	580	582
Total	**92**	**661**	**753**

We treat our employees fairly and with respect. BRC is committed to providing employees with a work environment that is conducive, physically and psychologically safe and free from discrimination, harassment and retaliation. Employees are free to voice any concerns and feedback to the department heads and Management. We take workplace grievances seriously and the grievance mechanism is communicated to our local employees via intranet. Employees can raise concerns or report any bias or discrimination that happens at the workplace without fear of reprisal. Clear guidelines for managing grievances of local employees are established and any reported case will be handled with urgency and in confidence, thoroughly investigated and tracked through to closure. During the year, no grievance cases were logged.

HEALTH AND SAFETY

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

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

BRC places a high priority on the safety, health, and welfare of its employees through the implementation of safety improvement programs and initiatives. These endeavours are directed towards establishing a secure work environment and proactively preventing accidents, thereby safeguarding the overall well-being of the workforce. We have implemented a range of controls that govern the comprehensive safety culture and practices of BRC, encompassing our work systems and processes. These measures underscore our unwavering commitment to fostering a safe work environment.

BRC has formed a Health and Safety Committee comprising workers from different areas of our operations, covering the safety and well-being of all employees and labour suppliers. The Health and Safety Committee closely supervises adherence to safety protocols with Management gathering timely feedback from the ground while actively monitoring the efficiency of our safety programs, allowing further improvements to be made. Monthly meetings are held to discuss any incidents or other safety matters. New safety guidelines (if any) are also shared during the meetings.

Health and Safety Governance Structure

- Board of Directors
- Management
- Safety Chairman
- Health and Safety Committee
- Our People

To identify and assess any potential hazard on a timely basis, so as to implement control measures that are reasonable, effective and viable to reduce the impacts on BRC's employees and workers, BRC's continuous risk assessment has been stipulated specifically for the ongoing risk identification, assessment and management as well as the reduction thereof to the minimum. Our safe-work procedures specifies the reporting and handling procedures for accidents of occupational hazards and dangers. Where there is concern of immediate danger, the on-site operation supervisor shall order a cease of operation (time-out) and workers must retreat to a safe location. Procedures are established for incident investigation and handling to identify the cause, determine the damage, present preventive measures for future occurrences.

BRC recorded zero workplace fatalities and a total of 7 non-fatal industrial-related workplace injuries[1] for FY2023. No high-consequence work-related injuries were recorded. Non-fatal injuries were mainly due to slips, trips and falls, work-related traffic accidents, falls from height and machinery incidents. Through continuously strengthening our safety programs and trainings, our target is to lower the Accident Frequency Rate[2] and Accident Severity Rate[3] while maintaining zero fatalities in the upcoming years. As our employees and workers work in conditions that possess inherent accident risks, we strive to improve the safety standards of the workplace environment to prevent injuries.

Health and Safety Indicators[4]	FY2021	FY2022	FY2023
	Results	Results	Results
Non-fatal workplace injuries	34	15	7
Accident Frequency Rate	14.3	6.3	2.9
- Major Injury[5] Frequency Rate	5.9	3.8	1.7
- Moderate Injury[6] Frequency Rate	2.9	0.4	0.4
- Minor Injury[7] Frequency Rate	5.5	2.1	0.8
Accident Severity Rate	330.24	187.4	88.4

Key safety activities

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

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

OUR

VALUE CHAIN

PRODUCT QUALITY

Maintaining high quality standards in all our products is critical to reduce the risks and costs of replacing faulty goods. In doing so, we are able to maintain and enhance our reputation, and secure long-term revenue and profitability, thus ensuring the sustainability of our business.

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

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

In addition to our robust internal Quality Management System, we ensure that the suppliers we source from also uphold high quality standards. We understand that working with our suppliers is key to advancing our sustainable goals. In FY2023, we sourced from direct mills and traders who complied with the British Standard for Reinforcing Steel BS4449:2005 or Singapore Standard for Reinforcing Steel SS560:2016. Our major suppliers included local suppliers as well as suppliers from China, Turkey, Middle East, India and South East Asia. We constantly monitor and evaluate our suppliers' performance before signing new contracts.

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

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

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

Percentage of customer returns

FY2021	FY2022	FY2023	FY2024
Results	Results	Results	Target
0.04	0.04	0.03	< 0.16

Our Competitive Advantages

Just-In-Time Delivery

24-hour Express Service for Cut and Bend Services

Customer-centric Culture

Full Suite of Prefabricated Reinforcing Solutions

Competent and Innovative Technical Team

OUR ENVIRONMENT

ENVIRONMENTAL SUSTAINABILITY

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

In navigating the evolving landscape of climate change, we acknowledge the dynamic nature of environmental trends and their direct impact on our operations. Our sustainability roadmap includes measures to adapt to changing climate patterns, enhance energy efficiency and reduce greenhouse gas emissions. We actively monitor and report on our environmental performance, consistently striving to meet regulatory standards. Our commitment to climate action is not only a corporate responsibility but a reflection of our dedication to contributing positively to the local community and safeguarding the environment for future generations.

ENERGY

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

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

BRC also successfully commissioned the solar panels across four of our manufacturing facilities in the reporting year. We are generating enough clean energy to offset around 11% of our electricity consumption, a significant step towards reducing its reliance on power-generated electricity. 3,108GJ of electricity generated from our solar panels were also exported to the grid. The Group is also actively implementing a comprehensive sustainability strategy that encompasses various aspects of its operations, from resource conservation to waste management. Our revenue generated is largely influenced by steel price movement. A lower revenue base as a result of reduction in selling price which is in tandem with decline in steel cost was used in the reporting year in computing energy intensity. By consistently enhancing our commitment to sustainability, our aim is to reduce energy intensity.

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

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

OUR
ENVIRONMENT

EMISSIONS

In our steadfast dedication to sustainability, we place a central focus on optimising emissions across our operations. Recognising the critical role emissions play in environmental impact, we implement comprehensive strategies to reduce and mitigate our carbon footprint. Through meticulous measurement and adherence to industry standards, particularly the Greenhouse Gas (**"GHG"**) Protocol, we analyse and quantify our emissions, identifying key contributors such as diesel and electrical consumption. Through our proactive approach, we continually optimise energy usage, adopt cleaner technologies, and invest in renewable energy sources. Our overarching goal is to reduce emissions intensity year on year, demonstrating our commitment to sustainable practices. By fostering a culture of environmental responsibility, we aim to meet regulatory requirements and contribute positively to the global effort in combating climate change. This commitment is integral to our vision of a sustainable future, where responsible emissions management aligns with our dedication to environmental stewardship and long-term value creation for our stakeholders.

Emissions	FY2022	FY2023
Scope 1 emissions[9] (tCO_2)	3,480	3,607
Scope 2 emissions[10] (tCO_2)	7,859	7,205
Total emissions (tCO_2)	**11,339**	**10,812**
Scope 1 emissions intensity (tCO_2/S$ million[8])	2.5	3.1
Scope 2 emissions intensity (tCO_2/S$ million)	5.8	6.1
Total emissions intensity (tCO_2/S$ million)	**8.3**	**9.2**

MATERIAL EFFICIENCY

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

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

% of Material scrap for	FY2021	FY2022	FY2023	FY2024
	Results	Results	Results	Target
Mesh	0.70	0.88	1.07	< 1.16
Cut and bend	3.30	3.26	3.08	< 3.50

[8] *Per $1 million revenue generated from Fabrication and Manufacturing segment from Singapore operations.*
[9] *Conversion factor for litres of fuel to tCO_2e is based on methodology provided by National Environmental Agency.*
[10] *Electricity emission factor for FY2023 is based on Singapore's Grid Emission factor (AOM) by Energy Market Authority (EMA).*

GRI
CONTENT INDEX

GRI Standard	Disclosure		Reference and Remarks
The organisation and its reporting practices			
GRI 2: General Disclosures 2021	2-1	Organisational details	About Us
	2-2	Entities included in the organisation's sustainability reporting	About the Report
	2-3	Reporting period, frequency and contact point	About the Report
	2-4	Restatements of information	About the Report
	2-5	External assurance	About the Report
Activities and workers			
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	About Us, About the Report, AR
	2-7	Employees	Our Workforce
	2-8	Workers who are not employees	Our Workforce
	2-9	Governance structure and composition	Corporate Governance, AR (Corporate Governance)
Governance			
GRI 2: General Disclosures 2021	2-10	Nomination and selection of the highest governance body	Corporate Governance, AR (Corporate Governance)
	2-11	Chair of the highest governance body	Corporate Governance, AR (Corporate Governance)
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance, AR (Corporate Governance)
	2-13	Delegation of responsibility for managing impacts	Sustainability Governance, AR (Corporate Governance)
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance
	2-15	Conflicts of interest	AR (Corporate Governance)
	2-16	Communication of critical concerns	Our Workforce
	2-17	Collective knowledge of the highest governance body	AR (Corporate Governance)
	2-18	Evaluation of the performance of the highest governance body	AR (Corporate Governance)
	2-19	Remuneration policies	AR (Corporate Governance)
	2-20	Process to determine remuneration	AR (Corporate Governance)
	2-21	Annual total compensation ratio	Confidential due to commercial sensitivity; compensation band of Directors and Key Management Personnel disclosed in AR (Corporate Governance)
Strategy, policies and practices			
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	Board Statement, CEO Statement
	2-25	Processes to remediate negative impacts	Our Workforce
	2-26	Mechanisms for seeking advice and raising concerns	Our Workforce
	2-27	Compliance with laws and regulations	Corporate Ethics
	2-28	Membership associations	Singapore Metal & Machinery Association, The Prefabrication Association of Singapore for Precast & Steel Limited

GRI
CONTENT INDEX

GRI Standard	Disclosure		Reference and Remarks
Stakeholder engagement			
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	Stakeholder Engagement
	2-30	Collective bargaining agreements	Our Workforce
Material Topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment
	3-2	List of material topics	Materiality Assessment
Anti-corruption			
GRI 3: Material Topics 2021	3-3	Management of material topics	Corporate Ethics
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Corporate Ethics
Materials			
GRI 3: Material Topics 2021	3-3	Management of material topics	Material Efficiency
Energy			
GRI 3: Material Topics 2021	3-3	Management of material topics	Energy
GRI 301: Materials 2016	302-1	Energy consumption within the organisation	Energy
	302-3	Energy intensity	Energy
	302-4	Reduction of energy consumption	Energy
Emissions			
GRI 3: Material Topics 2021	3-3	Management of material topics	Emissions
GRI 301: Materials 2016	305-1	Direct (Scope 1) GHG emissions	Emissions
	305-2	Energy indirect (Scope 2) GHG emissions	Emissions
	305-4	GHG emissions intensity	Emissions
	305-5	Reduction of GHG emissions	Emissions
	305-6	Emissions of ozone-depleting substances (ODS)	N.A.
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	N.A.
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3	Management of material topics	Health and Safety
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety
	403-3	Occupational health service	Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety
	403-5	Worker training on occupational health and safety	Health and Safety
	403-6	Promotion of worker health	Health and Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety
	403-8	Workers covered by an occupational health and safety management system	Health and Safety
	403-9	Work-related injuries	Health and Safety
Marketing and Labelling			
GRI 3: Material Topics 2021	3-3	Management of material topics	Product Quality
GRI 417: Marketing and Labelling 2016	417-2	Incidents of non-compliance concerning product and service information and labelling	Product Quality

INTRODUCTION

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

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

Throughout the financial year ended 30 September 2023, the Group is generally in compliance with the principles and provisions of the Code. Where the Company's practices differ from the principles and provisions under the Code, the Company's position and reasons in respect of the same are explained in this report.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

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

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

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

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

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

Composition of the Board of Directors

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

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

The profile of each Board member is provided on pages 13 to 14 of the Annual Report.

Primary Functions of the Board

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

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

Disclosure of Interest

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

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

Delegation by the Board

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

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

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

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

Board's Conduct of Affairs

During the financial year ended 30 September 2023, four Board meetings were held. Ad-hoc matters which require the Board's approval are dealt with through circular resolutions, when necessary. In addition, the Directors have on numerous occasions exchanged views outside of the formal environment of Board meetings.

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

The attendance of the Directors at the Board and Committee meetings for the financial year ended 30 September 2023 is as follows:

	Board of Directors	Audit and Risk Management Committee	Remuneration Committee	Nominating Committee
Total Number of Meetings Held	**4**	**4**	**2**	**1**
Name of Director				
Mr. Teo Ser Luck	4/4	Note [1]	2/2	1/1
Mr. Seah Kiin Peng	4/4	Note [1]	–	Note [1]
Mr. Xu Jiguo	4/4	Note [1]	–	Note [1]
Mr. Zhang Xingwang	4/4	Note [1]	–	Note [1]
Mr. Stephen Ho Kiam Kong	4/4	Note [1]	–	Note [1]
Ms. Kwek Pei Xuan	4/4	Note [1]	–	Note [1]
Mr. Darrell Lim Chee Lek	4/4	Note [1]	–	Note [1]
Ms. Chang Pui Yook	4/4	4/4	2/2	Note [1]
Mr. Joel Leong Kum Hoe	4/4	4/4	2/2	1/1
Mr. Toh Kian Sing	4/4	4/4	–	1/1

Note:

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

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

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

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

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

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

Principle 2: Board Composition and Guidance

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

Composition and Balance

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

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

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

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

As at the date of this report, all Directors have attended the prescribed sustainability training course as required by the Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") to equip themselves with basic knowledge on sustainability matters. In addition, training programmes attended during FY2023 include: Board Dynamics, Board Performance, Stakeholder Engagement, Board Risk Committee Essentials, and Nominating Committee Essentials.

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

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

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

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

The Board has reviewed and believes that its composition satisfies a diversity of experience, age, skills set and gender, as further described:

	Number of Directors	Proportion of Board
Core Competencies		
Accounting/Finance/Legal/Corporate governance	7	70%
Industry/Customer based knowledge or experience	7	70%
Strategic planning experience	9	90%
Gender		
Male	8	80%
Female	2	20%
Age		
> 60	1	10%
51-60	5	50%
40-50	3	30%
< 40	1	10%

The Board members have a range of core competencies that would provide effective directive for the Group. In addition, the Board has two female directors (out of a total of ten directors) and the ages of our Directors range from early 30s to 60s. Accordingly, the current composition of the Board is well diversified.

Principle 3: Chairman and Chief Executive Officer

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

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

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

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

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

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

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

Principle 4: Board Membership

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

Nominating Committee

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

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

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

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

- recommend to the Board on relevant matters relating to (a) the review of board succession plans for Directors (including Independent Directors), in particular, the Chairman, Chief Executive Officer and Executive Directors, taking into consideration, contribution and performance of each Director; (b) the development of a process for evaluation of the performance of the Board, the Board Committees and individual Directors; (c) the review of training and professional development programmes for the Board; and (d) making evaluations, assessments and recommendations with respect to the selection, appointment and re-appointment of Directors (including alternate Directors, if applicable);
- review whether the size of the Board is appropriate;
- review annually the composition of the Board to ensure that the Board has sufficient balance of expertise, skills, attributes and abilities;
- review and determine annually, and, as and when circumstances require, if a Director is independent;
- review where a Director has multiple Board representations, whether the Director is able to and has been adequately carrying out his/her duties as Director, taking into consideration the number of listed Company Board representations of the Directors and other principal commitments;
- recommend Directors who are retiring by rotation to be put forward for re-election. The Constitution of the Company requires at least one-third of the Directors (or if their number is not a multiple of three, the number nearest to, but not less than one-third) shall retire from office by rotation every year and each Director to retire from the office at least once every three years;
- review and approve any new employment of related persons and the proposed terms of their employment;
- recommend to the Directors candidates for Key Executive Officer positions and candidates for directorship (including executive directorships);
- review succession plans for Key Executive Officers and recommend them to the Board for approval; and
- review that no individual member of the Board dominates the Board's decision-making process.

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

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

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

Independence of Directors

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

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

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

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

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

Re-election of Directors

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

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

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

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

Director	Position in the Company	Director in Other Listed Companies and Other Principal Commitments
Mr. Teo Ser Luck	Independent Director and Non-Executive Chairman	2YSL Pte. Ltd. (Director) China Aviation Oil (Singapore) Corporation Ltd. (Non-Executive and Independent Director) F4U Pte. Ltd. (Director) Helicap Pte. Ltd. (Adviser) Institute of Singapore Chartered Accountants (President) Serial System Ltd. (Non-Executive Independent Chairman) Singapore FinTech Association (Adviser) Straco Corporation Limited (Non-Executive and Independent Director) Super Hi International Holding Ltd. (Non-Executive and Independent Director) Yanlord Land Group Limited (Non-Executive and Independent Director
Mr. Seah Kiin Peng	Executive Director and Chief Executive Officer	–
Mr. Xu Jiguo	Executive Director and Chief Procurement Officer	–
Mr. Zhang Xingwang	Executive Director and Chief Operating Officer	–

Director	Position in the Company	Director in Other Listed Companies and Other Principal Commitments
Mr. Stephen Ho Kiam Kong	Non-Independent Director and Non-Executive Director	China Yuchai International Limited (Non- Executive Director) Hong Leong Asia Ltd. (Executive Director and Chief Executive Officer) Tasek Corporation Berhad (Non-Executive and Non-Independent Director)
Ms. Kwek Pei Xuan	Non-Independent Director and Non-Executive Director	Hong Leong Asia Ltd. (Executive Director, Head of Sustainability and Corporate Affairs) Tasek Corporation Berhad (Non-Executive and Non-Independent Director)
Mr. Darrell Lim Chee Lek	Non-Independent Director and Non-Executive Director	Bright Point Capital Pte. Ltd. (Director) New Silkroutes Group Limited (Independent Non-Executive Chairman) Prometheus Pte. Ltd. (Director) XM Studios Pte. Ltd. (Director) E Street Capital Pte. Ltd. (Director)
Ms. Chang Pui Yook	Independent Director	–
Mr. Joel Leong Kum Hoe	Independent Director	Burztech Pte. Ltd. (Director) Ignenieux Advisory Pte. Ltd. (Director)
Mr. Toh Kian Sing	Independent Director	Rajah & Tann Singapore LLP (Senior Partner) Sealink International Berhad (Independent and Non-Executive Director)

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

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

(a) Mr. Teo Ser Luck
(b) Mr. Zhang Xingwang
(c) Mr. Joel Leong Kum Hoe
(d) Ms. Chang Pui Yook

CORPORATE
GOVERNANCE REPORT

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

Name of Director	Teo Ser Luck	Zhang Xingwang	Chang Pui Yook
Date of appointment	28 November 2017	5 December 2017	6 August 2018
Date of last re-appointment (if applicable)	27 January 2022	27 January 2022	27 January 2022
Age	56	50	59
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity, considerations, and the search and nomination process)	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Mr. Teo Ser Luck, Mr. Zhang Xingwang and Ms. Chang Pui Yook for re-election as Directors of the Company, as well as the overall size, composition and diversity of skillsets of the Board, concluded that they possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.		
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Director	Executive Director Mr. Zhang is responsible for the Group's manufacturing operations in Singapore and Malaysia	Non-Executive Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director and Chairman of the Board Remuneration Committee Member Nominating Committee Member	Executive Director and Chief Operating Officer	Independent Director Remuneration Committee Chairman Audit and Risk Management Committee Member
Professional qualifications	Bachelor of Accountancy, Nanyang Technological University, Singapore	Bachelor of Mineral Engineering, Central South University, China Master of Business Administration (Degree), Wright State University, USA	Bachelor of Arts, National University of Singapore, Singapore Certificate of Corporate Governance (IDP-C), INSEAD, Singapore
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No

Name of Director	Teo Ser Luck	Zhang Xingwang	Chang Pui Yook
Conflict of Interest (including any competing business)	No	No	No
Working experience and occupation(s) during the past 10 years	Senior Parliamentary Secretary, Ministry of Transport Senior Parliamentary Secretary, Ministry of Community, Youth & Sports Ministry of State, Ministry of Trade & Industry Mayor, North East District Ministry of State, Ministry of Manpower Chairman of Singapore-Shandong Bilateral Business Council Vice-Chairman of Singapore-Jiangsu Bilateral Business Council	Fairborn Resource Pte. Ltd. (Director) Guangdong Guangxin Mining Resources Group Co., Ltd (Vice General Manager) International Economics & Trading Corp., Wugang Group (Raw Material Department Director)	ABN AMRO Bank Singapore (Managing Director & Regional Head of Asia, Commodity Finance)
Undertaking submitted to the listed issuer in the format of Appendix 7.7 (Listing Rule 704(7)) or Appendix 7H (Catalist Rule 704(6))	Yes	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	–	–	–
Other principal commitments* including directorships			
Past (for the last 5 years)	Ministry of State, Ministry of Manpower Mayor, North East District Ministry of State, Ministry of Trade & Industry	–	–

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

Name of Director	Teo Ser Luck	Zhang Xingwang	Chang Pui Yook
Present	2YSL Pte Ltd China Aviation Oil (Singapore) Corporation Ltd F4U Pte. Ltd. Helicap Pte. Ltd. Instituite of Singapore Chartered Accountants Mindchamps Preschool Limited Serial System Ltd Singapore FinTech Association Straco Corporation Limited Yanlord Land Group Limited Super Hi International Holding Ltd.	LMG Realty Pte. Ltd. BRC International Pte. Ltd. BRC Prefab Holdings Sdn. Bhd. Eden Flame Sdn. Bhd.	–
Responses to questions (a) to (k) under Appendix 7.4.1 to the SGX Listing Manual	Negative confirmation	Negative confirmation	Negative confirmation

Name of Director	Joel Leong Kum Hoe
Date of appointment	2 April 2018
Date of last re-appointment (if applicable)	28 January 2021
Age	55
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity, considerations, and the search and nomination process)	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Mr. Joel Leong Kum Hoe for re-election as Directors of the Company, as well as the overall size, composition and diversity of skillsets of the Board, concluded that they possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive Director

Name of Director	Joel Leong Kum Hoe
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director Audit and Risk Management Committee Chairman Remuneration Committee Member Nominating Committee Member Sustainability Committee Member
Professional qualifications	Bachelor's Degree in Accountancy, Nanyang Technological University Singapore
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Working experience and occupation(s) during the past 10 years	BM Mobility Ltd. Libra Group Limited Revez Corporation Ltd.
Undertaking submitted to the listed issuer in the format of Appendix 7.7 (Listing Rule 704(7)) or Appendix 7H (Catalist Rule 704(6))	Yes
Shareholding interest in the listed issuer and its subsidiaries	–
Other principal commitments* including directorships	
Past (for the last 5 years)	–
Present	Ignenieux Advisory Pte. Ltd. Burztech Pte. Ltd.
Responses to questions (a) to (k) under Appendix 7.4.1 to the SGX Listing Manual	Negative confirmation

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

The Board had accepted the Nominating Committee's recommendation to seek approval from the Shareholders at the forthcoming Annual General Meeting to re-elect Mr. Teo Ser Luck, Mr. Zhang Xingwang, Mr. Joel Leong Kum Hoe and Ms. Chang Pui Yook, who will be retiring according to regulations of the Constitution of the Company, as Directors of the Company.

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

Principle 5: Board Performance

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

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

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

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

The Nominating Committee met in November 2023 and discussed amongst others, the performance of individual directors, the Board committees and the Board as a whole, independence of the Independent Directors and re-election of Directors who will be retiring at the forthcoming annual general meeting. All committee members present at the meeting participated in the discussion and voting other than that in the respect of his/her own re-nomination as Director. No significant issues were identified from the evaluation of the Board's performance for the financial year under review.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

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

Principle 7: Level and Mix of Remuneration

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

Remuneration Committee

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

The Remuneration Committee consists of:

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

The principal functions of the Remuneration Committee are to:

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

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

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

The Remuneration Committee met in November 2023 to discuss the various remuneration matters and its decision was recorded by way of minutes. The committee members present at the meeting were involved in the deliberations. No Director was involved in the fixing of his/her own remuneration, except in providing information and documents if requested by the Remuneration Committee to assist in its deliberation.

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

Principle 8: Disclosure on Remuneration

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

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

Basic Salary

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

Bonus

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

Benefits-in-kind

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

Employee Share Option Scheme

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

Remuneration of Directors and Chief Executive Officer

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

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

Name of Director	Salary %	Bonus %	Fees[1] %	Benefits-in-kind[2] %	Total %
S$1,750,000 to S$1,999,999					
Mr. Seah Kiin Peng	14	82	–	4	100
S$1,500,000 to S$1,749,999					
Mr. Xu Jiguo	11	85	–	4	100
S$1,250,000 to S$1,499,999					
Mr. Zhang Xingwang	15	83	–	2	100
Up to S$249,999					
Mr. Teo Ser Luck	–	–	100	–	100
Ms. Chang Pui Yook	–	–	100	–	100
Mr. Darrell Lim Chee Lek	–	–	100	–	100
Mr. Joel Leong Kum Hoe	–	–	100	–	100
Ms. Kwek Pei Xuan	–	–	100	–	100
Mr. Stephen Ho Kiam Kong	–	–	100	–	100
Mr. Toh Kian Sing	–	–	100	–	100

The annual aggregate remuneration of Directors for financial year ended 30 September 2023 is S$5,501,453.

Notes:

1 The fees have been approved by Shareholders at the last Annual General Meeting held on 31 January 2023.

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

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

Remuneration of Top 3 Key Executive Officers

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

The Company had only three Key Executive Officers for the financial year ended 30 September 2023. The profiles of the Key Executive Officers can be found on page 15 of the Annual Report. Having considered the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities, the Company is of the view that disclosure of specific remuneration information such as remuneration of each Key Executive Officer in bands no wider than S$250,000, may give rise to recruitment and talent retention issue. There will be negative impact to the Company if members of the experienced and qualified senior management team are poached. This may affect the ability to both nurture a sustainable talent pool and ensure the smooth continuity in leadership critical for the achievement of the strategic objectives of the Company. The total aggregate remuneration of the Key Executive Officers who are not Directors or Chief Executive Officer for the financial year ended 30 September 2023 was S$3,825,057. The Company believes that shareholders' interest will not be prejudiced since the total aggregate remuneration has been disclosed.

Remuneration of Employees Related to Directors

There are no employees related to a Director or the Chief Executive Officer or a substantial Shareholder of the Company whose remuneration exceeds S$100,000 in the Company's employment for the financial year ended 30 September 2023.

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

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

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

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

Principle 9: Risk Management and Internal Controls

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

Internal Controls

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

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

The Board has reviewed the adequacy and effectiveness of the Group's internal controls framework in relation to financial, operational, compliance and information technology controls as well as risk management systems of the Group. The Board, with the concurrence of the Audit and Risk Management Committee, is of the view that the Group's internal controls addressing financial, operational, compliance and information technology risk as well as the Group's risk management systems are effective and adequate as at 30 September 2023. The Board and Audit and Risk Management Committee did not identify any major concern on the Group's internal controls or risk management systems for the financial year under review.

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

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

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the financial records as at 30 September 2023 have been properly maintained and the financial statements for the financial year under review give a true and fair view of the Group's operations and finances. The Board has also received assurance from the Chief Executive Officer and Key Executive Officers that the Company's risk management and internal control systems are adequate and effective.

Principle 10: Audit Committee

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

Audit and Risk Management Committee

The Audit and Risk Management Committee consists of:

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

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

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

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

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

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

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

The Company has put in place a whistle-blowing policy and the Audit and Risk Management Committee has the authority to conduct independent investigations into any complaints. The Audit and Risk Management Committee oversees and monitors the administration of whistle-blowing policy. Periodic reports will be submitted to the Audit and Risk Management Committee stating the number of and details of complaints received, the results of the investigations and follow-up actions. The Audit and Risk Management Committee and the Board ensure that the identity of the whistleblower is kept confidential and he/she is protected against detrimental or unfair treatment.

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

During the financial year under review, there were no reported incidents of fraudulent or inappropriate activities or malpractices.

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

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

Independent Auditor

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

The Audit and Risk Management Committee has reviewed all non-audit services provided by the external auditor to ensure that the provision of these services has not affected the independence of the external auditor and is satisfied that the nature and extent of such services would not prejudice the independence and objectivity of the external auditor and accordingly, has recommended the re-appointment of the external auditor at the forthcoming annual general meeting. The amount of fees paid to the external auditor in respect of the audit and non-audit services for the year under review can be found on page 94 of the Annual Report.

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

Internal Audit

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

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

On an annual basis, YLA prepares and executes a risk-based internal audit plan so as to review the adequacy and effectiveness of the system of internal controls of the Group. The risk-based internal audit plan is subject to approval by the Audit and Risk Management Committee. During the financial year under review, one internal audit review was conducted. The findings and recommendations of YLA, Management's responses, and Management's implementation of the recommendations have been reviewed and discussed with the Audit and Risk Management Committee. For the financial year ended 30 September 2023, the Audit and Risk Management Committee is satisfied that YLA had been able to discharge its duties effectively as the internal auditor.

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

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

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

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

Principle 12: Engagement with Shareholders

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

The Company recognises the important role its Shareholders play in promoting sustainable growth. The Company makes timely business disclosures in compliance with SGX-ST regulations and takes proactive efforts in building an efficient and effective communication channel with its Shareholders.

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

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

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

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

The Company's forthcoming general meetings for the financial year ended 30 September 2023 will be held physically. Please refer to the notices for more information.

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

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

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

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

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

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

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

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

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

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

All Directors, the Chief Financial Officer and Company Secretary were present at the annual and extraordinary general meetings of the Company held in FY2023.

Dividends

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

On 21 November 2023, the Board has recommended a final tax-exempt (one-tier) dividend of 5.5 Singapore cents per ordinary share and a special tax-exempt (one-tier) dividend of 5.5 Singapore cents per ordinary share for the financial year ended 30 September 2023, for Shareholders' approval at the forthcoming AGM. Together with the interim tax-exempt (one-tier) dividend of 5 Singapore cents paid on 17 November 2023, the total dividend declared for the financial year ended 30 September 2023 stands at 16 Singapore cents which equates to a pay-out ratio of 58%.

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders

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

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

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

Sustainability Committee

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

The Sustainability Committee consists of:

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

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

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

The Sustainability Committee shall meet at least once a year. There was one preliminary sustainability committee meeting held during the year to discuss about the ESG roadmap of the Group and appointment of external consultant to assist the Group to take on future ESG and climate related efforts.

Interested Person Transactions

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

Disclosure according to Rule 907 of the SGX-ST Listing Manual in respect of interested person transactions for the financial year ended 30 September 2023 is stated in the table below:

Name of interested person and nature of transaction	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920) (S$'000)	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) (S$'000)
HL Building Materials Pte Ltd			
- Sales of goods to	Associate of Hong Leong Investment Holdings Pte. Ltd. ("**HLIH**"), the Controlling shareholder of the Company	–	14,914
HL-Manufacturing Industries Sdn. Bhd.			
- Sales of goods to	Associate of HLIH, the Controlling shareholder of the Company	–	7,776
Southern Steel Berhad			
- Purchase of goods from	Associate of HLIH, the Controlling shareholder of the Company	–	1,568
Shanghai Emetal Hong Energy Co., Ltd.			
- Settlement of cancellation of purchase contract	Associate of Mr You Zhenhua, the Controlling shareholder of the Company	2,107	–

Risk Management

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

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

Material Contracts

There were no material contracts of the Group involving the interests of any Director or controlling Shareholders subsisting at the end of the financial year ended 30 September 2023 or if not then subsisting, entered into since the previous financial year.

Utilisation of Proceeds

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

Dealing in the Company's Securities

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

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

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

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

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

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

Sustainability Report

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

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

The sustainability report for the financial year ended 30 September 2023 of the Company can be found in the annual report. This is in line with the Group's commitment to keep the stakeholders and market abreast of the Group's sustainability front and in accordance with the Listing Rules.

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

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of BRC Asia Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 September 2023.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

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

Directors

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

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

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

No director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year and 21 October 2023.

DIRECTORS' STATEMENT

Share options

(a) Options to take up unissued shares

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

(b) Options exercised

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

(c) Unissued shares under options

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

Audit and Risk Management Committee

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

Auditor

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

On behalf of the Board of Directors,

Seah Kiin Peng
Director

Xu Jiguo
Director

Singapore
12 January 2024

Report on the audit of the financial statements

Opinion

We have audited the financial statements of BRC Asia Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 30 September 2023, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

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

Key audit matters

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

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

Allowance for expected credit losses on trade receivables

Trade receivable balances are significant to the Group as they represent 22% of the Group's current assets and trade receivables carried at amortised cost are subject to expected credit loss assessment. The expected credit loss assessment requires significant management estimation over the correlation between historical observed default rates and forward-looking factors, including consideration of general economic conditions. Consequently, we determined that this is a key audit matter.

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

Key audit matters (cont'd)

Provision for onerous contracts

As at 30 September 2023, the Group recognised provision for onerous contracts amounting to $9.5 million . The process of estimating provision for onerous contracts requires management's judgement on the estimated unavoidable costs of meeting its contractual obligations based on the inventory on hand, plus estimated costs of inventory purchases and conversion costs required. Consequently, we determined that this is a key audit matter.

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

Impairment assessment of investment in subsidiaries and interest in associate

As at 30 September 2023, the Company's investment in subsidiaries and interest in associate amounted to $36.5 million and $4.1 million , respectively. The Group's interest in associate amounted to $4.1 million as at 30 September 2023. Management assessed that there were indicators of impairment and determined their recoverable amounts using a value-in-use ("VIU") model. This resulted in the Group and Company recognising an impairment loss of $5.4 million and $7.1 million respectively, on interest in associate for the year ended 30 September 2023.

Management noted favourable changes in the indicators that led to the previously recognised impairment loss relating to its investment in a subsidiary and performed reassessment of their recoverable amounts using VIU method. As a result, the Company recognised reversal of impairment loss of $9.5 million on investment in a subsidiary for the year ended 30 September 2023. These impairment assessments require significant management estimation and involve judgement. As such, we determined this to be a key audit matter.

In respect of impairment assessment of investment in subsidiaries, our audit procedures included, amongst others, assessing the reasonableness of management's key assumptions such as forecasted revenue, profit margin, terminal growth rate and discount rate applied in the VIU calculation based on our knowledge of the subsidiaries' operations and past performance. We involved our valuation team to review the reasonableness of the terminal growth rate and discount rate adopted by management. In addition, we performed sensitivity analysis on the recoverable amount to possible reasonable changes in the respective key assumptions described above. We have also assessed the adequacy of the disclosures in Note 13 to the financial statements.

In respect of impairment assessment of interest in associate, our audit procedures included, amongst others, assessing the reasonableness of management's assumptions applied in the VIU calculation. We assessed the reasonableness of the revenue growth rates and budgeted profit margin by comparing them to available external industry data, taking into consideration market conditions prevailing at the reporting date. We also considered the viability of future plans, local economic conditions and industry outlook. We reviewed the reasonableness of the discount rate and terminal growth rate used by comparing the assumptions applied in the discount rate and the long-term growth rate to external economic data. We have also assessed the adequacy of the disclosures in Note 15 to the financial statements.

Other information

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

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

Other information (cont'd)

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements (cont'd)

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
12 January 2024

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the financial year ended 30 September 2023

	Note	**2023** $'000	**2022** $'000
Revenue	4	**1,626,998**	1,699,266
Cost of sales		**(1,487,949)**	(1,545,549)
Gross profit		**139,049**	153,717
Other income	5	**14,435**	5,085
Expenses			
Distribution expenses		**(7,585)**	(6,693)
Administrative expenses		**(24,242)**	(29,508)
Finance costs	6	**(12,852)**	(7,166)
Other operating expenses		**(8,866)**	(10,255)
Allowance for expected credit losses on trade receivables	18	**(1,739)**	(448)
Share of results of joint venture	14	**830**	1,996
Share of results of associate	15	**(7,809)**	705
Profit before tax	7	**91,221**	107,433
Income tax expense	9	**(15,473)**	(17,217)
Profit for the year		**75,748**	90,216
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Net fair value loss on equity instruments at fair value through other comprehensive income		**(10)**	(19)
Items that may be reclassified subsequently to profit or loss			
Net exchange gain on net investment in foreign operations		**349**	1,340
Foreign currency translation:			
Exchange differences on translation of foreign operations		**(922)**	(1,083)
Other comprehensive income for the year, net of tax		**(583)**	238
Total comprehensive income for the year		**75,165**	90,454
Basic and diluted earnings per share (cents)	10	**27.61**	33.03

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

BALANCE **SHEETS**

As at 30 September 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Non-current assets					
Property, plant and equipment	11	**117,640**	128,357	**107,094**	58,019
Investment properties	12	**2,124**	2,194	**–**	–
Investment in subsidiaries	13	**–**	–	**36,517**	125,708
Interest in joint venture	14	**9,989**	15,761	**6,076**	6,076
Interest in associate	15	**4,120**	10,704	**4,120**	10,704
Investment securities	16	**28**	38	**28**	38
Deferred tax assets	25	**–**	2,086	**–**	2,086
Other receivables	18	**1,994**	–	**1,994**	–
		135,895	159,140	**155,829**	202,631
Current assets					
Inventories	17	**407,094**	445,771	**402,740**	440,861
Trade and other receivables	18	**180,622**	187,633	**176,925**	174,487
Prepayments		**42,614**	24,458	**42,469**	24,243
Deposits		**505**	405	**492**	263
Derivatives	19	**1,007**	1,124	**1,007**	1,124
Cash and cash equivalents	20	**184,624**	154,574	**180,188**	141,595
		816,466	813,965	**803,821**	782,573
Total assets		**952,361**	973,105	**959,650**	985,204
Current liabilities					
Trade and other payables	21	**89,173**	43,533	**97,396**	80,737
Contract liabilities	4(c)	**19,733**	9,743	**19,698**	9,544
Loans and borrowings	22	**359,664**	410,128	**359,664**	408,970
Provisions	24	**12,411**	35,494	**12,374**	34,769
Income tax liabilities		**14,504**	20,059	**14,437**	16,666
		495,485	518,957	**503,569**	550,686
Net current assets		**320,981**	295,008	**300,252**	231,887
Non-current liabilities					
Loans and borrowings	22	**21,015**	47,849	**21,015**	40,750
Provisions	24	**1,230**	1,221	**1,230**	841
Deferred tax liabilities	25	**7,320**	6,292	**6,918**	–
		29,565	55,362	**29,163**	41,591
Total liabilities		**525,050**	574,319	**532,732**	592,277
Net assets		**427,311**	398,786	**426,918**	392,927

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

		Group		Company	
		2023	**2022**	**2023**	**2022**
	Note	$'000	$'000	$'000	$'000
Equity attributable to owners of the Company					
Share capital	26	**184,546**	184,546	**184,546**	184,546
Treasury shares	26	**(1,105)**	(1,105)	**(1,105)**	(1,105)
Other reserves	27	**(2,608)**	(2,025)	**5,563**	475
Retained earnings		**246,478**	217,370	**237,914**	209,011
Total equity		**427,311**	398,786	**426,918**	392,927
Total equity and liabilities		**952,361**	973,105	**959,650**	985,204

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

STATEMENTS OF
CHANGES IN EQUITY

For the financial year ended 30 September 2023

Group	Note	Share capital $'000	Treasury shares $'000	Other reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 October 2021		138,754	(1,105)	(2,263)	165,563	300,949
Profit for the year		–	–	–	90,216	90,216
Other comprehensive income for the year		–	–	238	–	238
Total comprehensive income for the year		–	–	238	90,216	90,454
Cash dividends on ordinary shares	28	–	–	–	(38,409)	(38,409)
Issuance of shares	26	45,902	–	–	–	45,902
Share issuance expense	26	(110)	–	–	–	(110)
Total contributions by and distributions to owners		45,792	–	–	(38,409)	7,383
Balance at 30 September 2022 and 1 October 2022		**184,546**	**(1,105)**	**(2,025)**	**217,370**	**398,786**
Profit for the year		**–**	**–**	**–**	**75,748**	**75,748**
Other comprehensive income for the year		**–**	**–**	**(583)**	**–**	**(583)**
Total comprehensive income for the year		**–**	**–**	**(583)**	**75,748**	**75,165**
Cash dividends on ordinary shares	28	**–**	**–**	**–**	**(46,640)**	**(46,640)**
Total contributions by and distributions to owners		**–**	**–**	**–**	**(46,640)**	**(46,640)**
Balance at 30 September 2023		**184,546**	**(1,105)**	**(2,608)**	**246,478**	**427,311**

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

STATEMENTS OF
CHANGES IN EQUITY

For the financial year ended 30 September 2023

Company	Note	Share capital $'000	Treasury shares $'000	Other reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 October 2021		138,754	(1,105)	494	166,541	304,684
Profit for the year		–	–	–	80,879	80,879
Other comprehensive income for the year		–	–	(19)	–	(19)
Total comprehensive income for the year		–	–	(19)	80,879	80,860
Cash dividends on ordinary shares	28	–	–	–	(38,409)	(38,409)
Issuance of shares	26	45,902	–	–	–	45,902
Share issuance expense	26	(110)	–	–	–	(110)
Total contributions by and distributions to owners		45,792	–	–	(38,409)	7,383
Balance at 30 September 2022 and 1 October 2022		**184,546**	**(1,105)**	**475**	**209,011**	**392,927**
Effects of amalgamation		**–**	**–**	**5,098**	**(18,502)**	**(13,404)**
Profit for the year		**–**	**–**	**–**	**94,045**	**94,045**
Other comprehensive income for the year		**–**	**–**	**(10)**	**–**	**(10)**
Total comprehensive income for the year		**–**	**–**	**(10)**	**94,045**	**94,035**
Cash dividends on ordinary shares	28	**–**	**–**	**–**	**(46,640)**	**(46,640)**
Total contributions by and distributions to owners		**–**	**–**	**–**	**(46,640)**	**(46,640)**
Balance at 30 September 2023		**184,546**	**(1,105)**	**5,563**	**237,914**	**426,918**

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

CONSOLIDATED
CASH FLOW STATEMENT

For the financial year ended 30 September 2023

	Note	2023 $'000	2022 $'000
Operating activities			
Profit before tax		**91,221**	107,433
Adjustments for:			
Share of results of joint venture	14	**(830)**	(1,996)
Share of results of associate	15	**7,809**	(705)
Depreciation of investment properties	12	**70**	70
Depreciation of property, plant and equipment	11	**18,363**	17,659
Write-off of property, plant and equipment	7	**179**	4
(Reversal of)/allowance for inventory obsolescence	17	**(6,970)**	3,370
Allowance for expected credit losses on trade receivables	18	**1,739**	448
Fair value changes on trade receivables subjected to provisional pricing	7	**3,731**	1,990
Fair value changes on derivatives, net	19	**117**	(150)
Loss on disposal of property, plant and equipment	7	**103**	416
Reversal of provision for onerous contracts	7	**(23,772)**	(12,820)
Provision for retirement benefits	8	**8**	3
Unrealised exchange differences		**4,610**	(604)
Interest expense	6	**12,852**	7,166
Interest income	5	**(3,737)**	(1,826)
Dividend income from investment securities	5	**–**	(3)
Operating cash flow before working capital changes		**105,493**	120,455
Changes in working capital:			
Trade and other receivables		**3,358**	(36,200)
Inventories		**45,647**	17,030
Prepayments and deposits		**(18,256)**	(15,886)
Trade and other payables and contract liabilities		**41,202**	(19,336)
Cash flows generated from operations		**177,444**	66,063
Income taxes paid		**(17,914)**	(17,012)
Retirement benefits paid	24	**–**	(89)
Net cash flows generated from operating activities		**159,530**	48,962
Investing activities			
Purchase of property, plant and equipment	11	**(3,267)**	(2,912)
Proceeds from disposal of property, plant and equipment		**16**	26
Interest received		**1,920**	429
Dividend income from interest in joint venture		**3,989**	1,070
Dividend income from investment securities		**–**	3
Net cash flows generated from/(used in) investing activities		**2,658**	(1,384)

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

	Note	2023 $'000	2022 $'000
Financing activities			
Repayment of principal obligations under lease liabilities	22	**(6,101)**	(5,629)
(Repayment of)/proceeds from bills payable, net	22	**(48,498)**	53,905
Repayment of bank loans	22	**(27,359)**	(26,321)
Proceeds from issuance of ordinary shares	26	**–**	45,902
Share issuance expense	26	**–**	(110)
Dividends paid on ordinary shares	28	**(32,922)**	(38,409)
Interest paid		**(12,142)**	(6,522)
Net cash flows (used in)/generated from financing activities		**(127,022)**	22,816
Net increase in cash and cash equivalents		**35,166**	70,394
Cash and cash equivalents at beginning of year		**154,574**	82,970
Effects of exchange rate changes on cash and cash equivalents		**(5,116)**	1,210
Cash and cash equivalents at end of year	20	**184,624**	154,574

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

NOTES TO THE
FINANCIAL STATEMENTS
For the financial year ended 30 September 2023

1. Corporate information

BRC Asia Limited (the "Company" or "BRC") is a public limited liability company 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. (formerly known as Esteel Enterprise 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. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

On 1 April 2023, BRC's wholly-owned subsidiaries, Lee Metal Group Pte. Ltd. ("LMG") and Lee Welded Mesh Singapore Pte. Ltd. ("LWM") were amalgamated with the Company, with BRC being the surviving company after amalgamation. The amalgamation is undertaken to streamline operations to improve operational efficiencies, attain economies of scale and synergies from better allocation of resources within the Group. The entire shares of these entities were cancelled pursuant to Section 215D of the Companies Act 1967.

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

2. Summary of significant accounting policies

2.1 *Basis of preparation*

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

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

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

2.2 *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year, except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 October 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

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

2.3 *Standards issued but not yet effective*

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

Description	**Effective for annual periods beginning on or after**
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8 *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 1-1 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 16 *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7 *Supplier Finance Arrangements*	1 January 2024
Amendments to SFRS(I) 1-21 *Lack of Exchangeability*	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 *Basis of consolidation and business combinations*

(a) *Basis of consolidation*

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

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

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

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

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

2.4 *Basis of consolidation and business combinations (cont'd)*

(b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

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

2.5 *Foreign currency*

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

(a) *Transactions and balances*

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

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

(b) *Consolidated financial statements*

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

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

2.6 *Property, plant and equipment*

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

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

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

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

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

Leasehold land	–	2 to 27 years
Leasehold buildings	–	11 to 36 years
Plant and machinery	–	4 to 15 years
Motor vehicles	–	7 to 10 years
Furniture and equipment	–	3 to 5 years

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

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

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

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

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

2.7 *Investment properties*

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

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

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

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

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

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

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

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

2.8 *Impairment of non-financial assets*

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

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

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

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

2.8 *Impairment of non-financial assets (cont'd)*

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

2.9 *Subsidiaries*

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

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

2.10 *Joint arrangements*

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

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

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

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

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

2.11 *Joint venture and associates*

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

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

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

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

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

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

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

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

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

2.12 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

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

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

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

Subsequent measurement

Investments in debt instruments

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

(i) Amortised cost

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

(ii) Fair value through profit or loss

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

Investments in equity instruments

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

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

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

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

<u>Derivatives</u>

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

De-recognition

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

(b) ***Financial liabilities***

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition

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

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

2.13 *Impairment of financial assets*

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

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

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

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

2.14 *Cash and cash equivalents*

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

2.15 *Inventories*

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

- Raw materials: purchase costs on a weighted average basis.

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

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

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

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

2.16 ***Provisions***

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

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

2.17 ***Financial guarantee***

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

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

2.18 ***Borrowing costs***

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

2.19 ***Government grants***

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

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

2.20 *Employee benefits*

(a) *Defined contribution plans*

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

(b) *Retirement benefits*

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

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

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

Defined benefit costs comprise the following:

- Service cost

- Net interest on the net defined benefit liability or asset

- Remeasurements of net defined benefit liability or asset

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

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

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

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

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

(c) *Employee leave entitlements*

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

2.21 ***Leases***

As lessee

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

<u>Right-of-use assets</u>

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

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

<u>Lease liabilities</u>

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

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

The Group's lease liabilities are included in loans and borrowings (Note 22).

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

2.21 *Leases (cont'd)*

As lessee (cont'd)

Short-term leases and leases of low-value assets

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

As lessor

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

2.22 *Revenue*

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

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

(a) *Sale of goods*

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

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

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

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

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

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

(b) *Rental income*

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

(c) *Dividend income*

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

(d) *Interest income*

Interest income is recognised using the effective interest method.

2.23 ***Taxes***

(a) *Current income tax*

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

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

(b) *Deferred tax*

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) *Sales tax*

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

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

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

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

2.24 *Share capital and share issuance expenses*

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

2.25 *Treasury shares*

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

2.26 *Contingencies*

A contingent liability is:

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

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

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

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

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

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

3. Significant accounting judgements and estimates

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

3.1 *Judgements made in applying accounting policies*

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

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

3.2 *Key sources of estimation uncertainty*

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

(a) **Impairment of trade receivables**

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

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

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

(b) **Provision for onerous contracts**

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

The carrying amount of the Group's and Company's provision for onerous contracts as at 30 September 2023 was $9,471,000 (2022: $33,262,000) and $9,434,000 (2022: $32,537,000) respectively (Note 24).

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

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

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

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

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

Management prepared discounted cash flow analysis to determine the recoverable amounts of the subsidiaries and associate using the VIU model. These were prepared based on assumptions such as forecasted revenue, profit margin, terminal growth rate and discount rate. These involve management judgement and estimation. As a result of such impairment assessments, a reversal of impairment loss on investment in subsidiary of $9,500,000 at Company level and an impairment of interest in associate of $5,387,000 at Group level were recorded during the year.

Refer to details in Notes 13 and 15.

The carrying amounts of the Company's investment in subsidiaries and the Group's interest in associate as at 30 September 2023 were $36,517,000 (2022: $125,708,000) and $4,120,000 (2022: $10,704,000) respectively.

4. Revenue

(a) **Disaggregation of revenue**

	Group	
	2023	**2022**
	$'000	$'000
Primary geographical markets		
Australia	**10,385**	13,090
Brunei	**14,777**	14,867
China	**–**	25,863
Hong Kong	**12,884**	26,260
India	**5,367**	–
Indonesia	**35,941**	14,081
Malaysia	**101,856**	101,283
Singapore	**1,252,742**	1,431,729
Thailand	**190,476**	63,237
Others	**2,570**	8,856
	1,626,998	1,699,266
Timing of transfer of goods		
At a point in time	**1,626,998**	1,699,266

4. Revenue (cont'd)

(b) **Estimating variable consideration**

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

(c) **Contract balances**

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

		Group	
		30.9.2023	**30.9.2022**
	Note	$'000	$'000
Receivables from contracts with customers	18	**179,785**	187,601
Contract liabilities		**19,733**	9,743

The Group recognised impairment losses on receivables from contracts with customers amounting to $1,739,000 (2022: $448,000).

Contract liabilities primarily relate to the Group's obligation to transfer goods to customers for which the Group has received advances from customers. These are recognised as revenue as the Group performs under the contract. The decrease in contract liabilities is due to fulfilment of contracts and hence recognition of revenue during the previous financial year.

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

	Group	
	2023	**2022**
	$'000	$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**9,576**	2,617

5. Other income

	Group	
	2023	**2022**
	$'000	$'000
Bad debts recovered	**419**	36
Interest income from debt instruments at amortised cost	**3,737**	1,826
Dividend income from investment securities	**–**	3
Government grants	**30**	1,432
Rental income	**170**	162
Sundry income	**167**	45
Gain from fair value changes on derivatives, net	**–**	150
Foreign exchange gain, net	**4,436**	–
Insurance claims for bad debts	**5,476**	1,431
	14,435	5,085

Government grant income consist of Covid-19 relief measures and support, Senior Employment Credit ("SEC"), CPF Transition Offset ("CTO"), Wage Credit Scheme ("WCS") and Progressive Wage Credit Scheme ("PWCS").

Covid-19 relief measures and support comprise mainly of Jobs Support Scheme ("JSS") grants and Foreign Worker Levy ("FWL") introduced in the 2020 Budget and is applicable for the year ended 30 September 2022.

Under the JSS, the Government co-funds 10% to 50% of the first $4,600 of gross monthly wages paid to each local employee from September 2020 to December 2021 for certain affected sectors.

The FWL rebate was introduced to help businesses retain their enterprise capabilities amidst the challenges caused by the Covid-19 pandemic. FWL rebates of $90 monthly for October 2020 to December 2021 were granted for each work permit holder.

Under the SEC, the Government provides wage offsets to help employers that employ Singaporean workers adjust to the higher Retirement Age and Re-employment Age. Higher support will be given for the older age bands. For 2023 to 2025, the wage offset applies to Singaporean workers aged 60 and above and earning up to $4,000 per month. For wages paid between 1 January 2023 and 31 December 2025, employers will receive up to 8% of the wages paid to these eligible workers, depending on their age and wage. For 2021 and 2022, the wage offset applies to Singaporean workers aged 55 and above and earning up to $4,000 per month.

Under the CTO, to alleviate the rise in business costs due to the increase in CPF contribution rates for senior workers, the Government provides employers with a transitionary wage offset equivalent to 50% of each year's increase in employer CPF contribution rates for every Singaporean and Permanent Resident worker they employ aged above 55 to 70. The offset to employers is based on employees' monthly incomes paid up to the CPF salary ceiling.

WCS was introduced in 2013 to help businesses with rising wage costs, to support businesses embarking on transformation efforts and to encourage sharing of productivity gains with workers. It was announced in the 2020 Budget that the Government co-funding ratio for wage increases will be raised to 15% from 10% and the qualifying wage ceiling will be raised to $5,000 per month from $4,000. In the 2021 Budget, the WCS was further extended by one year with the government co-funding ratio remaining at 15% for wage increases given in 2021, and the qualifying gross wage ceiling was maintained at $5,000.

PWCS was introduced in Budget 2022 to provide transitional wage support for employers to adjust to mandatory wage increases for lower-wage workers covered by the Progressive Wage and Local Qualifying Salary requirements and to voluntarily raise wages of lower-wage workers. The Government co-funds wage increases of eligible resident employees from 2022 to 2026.

6. Finance costs

	Group	
	2023	**2022**
	$'000	$'000
Interest expense on:		
- bills payable to banks	**11,545**	5,270
- lease liabilities	**750**	855
- bank loans	**557**	1,041
	12,852	7,166

7. Profit before tax

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

		Group	
		2023	**2022**
	Note	$'000	$'000
Audit fees payable/paid to			
- Auditors of the company		**386**	384
- Other member firms of Ernst & Young Global		**13**	16
Non-audit fees payable/paid to			
- Auditors of the company		**45**	44
- Other member firms of Ernst & Young Global		**–**	5
Allowance for expected credit losses on trade receivables	18	**1,739**	448
Depreciation of property, plant and equipment	11	**18,363**	17,659
Depreciation of investment properties	12	**70**	70
Expenses relating to short-term leases	23(c)	**2,465**	2,544
Expenses relating to leases of low-value assets	23(c)	**51**	17
Foreign exchange (gain)/loss, net		**(4,436)**	2,108
Fair value changes on derivatives, net		**117**	(150)
Reversal of provision for onerous contracts	24	**(23,772)**	(12,820)
Fair value changes on trade receivables subject to provisional pricing		**3,731**	1,990
(Reversal of)/allowance for inventory obsolescence	17	**(6,970)**	3,370
Loss on disposal of property, plant and equipment		**103**	416
Write-off of property, plant and equipment		**179**	4
Employee compensation	8	**41,574**	47,393
Utilities		**6,744**	3,916
Repair and maintenance		**10,091**	10,608
Transportation expenses		**6,974**	7,112
Legal and other professional fees		**776**	1,721

8. Employee compensation

		Group	
		2023	**2022**
	Note	$'000	$'000
Wages and salaries		**38,467**	43,677
Employer's contribution to Central Provident Fund		**3,099**	3,713
Retirement benefits	24	**8**	3
		41,574	47,393

9. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 30 September 2023 and 2022 are:

	Group	
	2023	**2022**
	$'000	$'000
Current income tax		
- Current financial year	**13,570**	17,339
- Over provision in respect of previous financial years	**(1,211)**	(129)
	12,359	17,210
Deferred income tax		
- Current financial year arising from origination and reversal of temporary differences	**2,991**	179
- Under/(over) provision in respect of previous financial years	**123**	(172)
	3,114	7
Income tax expense recognised in profit or loss	**15,473**	17,217

9. Income tax expense (cont'd)

Relationship between tax expense and profit before tax

A reconciliation between the tax expense and the product of profit before tax multiplied by the applicable corporate tax rate for the years ended 30 September 2023 and 2022 is as follows:

	Group	
	2023	**2022**
	$'000	$'000
Profit before tax	**91,221**	107,433
Tax calculated at domestic rates applicable to profits in the countries where the Group operates	**15,470**	18,516
Adjustments:		
Income not subject to taxation	**(128)**	(127)
Expenses not deductible for tax purposes	**1,693**	302
Effect of partial tax exemption and tax relief	**(71)**	(83)
Effects of deferred tax assets not recognised	**89**	238
Benefits from previously unrecognised capital allowances and tax losses	**(318)**	(1,284)
Over provision in respect of previous financial years	**(1,088)**	(301)
Reinvestment allowances from qualifying capital expenditure	**(159)**	–
Others	**(15)**	(44)
Income tax expense recognised in profit or loss	**15,473**	17,217

As at 30 September 2023, a subsidiary of the Group has unutilised tax losses amounting to $Nil (2022: $992,000), that is available for offset against future taxable profits of the company in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements as at 30 September 2023.

10. Earnings per share

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

There were no dilutive potential ordinary shares for the financial years ended 30 September 2023 and 30 September 2022.

The earnings per share is calculated as follows:

	Group	
	2023	**2022**
	$'000	$'000
Profit for the year attributable to owners of the Company	**75,748**	90,216

	Weighted average no. of ordinary shares	
	2023	**2022**
	'000	'000
Weighted average number of ordinary shares (excluding treasury shares) for basic and diluted earnings per share computation	**274,350**	273,160

	Group	
	2023	**2022**
Basic and diluted earnings per share (cents)	**27.61**	33.03

11. Property, plant and equipment

Group	Leasehold land and buildings $'000	Freehold land $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and equipment $'000	Construction in progress $'000	Total $'000
Cost							
At 1 October 2021	113,447	2,184	132,650	6,771	7,239	55	262,346
Additions	260	–	830	517	40	1,521	3,168
Reclassification	–	–	8	–	–	(8)	–
Disposal	–	–	(995)	(16)	–	–	(1,011)
Written-off	–	–	(15)	–	(141)	–	(156)
Exchange differences	(297)	(104)	(573)	–	(44)	(33)	(1,051)
At 30 September 2022 and 1 October 2022	**113,410**	**2,080**	**131,905**	**7,272**	**7,094**	**1,535**	**263,296**
Additions	**6,427**	**–**	**910**	**1,089**	**69**	**141**	**8,636**
Reclassification	**1,198**	**–**	**5**	**276**	**197**	**(1,676)**	**–**
Disposal	**–**	**–**	**(459)**	**–**	**(4)**	**–**	**(463)**
Written-off	**(156)**	**–**	**(60)**	**–**	**(518)**	**–**	**(734)**
Exchange differences	**(353)**	**(124)**	**(587)**	**–**	**(41)**	**–**	**(1,105)**
At 30 September 2023	**120,526**	**1,956**	**131,714**	**8,637**	**6,797**	**–**	**269,630**
Accumulated depreciation							
At 1 October 2021	36,074	–	72,381	3,749	6,245	–	118,449
Disposal	–	–	(553)	(16)	–	–	(569)
Written-off	–	–	(13)	–	(139)	–	(152)
Exchange differences	(78)	–	(327)	–	(43)	–	(448)
Depreciation charge	8,556	–	7,894	807	402	–	17,659
At 30 September 2022 and 1 October 2022	**44,552**	**–**	**79,382**	**4,540**	**6,465**	**–**	**134,939**
Disposal	**–**	**–**	**(340)**	**–**	**(4)**	**–**	**(344)**
Written-off	**(5)**	**–**	**(33)**	**–**	**(517)**	**–**	**(555)**
Exchange differences	**(104)**	**–**	**(268)**	**–**	**(41)**	**–**	**(413)**
Depreciation charge	**8,663**	**–**	**8,127**	**1,208**	**365**	**–**	**18,363**
At 30 September 2023	**53,106**	**–**	**86,868**	**5,748**	**6,268**	**–**	**151,990**
Net carrying amount							
At 30 September 2023	**67,420**	**1,956**	**44,846**	**2,889**	**529**	**–**	**117,640**
At 30 September 2022	68,858	2,080	52,523	2,732	629	1,535	128,357

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

Company	Leasehold land and buildings $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and equipment $'000	Construction in progress $'000	Total $'000
Cost						
At 1 October 2021	56,496	80,880	2,347	4,921	200	144,844
Additions	175	797	517	25	1,476	2,990
Disposal	–	(564)	–	–	–	(564)
Written-off	–	(15)	–	(111)	–	(126)
At 30 September 2022 and 1 October 2022	**56,671**	**81,098**	**2,864**	**4,835**	**1,676**	**147,144**
Effects of amalgamation	**50,764**	**28,561**	**4,773**	**1,040**	**–**	**85,138**
Additions	**6,288**	**910**	**724**	**69**	**–**	**7,991**
Reclassification	**1,198**	**5**	**276**	**197**	**(1,676)**	**–**
Disposal	**–**	**(459)**	**–**	**–**	**–**	**(459)**
Written-off	**–**	**(22)**	**–**	**(2)**	**–**	**(24)**
At 30 September 2023	**114,921**	**110,093**	**8,637**	**6,139**	**–**	**239,790**
Accumulated depreciation						
At 1 October 2021	23,848	48,328	1,857	4,267	–	78,300
Disposal	–	(516)	–	–	–	(516)
Written-off	–	(13)	–	(110)	–	(123)
Depreciation charge	6,442	4,536	219	267	–	11,464
At 30 September 2022 and 1 October 2022	**30,290**	**52,335**	**2,076**	**4,424**	**–**	**89,125**
Effects of amalgamation	**13,166**	**12,117**	**3,044**	**979**	**–**	**29,306**
Disposal	**–**	**(340)**	**–**	**–**	**–**	**(340)**
Written-off	**–**	**(17)**	**–**	**(2)**	**–**	**(19)**
Depreciation charge	**7,883**	**5,764**	**629**	**348**	**–**	**14,624**
At 30 September 2023	**51,339**	**69,859**	**5,749**	**5,749**	**–**	**132,696**
Net carrying amount						
At 30 September 2023	**63,582**	**40,234**	**2,888**	**390**	**–**	**107,094**
At 30 September 2022	26,381	28,763	788	411	1,676	58,019

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

Assets under construction

For the previous financial year, the Group's and Company's assets under construction mainly relate to expenditure for property and plant and machinery in the course of construction.

Subsequent measurement of leasehold building

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

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

Assets pledged as security

The Group's leasehold buildings with a carrying amount of $4,100,000 (2022: $28,056,000) are mortgaged to secure the Group's bank loans (Note 22).

Lease additions

The Group made adjustments of $5,369,000 (2022: $256,000) to the right-of-use asset as a result of lease and restoration costs reassessment . The cash outflow on acquisition of property, plant and equipment amounted to $3,267,000 (2022: $2,912,000).

Right-of-use assets

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

12. Investment properties

	Group
	$'000
Balance sheet:	
Cost:	
At 1 October 2021, 30 September 2022, 1 October 2022 and 30 September 2023	**2,494**
Accumulated depreciation:	
At 1 October 2021	230
Depreciation charge	70
At 30 September 2022 and 1 October 2022	**300**
Depreciation charge	**70**
At 30 September 2023	**370**
Net carrying amount:	
At 30 September 2023	**2,124**
At 30 September 2022	2,194

	Group	
	2023	**2022**
	$'000	$'000
Statement of comprehensive income:		
Rental income from investment properties:		
- Minimum lease payments	**170**	162
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating properties	**(97)**	(97)

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

The investment properties held by the Group as at 30 September 2023 and 2022 are as follows:

Description and location	**Existing use**	**Tenure**	**Unexpired lease term**
Factory unit, 3791 Jalan Bukit Merah^	Industrial	Leasehold	38 years (2022: 39 years)
Apartment unit, 2909/75-89 A'Beckett Street, Melbourne VIC 3000#	Residential	Freehold	N/A

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

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

13. Investment in subsidiaries

	Company	
	2023	**2022**
	$'000	$'000
Shares, at cost	**29,123**	130,114
Impairment loss	**(1,057)**	(14,757)
	28,066	115,357
Intercompany indebtedness:		
Non-trade amount due from a subsidiary	**8,451**	10,351
Total investment in subsidiaries	**36,517**	125,708

On 1 April 2023, BRC's wholly-owned subsidiaries, LMG and LWM were amalgamated with the Company, with BRC being the surviving company after amalgamation (Note 1). Subsequent to the amalgamation, the share capital of the amalgamated entities was cancelled. As a result, the cost of investment in subsidiaries were reduced by $100,991,000 and the corresponding impairment loss of $4,200,000 were written off.

Intercompany indebtedness

The amount owing by a subsidiary included as part of the Company's net investment in the subsidiary is unsecured, bears interest at 4.24% to 4.89% per annum (2022: 1.23% to 3.50% per annum), has no fixed repayment terms and is repayable only when the cash flows of the subsidiary permit.

Impairment assessment of investment in subsidiaries

In performing the impairment assessment of the subsidiaries, the Company determined the recoverable amounts of the subsidiaries based on value-in-use calculations. The key assumptions include forecasted revenue growth rate that ranges between -9.7% and 1.7%, terminal growth rate of 2.3% and discount rate of 11.3%. Based on the assessment, a reversal of impairment loss of $9,500,000 was recorded for the financial year ended 30 September 2023. Management has also considered possible reasonable changes in the respective key assumptions and concluded that it will not result in significant changes.

13. Investment in subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation/ business	Proportion of ownership interest (%) 2023	2022
Held by the Company				
Lee Metal Group Pte. Ltd.(1)(5)	Prefabrication, trading and manufacturing and sale of steel products	Singapore	–	100
BRC Prefab Holdings Sdn. Bhd.(2)	Prefabrication, trading and manufacturing and sale of steel products	Malaysia	**100**	100
BRC Asia (Australia) Pty. Ltd.(4)	Trading and distribution of steel products	Australia	**100**	100
BRC Prefab Sdn. Bhd.(3)	Inactive	Malaysia	**100**	100
BRC Projects Pte. Ltd.	Dormant	Singapore	**100**	100
Lee Welded Mesh Singapore Pte. Ltd.(1)(5)(6)	Manufacture of reinforcing mesh and any other manufactured mesh and the processing of fabricated reinforcing bars	Singapore	–	100
BRC International Pte. Ltd.(1)(6)	Inactive	Singapore	**100**	100
LMG Realty Pte. Ltd.(1)(6)	Property development and investment	Singapore	**100**	100
Steel Park Malaysia Sdn. Bhd.(6)(7)	Inactive	Malaysia	**100**	100

(1) Audited by Ernst & Young LLP, Singapore
(2) Audited by a member firm of EY Global in the respective country
(3) Audited by Roger Yue & Associates
(4) Exempted from audit
(5) LMG and LWM amalgamated with the Company on 1 April 2023 (refer to Note 1)
(6) Held through LMG before amalgamation on 1 April 2023
(7) Audited by Crowe Malaysia PLT

14. Interest in joint venture

The Company has a 50% (2022: 50%) equity interest in a joint venture, Anhui BRC & Ma Steel Weldmesh Co. Ltd, incorporated in the People's Republic of China ("PRC"). The joint venture's principal activity is to market and manufacture steel welded wire mesh and other forms of wire and reinforcing steel products for use in the construction industry in the PRC. The Group jointly controls the venture with the other partner under the contractual agreement and unanimous consent is required for all major decisions.

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Unquoted shares, at cost	**6,076**	6,076	**6,076**	6,076
Share of post-acquisition reserves	**12,039**	11,209	**–**	–
Less: Accumulated dividends received	**(5,283)**	(1,294)	**–**	–
Less: Dividend receivable from joint venture	**(1,994)**	–	**–**	–
Effects of exchange rates	**(849)**	(230)	**–**	–
	9,989	15,761	**6,076**	6,076

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

	2023	**2022**
	$'000	$'000
Summarised balance sheet		
Cash and cash equivalents	**2,685**	4,952
Other current assets	**37,481**	38,384
Current assets	**40,166**	43,336
Non-current assets	**3,747**	3,942
Total assets	**43,913**	47,278
Current liabilities	**20,189**	15,622
Non-current liabilities	**3,746**	12,100
Total liabilities	**23,935**	27,722
Net assets	**19,978**	19,556
Proportion of the Group's ownership	**50%**	50%
	9,989	9,778
Add: Allowance for impairment of dividend receivable	**–**	5,983
Group's share of net assets/carrying amount of the interest	**9,989**	15,761

14. Interest in joint venture (cont'd)

	2023	2022
	$'000	$'000
Summarised statement of comprehensive income		
Revenue	**63,806**	96,246
Depreciation	**(64)**	(72)
Interest expense	**(546)**	(622)
Operating expenses	**(61,470)**	(91,398)
Profit before tax	**1,726**	4,154
Tax	**(66)**	(162)
Profit after tax representing total comprehensive income	**1,660**	3,992
50% share of results of joint venture	**830**	1,996

During the previous financial year, dividends for financial year ended 30 September 2022 of $1,070,000 were declared and paid by the joint venture.

During the financial year, reversal of allowance for impairment was recorded at Company level for the dividends declared in financial year ended 30 September 2019 that amounted to $5,983,000. Dividends amounted to $3,989,000 were received by the Company during the year. The remaining dividend receivable of $1,994,000 is expected to be received by the Company in January 2025. At Group level there is no profit or loss impact as it was recorded against share of post-acquisition reserves and dividend receivable in interest in joint venture.

15. Interest in associate

The Group's interest in associate is summarised below:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Unquoted shares, at cost	**2,155**	2,155	**2,155**	2,155
Shareholder loans	**28,146**	27,623	**28,146**	27,623
Share of post-acquisition reserve	**(19,309)**	(16,887)	**–**	–
Impairment loss	**(7,079)**	(1,692)	**(26,181)**	(19,074)
Effects of exchange difference	**207**	(495)	**–**	–
	4,120	10,704	**4,120**	10,704

15. Interest in associate (cont'd)

Impairment of interest in associate

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

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

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

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

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

	2023	2022
	%	%
Hotel and resort operations		
Average revenue growth rate	**6.1**	11.0
Terminal growth rate	**2.0**	2.0
Discount rate	**17.0**	14.5
Airport management		
Average revenue growth rate	**3.9**	5.9
Terminal growth rate	**2.0**	2.0
Discount rate	**17.0**	14.5

The change in discount rate from prior year was due to changes in risk-free rate, country risk premium and cost of debt in the current financial year.

Arising from the impairment assessment, an impairment charge of $5,387,000 (2022: reversal of impairment loss of $2,400,000) was recognised in the "share of results of associates" line item of the consolidated statement of comprehensive income at Group level for the financial year ended 30 September 2023. At Company level, the impairment loss of the interest in associate amounted to $7,107,000 (2022: $76,000). Management has also considered possible reasonable changes in the respective key assumptions and concluded that it will not result in significant changes.

15. Interest in associate (cont'd)

Details of the associate is as follows:

Name of associate	Principal activities	Country of incorporation/ business	Proportion of ownership interest (%) 2023	2022
Held by the Company				
Pristine Islands Investment Pte. Ltd.[1]	Investment holding	Singapore	**17**	17

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

The shareholder loans are unsecured and bear interest at 1% per annum above the prevailing bank lending rates. Included in the amount comprise interest receivable of $6,352,000 (2022: $4,746,000) as at 30 September 2023. The loans are not expected to be repaid in the next twelve months.

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

	2023 $'000	2022 $'000
Summarised balance sheet		
Current assets	**14,411**	22,246
Non-current assets	**157,986**	173,661
Total assets	**172,397**	195,907
Current liabilities	**63,121**	66,014
Non-current liabilities	**209,033**	219,534
Total liabilities	**272,154**	285,548
Net liabilities	**(99,757)**	(89,641)
Less: Non-controlling interest	**71**	70
Net liabilities attributable to owners of the associate	**(99,686)**	(89,571)
Net liabilities excluding goodwill	**(99,686)**	(89,571)
Proportion of the Group's ownership	**17%**	17%
Group's share of net liabilities	**(16,947)**	(15,227)
Shareholder loans	**28,146**	27,623
Less: Impairment loss	**(7,079)**	(1,692)
Carrying amount of the interest	**4,120**	10,704

15. Interest in associate (cont'd)

	2023	2022
	$'000	$'000
Summarised statement of comprehensive income		
Revenue	**51,295**	50,721
Loss after tax	**(14,248)**	(9,971)
Total comprehensive income	**(14,248)**	(9,971)

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

16. Investment securities

		Group and Company	
		2023	2022
	Note	$'000	$'000
At fair value through other comprehensive income			
- Equity securities (quoted)		**28**	38
At beginning of the financial year		**38**	57
Fair value changes recognised in other comprehensive income	27(a)	**(10)**	(19)
At end of the financial year		**28**	38

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

In the previous financial year, the Group recognised dividends of $3,000 from investment securities.

17. Inventories

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Balance Sheet:				
Raw materials	**353,033**	450,837	**349,053**	446,281
Finished goods	**1,991**	2,283	**1,617**	1,929
Goods in transit	**52,449**	–	**52,449**	–
	407,473	453,120	**403,119**	448,210
Allowance for inventory obsolescence	**(379)**	(7,349)	**(379)**	(7,349)
	407,094	445,771	**402,740**	440,861

The cost of inventories recognised as expense and included in "Cost of sales" in the consolidated statement of comprehensive income amounted to $928,190,000 (2022: $1,004,233,000).

The reversal of allowance for inventory obsolescence recognised as income and included in "Cost of sales" in the consolidated statement of comprehensive income amounted to $6,970,000 (2022: allowance for inventory obsolescence of $3,370,000).

18. Trade and other receivables

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Trade receivables (current)				
Trade receivables, net:				
- Due from third parties	**175,789**	180,796	**168,051**	163,328
- Due from related parties	**3,996**	6,805	**2,777**	5,373
- Due from subsidiaries	**–**	–	**5,277**	5,756
	179,785	187,601	**176,105**	174,457
Other receivables (current)				
- Due from third parties	**831**	24	**789**	–
- Due from subsidiaries	**–**	–	**25**	22
- Due from a joint venture	**6**	8	**6**	8
	837	32	**820**	30
Total trade and other receivables (current)	**180,622**	187,633	**176,925**	174,487
Other receivables (non-current)				
- Dividend receivable from a joint venture (Note 14)	**1,994**	–	**1,994**	–
Total trade and other receivables (current and non-current)	**182,616**	187,633	**178,919**	174,487
Add:				
Deposits	**505**	405	**492**	263
Cash and cash equivalents (Note 20)	**184,624**	154,574	**180,188**	141,595
Less:				
Trade receivables subject to provisional pricing	**(55,492)**	(79,869)	**(55,492)**	(70,986)
Total financial assets carried at amortised cost	**312,253**	262,743	**304,107**	245,359
Trade receivables subject to provisional pricing	**55,492**	79,869	**55,492**	70,986
Add:				
Currency forward contracts (Note 19)	**1,007**	1,124	**1,007**	1,124
Total financial assets at fair value through profit or loss	**56,499**	80,993	**56,499**	72,110

Trade receivables

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

Trade receivables subject to provisional pricing amounting to $55,492,000 (2022: $$79,869,000) relate to sale of goods with price fluctuation clause which allow for price adjustments based on the market price.

18. Trade and other receivables (cont'd)

Trade receivables (cont'd)

Receivables denominated in foreign currencies are as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Australian Dollar	**3,034**	3,230	**3,034**	751
United States Dollar	**1,096**	5,713	**475**	5,713

Related party balances

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

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

Expected credit losses

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

	Group	
	2023	**2022**
	$'000	$'000
Movements in allowance accounts:		
At beginning of financial year	**5,339**	6,625
Charge for the financial year	**1,739**	448
Exchange differences	**(29)**	(28)
Written off	**(502)**	(1,706)
At end of financial year	**6,547**	5,339

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.

19. Derivatives

Derivatives comprise currency forward contracts that are used to hedge foreign currency payables and contracted purchase commitments of inventories denominated in US Dollar which exist at the balance sheet date and extending to January 2024 (2022: March 2023).

	Group and Company					
	2023			2022		
	Contract/ Notional Amount	Assets	Liabilities	Contract/ Notional Amount	Assets	Liabilities
	$'000	$'000	$'000	$'000	$'000	$'000
Currency forward contracts	**70,546**	**1,007**	**–**	51,038	1,124	–

20. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash at banks and on hand	**184,624**	154,574	**180,188**	141,595

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

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

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Australian Dollar	**4,334**	5,144	**4,334**	5,136
Malaysia Ringgit	**623**	588	**623**	570
United States Dollar	**71,670**	71,490	**71,666**	71,424

21. Trade and other payables

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Trade payables:				
- Due to third parties	**48,925**	11,903	**48,874**	10,815
- Due to subsidiaries	**–**	–	**–**	44,338
	48,925	11,903	**48,874**	55,153
Other payables:				
- Due to a subsidiary	**–**	–	**9,192**	38
- Due to a related party	**2,132**	2,684	**2,131**	2,684
- Sales tax payables, net	**2,675**	917	**2,675**	339
- Accrued employee compensation	**17,369**	21,427	**16,962**	18,095
- Accrued operating expenses	**4,354**	6,602	**3,844**	4,428
- Accrued dividend payable	**13,718**	–	**13,718**	–
	40,248	31,630	**48,522**	25,584
Total trade and other payables	**89,173**	43,533	**97,396**	80,737
Add:				
Loans and borrowings (Note 22)	**380,679**	457,977	**380,679**	449,720
Less:				
Provision for unutilised leave	**(1,144)**	(1,119)	**(1,144)**	(876)
Sales tax payables, net	**(2,675)**	(917)	**(2,675)**	(339)
Lease liabilities (Note 23)	**(24,385)**	(25,826)	**(24,385)**	(18,504)
Total financial liabilities carried at amortised cost	**441,648**	473,648	**449,871**	510,738

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

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

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

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Euro	**38**	44	**38**	44
Malaysia Ringgit	**42**	96	**78**	96
United States Dollar	**2,930**	2,718	**2,930**	2,718

22. Loans and borrowings

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Current				
Bills payable to banks (unsecured)	**349,248**	397,746	**349,248**	396,811
Lease liabilities (unsecured)	**5,462**	4,645	**5,462**	4,422
Bank loans (secured)	**3,657**	6,469	**3,657**	6,469
Bank loans (unsecured)	**1,297**	1,268	**1,297**	1,268
	359,664	410,128	**359,664**	408,970
Non-current				
Lease liabilities (unsecured)	**18,923**	21,181	**18,923**	14,082
Bank loans (secured)	**1,100**	24,379	**1,100**	24,379
Bank loans (unsecured)	**992**	2,289	**992**	2,289
	21,015	47,849	**21,015**	40,750
Total loans and borrowings (current and non-current)	**380,679**	457,977	**380,679**	449,720

Bills payable to banks

Bills payable bear interest at 4.21% to 6.28% per annum (2022: 2.81% to 3.99% per annum) and are repayable within 5 months (2022: 5 months) after the financial year end.

Bank loans (secured)

As of 30 September 2023, the bank loans bear interest at 1.88% (2022: ranging at 1.50% to 2.00%) per annum. These are secured by certain leasehold buildings (Note 11) and are repayable in equal instalments over the next 2 years (2022: 3 to 16 years).

Bank loans (unsecured)

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

22. Loans and borrowings (cont'd)

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

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

	1.10.2021	Cash flows	Non-cash changes: Accretion of interest	Non-cash changes: Additions	Non-cash changes: Other*	30.9.2022
	$'000	$'000	$'000	$'000	$'000	$'000
Bills payable and bank loans						
- Current	352,490	38,945	6,311	–	7,737	405,483
- Non-current	52,077	(17,672)	–	–	(7,737)	26,668
Lease liabilities						
- Current	5,624	(6,484)	855	22	4,628	4,645
- Non-current	25,575	–	–	234	(4,628)	21,181
	435,766	14,789	7,166	256	–	457,977

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

23. Leases

Group and Company as lessee

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

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

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

Group	**Leasehold land** $'000
Cost	
As at 1 October 2021	41,096
Remeasurements	256
As at 30 September 2022 and 1 October 2022	**41,352**
Remeasurements	**5,369**
As at 30 September 2023	**46,721**
Accumulated depreciation	
As at 1 October 2021	10,317
Depreciation charge	5,840
As at 30 September 2022 and 1 October 2022	**16,157**
Depreciation charge	**6,282**
As at 30 September 2023	**22,439**
Net carrying amount	
As at 30 September 2023	**24,282**
As at 30 September 2022	25,195

23. Leases (cont'd)

Group and Company as lessee (cont'd)

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

Company	**Leasehold land** $'000
Cost	
As at 1 October 2021	30,217
Remeasurements	175
As at 30 September 2022 and 1 October 2022	**30,392**
Effects of amalgamation	**11,099**
Remeasurements	**5,230**
As at 30 September 2023	**46,721**
Accumulated depreciation	
As at 1 October 2021	6,850
Depreciation charge for the year	5,559
As at 30 September 2022 and 1 October 2022	**12,409**
Effects of amalgamation	**3,892**
Depreciation charge for the year	**6,138**
As at 30 September 2023	**22,439**
Net carrying amount	
As at 30 September 2023	**24,282**
As at 30 September 2022	17,983

23. Leases (cont'd)

Group and Company as lessee (cont'd)

(b) **Lease liabilities**

Set out below are the carrying amounts of lease liabilities (included under loans and borrowings) and the movements during the period:

	2023	
	Group	**Company**
	$'000	$'000
As at 1 October 2022	**25,826**	**18,504**
Effects of amalgamation	**–**	**7,349**
Remeasurements, net	**4,660**	**4,521**
Accretion of interest	**750**	**630**
Payments	**(6,851)**	**(6,619)**
As at 30 September 2023	**24,385**	**24,385**
Represented by:		
Current	**5,462**	**5,462**
Non-current	**18,923**	**18,923**
	24,385	**24,385**

	2022	
	Group	**Company**
	$'000	$'000
As at 1 October 2021	31,199	23,744
Remeasurements, net	256	175
Accretion of interest	855	614
Payments	(6,484)	(6,029)
As at 30 September 2022	25,826	18,504
Represented by:		
Current	4,645	4,422
Non-current	21,181	14,082
	25,826	18,504

23. Leases (cont'd)

Group and Company as lessee (cont'd)

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

	Group	
	2023	**2022**
	$'000	$'000
Depreciation expense of right-of-use assets	**6,282**	5,840
Interest expense on lease liabilities	**750**	855
Expenses relating to short-term leases	**2,465**	2,544
Expenses relating to low-value leases	**51**	17
Total amount recognised in profit or loss	**9,548**	9,256

The Group had total cash outflows for leases of $9,367,000 (2022: $9,045,000) in 2023. The maturity analysis of lease liabilities are disclosed in Note 33(b).

Group as a lessor

The Group has entered into operating lease on its investment property. This lease has a remaining term of 1 year (2022: 2 years). Future minimum receivables under non-cancellable operating leases as at 30 September 2023 are as follows:

	Group	
	2023	**2022**
	$'000	$'000
Within one year	**82**	141
After one year but not more than five years	**–**	58
	82	199

24. Provisions

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Current				
Provision for onerous contracts	**9,471**	33,262	**9,434**	32,537
Provision for restoration costs	**2,884**	2,232	**2,884**	2,232
Provision for retirement benefits	**56**	–	**56**	–
	12,411	35,494	**12,374**	34,769
Non-current				
Provision for retirement benefits	**44**	92	**44**	92
Provision for restoration costs	**1,186**	1,129	**1,186**	749
	1,230	1,221	**1,230**	841

Provision for onerous contracts

Provision for onerous contracts are recorded in respect of certain sales contracts for which the estimated unavoidable costs to meet contractual obligations are expected to exceed the economic benefits to be received under it. 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	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
At beginning of the financial year	**33,262**	46,104	**32,537**	43,110
Effects of amalgamation	**–**	–	**233**	–
Reversal for the year, net	**(23,772)**	(12,820)	**(23,336)**	(10,573)
Exchange differences	**(19)**	(22)	**–**	–
At end of the financial year	**9,471**	33,262	**9,434**	32,537

Provision for restoration costs

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
At beginning of the financial year	**3,361**	3,361	**2,981**	2,981
Effects of amalgamation	**–**	–	**380**	–
Charge for the year	**709**	–	**709**	–
At end of the financial year	**4,070**	3,361	**4,070**	2,981

24. Provisions (cont'd)

Provision for retirement benefits

The Company has in place a retirement benefit scheme for employees who commenced employment with the Company prior to 1 January 1983. The retirement benefits are calculated based on one week's pay for each full year of service at the employee's estimated last-drawn basic salary at date of retirement. The retirement benefit scheme is unfunded and will be paid out by the Company in cash when due. As at 30 September 2023, there are no plan assets (2022: Nil).

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

	Group and Company	
	2023	**2022**
	$'000	$'000
At beginning of the financial year	**92**	178
Payment during financial year	**–**	(89)
Charged to statement of comprehensive income (Note 8)	**8**	3
Service cost	**6**	2
Interest cost	**2**	1
At end of the financial year	**100**	92

Of the total charged, amounts of $5,000 (2022: $1,000) and $3,000 (2022: $2,000) were included in "Cost of Sales" and "Administrative expenses" respectively.

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

	Group and Company	
	2023	**2022**
Discount rate at 30 September	**2%**	2%
Future salary increases	**1%**	1%
Resignation rate	**0%**	0%

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

	2023	**2022**	**2021**	**2020**	**2019**
	$'000	$'000	$'000	$'000	$'000
Defined benefit obligation	**100**	92	178	261	254

25. Deferred tax assets and liabilities

Deferred tax as at 30 September 2023 and 2022 relates to the following:

	Group				Company	
	Consolidated Balance Sheet		Consolidated Income Statement		Balance Sheet	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred tax assets:						
Provisions	**4,114**	8,518	**4,404**	1,171	**3,963**	7,645
Unutilised tax losses and capital allowances	**400**	728	**328**	(124)	**–**	–
Leases	**–**	140	**140**	(35)	**–**	88
Deferred tax liabilities:						
Differences in depreciation for tax purposes	**(11,199)**	(9,322)	**1,877**	(660)	**(10,246)**	(5,141)
Fair value adjustments on acquisition of subsidiaries	**–**	(3,764)	**(3,764)**	(301)	**–**	–
Undistributed earnings	**(635)**	(506)	**129**	(44)	**(635)**	(506)
Deferred tax (liabilities)/assets, net	**(7,320)**	(4,206)			**(6,918)**	2,086
Deferred tax expense			**3,114**	7		
Represented by:						
Deferred tax assets	**–**	2,086				
Deferred tax liabilities	**(7,320)**	(6,292)				
	(7,320)	(4,206)				

26. Share capital and treasury shares

	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
Group and Company	'000	'000	$'000	$'000
Balance as at 1 October 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 30 September 2023	**275,977**	**1,627**	**184,546**	**(1,105)**

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value. Treasury shares relate to ordinary shares of the Company that are held by the Company.

There were no purchase of treasury shares during the financial years ended 30 September 2023 and 30 September 2022 and there have been no reissuance of treasury shares since their acquisitions.

During the previous financial year, the Company issued 31,015,000 ordinary shares at $1.48 per share pursuant to a share placement exercise. The net proceeds of this placement were utilised to repay the Group's outstanding bank borrowings in line with the intended use of proceeds.

27. Other reserves

		Group		Company	
		2023	**2022**	**2023**	**2022**
	Note	$'000	$'000	$'000	$'000
Fair value reserve	(a)	**(132)**	(122)	**(132)**	(122)
Foreign currency translation reserve	(b)	**(3,073)**	(2,500)	**–**	–
Asset revaluation reserve	(c)	**597**	597	**597**	597
Amalgamation reserve	(d)	**–**	–	**5,098**	–
		(2,608)	(2,025)	**5,563**	475

27. Other reserves (cont'd)

(a) Fair value reserve

Fair value reserve represents the cumulative fair value changes, net of tax, of quoted investment securities until they are disposed or impaired.

	Group and Company	
	2023	**2022**
	$'000	$'000
At beginning of the financial year	**(122)**	(103)
- Net loss on fair value changes during the financial year	**(10)**	(19)
At end of the financial year	**(132)**	(122)

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the effect of exchange differences arising on monetary items that forms part of the Group's net investment in foreign operations.

	Group	
	2023	**2022**
	$'000	$'000
At beginning of the financial year	**(2,500)**	(2,757)
Net effect of exchange differences arising from the translation of financial statements of foreign operations	**(922)**	(1,083)
Net effect of exchange differences arising from the shareholder loans due from an associate and a subsidiary	**349**	1,340
At end of the financial year	**(3,073)**	(2,500)

(c) Asset revaluation reserve

Asset revaluation reserve arose on revaluation of a certain leasehold building in 1993 (Note 11). There is no movement in asset revaluation reserve during the current and previous financial years as the Group does not have a policy of periodic revaluation of leasehold buildings.

(d) Amalgamation reserve

Amalgamation reserve relates to the share capital, retained earnings and carrying value of fair value uplift of property, plant and equipment of LMG and LWM upon amalgamation.

28. Dividends

	Group and Company	
	2023	**2022**
	$'000	$'000
Declared and paid/payable during the financial year:		
Cash dividends on ordinary shares:		
- Interim exempt (one-tier) dividend of 5 cents (2022: 6 cents) per share in respect of the current financial year	**13,718**	16,461
- Final exempt (one-tier) dividend of 6 cents (2022: 4 cents) per share in respect of the previous financial year	**16,461**	10,974
- Special exempt (one-tier) dividend of 6 cents (2022: 4 cents) per share in respect of the previous financial year	**16,461**	10,974
	46,640	38,409

Proposed but not recognised as a liability as at 30 September:

Dividends on ordinary shares, subject to shareholders' approval at the forthcoming Annual General Meeting ("AGM"):

	Group and Company	
	2023	**2022**
	$'000	$'000
- Final exempt (one-tier) dividend for 2023: 5.5 cents (2022: 6 cents) per share	**15,089**	16,461
- Special exempt (one-tier) dividend for 2023: 5.5 cents (2022: 6 cents) per share	**15,089**	16,461
	30,178	32,922

29. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following were significant transactions between the Group and related parties on rates and terms agreed during the financial year:

(a) **Sales and purchases of goods and services**

	Group	
	2023	**2022**
	$'000	$'000
Interest income from associate	**1,817**	974
Sales to companies related to a substantial shareholder	**22,690**	19,630
Purchases from a company related to a substantial shareholder	**1,568**	720
Settlement of cancellation of purchase contract with a company related to shareholder	**2,107**	–
Sales commission paid to a company related to a substantial shareholder	**42**	–

29. Related party transactions (cont'd)

(b) **Compensation of key management personnel**

The remuneration of directors and other members of key management of the Group paid during the financial year is as follows:

	Group	
	2023	**2022**
	$'000	$'000
Wages and salaries	**8,434**	11,032
Employer's contribution to Central Provident Fund	**90**	102
Other short-term benefits	**343**	349
Directors' fees	**460**	377
	9,327	11,860

Included in the above is total compensation to directors (including directors' fees) of the Company amounting to $5,501,000 (2022: $6,775,000).

30. Commitments and contingencies

(a) **Capital commitments**

Capital expenditures contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Capital commitment in respect of:				
- Plant and machinery	**1,139**	272	**1,139**	272
- Building	**–**	869	**–**	869
	1,139	1,141	**1,139**	1,141

(b) **Contingencies**

The Company has provided a corporate guarantee in respect of banking facilities provided by a consortium of banks to an associate up to the extent of the Company's 17% shareholding in the investee. As at 30 September 2023, the amount of facilities drawn down by the associate amounted to $41,593,000 (2022: $51,202,000).

31. Segment reporting

For management purposes, the Group is organised into three (2022: three) business units based on its products and services, and has reportable segments as follows:

i) The fabrication and manufacturing segment is involved in the business of processing and prefabrication of steel reinforcement, including sale of standard-length rebar, for use in concrete.

ii) Trading segment is involved in trading of steel and steel related products in both domestic and international market.

iii) Others relates to property development and interest in associate who operates in the business of management of airport, hotel and resort and property development.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Year ended 30 September 2023	Fabrication and manufacturing $'000	Others $'000	Trading $'000	Adjustments and eliminations $'000	Note	Group $'000
Revenue:						
External customers	1,213,728	–	413,270	–		1,626,998
Inter-segment	–	–	–	–		–
Total revenue	1,213,728	–	413,270	–		1,626,998
Results:						
Interest income	3,737	–	–	–		3,737
Interest expense	(12,006)	(43)	(803)	–		(12,852)
Depreciation expense	(17,733)	(700)	–			(18,433)
Share of results of joint venture	830	–	–	–		830
Share of results of associate	–	(7,809)	–	–		(7,809)
Reversal of provision for onerous contracts	23,772	–	–	–		23,772
Allowance for expected credit losses on trade receivables, net	(1,739)	–	–	–		(1,739)
Fair value changes on trade receivables subject to provisional pricing	(3,731)	–	–	–		(3,731)
Other non-cash expense	6,791	–	–	–		6,791
Income tax expense	(14,786)	(175)	(512)	–		(15,473)
Segment profit/(loss)	78,654	(6,753)	3,847	–		75,748
Assets:						
Segments assets	898,574	40,002	15,401	(1,616)	A	952,361
Additions to property, plant and equipment	3,267	–	–	–		3,267
Interest in joint venture	9,989	–	–	–		9,989
Interest in associates	–	4,120	–	–		4,120
Liabilities:						
Segment liabilities	(501,695)	(7,028)	(17,943)	1,616	A	(525,050)

Note A: Inter-segment assets/liabilities are deducted from segment assets/liabilities to arrive at total assets/liabilities reported in the consolidated balance sheet.

31. Segment reporting (cont'd)

Year ended 30 September 2022	Fabrication and manufacturing $'000	Others $'000	Trading $'000	Adjustments and eliminations $'000	Note	Group $'000
Revenue:						
External customers	1,402,083	–	297,183	–		1,699,266
Inter-segment	–	–	–	–		–
Total revenue	1,402,083	–	297,183	–		1,699,266
Results:						
Interest income	1,826	–	–	–		1,826
Interest expense	(6,669)	(87)	(410)	–		(7,166)
Dividend income	3	–	–	–		3
Depreciation expense	(16,557)	(1,172)	–	–		(17,729)
Share of results of joint venture	1,996	–	–	–		1,996
Share of results of associates	–	705	–	–		705
Provision for onerous contracts	12,820	–	–	–		12,820
Allowance for expected credit losses on trade receivables, net	(448)	–	–	–		(448)
Fair value changes on trade receivables subject to provisional pricing	(1,990)	–	–	–		(1,990)
Other non-cash expense	(3,374)	–	–	–		(3,374)
Income tax expense	(16,538)	(108)	(571)	–		(17,217)
Segment profit	86,956	745	2,515	–		90,216
Assets:						
Segments assets	909,082	39,489	26,960	(2,426)	A	973,105
Additions to property, plant and equipment	2,912	–	–	–		2,912
Interest in joint venture	15,761	–	–	–		15,761
Interest in associates	–	10,704	–	–		10,704
Liabilities:						
Segment liabilities	(553,309)	(7,599)	(15,837)	2,426	A	(574,319)

Note A: Inter-segment assets/liabilities are deducted from segment assets/liabilities to arrive at total assets/liabilities reported in the consolidated balance sheet.

31. Segment reporting (cont'd)

Geographical segments

Revenue and non-current assets information based on geographical locations of customers and assets respectively are as follows:

	Group Revenue		Group Non-current assets	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Australia	**10,385**	13,090	**–**	–
Brunei	**14,777**	14,867	**–**	–
China	**–**	25,863	**9,989**	15,761
Hong Kong	**12,884**	26,260	**–**	–
India	**5,367**	–	**–**	–
Indonesia	**35,941**	14,081	**–**	–
Malaysia	**101,856**	101,283	**10,643**	12,087
Singapore	**1,252,742**	1,431,729	**115,263**	131,292
Thailand	**190,476**	63,237	**–**	–
Others	**2,570**	8,856	**–**	–
	1,626,998	1,699,266	**135,895**	159,140

Non-current assets information presented above consist of property, plant and equipment, investment properties, interest in joint venture, interest in associate, investment securities, deferred tax assets and other receivables as presented in the consolidated balance sheet.

32. Fair value of assets and liabilities

(a) **Fair value hierarchy**

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Group	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Significant unobservable inputs (Level 3) $'000	Total $'000
30 September 2023				
Assets measured at fair value				
Financial assets:				
Investment securities (Note 16)				
- *Quoted equity securities at FVOCI*	**28**	**–**	**–**	**28**
Debt instruments at FVPL (Note 18)				
- *Trade receivables subject to provisional pricing*	**–**	**–**	**55,492**	**55,492**
Derivatives (Note 19)				
- *Currency forward contracts*	**–**	**1,007**	**–**	**1,007**
Financial assets as at 30 September 2023	**28**	**1,007**	**55,492**	**56,527**
30 September 2022				
Assets measured at fair value				
Financial assets:				
Investment securities (Note 16)				
- *Quoted equity securities at FVOCI*	38	–	–	38
Debt instruments at FVPL (Note 18)				
- *Trade receivables subject to provisional pricing*	–	–	79,869	79,869
Derivatives (Note 19)				
- *Currency forward contracts*	–	1,124	–	1,124
Financial assets as at 30 September 2022	38	1,124	79,869	81,031

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

(c) **Level 2 fair value measurements**

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives (Note 19):

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

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

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) **Assets not measured at fair value, for which fair value is disclosed**

The following table shows an analysis of the Group's assets not measured at fair value, for which fair value is disclosed:

		Fair value measurements at the end of the reporting period using	
		Significant unobservable inputs (Level 3)	**Carrying amount**
Group	**Note**	$'000	$'000
30 September 2023			
Assets:			
Investment properties	12	**2,390**	**2,124**
30 September 2022			
Assets:			
Investment properties	12	2,413	2,194

<u>Determination of fair value</u>

Fair value as disclosed in the table above is based on independent valuations performed. Details are disclosed in Note 12.

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

(f) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value***

Fair value information is not disclosed for the following financial instruments of the Group as at 30 September 2023 as the difference between the carrying amounts and their fair values are not significant.

	Group	
	2023	**2022**
	$'000	$'000
Financial assets:		
Other receivables (non-current)	**1,994**	–
Financial liabilities:		
Bank loans (unsecured) (non-current)	**992**	2,289

33. Financial risk management objective and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board of Directors reviews and agrees on the policies and procedures for the management of these risks, which are executed by the Chief Executive Officer and/or the Chief Financial Officer.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and procedures for the management of these risks.

(a) **Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, derivatives, and cash and cash equivalents), the Group and the Company minimise credit risks by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

33. Financial risk management objective and policies (cont'd)

(a) Credit risk (cont'd)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.

- Actual or expected significant changes in the operating results of the borrower.

- Significant increases in credit risk on other financial instruments of the same borrower.

- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- There is significant difficulty of the issuer or the borrower.

- A breach of contract, such as a default or past due event.

- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

- There is a disappearance of an active market for that financial asset because of financial difficulty.

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

33. Financial risk management objective and policies (cont'd)

(a) Credit risk (cont'd)

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The loss allowance provision as at 30 September 2023 is determined as follows, the expected credit losses below also incorporate forward-looking information such as forecast of economic conditions.

Summarised below is the information about the credit risk exposure on the Group's trade receivables at amortised cost, excluding trade receivables subject to provisional pricing, using provision matrix.

2023	Current $'000	1 to 30 days past due $'000	31 to 60 days past due $'000	61 to 90 days past due $'000	More than 90 days past due $'000	Total $'000
Gross carrying amount	**87,270**	**29,687**	**11,192**	**1,378**	**1,313**	**130,840**
Loss allowance provision	**(3,831)**	**(1,367)**	**(635)**	**(115)**	**(599)**	**(6,547)**
	83,439	**28,320**	**10,557**	**1,263**	**714**	**124,293**

2022	Current $'000	1 to 30 days past due $'000	31 to 60 days past due $'000	61 to 90 days past due $'000	More than 90 days past due $'000	Total $'000
Gross carrying amount	67,442	34,171	10,522	593	343	113,071
Loss allowance provision	(2,944)	(1,583)	(593)	(55)	(164)	(5,339)
	64,498	32,588	9,929	538	179	107,732

Information regarding loss allowance movement of trade receivables are disclosed in Note 18.

During the financial year, the Group wrote off $502,000 (2022: $1,706,000) of trade receivables which were more than 90 days past due as the Group does not expect to receive future cash flows.

33. Financial risk management objective and policies (cont'd)

(a) Credit risk (cont'd)

Financial guarantees

The Group assessed the expected credit loss for financial guarantees using the probability of default approach. In determining ECL for financial guarantees, the Group considers events such as breach of loan covenants, default on instalment payments and determined that significant increase in credit risk occur when there is changes in the risk that the specific debtor will default on the contract and concluded no provision is required as at 30 September 2023 and 2022.

Credit risk concentration profile

The Group's and the Company's trade receivables concentration profiles by geographical areas and industry sectors as at the end of reporting period are as follows:

	Group	
	2023	**2022**
	$'000	$'000
By geographical areas:		
- Australia	**1,064**	3,187
- Malaysia	**8,441**	5,275
- Singapore	**166,975**	177,211
- Thailand	**1,354**	1,062
- Others	**1,951**	866
	179,785	187,601
By industry sector:		
- Construction	**179,785**	187,601

At the end of the reporting period, approximately:

- 32% (2022: 35%) of the Group's and 34% (2022: 37%) of the Company's trade receivables were due from 10 (2022: 10) major customers who are in the construction industry in Singapore.

- 6% (2022: 6%) of the Company's trade and other receivables were due from related parties.

Amount due from subsidiaries and related parties

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the allowance for expected credit losses using 12-month ECL and determined that the ECL is insignificant.

33. Financial risk management objective and policies (cont'd)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage liquidity risk by ensuring the availability of funding through an adequate amount of committed credit facilities from reputable financial institutions. In addition, the Group and the Company also maintain sufficient cash balances for operating and future investment opportunities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of reporting period based on contractual undiscounted repayment obligations:

Group	Within 1 year $'000	2 to 5 years $'000	More than 5 years $'000	Total $'000
At 30 September 2023				
Financial assets:				
Investment securities	–	28	–	28
Trade and other receivables	180,622	1,994	–	182,616
Cash and cash equivalents	184,624	–	–	184,624
Other current assets - deposits	505	–	–	505
Derivatives				
- Receipts	71,553	–	–	71,553
- Payments	(70,546)	–	–	(70,546)
Total undiscounted financial assets	366,758	2,022	–	368,780
Financial liabilities:				
Trade and other payables	85,354	–	–	85,354
Loans and borrowings (excluding lease liabilities)	355,018	2,122	–	357,140
Lease liabilities	6,098	10,801	12,095	28,994
Total undiscounted financial liabilities	446,470	12,923	12,095	471,488
Total net undiscounted financial liabilities	(79,712)	(10,901)	(12,095)	(102,708)

33. Financial risk management objective and policies (cont'd)

(b) Liquidity risk (cont'd)

Group	Within 1 year $'000	2 to 5 years $'000	More than 5 years $'000	Total $'000
At 30 September 2022				
Financial assets:				
Investment securities	–	38	–	38
Trade and other receivables	187,633	–	–	187,633
Cash and cash equivalents	154,574	–	–	154,574
Other current assets - deposits	405	–	–	405
Derivatives				
- Receipts	52,162	–	–	52,162
- Payments	(51,038)	–	–	(51,038)
Total undiscounted financial assets	343,736	38	–	343,774
Financial liabilities:				
Trade and other payables	41,497	–	–	41,497
Loans and borrowings (excluding lease liabilities)	405,950	18,471	15,142	439,563
Lease liabilities	5,360	12,267	13,429	31,056
Total undiscounted financial liabilities	452,807	30,738	28,571	512,116
Total net undiscounted financial liabilities	(109,071)	(30,700)	(28,571)	(168,342)

33. Financial risk management objective and policies (cont'd)

(b) Liquidity risk (cont'd)

Company	Within 1 year $'000	2 to 5 years $'000	More than 5 years $'000	Total $'000
At 30 September 2023				
Financial assets:				
Investment securities	**–**	**28**	**–**	**28**
Trade and other receivables	**176,925**	**1,994**	**–**	**178,919**
Cash and cash equivalents	**180,188**	**–**	**–**	**180,188**
Other current assets - deposits	**492**	**–**	**–**	**492**
Derivatives				
- Receipts	**71,553**	**–**	**–**	**71,553**
- Payments	**(70,546)**	**–**	**–**	**(70,546)**
Total undiscounted financial assets	**358,612**	**2,022**	**–**	**360,634**
Financial liabilities:				
Trade and other payables	**93,577**	**–**	**–**	**93,577**
Loans and borrowings (excluding lease liabilities)	**355,018**	**2,122**	**–**	**357,140**
Lease liabilities	**6,098**	**10,801**	**12,095**	**28,994**
Total undiscounted financial liabilities	**454,693**	**12,923**	**12,095**	**479,711**
Total net undiscounted financial liabilities	**(96,081)**	**(10,901)**	**(12,095)**	**(119,077)**
At 30 September 2022				
Financial assets:				
Investment securities	–	38	–	38
Trade and other receivables	174,487	–	–	174,487
Cash and cash equivalents	141,595	–	–	141,595
Other current assets - deposits	263	–	–	263
Derivatives				
- Receipts	52,162	–	–	52,162
- Payments	(51,038)	–	–	(51,038)
Total undiscounted financial assets	317,469	38	–	317,507
Financial liabilities:				
Trade and other payables	79,522	–	–	79,522
Loans and borrowings (excluding lease liabilities)	405,950	18,471	15,142	439,563
Lease liabilities	4,902	10,434	5,328	20,664
Total undiscounted financial liabilities	490,374	28,905	20,470	539,749
Total net undiscounted financial liabilities	(172,905)	(28,867)	(20,470)	(222,242)

33. Financial risk management objective and policies (cont'd)

(b) Liquidity risk (cont'd)

The table below shows the contractual expiry by maturity of the Group and Company's commitments. The maximum amount of the corporate guarantee is allocated to the earliest period in which the guarantee could be called.

Group and Company	2023 $'000	2022 $'000
Corporate guarantee – 1 year or less	**1,626**	1,282
Corporate guarantee – 1 to 5 years	**5,445**	7,422
	7,071	8,704

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2022: 6 months) from the balance sheet date.

Sensitivity analysis for interest rate risk

At the end of reporting period, if SGD interest rates had been 50 basis points lower/higher with all other variables constant, the Group's profit before tax would have been $1,746,000 (2022: $1,984,000) higher/lower respectively as a result of lower/higher interest expense on floating rate loans and borrowings.

(d) Foreign currency risk

The Group and the Company have transactional currency exposures arising from purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The foreign currency in which these transactions are denominated is mainly the US Dollar ("USD") and Australian Dollar ("AUD") (2022: USD and AUD).

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are mainly in USD and AUD (2022: USD and AUD).

The Group and the Company use currency forward contracts to hedge its exposure to foreign currency exchange risk arising from purchases which are mainly denominated in USD.

33. Financial risk management objective and policies (cont'd)

(d) **Foreign currency risk (cont'd)**

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD/SGD exchange rate, with all other variables held constant, of the Group's profit before tax:

	2023	2022
	Profit before tax	
	Increase/ (decrease)	Increase/ (decrease)
	$'000	$'000
Group		
USD/SGD - strengthened 7% (2022: 7%)	**5,024**	5,214
- weakened 7% (2022: 7%)	**(5,024)**	(5,214)

The impact of a reasonably possible change in AUD/SGD exchange rate is not significant to the results of the Group.

34. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital structure in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 September 2023 and 2022.

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. The Group includes within net debt, loans and borrowings and loan from immediate holding company less cash and cash equivalents. Capital includes equity attributable to owners of the Company.

	Group	
	2023	2022
	$'000	$'000
Loans and borrowings (Note 22)	**380,679**	457,977
Less: Cash and cash equivalents (Note 20)	**(184,624)**	(154,574)
Net debt	**196,055**	303,403
Equity attributable to owners of the Company	**427,311**	398,786
Capital plus net debt	**623,366**	702,189
Gearing ratio	**31%**	43%

35. Events occurring after the reporting period

In December 2023, the Group has accepted the binding offer made by E Street Capital Pte. Ltd. ("Purchaser") in relation to the disposal of its 17% interest of 1,700,000 ordinary shares in its associate, Pristine Islands Investment Pte. Ltd. ("PII"), and the assignment of all shareholder's loans extended by the Company to its associate.

The binding offer is subject to amongst others, the following conditions.

i) Completion of due diligence to the satisfaction of the Purchaser and its financier; and

ii) The refinancing by the Purchaser's financier of the loans extended to PII pursuant to the facility agreement on terms mutually acceptable to the Purchaser's financier and PII.

36. Authorisation of financial statements for issue

The financial statements for the year ended 30 September 2023 were authorised for issue in accordance with a resolution of the Board of Directors dated on 12 January 2024.

APPENDIX DATED 12 JANUARY 2024

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This Appendix explains the rationale and provides information to Shareholders in relation to the Proposed Renewal of Share Purchase Mandate, the Proposed Renewal of BPT/SEHE IPT Mandate and the Proposed Renewal of HLIH Group IPT Mandate, to be tabled at the 2024 AGM of the Company to be held at Chartroom, Level 2, Raffles Marina Ltd, 10 Tuas West Drive, Singapore 638404, on 31 January 2024 at 10.00 a.m. Shareholders will be able to participate fully at the physical AGM but will not be able to attend the 2024 AGM by way of electronic means. The Notice of AGM, Proxy Form, Request Form and this Appendix are made available to Shareholders on the same date hereof, via SGXNET and the Company's website. A printed copy of the Notice of AGM, Proxy Form and Request Form will be despatched to Shareholders.

If you have sold or transferred all your Shares, you should forward this Appendix immediately to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Appendix.

BRC ASIA

BRC ASIA LIMITED
(Incorporated in Singapore on 14 December 1938)
(Company Registration No. 193800054G)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

IN RELATION TO:

(I) PROPOSED RENEWAL OF SHARE PURCHASE MANDATE;

(II) PROPOSED RENEWAL OF BPT/SEHE IPT MANDATE; AND

(III) PROPOSED RENEWAL OF HLIH GROUP IPT MANDATE

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DEFINITIONS

<u>**General**</u>

"**2022 EGM**"	:	The EGM of the Company held on 5 July 2022
"**2023 AGM**"	:	The AGM of the Company held on 31 January 2023
"**2024 AGM**"	:	The AGM of the Company to be held on 31 January 2024, and any adjournment thereof
"**ACRA**"	:	The Accounting and Corporate Regulatory Authority of Singapore
"**AGM**"	:	An annual general meeting of the Company
"**Appendix**"	:	This appendix to the notice of annual general meeting
"**Approval Date**"	:	The date of the 2024 AGM at which the Proposed Renewal of Share Purchase Mandate is approved
"**approved exchange"**	:	Has the meaning ascribed to it in Paragraph 3(d)(iv)
"**Approving Directors**"	:	Directors (other than Directors with either direct or indirect interest in the transaction(s)) who will be reviewing and approving the relevant contract under Paragraph 5.6(b)(i) of this Appendix
"**associate**"	:	Has the meaning ascribed to it in Paragraph 3(d)(iii)
"**Audit and Risk Management Committee**"	:	The audit and risk management committee of the Company for the time being. As at the date of this Appendix, the Audit and Risk Management Committee comprises Mr. Joel Leong Kum Hoe (as chairman) and Ms. Chang Pui Yook and Mr. Toh Kian Sing (as members).
"**Average Closing Price**"	:	Has the meaning ascribed to it in Paragraph 2.2(d)
"**AVIL**"	:	Advance Venture Investments Limited
"**Board**"	:	The board of directors of the Company
"**BPT**"	:	Bright Point Trading Pte. Ltd.
"**BPT/SEHE IPT Mandate**"	:	The interested person transaction mandate first granted by the Shareholders on 28 January 2021 for transactions with the BPT/SEHE Mandated Persons, which is proposed to be renewed on the terms set out in this Appendix
"BPT/SEHE IPT Mandate Circular"	:	The circular to Shareholders dated 6 January 2021 in relation to the proposed interested person transaction mandate for transactions with the BPT/SEHE Mandated Interested Persons

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"**BPT/SEHE Mandated Interested Persons**" or each a "**BPT/SEHE Mandated Interested Person**"	:	The interested persons to be covered under the Proposed Renewal of BPT/SEHE IPT Mandate as set out in Paragraph 4.4 of this Appendix
"**BPT/SEHE Mandated Transactions**"	:	The transactions referred to in Paragraph 4.3 of this Appendix
"**Buy-Sell Transaction**"	:	Has the meaning ascribed to it in the BPT/SEHE IPT Mandate Circular
"**CDP**"	:	The Central Depository (Pte) Limited
"**Companies Act**"	:	The Companies Act 1967 of Singapore
"**Company**"	:	BRC Asia Limited
"**Constitution**"	:	The constitutive documents of the Company
"**Control**"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the company
"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly 15% or more of the Company's total voting rights. The SGX-ST may determine that a person who satisfies this paragraph (a) is not a controlling shareholder; or (b) in fact exercises Control over the Company
"**CPF**"	:	The Central Provident Fund
"**CPF Agent Banks**"	:	Agent banks included under the CPFIS
"**CPF Investors**"	:	Investors who have purchased Shares pursuant to the CPFIS
"**CPFIS**"	:	CPF Investment Scheme
"**date of the making of the offer**"	:	Has the meaning ascribed to it in Paragraph 2.2(d)
"**Davos**"	:	Davos Investment Holdings Private Limited
"**Director**"	:	Director of the Company
"**EGM**"	:	An extraordinary general meeting of the Company
"**entity at risk**"	:	Has the meaning ascribed to it in Paragraph 3(d)(i)
"**EPS**"	:	Earnings per Share
"**Esteel**"	:	Green Esteel Pte. Ltd. (formerly known as Esteel Enterprise Pte. Ltd.)

DEFINITIONS

"**Financial Limit**"	:	Equal to or exceeding S$100,000 but below five per cent. (5%) of the Group's latest announced audited consolidated NTA at the time of entry into the relevant interested person transaction
"**FY**"	:	Financial year ended or ending 30 September
"**FY2023**"	:	Financial year ended 30 September 2023
"**Goods**"	:	Has the meaning ascribed to it in the BPT/SEHE IPT Mandate Circular
"**Group**"	:	The Company and its subsidiaries
"**HLA**"	:	Hong Leong Asia Ltd.
"**HLAI**"	:	Hong Leong Asia Investments Pte. Ltd.
"**HLCH**"	:	Hong Leong Corporation Holdings Pte. Ltd.
"**HLE**"	:	Hong Leong Enterprises Pte. Ltd.
"**HLIH**"	:	Hong Leong Investment Holdings Pte. Ltd.
"**HLIH Group**"	:	HLIH and its associates
"**HLIH Group IPT Mandate**"	:	The interested person transaction mandate first granted by Shareholders on 5 July 2022 for transactions with the HLIH Group Mandated Persons, which is proposed to be renewed on the terms set out in this Appendix
"**HLIH Group IPT Mandate Circular**"	:	The circular to Shareholders dated 20 June 2022 in relation to the HLIH Group IPT Mandate
"**HLIH Group Mandated Interested Persons**" or each a "**HLIH Group Mandated Interested Person**"	:	The interested persons to be covered under the Proposed Renewal of HLIH Group IPT Mandate as set out in Paragraph 5.4 of this Appendix
"**HLIH Group Mandated Transactions**"	:	The transactions referred to in Paragraph 5.3 of this Appendix
"**interested person**"	:	Has the meaning ascribed to it in Paragraph 3(d)(ii)
"**interested person transaction**"	:	Has the meaning ascribed to it in Paragraph 3(d)(v)
"**KH**"	:	Kwek Holdings Pte. Ltd.
"**Latest Practicable Dat**e"	:	19 December 2023, being the latest practicable date prior to the release of this Appendix
"**Listing Manual**"	:	The Listing Manual of the SGX-ST

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DEFINITIONS

"Market Days"	:	Has the meaning ascribed to it in Paragraph 2.2(d)
"Maximum Percentage"	:	Has the meaning ascribed to it in Paragraph 2.2(a)
"Maximum Price"	:	Has the meaning ascribed to it in Paragraph 2.2(d)
"Mr. You"	:	Mr. You Zhenhua, a Controlling Shareholder
"Non-Executive Director"	:	A Director (including an Independent Director) who is not an Executive Director
"Notice of AGM"	:	Notice of the 2024 AGM
"NTA"	:	Net tangible assets
"Off-Market Purchases"	:	Has the meaning ascribed to it in Paragraph 2.2(c)
"On-Market Purchases"	:	Has the meaning ascribed to it in Paragraph 2.2(c)
"Proposed Renewal of BPT/SEHE IPT Mandate"	:	The proposed renewal of the BPT/SEHE IPT Mandate
"Proposed Renewal of HLIH Group IPT Mandate"	:	The proposed renewal of the HLIH Group IPT Mandate
"Proposed Renewal of Share Purchase Mandate"	:	The proposed renewal of the Share Purchase Mandate
"Proxy Form"	:	The proxy form in respect of the 2024 AGM
"Purchase Order"	:	Has the meaning ascribed to it in the BPT/SEHE IPT Mandate Circular
"Relevant Period"	:	The period commencing from the Approval Date and until the date the next AGM is held or is required by law to be held, whichever is the earlier (whereupon the Share Purchase Mandate will lapse, unless renewed at such meeting) or until the Share Purchase Mandate is varied or revoked by the Company in a general meeting (if so varied or revoked prior to the date the next AGM is held or is required by law to be held, whichever is the earlier)
"Request Form"	:	The request form to request for a printed copy of the annual report for FY2023, including this Appendix
"Rule 14"	:	Has the meaning ascribed to it in Paragraph 2.11
"Securities Accounts"	:	The securities account maintained with CDP, but not including the securities accounts maintained with a Depository Agent
"SEHE"	:	Shanghai Emetal Hong Energy Co., Ltd. (上海东铭红一能源有限公司)

DEFINITIONS

"**SFA**"	:	The Securities and Futures Act 2001 of Singapore
"**SGXNET**"	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system network prescribed by the SGX-ST
"**SGX-ST**"	:	The Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Registered holders of Shares except that where the registered holder is CDP, the term "**Shareholders**" in relation to Shares held by CDP shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
"**Share Purchase Mandate**"	:	The mandate renewed by Shareholders on 31 January 2023 for the Company to purchase or otherwise acquire its Shares, which is proposed to be further renewed in the manner and on the terms set out in this Appendix
"**Shares**"	:	Ordinary shares in the capital of the Company
"**SRS**"	:	Supplementary Retirement Scheme
"**SRS Agent Banks**"	:	Agent banks included under the SRS
"**SRS Investors**"	:	Investors who have purchased Shares under the SRS
"**Starich**"	:	Starich Investments Pte. Ltd.
"**Subsidiary**"	:	Has the meaning ascribed to it in Section 5 of the Companies Act
"**subsidiary holdings**"	:	Has the meaning ascribed to it in the Listing Manual
"**Substantial Shareholder**"	:	Has the meaning ascribed to it in Section 81 of the Companies Act
"**Take-over Code**"	:	The Singapore Code on Take-overs and Mergers, as may be amended, supplemented or modified from time to time
"**Treasury Shares**"	:	Issued Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances which Section 76H of the Companies Act applies and has, since it was so purchased, been continuously held by the Company
"**Usage**"	:	Has the meaning ascribed to it in Paragraph 2.4(c)

Currencies, Units and Others

"**S$**" and "**cents**"	:	Singapore dollars and cents respectively
"**%**" or "**per cent.**"	:	Percentage or per centum

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DEFINITIONS

The terms "**Depositor**", "**Depository**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Words importing the singular number shall include the plural number where the context admits and vice versa. Words importing the masculine gender shall include the feminine gender where the context admits. Reference to persons shall, where applicable, include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being in force, as may be amended or re-enacted. Any word defined under the Companies Act, the Listing Manual, the SFA, the Take-over Code or any statutory modification thereof and used in this Appendix shall have the meaning assigned to it under the said Companies Act, Listing Manual, SFA, Take-over Code or statutory modification, as the case may be, unless the context otherwise requires.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference to a time of day or date in this Appendix is a reference to a time of day or date, as the case may be, in Singapore, unless otherwise stated.

In this Appendix, unless otherwise stated, the total number of issued Shares in the capital of the Company is 274,350,089 Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date. All percentages calculated with reference to the issued Shares are rounded to the nearest two decimal places.

Any discrepancies in this Appendix between the sum of the figures stated and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures which precede them.

Drew & Napier LLC has been appointed as the Singapore legal adviser to the Company in relation to the Proposed Renewal of Share Purchase Mandate, the Proposed Renewal of BPT/SEHE IPT Mandate and the Proposed Renewal of HLIH Group IPT Mandate.

LETTER TO SHAREHOLDERS

BRC ASIA LIMITED
(Company Registration No. 193800054G)
(Incorporated in Singapore)

Board of Directors:	**Registered Office:**
Mr. Teo Ser Luck (Chairman and Independent Director)	350 Jalan Boon Lay
Mr. Seah Kiin Peng (Executive Director and Chief Executive Officer)	Jurong Town
Mr. Xu Jiguo (Executive Director and Chief Procurement Officer)	Singapore 619530
Mr. Zhang Xingwang (Executive Director and Chief Operating Officer)	
Ms. Chang Pui Yook (Independent Director)	
Mr. Joel Leong Kum Hoe (Independent Director)	
Mr. Toh Kian Sing (Independent Director)	
Mr. Darrell Lim Chee Lek (Non-Independent and Non-Executive Director)	
Ms. Kwek Pei Xuan (Non-Independent and Non-Executive Director)	
Mr. Stephen Ho Kiam Kong (Non-Independent and Non-Executive Director)	

12 January 2024

Dear Shareholders,

(I) PROPOSED RENEWAL OF SHARE PURCHASE MANDATE;
(II) PROPOSED RENEWAL OF BPT/SEHE IPT MANDATE; AND
(III) PROPOSED RENEWAL OF HLIH GROUP IPT MANDATE

1. INTRODUCTION

The purpose of this Appendix is to provide Shareholders with the relevant information relating to, and to seek Shareholders' approval for:

(a) the proposed renewal of a general mandate to the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares, on the terms of the Share Purchase Mandate;

(b) the proposed renewal of a general mandate for the purposes of Chapter 9 of the Listing Manual to enable the Company to enter into recurrent interested person transactions, on the terms of the BPT/SEHE IPT Mandate; and

(c) the proposed renewal of a general mandate for the purposes of Chapter 9 of the Listing Manual to enable the Company to enter into recurrent interested person transactions, on the terms of the HLIH Group IPT Mandate,

at the 2024 AGM to be held at Chartroom, Level 2, Raffles Marina Ltd, 10 Tuas West Drive, Singapore 638404 on 31 January 2024 at 10.00 a.m.. The Notice of AGM, Proxy Form, Request Form and this Appendix are made available to Shareholders on the same date hereof via SGXNET and may also be accessed via the Company's website at https://www.brc.com.sg/investors/. A printed copy of the Notice of AGM, Proxy Form and Request Form will be despatched to Shareholders.

LETTER TO SHAREHOLDERS

If you are in any doubt as to the course of action to take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This Appendix has been prepared solely for the purposes set out herein and may not be relied upon by any persons (other than Shareholders) or for any other purpose.

The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained, or opinions expressed in this Appendix.

2. PROPOSED RENEWAL OF SHARE PURCHASE MANDATE

2.1 Background and Rationale

It is a requirement under the Companies Act for a company to obtain the approval of its shareholders to purchase or otherwise acquire its own shares at a general meeting of its shareholders. At the 2023 AGM held on 31 January 2023, Shareholders had approved, *inter alia*, the renewal of the Share Purchase Mandate, authorising the Company to purchase or otherwise acquire issued Shares.

The Share Purchase Mandate will expire on the date of the 2024 AGM, unless renewed. The Directors wish to renew the Share Purchase Mandate to allow the Company to purchase issued Shares. The Share Purchase Mandate will allow the Directors to make share purchases at the appropriate price level and is one of the ways through which the return on equity of the Group may be enhanced. Share purchases or acquisitions provide the Company with an easy mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. Share purchases or acquisitions also allow the Directors to exercise control over the share structure of the Company and may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS and/or NTA per Share of the Company.

During the period when the Share Purchase Mandate is in force, the Share Purchase Mandate will give the Directors the flexibility to purchase or acquire Shares when and if the circumstances permit. The Share Purchase Mandate will also give the Company the opportunity to purchase or acquire Shares when such Shares are undervalued, to help mitigate short-term market volatility and to offset the effects of short-term speculation. The Share Purchase Mandate will also allow the Directors to effectively manage and minimise the dilution impact (if any) associated with share option schemes and performance share plans.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares of up to ten per cent. (10%) of the issued share capital of the Company (excluding Treasury Shares and subsidiary holdings) as at the date of the AGM at which the Share Purchase Mandate is approved, Shareholders should note that purchases and acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full ten per cent. (10%) limit as authorised and no purchases or acquisitions of Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. Please refer to Paragraph 2.2(a) below for further information on the Maximum Percentage (as defined below).

2.2 **Details of the Share Purchase Mandate**

The authority and limitations placed on purchases or acquisitions of Shares under the Share Purchase Mandate, if renewed at the 2024 AGM, are the same as previously approved by Shareholders at the 2023 AGM and, for the benefit of Shareholders, are summarised below:

(a) **Maximum Number of Shares**

Only Shares which are issued and fully paid-up may be purchased by the Company. The total number of Shares which may be purchased is limited to the number of Shares representing not more than ten per cent. (10%) of the issued Shares (excluding Treasury Shares and subsidiary holdings) as at the Approval Date ("**Maximum Percentage**"), unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the Companies Act, in which event the issued share capital of the Company as altered pursuant to such reduction, and subject always to the free float requirement as set out in Paragraph 2.10 of this Appendix.

As at the Latest Practicable Date, the Company is holding 1,626,600 Shares as Treasury Shares and has no subsidiary holdings. Based on 274,350,089 Shares in issue (excluding Treasury Shares) as at the Latest Practicable Date and assuming that no further Shares are issued, no further Shares are purchased or acquired and held by the Company as Treasury Shares and there are no subsidiary holdings on or prior to the 2024 AGM, the purchase by the Company of up to the maximum limit of ten per cent. (10%) of its issued Shares (excluding Treasury Shares and subsidiary holdings) will result in the purchase or acquisition of 27,435,008 Shares.

However, as stated in Paragraph 2.10 below, purchases or acquisitions pursuant to the Share Purchase Mandate need not be carried out to the full extent mandated, and, in any case, would not be carried out to such an extent that would result in the Company being delisted from the SGX-ST. **Thus, notwithstanding that the Share Purchase Mandate may enable purchases or acquisitions of up to ten per cent. (10%) of the issued Shares (excluding Treasury Shares and subsidiary holdings) to be carried out, it should be noted that in order to maintain the listing status of the Shares on the SGX-ST, the Company must ensure (pursuant to Rule 723 of the Listing Manual) that there is at all times a public float of not less than ten per cent. (10%) in the issued Shares**. In other words, the Maximum Percentage gives the Company the flexibility to purchase or acquire its Shares up to the Maximum Percentage, should the Company's free float subsequently allow for the same.

Accordingly, assuming solely for illustrative purposes that 49,093,653 Shares (or 17.89% of the issued Shares (excluding Treasury Shares)) are held in public hands as at the Latest Practicable Date, in order to preserve the listing status of the Shares on the SGX-ST by maintaining a public float of not less than ten per cent. (10%) in the issued Shares (excluding Treasury Shares), the Company would not purchase or acquire more than 24,065,160 Shares (or 8.77% of the issued Shares (excluding Treasury Shares and subsidiary holdings) as at that date) pursuant to the Share Purchase Mandate. The public float of the issued Shares as at the Latest Practicable Date is disclosed in Paragraph 2.10 below.

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(b) **Duration of Authority**

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the AGM at which the renewal of the Share Purchase Mandate is approved, up to the earliest of:

(i) the next AGM of the Company is held or required by law to be held;

(ii) purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

(iii) the authority conferred by the Share Purchase Mandate is varied or revoked.

(c) **Manner of Purchases**

Purchases or acquisitions of Shares may be made on the SGX-ST ("**On-Market Purchases**"); and/or otherwise than on the SGX-ST, effected pursuant to an equal access scheme ("**Off-Market Purchases**").

On-Market Purchases refer to purchases of Shares by the Company transacted on the SGX-ST through the ready market, through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases of Shares by the Company made under an equal access scheme or schemes for the purchase of Shares from Shareholders. The Directors may impose such terms and conditions, which are consistent with the Share Purchase Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:

(i) offers for the purchase or acquisition of issued Shares shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;

(ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers are the same, except that there shall be disregarded:

(A) differences in consideration attributable to the fact that offers relate to Shares with different accrued dividend entitlements;

(B) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and

(C) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

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In addition, pursuant to Rule 885 of the Listing Manual and Section 76C of the Companies Act, in making an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document or notice to all Shareholders which must contain at least the following information:

(I) the terms and conditions of the offer;

(II) the maximum number of Shares or the maximum percentage of ordinary shares authorised to be purchased or acquired;

(III) the maximum price which may be paid for the Shares;

(IV) the date on which the Share Purchase Mandate is to expire, being a date that must not be later than the date on which the next AGM of the Company is or is required by law to be held, whichever is earlier;

(V) the sources of funds to be used for the purchase or acquisition of the Shares including the amount of financing and its impact on the Company's financial position;

(VI) the period and procedures for acceptances;

(VII) the reasons for the proposed purchase or acquisition of Shares;

(VIII) the consequences, if any, of the proposed purchase or acquisition of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;

(IX) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;

(X) details of any purchase or acquisition of Shares made by the Company in the previous 12 months (whether by way of On-Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions, where relevant, and the total consideration paid for the purchases; and

(XI) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

(d) **Maximum Purchase Price**

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

(i) in the case of an On-Market Purchase, 105% of the Average Closing Price (as defined hereinafter) of the Shares; and

(ii) in the case of an Off-Market Purchase, 110% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the purchase or acquisition ("**Maximum Price**").

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"**Average Closing Price**" means the average of the closing market prices of a Share for the five (5) days on which the SGX-ST is open for trading in securities ("**Market Days**") on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs after the relevant five (5) Market Day period; and

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.3 **Status of Purchased Shares**

Any Share which is purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a Treasury Share. At the time of each purchase or acquisition of the Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company, which are cancelled and are not held as Treasury Shares.

All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

2.4 **Treasury Shares**

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Some of the key provisions on Treasury Shares under the Companies Act are summarised below:

(a) **Maximum Holdings**

The number of Shares held as Treasury Shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares.

(b) **Voting and Other Rights**

The Company cannot exercise any right in respect of the Treasury Shares. In particular, the Company will not have the right to attend or vote at meetings and to receive any dividends or other distribution of the Company's assets in respect of the Treasury Shares.

However, the allotment of Treasury Shares as fully paid bonus shares in respect of Treasury Shares is allowed. A subdivision or consolidation of any Treasury Share into Treasury Shares of a smaller number is also allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

(c) **Disposal and Cancellation**

Where the Company holds Shares as Treasury Shares, it may dispose of such Treasury Shares at any time in the following ways:

(i) sell the Treasury Shares for cash;

(ii) transfer the Treasury Shares for the purposes of or pursuant to an employees' share scheme;

(iii) transfer the Treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the Treasury Shares; or

(v) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

In addition, under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage and the value of the treasury shares comprised in the usage.

2.5 **Reporting Requirements**

Within 30 days of passing a Shareholders' resolution to approve the purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchase or acquisition including the date of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled and the number of Shares held as Treasury Shares, the Company's issued share capital before and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, and such other information required by the Companies Act.

Rule 886 of the Listing Manual specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

(a) in the case of an On-Market Purchase, on the Market Day following the day on which the On-Market Purchase was made; and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme in accordance with Section 76C of the Companies Act, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.

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The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

2.6 **Source of Funds**

The Company may only apply funds for the purchase or acquisition of Shares as provided in the Constitution of the Company and in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares pursuant to the Share Purchase Mandate, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or distributable profits provided that:

(a) there is no ground on which the Company could be found to be unable to pay its debts;

(b) if:

  (i) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or

  (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and

(c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the purchase of Shares become less than the value of its liabilities (including contingent liabilities).

Where the purchase of Shares is made out of distributable profits, such purchase (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the purchase of Shares is made out of capital, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares but the amount available for the distribution of cash dividends by the Company will not be reduced.

The Company will use its internal resources and/or external borrowings to finance its purchase or acquisition of the Shares. Where the purchase of Shares is financed through internal resources, it will reduce the cash reserves of the Group and the Company, and thus the current assets and shareholders' funds of the Group and the Company. This will result in an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would be an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

However, the Directors do not propose to exercise the Share Purchase Mandate to such an extent that would have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

2.7 **Financial Effects**

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, how the purchase or acquisition is funded, whether the Shares purchased or acquired are held as Treasury Shares or immediately cancelled on purchase or acquisition as well as how the Shares, if held as Treasury Shares, are subsequently dealt with by the Company in accordance with Section 76K of the Companies Act.

Accordingly, it is not possible for the Company to calculate or quantify the actual impact of purchases or acquisitions of Shares that may be made pursuant to the Share Purchase Mandate on the NTA and EPS of the Company and the Group.

(a) **Illustrative Financial Effects**

Based on 274,350,089 issued Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date, and a public float of 17.89% in the issued Shares as at that date, the exercise of the Share Purchase Mandate, on the Latest Practicable Date, up to an extent that would not affect adversely the listing status of the Shares on the SGX-ST, might result in the purchase or acquisition by the Company of 24,065,160 Shares (or 8.77% of such issued Shares (excluding Treasury Shares and subsidiary holdings)) (instead of a purchase or acquisition of 27,435,008 Shares, representing ten per cent. (10%) of the issued Shares (excluding Treasury Shares and subsidiary holdings)).

For illustrative purposes only, based on the audited financial statements of the Company and the Group for the FY2023 (please refer to page 66 of the Company's annual report for FY2023), and based on the assumptions set out below:

(i) in the case of On-Market Purchases by the Company and assuming that the Company purchases or acquires 24,065,160 Shares, representing 8.77% of its issued share capital as at the Latest Practicable Date (excluding Treasury Shares and subsidiary holdings) and the Shares are purchased at S$1.867 per Share, being a price representing 105% of the Average Closing Price as at the Latest Practicable Date; and

(ii) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 24,065,160 Shares, representing 8.77% of its issued share capital as at the Latest Practicable Date (excluding Treasury Shares and subsidiary holdings) and the Shares are purchased at S$1.956 per Share, being a price representing 110% of the Average Closing Price as at the Latest Practicable Date, and provided that the purchases or acquisitions are financed entirely out of internal sources of funds and external borrowings and the purchased or acquired Shares are cancelled or held in treasury, the impact of the purchase of Shares by the Company pursuant to the Share Purchase Mandate on the Group's and the Company's audited financial statements for FY2023 would be as set out below.

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	On-Market Purchase (S$'000)		Off-Market Purchase (S$'000)	
	Before	After	Before	After
Group				
Total Equity	427,311	382,381	427,311	380,240
Net assets attributable to owners	427,311	382,381	427,311	380,240
Current Assets	816,466	771,536	816,466	769,395
Current Liabilities	495,485	495,485	495,485	495,485
Total Borrowings	380,679	380,679	380,679	380,679
Cash and Bank Balances	184,624	139,694	184,624	137,553
No. of issued and paid-up Shares ('000) (1a) (excluding Treasury Shares)	274,350	250,285	274,350	250,285
Financial Ratios				
Net assets per Share attributable to owners (cents) (1b)	155.75	152.78	155.75	151.92
Gearing (times) (1c)	0.89	1.00	0.89	1.00
Basis EPS (cents) (1d)	27.61	30.26	27.61	30.26
Company				
Total Equity	426,918	381,988	426,918	379,847
NTA	426,918	381,988	426,918	379,847
Current Assets	803,821	758,891	803,821	756,750
Current Liabilities	503,569	503,569	503,569	503,569
Total Borrowings	380,679	380,679	380,679	380,679
Cash and Bank Balances	180,188	135,258	180,188	133,117
No. of issued and paid-up Shares ('000) (excluding Treasury Shares)	274,350	250,285	274,350	250,285
Financial Ratios				
NTA per Share (cents) (1e)	155.61	152.62	155.61	151.77
Gearing (times) (1c)	0.89	1.00	0.89	1.00
Basis EPS (cents) (1d)	29.48	32.31	29.48	32.31

Notes:

For the purposes of the above calculations:

(1a) Shares (excluding Treasury Shares) as at the Latest Practicable Date;

(1b) "**Net assets per Share attributable to owners**" is calculated based on the net assets attributable to owners and the issued and paid-up Shares (excluding Treasury Shares) as at the Latest Practicable Date;

(1c) "**Gearing**" represents the ratio of total borrowings to total equity;

(1d) "**Basic EPS**" is calculated based on the profit attributable to Shareholders and the number of issued and paid-up Shares (excluding Treasury Shares) as at the Latest Practicable Date; and

(1e) "**NTA per Share**" is calculated based on the NTA and the issued and paid-up Shares (excluding Treasury Shares) as at the Latest Practicable Date.

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Shareholders should note that the financial effects set out in this paragraph are purely for illustrative purposes only and are in no way indicative of the Company's real financial position or a forecast of the Group's and the Company's financial figures.

2.8 **Tax Implications**

The proceeds received by Shareholders from the Company will be treated for income tax purposes in the same manner as proceeds arising from any other disposal of shares. Whether the payment is taxable in the hands of such Shareholders will depend on whether such proceeds are receipt of an income or a capital nature.

Shareholders should note that the foregoing is not to be regarded as advice on the tax position of any Shareholder. Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.9 **Listing Manual**

Under Rule 884 of the Listing Manual, a listed company may purchase shares by way of On-Market Purchases at a price per share which is not more than five per cent. (5%) above the average of the closing market prices of the shares over the last five (5) Market Days, on which transactions in the shares were recorded, before the day on which the purchases were made, and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the day on which the purchases are made.

The Maximum Price for a Share in relation to On-Market Purchases by the Company conforms to this restriction.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time(s), because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. In line with Rule 1207(19) of the Listing Manual and the Company's internal guide on securities dealings, the Company will not purchase or acquire any Shares during the period commencing one (1) month before the announcement of the Company's half year and full year results and the period commencing two (2) weeks before the voluntary announcement of the Company's results for the first and third quarters.

2.10 **Listing Status**

The Company is required under Rule 723 of the Listing Manual to ensure that at least ten per cent. (10%) of any class of its equity securities (excluding preference shares and convertible equity securities) are in the hands of the public. The "**public**", as defined under the Listing Manual, are persons other than its Directors, chief executive officer, Substantial Shareholders or controlling shareholders and its subsidiaries, as well as the associates of such persons. For purposes of this Appendix, the terms "**controlling shareholder**" and "**associate**" shall have the meanings ascribed to them in the Listing Manual.

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As at the Latest Practicable Date, there are 49,093,653 Shares in the hands of the public (as defined above), representing 17.89% of the issued Shares (excluding Treasury Shares). As such, notwithstanding that the Share Purchase Mandate may enable purchases or acquisitions of up to ten per cent. (10%) of the issued Shares (excluding Treasury Shares and subsidiary holdings) to be carried out, it should be noted that in order to preserve the listing status of the Shares on the SGX-ST by maintaining a public float of not less than ten per cent. (10%) in the issued Shares (excluding Treasury Shares), the Company would not purchase or acquire more than 24,065,160 Shares, representing 8.77% of the issued Shares (excluding Treasury Shares) as at the Latest Practicable Date. It should be noted that the foregoing statement is **for illustrative purposes only** and should not be taken as any indication that the Directors will effect such purchases of its Shares. Having regard to the Company's current free float of approximately 17.89%, the Company will only undertake purchases and/or acquisitions of Shares up to the Maximum Percentage of ten per cent. (10%) if and when the number of Shares in the hands of the public increases subsequently to allow the Company to maintain the requisite float of ten per cent. (10%).

It should further be noted that in undertaking any purchases of its Shares through On-Market Purchases, the Directors will use their best efforts to ensure that a sufficient number of Shares remains in public hands so that the Share purchase(s) will not:

(a) adversely affect the listing status of the Shares on the SGX-ST;

(b) cause market illiquidity; or

(c) adversely affect the orderly trading of Shares.

2.11 **Obligations to Make a Take-over Offer**

Under the Take-over Code, a person will be required to make a general offer for a public company if:

(a) he acquires 30% or more of the voting rights of the company; or

(b) he holds between 30% and 50% of the voting rights of the company and he increases his voting rights in the company by more than one per cent. (1%) in any period of six (6) months.

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code ("**Rule 14**").

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert:

(i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);

(ii) a company, its parent, its subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies as well as any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforementioned entities for the purchase of voting rights, all with each other;

(iii) a company with any of its pension funds and employee share schemes;

(iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent. (10%) or more of the client's equity share capital;

(vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts, which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;

(vii) partners; and

(viii) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the aforementioned, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the equity share capital of a company will be regarded as the test of associated company status. The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

Under Appendix 2 of the Take-over Code, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights in the Company of such Directors and their concert parties:

(A) increase to 30% or more; or

(B) if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties increase by more than one per cent. (1%) in any period of six (6) months.

A Shareholder not acting in concert with the Directors will not incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company increase to 30% or more, or if the voting rights of such Shareholder fall between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

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The interests of the Directors and Substantial Shareholders as at the Latest Practicable Date are disclosed in Paragraph 7 below. As at the Latest Practicable Date, assuming that the Company purchases the maximum limit of ten per cent. (10%) of its issued Shares (excluding Treasury Shares and subsidiary holdings):

(I) none of the Directors (together with persons acting in concert with them, if any) will be obligated to make a takeover offer for the Company under Rule 14 as a result of the purchase by the Company of Shares under the Share Purchase Mandate; and

(II) none of the Directors are aware of any Substantial Shareholders who may become obligated to make a take-over offer for the Company under Rule 14 as a result of the purchase by the Company of Shares under the Share Purchase Mandate.

This Paragraph 2.11 does not purport to be a comprehensive or exhaustive description of all the implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their own professional advisers at the earliest opportunity.

2.12 **Share Purchases in the Previous 12 Months**

In the last 12 months immediately preceding the Latest Practicable Date, the Company has not purchased any Shares pursuant to the Share Purchase Mandate approved by Shareholders at the 2023 AGM.

3. CHAPTER 9 OF THE LISTING MANUAL

Chapter 9 of the Listing Manual governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be entities at risk, with the listed company's interested persons. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

Under Chapter 9 of the Listing Manual, where a listed company or any of its subsidiaries or any of its associated companies which are controlled by the listed group and its interested person(s) (other than a subsidiary or associated company that is listed on the SGX-ST or an approved stock exchange) proposes to enter into transactions with the listed company's interested persons, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval if the value of the transaction is equal to or exceeds certain financial thresholds. In particular:

(a) where the value of any such transaction is equal to or exceeds three per cent. (3%) of the latest audited consolidated NTA of the listed company and its subsidiaries and is less than five per cent. (5%) of the latest audited consolidated NTA of the listed company and its subsidiaries, an immediate announcement is required;

(b) where the value of any such transaction is equal to or exceeds five per cent. (5%) of the latest audited consolidated NTA of the listed company and its subsidiaries, an immediate announcement and shareholders' approval are required;

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(c) if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to three per cent. (3%) or more of the latest audited consolidated NTA of the listed company and its subsidiaries, the listed company must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year; and

(d) if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to five per cent. (5%) or more of the latest audited consolidated NTA of the listed company and its subsidiaries, an immediate announcement must be made and shareholders' approval must be obtained in respect of the latest and all future transactions entered into with that interested person during that financial year.

The rules referred to above do not apply to any transaction below S$100,000.

Based on the Group's audited consolidated financial statements for FY2023, three per cent. (3%) and five per cent. (5%) of the latest audited consolidated NTA of the Group as at 30 September 2023 is S$12.82 million and S$21.37 million, respectively.

Chapter 9 of the Listing Manual permits a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons.

Under the Listing Manual:

(i) an "**entity at risk" means:**

  (A) the listed company;

  (B) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

  (C) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;

(ii) an "**interested person"** means a director, chief executive officer or controlling shareholder of the listed company or an associate of any such director, chief executive officer or controlling shareholder;

(iii) an "**associate":**

  (A) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:

    (I) his immediate family (that is, the person's spouse, child, adopted-child, step-child, sibling and parent);

    (II) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

    (III) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and

(B) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

(iv) an "**approved exchange"** means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;

(v) an "**interested person transaction"** means a transaction between an entity at risk and an interested person; and

(vi) a "**transaction"** includes:

(A) the provision or receipt of financialassistance;

(B) the acquisition, disposal or leasing of assets;

(C) the provision or receipt of services;

(D) the issuance or subscription of securities;

(E) the granting of or being granted options; and

(F) the establishment of joint ventures or joint investments,

whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

4. PROPOSED RENEWAL OF BPT/SEHE IPT MANDATE

4.1 Background on the BPT/SEHE IPT Mandate

At the 2023 AGM, Shareholders had approved, *inter alia*, the renewal of an interested person transaction mandate pursuant to Rule 920 of the Listing Manual for recurrent interested person transactions to be entered into by the Company with the BPT/SEHE Mandated Interested Persons in the ordinary course of business.

The BPT/SEHE IPT Mandate is subject to annual renewal and accordingly, it is proposed that the Proposed Renewal of BPT/SEHE IPT Mandate be put forth for Shareholders' approval at the 2024 AGM.

4.2 **BPT/SEHE IPT Mandate**

The Group is principally engaged in the business of design, manufacture and supply of steel reinforcement for construction, and is the leading steel reinforcing solutions provider in Singapore. The Group evaluates the types of prefabricated steel reinforcement required by projects, as well as designs, manufactures, packs and tags the prefabricated steel reinforcing components for easy and efficient handling and on-site assembly.

Mr. You has a deemed shareholding interest in 167,795,536 Shares, representing an interest of approximately 61.16% in the Company (excluding Treasury Shares), and is accordingly a Controlling Shareholder. Mr. You's shareholding interest in the Company is held through (a) his direct interest of approximately 48.80% in Esteel; (b) his wholly-owned special purpose vehicle Wide Bridge Limited which holds approximately 63.06% of Theme International Holdings Limited, and Theme International Holdings Limited in turn holds approximately 5.04% of the shares in Esteel; and (c) his wholly-owned special purpose vehicle AVIL which in turn holds 45.46% of the shares in Esteel. Esteel in turn holds 167,795,536 Shares, representing approximately 61.16% of share capital of the Company (excluding Treasury Shares). Pursuant to the BPT/SEHE IPT Mandate, the Group can enter into BPT/SEHE Mandated Transactions with BPT/SEHE Mandated Interested Persons.

4.3 **BPT/SEHE Mandated Transactions**

BPT/SEHE Mandated Transactions comprise the purchase and/or sale of raw materials and intermediate goods, comprising steel, steel products, steel-related products and steel by-products used by the Company for its business activities, to lock in prices for such products which are attractive and cost-efficient and ensure that such prices are complementary to the Company's risk appetite, internal practices and pricing policies.

The Company will benefit from having access to competitive quotes from the BPT/SEHE Mandated Interested Persons on payment and credit terms which are arm's length and (a) not more favourable than those offered to third-party customers; or (b) not less favourable than those offered by third-party suppliers (as the case may be), in addition to obtaining quotes from non-interested and unrelated third-party persons.

4.4 **BPT/SEHE Mandated Interested Persons**

The interested persons to be covered under the Proposed Renewal of the BPT/SEHE IPT Mandate are BPT and SEHE (collectively, "**BPT/SEHE Mandated Interested Persons**"), each being an associate of Mr. You.

BPT is a private company limited by shares and was incorporated in Singapore on 5 October 2016. BPT is 100% held by Theme International Holdings Limited. Theme International Holdings Limited is listed on the Hong Kong Stock Exchange and is 63.06% owned by Wide Bridge Limited, with the balance owned by public shareholders. Wide Bridge Limited is in turn 100% beneficially owned by Mr. You. Accordingly, BPT is an "associate" of Mr. You and an "interested person". The principal business activities of BPT comprise the wholesale of metals and metals ores and wholesale on a fee or contract basis.

SEHE is a private company limited by shares and was incorporated in the People's Republic of China on 7 March 2018. Mr. You Zhenwu, the brother of Mr. You, has a deemed shareholding interest of 70% in SEHE which is held through Emetal Industrial Group Co., Ltd. which is in turn indirectly controlled by RGL Group Co., Ltd. in which Mr. You Zhenwu has an aggregate interest of 88.24% which is held directly and indirectly through Shanghai Huaxi Industrial Co., Ltd.. Accordingly, SEHE is an "associate" of Mr. You and an "interested person". The principal business activities of SEHE comprise the import and export of steel, iron ore products and building materials.

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4.5 **Rationale for the Proposed Renewal of BPT/SEHE IPT Mandate**

The Proposed Renewal of BPT/SEHE IPT Mandate will:

(a) facilitate the entry into BPT/SEHE Mandated Transactions with the BPT/SEHE Mandated Interested Persons in the ordinary course of the Group's businesses;

(b) give the Company the ability to select transactions, service providers, customers or business relationships on the basis of which provides the best commercial advantage to the Company regardless of relationship with its interested persons; and

(c) eliminate the need to convene separate general meetings under Chapter 9 of the Listing Manual, to seek Shareholders' approval, thereby:

(i) substantially reducing administrative time and costs associated with the convening of such meetings;

(ii) avoiding delay in the execution of financing transactions which facilitate the Group's business;

(iii) enabling the Group to maintain its overall competitiveness and not be disadvantaged as compared to other parties that do not require Shareholders' approval to be obtained for entering into such transactions; and

(iv) allowing manpower resources and time to be channelled towards attaining corporate objectives rather than to the convening of repeated Shareholders' meetings.

4.6 **Guidelines and Review Procedures in respect of the BPT/SEHE IPT Mandate**

(a) **Review Procedures**

Quotation exercises are generally conducted for most of the Company's purchases except where the transaction value is below the threshold specified in the internal control procedures of the Group which are in line with the non-appliable threshold stipulated in Chapter 9 of the Listing Manual. The specific terms of supply and/or purchase in a Buy-Sell Transaction are usually contained in a Purchase Order.

To ensure that the BPT/SEHE Mandated Transactions with BPT/SEHE Mandated Interested Persons are undertaken at:

(i) arm's length and on normal commercial terms, being consistent with the Company's usual business practices and on terms which, taken as a whole, are not more favourable than those extended to unrelated third parties (in the case of sale or provision of Goods by the Company) or not less favourable than those obtained from unrelated third parties (in the case of purchase or procurement of Goods by the Company); or

(ii) in any event on terms, which taken as a whole, are not prejudicial to the interests of the Company and the minority Shareholders, the Company will adopt the following review procedures:

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(A) When purchasing Goods from a BPT/SEHE Mandated Interested Person, the Company will require that rate quotations for the relevant product be obtained from the Shanghai Futures Exchange, being the only active futures market for steel rebars, to the extent such rate quotations are reasonably representative of market transactions after taking into account the nature, quantum and frequency of Buy-Sell Transactions involved. The Company will only enter into such purchasing transactions with such BPT/SEHE Mandated Interested Person provided that the rate quoted is on terms competitive and not prejudicial to the interest of the Company as compared to those rate(s) obtained from the Shanghai Futures Exchange (and taking into account, where applicable, the futures market situation). In determining whether the price and terms offered by such BPT/SEHE Mandated Interested Person are competitive and not prejudicial to the interest of the Company, all pertinent factors, including but not limited to quality, track record, specification compliance, delivery time, experience and expertise, and where applicable, preferential rates, discounts or rebates accorded for bulk purchases, may be taken into consideration.

In the event that such competitive quotations cannot be obtained from the Shanghai Futures Exchange (for instance, if at or around the time the Company intends to enter into the Buy-Sell Transaction with the relevant BPT/SEHE Mandated Interested Person, there are no similar transactions of a Good being traded on the Shanghai Futures Exchange of a similar quantity within a comparable timeframe), the Company will require that quotations for the relevant product be obtained from at least two (2) other unrelated third-party suppliers for similar quantities and/or quality of products (which may include products manufactured in other countries) for comparison. The pricing for products will not be higher than the most competitive price obtained through the unrelated third-party quotations to ensure that the price and terms offered by the BPT/SEHE Mandated Interested Person are fair and reasonable and competitive to those offered by other unrelated third parties for the same or similar type of products. In determining the transaction price payable to such BPT/SEHE Mandated Interested Person for such products, all pertinent factors, including but not limited to quality, track record, specification compliance, delivery time, experience and expertise, and where applicable, preferential rates, discounts or rebates accorded for bulk purchases, may also be taken into consideration.

(B) When selling Goods to a BPT/SEHE Mandated Interested Person, the Company will require that rate quotations for the relevant product be obtained from the Shanghai Futures Exchange to the extent such rate quotations are reasonably representative of market transactions after taking into account the nature, quantum and frequency of Buy-Sell Transactions involved. The Company will only enter into such selling transactions with such BPT/SEHE Mandated Interested Person provided that the rate quoted is on terms competitive and not prejudicial to the interest of the Company as compared to those rate(s) obtained from the futures exchange(s) (and taking into account, where applicable, the futures market situation). Considerations such as preferential rates, discounts and/or rebates accorded to corporate customers or for bulk purchases will be taken into account in the assessment.

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In the event that contracted sale rates or prices are not available on the Shanghai Futures Exchange (for instance, at or around the time the Company intends to enter into the Buy-Sell Transaction with the relevant BPT/SEHE Mandated Interested Person, there are no similar transactions of a Good being traded on the Shanghai Futures Exchange of a similar quantity within a comparable timeframe), the Company will require that quotations for the relevant product be obtained from at least two (2) other unrelated third-party suppliers for similar quantities and/or quality of products (which may include products manufactured in other countries) for comparison. The pricing for products will not be lower than the most competitive price obtained through the unrelated third-party quotations to ensure that the price and terms offered by the BPT/SEHE Mandated Interested Person are fair and reasonable and competitive to those offered by other unrelated third parties for the same or similar type of products and generally in accordance (where applicable) with industry norms. The transaction prices will, where applicable, be in accordance with the Company's usual business practices and pricing policies, consistent with the usual margin of the Company for the same or substantially similar type(s) of transaction with unrelated third parties. In determining the transaction price payable by such BPT/SEHE Mandated Interested Person for such products, all pertinent factors, including but not limited to quantity, volume, duration of contract, strategic purposes of the transaction, and where applicable, preferential rates, discounts and/or rebates accorded for bulk purchases, will also be taken into account in the assessment.

(b) **Threshold Limit**

In addition to the above review procedures, the following approval threshold shall be adopted in respect of the BPT/SEHE Mandated Transactions:

(i) Each transaction with a value falling within the Financial Limit will be reviewed and approved by two (2) uninterested Directors, and reported to the Audit and Risk Management Committee on a quarterly basis.

(ii) Each BPT/SEHE Mandated Transaction with a value exceeding the Financial Limit in value will be reviewed and approved by the Audit and Risk Management Committee prior to the Company's entry into such BPT/SEHE Mandated Transaction.

(iii) Any of the Approving Directors, and the Audit and Risk Management Committee, may, as he/it deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including requesting for an independent financial adviser's opinion and/or the obtaining of valuations from independent professional valuers.

(c) **Abstention from decision-making and voting at a Board meeting**

If any of the Directors has an interest in the transaction or is a nominee for the time being of either or both of the BPT/SEHE Mandated Interested Persons, or if any associate of such Director is involved in the decision making process on the part of either or both of the BPT/SEHE Mandated Interested Persons, the review and approval process shall be undertaken by the remaining Directors who do not have an interest in the transaction or are not nominees for the time being of the relevant BPT/SEHE Mandated Interested Person(s), and who are not subject to such conflicts of interest, save that if all of the Directors have an interest in the transaction, or are nominees for the time being of either or both of the BPT/SEHE Mandated Interested Persons or are subject to such conflicts of interest, the review and approval process shall be undertaken by the Audit and Risk Management Committee or such other senior executive(s) of the Company designated by the Audit and Risk Management Committee from time to time for such purpose.

If a member of the Audit and Risk Management Committee has an interest in a transaction or is a nominee for the time being of either or both of the BPT/SEHE Mandated Interested Persons, or if any associate of a member of the Audit and Risk Management Committee is involved in the decision-making process on the part of either or both of the BPT/SEHE Mandated Interested Persons, he shall abstain from participating in the review and approval process of the Audit and Risk Management Committee in relation to that transaction.

(d) **Register of Mandated Transactions**

The Company will maintain a register of mandated transactions (including transactions below S$100,000) carried out with the BPT/SEHE Mandated Interested Persons (recording the basis, including quotations, enquiries and/or reports obtained to support such basis, on which they are entered into).

The Audit and Risk Management Committee will review the register of mandated transactions on a quarterly basis to ascertain that the guidelines and review procedures for BPT/SEHE Mandated Transactions have been complied with. The Audit and Risk Management Committee shall also review the appropriateness and sufficiency of the guidelines and review procedures for BPT/SEHE Mandated Transactions at least annually.

(e) **Periodic Reviews**

The internal auditors shall periodically, at the request of the Audit and Risk Management Committee, carry out audit reviews on the adequacy and compliance of the internal control system and reporting procedures for BPT/SEHE Mandated Transactions and will report to the Audit and Risk Management Committee on their findings.

The internal auditors shall periodically, at the request of the Audit and Risk Management Committee, carry out audit reviews to ascertain that the established guidelines and procedures for BPT/SEHE Mandated Transactions are appropriate and have been adequately complied with.

The Audit and Risk Management Committee shall review these internal audit reports on BPT/SEHE Mandated Transactions to ascertain that the internal control procedures for BPT/SEHE Mandated Transactions have been complied with.

If during any of the reviews by the Audit and Risk Management Committee, the Audit and Risk Management Committee is of the view that the established guidelines and review procedures for BPT/SEHE Mandated Transactions have become inappropriate or insufficient for whatever reason, such as in the event of changes to the nature of, or manner in which, the business activities of the Company or the BPT/SEHE Mandated Interested Persons are conducted, the Company will seek a fresh mandate from the Shareholders based on new guidelines and review procedures with a view to ensuring that BPT/SEHE Mandated Transactions will be carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders. In such a situation, prior to obtaining the new Shareholders' mandate, all transactions with the BPT/SEHE Mandated Interested Persons will be reviewed and approved by the Audit and Risk Management Committee.

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4.7 **Excluded Transactions in respect of the BPT/SEHE IPT Mandate**

The BPT/SEHE IPT Mandate will not cover any transaction with an interested person that is below S$100,000 in value, as Chapter 9 of the Listing Manual provides that any such transaction is to be disregarded.

Transactions between the Company and BPT/SEHE Mandated Interested Persons which do not fall within the ambit of the BPT/SEHE IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual, or other applicable provisions of the Listing Manual, if any.

4.8 **Validity Period of the BPT/SEHE IPT Mandate**

The Proposed Renewal of BPT/SEHE IPT Mandate is subject to Shareholders' approval at the 2024 AGM, and will take effect on and from its approval until the next AGM of the Company (unless earlier revoked or varied by the Company in general meeting).

Approval from Shareholders will be sought for the Proposed Renewal of BPT/SEHE IPT Mandate at each subsequent AGM of the Company, subject to satisfactory review by the Audit and Risk Management Committee of its continued application to BPT/SEHE Mandated Transactions with the BPT/SEHE Mandated Interested Persons.

4.9 **Details of Directors (if any) to be appointed in connection with the BPT/SEHE IPT Mandate**

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Renewal of BPT/SEHE IPT Mandate.

4.10 **Disclosure in respect of the BPT/SEHE IPT Mandate**

The Company will announce the aggregate value of transactions conducted with each of the BPT/SEHE Mandated Interested Persons pursuant to the BPT/SEHE IPT Mandate for the financial periods that it is required to report on pursuant to Rule 705 of the Listing Manual (which relates to periodic reporting by listed companies) within the time required for the announcement of such report.

Disclosure will be made in the Company's annual report of the aggregate value of the transactions conducted with interested persons pursuant to the BPT/SEHE IPT Mandate during the relevant financial year, and in the annual reports for the subsequent financial years that the BPT/SEHE IPT Mandate continues in force, in accordance with the requirements and form set out in Chapter 9 of the Listing Manual.

4.11 **Abstention from voting in respect of the BPT/SEHE IPT Mandate**

Esteel, being an interested person, will abstain and shall procure its associates to abstain from voting on the Proposed Renewal of BPT/SEHE IPT Mandate. Esteel and its associates will also not act as proxies in relation to the Proposed Renewal of BPT/SEHE IPT Mandate unless specific voting instructions have been given by Shareholders.

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5. PROPOSED RENEWAL OF HLIH GROUP IPT MANDATE

5.1 Background on the HLIH Group IPT Mandate

At the 2022 EGM, Shareholders had granted an interested person transaction mandate pursuant to Rule 920 of the Listing Manual for recurrent interested person transactions to be entered into by the Company with the HLIH Group Mandated Interested Persons in the ordinary course of business and as set out in the HLIH Group IPT Mandate Circular.

The HLIH Group IPT Mandate is subject to annual renewal and accordingly, it is proposed that the Proposed Renewal of HLIH Group IPT Mandate be put forth for Shareholders' approval at the 2024 AGM.

5.2 HLIH Group IPT Mandate

The Group is principally engaged in the business of design, manufacture and supply of steel reinforcement for construction, and is the leading steel reinforcing solutions provider in Singapore. The Group evaluates the types of prefabricated steel reinforcement required by projects, as well as designs, manufactures, packs and tags the prefabricated steel reinforcing components for easy and efficient handling and on-site assembly.

Based on the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, HLA has a direct shareholding interest in 54,875,000 Shares, representing an interest of approximately 20.00% in the Company (excluding Treasury Shares), and is accordingly a Controlling Shareholder. HLIH is the ultimate holding company of HLA and is deemed under Section 4 of the SFA to have an interest in the shares in the capital of the Company held by the subsidiaries of HLIH, which include HLAI. Accordingly, HLIH is also a Controlling Shareholder. Pursuant to Rule 904(4) of the Listing Manual, HLIH and its associates are deemed as "interested persons" within the meaning of Chapter 9 of the Listing Manual, and transactions between the Group and the HLIH Group are deemed "interested person transactions" within the meaning of Chapter 9 of the Listing Manual.

Pursuant to the HLIH Group IPT Mandate, the Group can enter into HLIH Group Mandated Transactions with HLIH Group Mandated Interested Persons.

5.3 HLIH Group Mandated Transactions

HLIH Group Mandated Transactions comprise the purchase and/or sale of raw materials and intermediate goods comprising steel, steel products, steel-related products and steel by-products used by the Group for its business activities.

The Group has entered into, and expects to continue entering into, certain recurrent transaction transactions with the HLIH Group, as set out in the paragraph above, in the ordinary course of business to leverage on synergies between the businesses of the two groups. Such recurrent transactions are likely to occur with some degree of frequency and are part of the day-to-day operations of the Group and could arise at any time.

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5.4 **HLIH Group Mandated Interested Persons**

The interested persons to be covered under the Proposed Renewal of HLIH Group IPT Mandate as set out in the table below (collectively, the "**HLIH Group Mandated Interested Persons**"), all of which are associates of HLIH:

Name of entity	Relationship with HLIH	Country of Incorporation	Principal business
HL Building Materials Pte. Ltd.	Subsidiary of HLA (of which HLIH is the ultimate holding company)	Singapore	Manufacturing and distribution of building materials, and investment holding
Southern Steel Berhad (listed on the Bursa Malaysia Securities Berhad)	HLIH being an indirect 71% shareholder (held through companies which HLIH has an interest)[1]	Malaysia	Investment holding, manufacturing, sale and trading in steel bars and related products
HL-Manufacturing Industries Sdn. Bhd.	Subsidiary of HLA (of which HLIH is the ultimate holding company)	Malaysia	Manufacture and sale of pre-cast concrete products and general construction

5.5 **Rationale for the Proposed Renewal of HLIH Group IPT Mandate**

In view of the time-sensitive nature of commercial transactions, and the need for smooth and efficient conduct of business which is envisaged to include the entry into the HLIH Group Mandated Transactions which are recurring in nature or in the ordinary course of business with the HLIH Group Mandated Interested Persons, the Directors are seeking the approval of Shareholders (which shall exclude Shareholders who are required to abstain from voting pursuant to Rule 920(1)(b)(viii) of the Listing Manual) for the Proposed Renewal of the HLIH Group IPT Mandate in respect of future transactions that the Group may enter into with the HLIH Group Mandated Interested Persons provided that the HLIH Group Mandated Transactions are entered into on an arm's length basis and on normal commercial terms and are not prejudicial to the Company and its minority Shareholders.

The Proposed Renewal of the HLIH Group IPT Mandate will eliminate the need for the Company to announce and convene separate general meetings on each occasion, where necessary, to seek Shareholders' approval for each separate HLIH Group Mandated Transaction to be entered between the Group and the HLIH Group Mandated Interested Person of a revenue or trading nature or those necessary for its day-to-day operations, thereby substantially reducing the time and expenses associated with the convening of such general meetings (including the engagement of external advisers and preparation of documents) on an ad hoc basis, improving administrative efficacy considerably, allowing manpower resources and time to be channeled towards attaining other corporate objectives.

5.6 **Guidelines and Review Procedures in respect of the HLIH Group IPT Mandate**

To ensure that the HLIH Group Mandated Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, the Company has put in place guidelines and review procedures for the HLIH Group Mandated Transactions under the proposed HLIH Group IPT Mandate as set out below in this Paragraph 5.6.

[1] Based on information set out in the annual report issued by Southern Steel Berhad for the financial year ended 30 June 2023 rounded to the nearest whole number.

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In general, these are procedures established by the Group to ensure that the HLIH Group Mandated Transactions with HLIH Group Mandated Interested Persons are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are generally no more favourable to the HLIH Group Mandated Interested Persons than those extended to unrelated third parties, and will not be prejudicial to the interests of the Company and its minority Shareholders.

(a) **Review Procedures**

(i) Sale of products to a HLIH Group Mandated Interested Person

The review procedures are:

(A) all sale of products to HLIH Group Mandated Interested Persons will be carried out at the prevailing market prices offered by the Group for the same or substantially similar type of products and on terms no more favourable than the usual commercial terms extended to at least two (2) unrelated third-party customers for the same or substantially similar types of products; and

(B) where the prevailing market rates or prices are not available due to the nature of the product to be sold, the Group's pricing and terms offered for such products to be sold to HLIH Group Mandated Interested Persons are to be determined in accordance with the Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the Group for the same or substantially similar type of transaction with unrelated third parties. In determining the pricing and terms offered to HLIH Group Mandated Interested Persons for such products, the Approving Directors or the Audit and Risk Management Committee (depending on the threshold limit set out in Paragraph 5.6(b) below), shall consider whether the transaction is beneficial to the interests of the Group and taking into consideration factors such as, but not limited to, quantity, volume, consumption, customer requirements and customer's available alternate product.

(ii) Purchase of products from a HLIH Group Mandated Interested Person

The review procedures are:

(A) all purchase of products from HLIH Group Mandated Interested Persons will be carried out at the prevailing market prices offered to the Group for the same or substantially similar type of products and on terms no more favourable than the usual commercial terms extended to at least two (2) unrelated third-party suppliers for the same or substantially similar types of products; and

(B) in the event that quotations from unrelated third-party vendors cannot be obtained (for instance, if there are no unrelated third-party vendors of similar products, or if the product is only available from the HLIH Group Mandated Interested Persons), the Approving Directors or the Audit and Risk Management Committee (depending on the threshold limit set out in Paragraph 5.6(b) below), will determine whether the price and terms offered by the HLIH Group Mandated Interested Persons are fair and reasonable after taking into consideration factors such as, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases.

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(b) **Threshold Limit**

In addition to the above review procedures, depending on whether the value of the contract to be entered into in relation to the HLIH Group Mandated Transactions is within the Financial Limit, the following approval thresholds shall be adopted:

(i) Each contract with a value falling within the Financial Limit will be reviewed and approved by two (2) Directors (other than Directors with either direct or indirect interest in the transaction(s)) ("**Approving Directors**") and reported to the Audit and Risk Management Committee on a quarterly basis.

(ii) Each contract with a value exceeding the Financial Limit in value will be reviewed and approved by the Audit and Risk Management Committee prior to the Company's entry into of such HLIH Group Mandated Transaction.

(iii) Any of the Approving Directors, and the Audit and Risk Management Committee, may, as he/it deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including requesting for an independent financial adviser's opinion and/or the obtaining of valuations from independent professional valuers.

(c) **Abstention from decision-making and voting at a Board meeting**

If any of the Directors has an interest in the transaction under consideration for approval or is a nominee for the time being of any of the HLIH Group Mandated Interested Persons, or if any associate of such Director is involved in the decision-making process on the part of either or both of the HLIH Group Mandated Interested Persons, the review and approval process shall be undertaken by the remaining Directors who do not have an interest in the transaction under consideration for approval or are not nominees for the time being of the relevant HLIH Group Mandated Interested Person(s), and who are not subject to such conflicts of interest, save that if all of the Directors have an interest in the transaction under consideration for approval, or are nominees for the time being of either or both of the HLIH Group Mandated Interested Persons or are subject to such conflicts of interest, the review and approval process shall be undertaken by the Audit and Risk Management Committee or such other senior executive(s) of the Company designated by the Audit and Risk Management Committee from time to time for such purpose.

If a member of the Audit and Risk Management Committee has an interest in a transaction under consideration for approval or is a nominee for the time being of either or both of the HLIH Group Mandated Interested Persons, or if any associate of a member of the Audit and Risk Management Committee is involved in the decision-making process on the part of either or both of the HLIH Group Mandated Interested Persons, he shall abstain from participating in the review and approval process of the Audit and Risk Management Committee in relation to that transaction under consideration for approval.

(d) **Register of Mandated Transactions**

The Company will maintain a register of mandated transactions carried out with HLIH Group Mandated Interested Persons (including transactions below S$100,000 and the HLIH Group Mandated Transactions) (recording the contracts entered into in relation to the HLIH Group Mandated Transactions and basis for pricing and other commercial terms thereunder, including quotations, enquiries and/or reports obtained to support such basis, on which they are entered into).

LETTER TO SHAREHOLDERS

The Audit and Risk Management Committee will review the register of mandated transactions on a quarterly basis to ascertain that the guidelines and review procedures for HLIH Group Mandated Transactions have been complied with. The Audit and Risk Management Committee shall also review the appropriateness and sufficiency of the guidelines and review procedures for HLIH Group Mandated Transactions at least annually.

(e) **Periodic Reviews**

The internal auditors shall annually, or at the request of the Audit and Risk Management Committee, carry out audit reviews on the adequacy and compliance of the internal control system and reporting procedures for HLIH Group Mandated Transactions and will report to the Audit and Risk Management Committee on their findings.

The internal auditors shall annually, or at the request of the Audit and Risk Management Committee, carry out audit reviews to ascertain that the established guidelines and procedures for HLIH Group Mandated Transactions are appropriate and have been adequately complied with.

The Audit and Risk Management Committee shall review these internal audit reports on HLIH Group Mandated Transactions to ascertain that the internal control procedures for HLIH Group Mandated Transactions have been complied with.

If during any of the reviews by the Audit and Risk Management Committee, the Audit and Risk Management Committee is of the view that the established guidelines and review procedures for HLIH Group Mandated Transactions have become inappropriate or insufficient for whatever reason, such as in the event of changes to the nature of, or manner in which, the business activities of the Company or the HLIH Group Mandated Interested Persons are conducted, the Company will seek a fresh mandate from the Shareholders based on new guidelines and review procedures with a view to ensuring that HLIH Group Mandated Transactions will be carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders. In such a situation, prior to obtaining the new Shareholders' mandate, all transactions with the HLIH Group Mandated Interested Persons will be reviewed and approved by the Audit and Risk Management Committee.

5.7 **Excluded Transactions in respect of the HLIH Group IPT Mandate**

The HLIH Group IPT Mandate will not cover any transaction with an interested person that is below S$100,000 in value, as Chapter 9 of the Listing Manual provides that any such transaction is to be disregarded. However, the SGX-ST may aggregate any such transactions below S$100,000 that are entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902 of the Listing Manual. Based on the Group's past transactions with the HLIH Group, a large proportion of the transactions with the HLIH Group may each be below S$100,000 in value. For good order, the Company will aggregate the purchase and sales orders from the HLIH Group Mandated Interested Persons and subject them to the review procedures under the Proposed Renewal of the HLIH Group IPT Mandate.

Transactions between the Company and HLIH Group Mandated Interested Persons which do not fall within the ambit of the HLIH Group IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual, or other applicable provisions of the Listing Manual, if any.

5.8 **Validity Period of the HLIH Group IPT Mandate**

The Proposed Renewal of HLIH Group IPT Mandate is subject to Shareholders' approval at the 2024 AGM, and will take effect on and from its approval until the next AGM of the Company (unless earlier revoked or varied by the Company in general meeting).

Approval from Shareholders will be sought for the Proposed Renewal of HLIH Group IPT Mandate at each subsequent AGM of the Company, subject to satisfactory review by the Audit and Risk Management Committee of its continued application to HLIH Group Mandated Transactions with the HLIH Group Mandated Interested Persons.

5.9 **Details of Directors (if any) to be appointed in connection with the HLIH Group IPT Mandate**

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Renewal of HLIH Group IPT Mandate.

5.10 **Disclosure in respect of the HLIH Group IPT Mandate**

The Company will announce the aggregate value of transactions conducted with each of the HLIH Group Mandated Interested Persons pursuant to the HLIH Group IPT Mandate for the financial periods that it is required to report on pursuant to Rule 705 of the Listing Manual (which relates to periodic reporting by listed companies) within the time required for the announcement of such report.

Disclosure will be made in the Company's annual report of the aggregate value of the transactions conducted with interested persons pursuant to the HLIH Group IPT Mandate during the relevant financial year, and in the annual reports for the subsequent financial years that the HLIH Group IPT Mandate continues in force, in accordance with the requirements and form set out in Chapter 9 of the Listing Manual.

5.11 **Abstention from voting in respect of the HLIH Group IPT Mandate**

The relevant companies within the HLIH Group, being interested persons, will abstain, and shall procure their associates to abstain from voting on the Proposed Renewal of HLIH Group IPT Mandate. The relevant companies within the HLIH Group and their associates will also not act as proxies in relation to the Proposed Renewal of HLIH Group IPT Mandate unless specific voting instructions have been given by the Shareholder. For completeness, the HLIH Group Mandated Interested Persons do not hold Shares.

6. STATEMENT FROM THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee, comprising Mr. Joel Leong Kum Hoe, Ms. Chang Pui Yook and Mr. Toh Kian Sing, all of whom are considered independent for the purposes of considering the Proposed Renewal of BPT/SEHE IPT Mandate and the Proposed Renewal of HLIH Group IPT Mandate, having reviewed the rationale for and the terms and benefits of the Proposed Renewal of BPT/SEHE IPT Mandate and the Proposed Renewal of HLIH Group IPT Mandate, is satisfied and of the view that:

(a) the guidelines and review procedures under the BPT/SEHE IPT Mandate have not changed since the last approval granted by Shareholders on 31 January 2023;

(b) the guidelines and review procedures under the BPT/SEHE IPT Mandate are sufficient and appropriate to ensure that the BPT/SEHE Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders;

(c) the guidelines and review procedures under the HLIH Group IPT Mandate have not changed since the last approval granted by Shareholders on 31 January 2023; and

(d) the guidelines and review procedures under the HLIH Group IPT Mandate are sufficient and appropriate to ensure that the HLIH Group Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

However, in the event that the Audit and Risk Management Committee subsequently no longer holds such views, the Company shall approach the Shareholders for a fresh mandate for the interested person transactions concerning the Group based on new guidelines and/or review procedures (as may be applicable).

7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the register of Directors' shareholding as at the Latest Practicable Date, the Directors do not own any interests, directly or indirectly, in the Shares. Based on the register of Substantial Shareholders as at the Latest Practicable Date, the interests of the Substantial Shareholders, direct or indirect, in the Shares are set out below:

	Direct Interest		Deemed Interest		Total Interest	
Shareholders	**Number of Shares**	**% of total issued Shares(1)**	**Number of Shares**	**% of total issued Shares(1)**	**Number of Shares**	**% of total issued Shares(1)**
Esteel	167,795,536	61.16	–	–	167,795,536	61.16
AVIL (2)	–	–	167,795,536	61.16	167,795,536	61.16
Mr. You (3)	–	–	167,795,536	61.16	167,795,536	61.16
HLAI	54,875,000	20.00	–	–	54,875,000	20.00
HLA (4)	–	–	54,875,000	20.00	54,875,000	20.00
HLCH (5)	–	–	55,166,400	20.11	55,166,400	20.11
HLE (6)	–	–	55,166,400	20.11	55,166,400	20.11
HLIH (7)	–	–	57,055,400	20.80	57,055,400	20.80
Davos (8)	–	–	57,055,400	20.80	57,055,400	20.80
KH (9)	–	–	57,055,400	20.80	57,055,400	20.80

Notes:

(1) Based on the total issued Shares (excluding Treasury Shares), comprising 274,350,089 Shares as at the Latest Practicable Date.

(2) AVIL has an approximate 45.46% interest in Esteel. Accordingly, AVIL is deemed to have an interest in the Shares held by Esteel pursuant to Section 4 of the SFA.

(3) Mr. You has (i) an approximate 48.80% interest in Esteel, (ii) a 100% interest in Wide Bridge Limited which holds approximately 63.06% of Theme International Holdings Limited, and Theme International Holdings Limited in turn holds approximately 5.04% of the shares in Esteel, and (iii) a 100% interest in AVIL. Accordingly, Mr. You is deemed to have an interest in the Shares held by Esteel and AVIL pursuant to Section 4 of the SFA.

(4) HLA has a 100% interest in HLAI. Accordingly, HLA is deemed to have an interest in the Shares held by HLAI pursuant to Section 4 of the SFA.

(5) HLCH is deemed under Section 4 of the SFA to have an interest in the Shares in which its subsidiaries, HLAI and Starich, have an interest.

LETTER TO SHAREHOLDERS

(6) HLE is entitled to exercise or control the exercise of not less than 20% of the voting shares in HLCH. Accordingly, HLE is deemed to have an interest in the Shares held by HLCH pursuant to Section 4 of the SFA.

(7) HLIH is deemed under Section 4 of the SFA to have an interest in the Shares in which its subsidiaries, HLAI, Starich and Shanwood Development Pte Ltd have an interest.

(8) Davos is entitled to exercise or control the exercise of not less than 20% of the voting shares in HLIH. Accordingly, Davos is deemed to have an interest in the Shares held by HLIH pursuant to Section 4 of the SFA.

(9) KH is entitled to exercise or control the exercise of not less than 20% of the voting shares in HLIH. Accordingly, KH is deemed to have an interest in the Shares held by HLIH pursuant to Section 4 of the SFA.

8. ANNUAL GENERAL MEETING

The 2024 AGM will be held at Chartroom, Level 2, Raffles Marina Ltd, 10 Tuas West Drive, Singapore 638404, on 31 January 2024 at 10.00 a.m. for the purposes of considering and, if thought fit, passing, with or without modification, the ordinary resolutions relating to the Proposed Renewal of Share Purchase Mandate, the Proposed Renewal of BPT/SEHE IPT Mandate and the Proposed Renewal of HLIH Group IPT Mandate.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Printed copies of the Notice of AGM, Proxy Form, and Request Formwill be sent to Shareholders. Electronic copies of the aforementioned documents, the annual report of the Company for FY2023, and this Appendix will be made available to Shareholders via SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.brc.com.sg/investors/.

Shareholders may submit questions related to the resolutions to be tabled for approval at the 2024 AGM in advance of the 2024 AGM no later than 5.00 p.m. on 19 January 2024:

(a) by email to sg.is.proxy@sg.tricorglobal.com; or

(b) by post to the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619.

Shareholders submitting questions are required to state: (i) their full name; and (ii) their identification/registration number; and (iii) the manner in which his/her/its shares in the Company are held (e.g. via CDP, CPF, SRS and/or scrip), failing which the Company shall be entitled to regard the submission as invalid and not respond to the questions submitted.

All questions submitted in advance of the 2024 AGM must be received by the Company by the time and date stated above to be treated as valid.

The Company will endeavour to address all substantial and relevant questions received from Shareholders either before the 2024 AGM on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.brc.com.sg/investors/ before 10.00 a.m. on 24 January 2024 or during the 2024 AGM. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed.

LETTER TO SHAREHOLDERS

The Company will, within one (1) month after the date of the 2024 AGM, publish the minutes of the AGM on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.brc.com.sg/investors/ and the minutes will include the responses to the substantial and relevant questions raised during the 2024 AGM.

Shareholders who are unable to attend the 2024 AGM and wish to appoint a proxy to attend and vote at the 2024 AGM on their behalf must first download, complete and sign the Proxy Form, before submitting it by post to the address provided below, or before scanning and sending it by email to the email address provided below.

Investors whose Shares are held with relevant intermediaries including CPF Investors and SRS Investors, who are unable to attend the 2024 AGM and wish to appoint a proxy to attend and vote at the 2024 AGM on their behalf, should approach their respective intermediaries such as CPF Agent Banks or SRS Agent Banks to submit their votes at least seven (7) working days before the 2024 AGM in order to allow sufficient time for their respective CPF Agent Banks or SRS Agent Banks to, in turn submit a Proxy Form to appoint a proxy to vote on their behalf by the cut-off date.

The duly completed Proxy Form must be submitted to the Company in the following manner:

(A) if by email, the proxy form must be received at sg.is.proxy@sg.tricorglobal.com; or

(B) if sent personally or by post, the proxy form must be lodged at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619,

in either case, by 10.00 a.m. on 28 January 2024 (being not less than 72 hours before the time fixed for holding the 2024 AGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

The completion and return of a duly completed Proxy Form by a Shareholder does not preclude him from attending and voting in person at the 2024 AGM if he finds that he is able to do so. In such event, the relevant Proxy Form will be deemed to be revoked.

10. DIRECTORS' RECOMMENDATIONS

10.1 The Directors, having carefully considered the terms and rationale of the Proposed Renewal of Share Purchase Mandate, are of the view that the Proposed Renewal of Share Purchase Mandate is in the best interests of the Company and accordingly, recommend that Shareholders vote in favour of the ordinary resolution in relation to the Proposed Renewal of Share Purchase Mandate at the 2024 AGM.

10.2 Having considered the rationale for the Proposed Renewal of BPT/SEHE IPT Mandate, the Directors who are deemed to be independent for the purposes of making a recommendation to Shareholders in respect of the Proposed Renewal of BPT/SEHE IPT Mandate, being Mr. Teo Ser Luck, Mr. Seah Kiin Peng, Mr. Xu Jiguo, Mr. Zhang Xingwang, Mr. Darrell Lim Chee Lek, Mr. Stephen Ho Kiam Kong, Ms. Kwek Pei Xuan, Mr. Joel Leong Kum Hoe, Ms. Chang Pui Yook and Mr. Toh Kian Sing, are of the opinion that the Proposed Renewal of BPT/SEHE IPT Mandate is in the best interests of the Company. Accordingly, they recommend that the Shareholders vote in favour of the ordinary resolution in relation to the Proposed Renewal of BPT/SEHE IPT Mandate at the 2024 AGM.

LETTER TO SHAREHOLDERS

10.3 Having considered the rationale for the Proposed Renewal of HLIH Group IPT Mandate, the Directors who are deemed to be independent for the purposes of making a recommendation to Shareholders in respect of the Proposed Renewal of HLIH Group IPT Mandate, being Mr. Teo Ser Luck, Mr. Seah Kiin Peng, Mr. Xu Jiguo, Mr. Zhang Xingwang, Mr. Darrell Lim Chee Lek, Mr. Joel Leong Kum Hoe, Ms. Chang Pui Yook and Mr. Toh Kian Sing, are of the opinion that the Proposed Renewal of HLIH Group IPT Mandate is in the best interests of the Company. Accordingly, they recommend that the Shareholders vote in favour of the ordinary resolution in relation to the Proposed Renewal of HLIH Group IPT Mandate at the 2024 AGM.

10.4 Mr. Stephen Ho Kiam Kong and Ms. Kwek Pei Xuan, who are Directors of the Company, are also executive directors of HLA, and the chief executive officer and the head of sustainability and corporate affairs of HLA, respectively. Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of the ordinary resolution in relation to the Proposed Renewal of HLIH Group IPT Mandate at the 2024 AGM.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Renewal of Share Purchase Mandate, the Proposed Renewal of BPT/SEHE IPT Mandate, the Proposed Renewal of HLIH Group IPT Mandate, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the Company's Share Registrant's office at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619, during normal business hours from the date of this Appendix up to and including the date of the 2024 AGM:

(a) the Constitution; and

(b) the annual report of the Company for FY2023.

This Appendix and the annual report for FY2023 are also available on the Company's website (https://www.brc.com.sg/investors/) and SGXNET.

Yours faithfully
For and on behalf of the Board

Teo Ser Luck
(Chairman and Independent Director)

STATISTICS OF SHAREHOLDINGS

As at 19 December 2023

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

No. of Share	:	275,976,689
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each Ordinary Share
Treasury Shares	:	1,626,600
Percentage of each holding against total number of issued Ordinary Shares (excluding treasury shares)	:	0.59%

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES*	%
1 - 99	14	0.90	410	0.00
100 - 1,000	801	51.25	331,344	0.12
1,001 - 10,000	496	31.73	2,512,883	0.92
10,001 - 1,000,000	242	15.48	19,080,981	6.95
1,000,001 and above	10	0.64	252,424,471	92.01
TOTAL	**1,563**	**100.00**	**274,350,089**	**100.00**

*Excluding Treasury Shares as at 19 December 2023 - 1,626,600 shares

TWENTY LARGEST SHAREHOLDERS AS AT 19 DECEMBER 2023

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	UOB KAY HIAN PTE LTD	174,863,436	63.74
2	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	56,790,600	20.70
3	KGI SECURITIES (SINGAPORE) PTE. LTD	5,078,900	1.85
4	BPSS NOMINEES SINGAPORE (PTE.) LTD.	3,890,600	1.42
5	DBS NOMINEES PTE LTD	2,680,610	0.98
6	PHILLIP SECURITIES PTE LTD	2,242,460	0.82
7	LUO BIN	2,000,000	0.73
8	SHANWOOD DEVELOPMENT PTE LTD	1,889,000	0.69
9	CITIBANK NOMINEES SINGAPORE PTE LTD	1,713,347	0.62
10	RAFFLES NOMINEES (PTE) LIMITED	1,275,518	0.46
11	SEAH BOON HWA	1,000,000	0.36
12	GOH TIOW GUAN	1,000,000	0.36
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	813,715	0.30
14	SIA LING SING	800,000	0.29
15	TIGER BROKERS (SINGAPORE) PTE. LTD.	773,200	0.28
16	HSBC (SINGAPORE) NOMINEES PTE LTD	733,113	0.27
17	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	652,400	0.24
18	LIM YIT WAH @NG YOE NIE	550,000	0.20
19	LIM CHIN LOON	510,000	0.19
20	LIU SONG	500,000	0.18
	TOTAL:	**259,756,899**	**94.68**

Notes:

%: Based on 274,350,089 shares (excluding shares held as treasury shares) as at 19 December 2023

*Treasury Shares as at 19 December 2023 - 1,626,600 shares

STATISTICS OF SHAREHOLDINGS

As at 19 December 2023

DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the register of Directors' shareholding as at the Latest Practicable Date, the Directors do not own any interests, directly or indirectly, in the Shares. Based on the register of Substantial Shareholders as at the Latest Practicable Date, the interests of the Substantial Shareholders, direct or indirect, in the Shares are set out below:

	Direct Interest		**Deemed Interest**		**Total Interest**	
Shareholders	**Number of Shares**	**% of total issued Shares[1]**	**Number of Shares**	**% of total issued Shares[1]**	**Number of Shares**	**% of total issued Shares[1]**
Esteel	167,795,536	61.16	–	–	167,795,536	61.16
AVIL [2]	–	–	167,795,536	61.16	167,795,536	61.16
Mr. You [3]	–	–	167,795,536	61.16	167,795,536	61.16
HLAI	54,875,000	20.00	–	–	54,875,000	20.00
HLA [4]	–	–	54,875,000	20.00	54,875,000	20.00
HLCH [5]	–	–	55,166,400	20.11	55,166,400	20.11
HLE [6]	–	–	55,166,400	20.11	55,166,400	20.11
HLIH [7]	–	–	57,055,400	20.80	57,055,400	20.80
Davos [8]	–	–	57,055,400	20.80	57,055,400	20.80
KH [9]	–	–	57,055,400	20.80	57,055,400	20.80

Notes:

(1) Based on the total issued Shares (excluding Treasury Shares), comprising 274,350,089 Shares as at the Latest Practicable Date.

(2) AVIL has an approximate 45.46% interest in Esteel. Accordingly, AVIL is deemed to have an interest in the Shares held by Esteel pursuant to Section 4 of the SFA.

(3) Mr. You has (i) an approximate 48.80% interest in Esteel, (ii) a 100% interest in Wide Bridge Limited which holds approximately 63.06% of Theme International Holdings Limited, and Theme International Holdings Limited in turn holds approximately 5.04% of the shares in Esteel, and (iii) a 100% interest in AVIL. Accordingly, Mr. You is deemed to have an interest in the Shares held by Esteel and AVIL pursuant to Section 4 of the SFA.

(4) HLA has a 100% interest in HLAI. Accordingly, HLA is deemed to have an interest in the Shares held by HLAI pursuant to Section 4 of the SFA.

(5) HLCH is deemed under Section 4 of the SFA to have an interest in the Shares in which its subsidiaries, HLAI and Starich, have an interest.

(6) HLE is entitled to exercise or control the exercise of not less than 20% of the voting shares in HLCH. Accordingly, HLE is deemed to have an interest in the Shares held by HLCH pursuant to Section 4 of the SFA.

(7) HLIH is deemed under Section 4 of the SFA to have an interest in the Shares in which its subsidiaries, HLAI, Starich and Shanwood Development Pte Ltd have an interest.

(8) Davos is entitled to exercise or control the exercise of not less than 20% of the voting shares in HLIH. Accordingly, Davos is deemed to have an interest in the Shares held by HLIH pursuant to Section 4 of the SFA.

(9) KH is entitled to exercise or control the exercise of not less than 20% of the voting shares in HLIH. Accordingly, KH is deemed to have an interest in the Shares held by HLIH pursuant to Section 4 of the SFA.

PUBLIC SHAREHOLDINGS

Based on information available to the Company, approximately 17.89% of the Company's shares are held in the hands of the public as at 19 December 2023 and therefore, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

BRC ASIA LIMITED
(Company Registration No.: 193800054G)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the annual general meeting ("**AGM**") of BRC Asia Limited ("**Company**") will be held at Chartroom, Level 2, Raffles Marina Ltd, 10 Tuas West Drive, Singapore 638404 on Wednesday, 31 January 2024 at 10.00 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 September 2023 and the Auditor's Report thereon. **(Resolution 1)**

2. To declare a final tax-exempt (one-tier) dividend of 5.5 Singapore cents per ordinary share for the financial year ended 30 September 2023. **(Resolution 2)**

3. To declare a special tax-exempt (one-tier) dividend of 5.5 Singapore cents per ordinary share for the financial year ended 30 September 2023. **(Resolution 3)**

4. To approve the Directors' fees of S$500,000 for the financial year ending 30 September 2024 (2023: S$500,000). **(Resolution 4)**

5. To re-elect Mr. Teo Ser Luck, who is retiring pursuant to Regulation 104 of the Constitution of the Company, as director of the Company. *(See Explanatory Note 1)* **(Resolution 5)**

   Mr. Teo Ser Luck, if re-elected as Director of the Company, will remain as Chairman of the Board and continue to serve as Member of the Nominating Committee and Remuneration Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited.

6. To re-elect Mr. Zhang Xingwang, who is retiring pursuant to Regulation 104 of the Constitution of the Company, as director of the Company. *(See Explanatory Note 1)* **(Resolution 6)**

7. To re-elect Mr. Joel Leong Kum Hoe, who is retiring pursuant to Regulation 104 of the Constitution of the Company, as director of the Company. *(See Explanatory Note 1)* **(Resolution 7)**

   Mr. Joel Leong Kum Hoe, if re-elected as Director of the Company, will remain as Chairman of the Audit and Risk Management Committee and Member of the Nominating Committee, Remuneration Committee and Sustainability Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited.

8. To re-elect Ms. Chang Pui Yook, who is retiring pursuant to Regulation 104 of the Constitution of the Company, as director of the Company. *(See Explanatory Note 1)* **(Resolution 8)**

   Ms. Chang Pui Yook, if re-elected as Director of the Company, will remain as Chairman of the Remuneration Committee and Member of the Audit and Risk Management Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited.

9. To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix its remuneration. **(Resolution 9)**

BRC ASIA LIMITED
(Company Registration No.: 193800054G)
(Incorporated in the Republic of Singapore)

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modifications, the following ordinary resolutions:

10. Authority to Issue Shares **(Resolution 10)**

"That pursuant to Section 161 of the Companies Act 1967 ("**Act**") and the listing rules ("**Listing Rules**") of the listing manual ("**Listing Manual**") of Singapore Exchange Securities Trading Limited ("**SGX-ST**"), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, to:

(a) (i) issue shares in the capital of the Company ("**Shares**") whether by way of bonus, rights or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, options, debentures or other instruments convertible into Shares,

(b) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this resolution was in force,

Provided that:

(i) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) shall not be more than 50% of the total number of Shares (excluding treasury shares and subsidiary holdings), in the capital of the Company or such other limit as may be prescribed by the SGX-ST as at the date the general mandate is passed;

(ii) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro-rata basis to existing shareholders shall not be more than 20% of the total number of Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company or such other limit as may be prescribed by the SGX-ST as at the date the general mandate is passed;

(iii) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraphs (i) and (ii) above, the total number of Shares (excluding treasury shares and subsidiary holdings) shall be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date the general mandate is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or employee stock options or vesting of share awards which are outstanding or subsisting at the date the general mandate is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares; and

(iv) unless earlier revoked or varied by the Company in general meeting, such authority shall continue in force until the next Annual General Meeting or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier." *(See Explanatory Note 2)*

11. Renewal of the Share Purchase Mandate **(Resolution 11)**

"That:

(a) for the purposes of Sections 76C and 76E of the Act, the exercise by the directors of the Company ("**Directors**") of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Percentage (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) purchases or acquisitions of Shares made on the SGX-ST ("**On-Market Purchases**") transacted through the ready market, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) purchases or acquisitions of Shares made otherwise than on the SGX-ST, in accordance with an equal access scheme or schemes for the purchase of Shares from Shareholders ("**Off-Market Purchases**") as may be determined or formulated by the Directors as they consider fit in the interests of the Company, which scheme(s) shall satisfy the conditions, which are consistent with the Share Purchase Mandate (as hereinafter defined), the Listing Rules and the Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earliest date on which:

(i) the next annual general meeting of the Company is held or required by law to be held;

(ii) purchases or acquisitions of Shares pursuant to the Share Purchase Mandate have been carried out to the full extent mandated; or

(iii) the authority contained in the Share Purchase Mandate is varied or revoked in a general meeting;

(c) in this resolution:

"**Average Closing Price**" means the average of the closing market prices of a Share for the five (5) days on which the SGX-ST is open for trading in securities ("**Market Days**") on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs after the relevant five (5) Market Day period;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Maximum Percentage**" means that number of Shares representing not more than ten per cent (10%) of the issued ordinary share capital as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings), subject always to the free float requirement as set out in paragraph 2.10 of the Appendix I to the Notice of AGM dated 12 January 2024 as at the date of passing of this Resolution (excluding any Shares which are held as Treasury Shares or subsidiary holdings as at that date); and

"**Maximum Price**" in relation to a Share to be purchased, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed:

(i) in the case of an On-Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, 110% of the Average Closing Price of the Shares, in each case, excluding related expenses of the purchase or acquisition; and

(d) the Directors and/or any of the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary in the interests of the Company to give effect to the Share Purchase Mandate and/or this resolution." *(See Explanatory Note 3)*

12. Renewal of the BPT/SEHE IPT Mandate **(Resolution 12)**

"That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Chapter 9**"), for the Company and its subsidiaries that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions as set out in paragraph 4 of the Appendix I to the Notice of AGM dated 12 January 2024, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions as set out in the Appendix (the "**BPT/SEHE IPT Mandate**");

(b) the BPT/SEHE IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or is required by the law to be held, whichever is earlier; and

(c) the Directors of the Company be and are hereby authorised to do all acts and things as they may in their discretion deem necessary, desirable or expedient in the interests of the Company to give effect to the BPT/SEHE IPT Mandate and/or this resolution." *(See Explanatory Note 4)*

13. Renewal of the HLIH Group IPT Mandate **(Resolution 13)**

"That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Chapter 9**"), for the Company and its subsidiaries that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions as set out in paragraph 5 of the Appendix I to the Notice of AGM dated 12 January 2024, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions as set out in the Appendix (the "**HLIH Group IPT Mandate**");

(b) the HLIH Group IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or is required by the law to be held, whichever is earlier; and

(c) the Directors of the Company be and are hereby authorised to do all acts and things as they may in their discretion deem necessary, desirable or expedient in the interests of the Company to give effect to the HLIH Group IPT Mandate and/ or this resolution."
(See Explanatory Note 5)

14. To transact any other ordinary business which may be properly transacted at an annual general meeting.

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders for the proposed dividends being obtained at the Annual General Meeting, the Register of Members and Share Transfer Books of the Company will be closed on 3 May 2024 at 5.00 p.m. to determine the shareholders' entitlements to the proposed dividends.

Duly completed transfers of shares received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place #26-01 Republic Plaza, Singapore 048619, up to 5.00 p.m. on 3 May 2024 will be registered to determine shareholders' entitlements to the proposed dividends. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 3 May 2024 will be entitled to the proposed dividends.

The proposed dividends, if approved by the members at the Annual General Meeting, will be paid on 17 May 2024.

BY ORDER OF THE BOARD

Lee Chun Fun
Low Mei Wan
Company Secretaries

12 January 2024

BRC ASIA LIMITED
(Company Registration No.: 193800054G)
(Incorporated in the Republic of Singapore)

Explanatory Notes:

1. For ordinary resolutions 5, 6, 7 and 8 above, detailed information of the directors who are subject to retiring can be found under "Board of Directors" and "Corporate Governance Report" sections of the Annual Report 2023.

2. Resolution 10, if passed, will authorise and empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and/or shares to be issued in pursuance of Instruments made or granted pursuant to this resolution in the Company up to an amount not exceeding in aggregate 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of which the total number of shares and shares to be issued in pursuance of Instruments made or granted pursuant to this resolution issued other than on a pro-rata basis to existing shareholders shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

   For the purpose of Resolution 10, the total number of issued shares (excluding treasury shares and subsidiary holdings) is based on the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this proposed ordinary resolution is passed after adjusting for new shares arising from the conversion or exercise of Instruments or the vesting of share awards outstanding or subsisting at the time when this proposed ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

3. Resolution 11 relates to the renewal of the mandate which was last renewed by shareholders on 31 January 2023 and, if passed, will authorise the Directors to make purchases or otherwise acquire Shares from time to time subject to and in accordance with the guidelines set out in the Appendix I to this Notice of AGM, the Listing Manual and such other laws as may for the time being be applicable. Please refer to Appendix I for further information.

4. Resolution 12 relates to the renewal of the mandate which was last renewed by shareholders on 31 January 2023 and, if passed, will empower the Company and its subsidiaries or any of them to enter into certain interested person transactions with persons who are considered "interested persons" as defined in Chapter 9 of the Listing Manual. Please refer to Appendix I to this Notice of AGM for further information.

5. Resolution 13 relates to the renewal of the mandate which was last renewed by shareholders on 31 January 2023 and, if passed, will empower the Company and its subsidiaries or any of them to enter into certain interested person transactions with persons who are considered "interested persons" as defined in Chapter 9 of the Listing Manual. Please refer to Appendix I to this Notice of AGM for further information.

Notes:

1. The members of the Company are invited to attend physically at the AGM. **There will be no option for the members to participate virtually.** The Notice of AGM, Proxy Form, Request Form, the Annual Report (including the Appendix) will be made available on the SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.brc.com.sg/investors/. A printed copy of the Notice of AGM, Proxy Form and Request Form will be sent to members of the Company.

2. Please bring along your NRIC/passport so as to enable the Company to verify your identity.

Voting by proxy

3. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/ her/ its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.

4. A proxy need not be a member of the Company.

5. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.

7. The instrument appointing the proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either:

   (a) if sent personally or by post, the proxy form must be lodged at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place #26-01 Republic Plaza, Singapore 048619; or

   (b) if by email, the proxy form must be received at sg.is.proxy@sg.tricorglobal.com,

   in either case, by 10.00 a.m. on 28 January 2024 (being 72 hours before the time fixed for the AGM), and in default the instrument of proxy shall not be treated as valid.

   A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

   The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

8. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

9. For investors who hold shares through relevant intermediaries, including Central Provident Fund ("**CPF**") Investment Schemes (such investors, the "**CPF Investors**") and/or Supplementary Retirement Scheme ("**SRS**") (such investors, the "**SRS Investors**") should approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes at least seven (7) working days before the AGM. CPF Investors and SRS Investors should contact their respective CPF Agent Banks or SRS Agent Banks for any queries they may have with regard to the appointment of proxy for the AGM.

10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument.

Submission of questions in advance of the AGM

11. Shareholders may submit questions related to the resolutions to be tabled for approval for the AGM in advance of the AGM no later than 5.00 p.m. on 19 January 2024:

   (a) by email to sg.is.proxy@sg.tricorglobal.com; or

   (b) by post to the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place #26-01 Republic Plaza, Singapore 048619.

   Shareholders submitting questions are required to state: (a) their full name; and (b) their identification/registration number, and (c) the manner in which his/her/its shares in the Company are held (e.g. via CDP, CPF, SRS and/or scrip), failing which the Company shall be entitled to regard the submission as invalid and not respond to the questions submitted.

   All questions submitted in advance of the AGM must be received by the Company by the time and date stated above to be treated as valid.

12. The Company will endeavour to address all substantial and relevant questions received from Shareholders either before the AGM on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.brc.com.sg/investors/ before 10.00 a.m. on 24 January 2024 or during the AGM. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed.

13. The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.brc.com.sg/investors/ and the minutes will include the responses to the substantial and relevant questions raised during the AGM.

BRC ASIA LIMITED
(Company Registration No.: 193800054G)
(Incorporated in the Republic of Singapore)

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof and/or submitting any question to the Company in advance of the AGM in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines and (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

BRC ASIA LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 193800054G)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:
1. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967) may appoint more than two (2) proxies to attend, speak and vote at the AGM.
2. This Proxy Form is not valid for use by investors who hold shares through relevant intermediaries, including Central Provident Fund Investment Schemes (such investors, the "**CPF Investors**") and/or Supplementary Retirement Scheme (such investors, "**SRS Investors**") and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. Investors who hold Shares through relevant intermediaries (including CPF Investors and SRS Investors) who wish to vote should approach their relevant intermediaries (including their respective CPF Agent Banks and SRS Agent Banks) to submit their voting instructions at least seven (7) working days before the date of the AGM.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 January 2024.

*I/We ____________________ (Name) *NRIC/Passport/Co. Reg. No. ____________________

of ____ (Address)

being a *member/members of BRC Asia Limited (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

or failing *him/her/them, the Chairman of the Annual General Meeting (the "**AGM**" or "**Meeting**") or such other person the Chairman may designate, as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the AGM of the Company, to be held at Chartroom, Level 2, Raffles Marina Ltd, 10 Tuas West Drive, Singapore 638404 on Wednesday, 31 January 2024 at 10.00 a.m. and at any adjournment thereof.

Voting will be conducted by poll. The Chairman intends to cast undirected proxy votes in favour of each of the proposed resolutions. Where the Chairman is appointed as *my/our proxy/proxies, *I/we acknowledge that the Chairman may exercise *my/our proxy/proxies even if he has an interest in the outcome of the resolutions.

*I/We direct *my/our proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the Meeting.

No.	Resolutions	For	Against	Abstain
Ordinary Business				
1.	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 September 2023 and the Auditor's Report thereon.			
2.	To declare a final tax-exempt (one-tier) dividend of 5.5 Singapore cents per ordinary share for the financial year ended 30 September 2023.			
3.	To declare a special tax-exempt (one-tier) dividend of 5.5 Singapore cents per ordinary share for the financial year ended 30 September 2023.			
4.	To approve the Directors' fees of S$500,000 for the financial year ending 30 September 2024 (2023: S$500,000).			
5.	To re-elect Mr. Teo Ser Luck as Director of the Company (Regulation 104).			
6.	To re-elect Mr. Zhang Xingwang as Director of the Company (Regulation 104).			
7.	To re-elect Mr. Joel Leong Kum Hoe as Director of the Company (Regulation 104).			
8.	To re-elect Ms. Chang Pui Yook as Director of the Company (Regulation 104).			
9.	To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
Special Business				
10.	To authorise Directors to allot and issue shares.			
11.	To approve the renewal of the Share Purchase Mandate.			
12.	To approve the renewal of the BPT/SEHE IPT Mandate.			
13.	To approve the renewal of the HLIH Group IPT Mandate.			

Notes: If you wish to exercise all your votes "For" or "Against" the resolutions or if you wish to abstain from voting on the resolutions in respect of all your votes, please indicate with an "x" or a "✓" within the box provided. Alternatively, if you wish to exercise some and not all of your votes "For", "Against" or "Abstain", please indicate the number of votes "For", the number of votes "Against" and/or the number of votes "Abstain" in the boxes provided for the resolutions.

For the avoidance of doubt, if you are required to abstain from voting on the resolutions, you must abstain in respect of all (and not some only) of your votes.

Total No. of Shares in	No. of shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Shareholder(s) or
Common Seal of Corporate Shareholder

**Delete where inapplicable.*

Dated this __________ day of ____________________ 2024

IMPORTANT: PLEASE READ NOTES BELOW CAREFULLY BEFORE COMPLETING THIS FORM

Notes:

1. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.

2. A proxy need not be a member of the Company.

3. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

4. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal, executed as a deed in accordance with the Companies Act 1967 or under the hand of an attorney or an officer duly authorised, or in some other manner approved by the Directors. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy.

6. The instrument appointing the proxy, together with the letter or power of attorney or other authority under which it is signed or a duly certified copy thereof (if applicable), must be submitted either:

   (a) if sent personally or by post, the proxy form must be lodged at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place #26-01 Republic Plaza, Singapore 048619; or

   (b) if by email, the proxy form must be received at sg.is.proxy@sg.tricorglobal.com,

   in either case, by 10.00 a.m. on 28 January 2024 (being 72 hours before the time fixed for the AGM), and in default the instrument of proxy shall not be treated as valid.

   A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

   The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.

7. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

8. For investors who hold shares through relevant intermediaries, including Central Provident Fund Investment Schemes (such investors, the "**CPF Investors**") and/or Supplementary Retirement Scheme (such investors, "**SRS Investors**") should approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes at least seven (7) working days before the AGM. CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Agent Banks for any queries they may have with regard to the appointment of proxy for the AGM.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 January 2024.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Teo Ser Luck
Chairman and Independent Director

Seah Kiin Peng
Executive Director and Chief Executive Officer

Xu Jiguo
Executive Director and Chief Procurement Officer

Zhang Xingwang
Executive Director and Chief Operating Officer

Chang Pui Yook
Independent Director

Joel Leong Kum Hoe
Independent Director

Toh Kian Sing
Independent Director

Darrell Lim Chee Lek
Non-Executive & Non-Independent Director

Kwek Pei Xuan
Non-Executive & Non-Independent Director

Stephen Ho Kiam Kong
Non-Executive & Non-Independent Director

KEY EXECUTIVE OFFICERS

Lee Chun Fun
Chief Financial Officer and Company Secretary

Tan Lau Ming
Deputy Chief Operating Officer

Ong Lian Teck
Chief Commercial Officer

REGISTERED OFFICE

350 Jalan Boon Lay
Jurong Industrial Estate
Singapore 619530
Tel: 6265 2333
Fax: 6264 3063
Website: www.brc.com.sg
Co. Reg. No. 193800054G

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner-in-charge: **Ng Boon Heng**
(Date of appointment: since financial year ended 30 September 2023)

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte Ltd)
9 Raffles Place
#26-01 Republic Plaza
Singapore 048619
Co. Reg. No. 53035217J

COMPANY SECRETARIES

Lee Chun Fun
Low Mei Wan

SOLICITORS

Allen & Gledhill LLP
Chan Neo LLP
Drew & Napier LLC
Harry Elias Partnership LLP
Rajah & Tann Singapore LLP

PRINCIPAL BANKERS

Cathay United Bank
CIMB Bank Berhad
CTBC Bank Co., Ltd
DBS Bank Ltd
HL Bank
KBC Bank N.V. Singapore Branch
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
Shanghai Pudong Development Bank Co., Ltd. Singapore Branch
Standard Chartered Bank (Singapore) Limited
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

BRC ASIA LIMITED
BUILDING BETTER

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