SOUTHERN STEEL BERHAD ("SSB" OR THE "COMPANY")

PROPOSED DISPOSAL OF 12,883,562 EXISTING ORDINARY SHARES IN SOUTHERN STEEL MESH SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF SSB ("SSM") ("SSM SHARE(S)" OR "SALE SHARE(S)"), REPRESENTING APPROXIMATELY 55.0% EQUITY INTEREST IN SSM, BY SSB TO BRC ASIA LIMITED ("BRC" OR THE "PURCHASER") FOR A TOTAL CASH CONSIDERATION OF RM61.05 MILLION ("PROPOSED DISPOSAL")

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1. INTRODUCTION

On 28 February 2025, the board of directors of the Company ("**Board**") announced that the Company had, on even date, executed a non-binding term sheet ("**Term Sheet**") with BRC and SSM, for the purpose of outlining the principal terms and conditions for the following:-

(i) proposed disposal of existing SSM Shares by SSB to BRC; and

(ii) proposed subscription of new SSM Shares by BRC ("**Proposed Subscription**"),

with the aim of BRC becoming the controlling shareholder of SSM (i.e. holding more than 50% of the enlarged issued share capital of SSM) after the completion of the above proposed corporate exercises. Pursuant to the Term Sheet, SSB, SSM and BRC have a period of 3 months from the date of the Term Sheet to negotiate and finalise the terms of the conditional share purchase and subscription agreement.

Subsequent thereto, after the conclusion of negotiations, SSB and BRC resolved to pursue only the Proposed Disposal (and to forgo the previously contemplated Proposed Subscription). Hence, in relation thereto, on behalf of the Board, UOB Kay Hian Securities (M) Sdn Bhd ("**UOBKH**") wishes to announce that the Company had, on 22 April 2025, entered into a conditional share purchase agreement ("**SPA**") with BRC in relation to the Proposed Disposal. The salient terms of the SPA are set out in **Appendix I** of this announcement.

Upon completion of the Proposed Disposal, BRC will have an equity interest of approximately 55.0% in SSM, while SSB will retain an equity interest of approximately 45.0% in SSM, resulting in SSM becoming an associate company of SSB.

In view of the interest of certain directors and shareholders of SSB in the Proposed Disposal (further details of which are disclosed in **Section 9** of this announcement), the Proposed Disposal is deemed as a related party transaction under Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"). Accordingly, Strategic Capital Advisory Sdn Bhd has been appointed as the independent adviser ("**Independent Adviser**") to advise the non-interested directors and non-interested shareholders of SSB in relation to the Proposed Disposal.

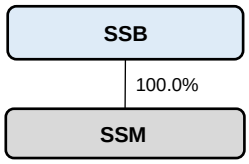
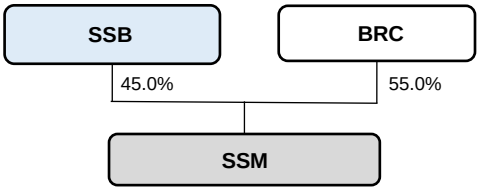
Further details of the Proposed Disposal are set out in the ensuing sections of this announcement.

2. DETAILS OF THE PROPOSED DISPOSAL

The Proposed Disposal entails the disposal of 12,883,562 Sale Shares, representing approximately 55.0% equity interest in SSM, by SSB to BRC for a total cash consideration of Ringgit Malaysia ("**RM**") 61.05 million ("**Disposal Consideration**"), subject to the terms and conditions of the SPA.

It is pertinent to note that SSB's shareholding in SSM will be reduced from 100.0% as at 16 April 2025, being the latest practicable date of this announcement ("**LPD**"), to approximately 45.0% upon completion of the Proposed Disposal, resulting in SSM ceasing to be a wholly-owned subsidiary of the Company. Notwithstanding that, SSB will receive the Disposal Consideration pursuant to the Proposed Disposal, details of the utilisation of proceeds are set out in **Section 4** of this announcement.

The shareholding structure of SSM as at the LPD and upon completion of the Proposed Disposal are as illustrated below:-

As at the LPD	Upon completion of the Proposed Disposal
	

	As at the LPD		After the Proposed Disposal	
	No. of SSM Shares	**%**	**No. of SSM Shares**	**%**
SSB	23,424,658	100.0	10,541,096	45.0
BRC	-	-	12,883,562	55.0
Total	**23,424,658**	**100.0**	**23,424,658**	**100.0**

2.1 Information on SSM

SSM (Registration No.: 198001012163 (65949-T)) was incorporated as a private limited company in Malaysia under the Companies Act 1965 on 27 December 1980, having its registered address at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

SSM is principally involved in manufacturing, sale and marketing of steel wire mesh, concrete wires, cut and bend bars and other related products. SSM has an issued share capital of RM44,497,613.82 comprising 23,424,658 SSM Shares as at the LPD.

Further information on SSM is set out in **Appendix II** of this announcement.

2.2 Information on the Purchaser

BRC (Registration No.: 193800054G) was incorporated in Singapore under the laws of Singapore on 14 December 1938, having its registered address at 350 Jalan Boon Lay, Jurong Industrial Estate, Singapore 619530. BRC is listed on the Mainboard of Singapore Exchange Securities Trading Limited ("**SGX-ST**").

BRC and its subsidiaries are principally involved in prefabrication of steel reinforcement for use in concrete, trading of steel reinforcing bars and manufacturing and sale of wire mesh fences. The issued share capital of BRC is Singapore Dollar ("**SGD**") 185,103,302.95 comprising 275,976,689 ordinary shares (including 1,626,600 shares held as treasury shares) in the capital of BRC ("**BRC Share(s)**") as at the LPD.

Further information on BRC is set out in **Appendix III** of this announcement.

2.3 Basis and justification of determining the Disposal Consideration

The Disposal Consideration was arrived at on a "willing-buyer willing-seller" basis, after taking into consideration the following:-

(i) the adjusted unaudited net assets ("**NA**") of SSM of RM111,000,000.00 as at 31 December 2024 ("**Agreed NA**"), which was mutually agreed by SSB and BRC as the basis for the Disposal Consideration. The Agreed NA was derived after taking into consideration, amongst others, the total market value of the material properties owned by SSM ("**SSM Properties**") of RM71.60 million, as ascribed by Laurelcap Sdn Bhd ("**Independent Valuer**") in their valuation certificate dated 16 April 2025 ("**Valuation Certificate**") with the inspection dates of the SSM Properties being 27 February 2025, 28 February 2025 and 4 March 2025. Further details of the SSM Properties are set out in **Section 5** of **Appendix II** of this announcement;

(ii) as the Proposed Disposal aims to result in BRC obtaining a controlling stake in SSM, the Board has considered the dilutive impact of the Proposed Disposal on SSB's equity interest in SSM and the reclassification of SSM as an associate company upon completion of the Proposed Disposal. Hence, the Disposal Consideration represents a premium of 0.01% to the adjusted unaudited NA of SSM based on SSM's unaudited financial statements as at 31 December 2024, represented by approximately 55.0% equity interest of SSM as set out in the computation below:-

	RM	RM
Unaudited NA of SSM as at 31 December 2024		**105,624,737**
Market value of the SSM Properties as appraised by the Independent Valuer[(1)]	71,600,000	
(Less): Unaudited net book value of the SSM Properties as at 31 December 2024	(56,504,353)	
Revaluation surplus	15,095,647	
(Less): Estimated deferred tax liabilities on the surplus arising from the revaluation of the SSM Properties[(2)]	(3,449,319)	
Net revaluation surplus		11,646,328
(Less): Adjustments on deferred tax[(3)]		(6,280,000)
Adjusted unaudited NA of SSM as at 31 December 2024		**110,991,065**
Agreed NA (which was the basis for the Disposal Consideration)		**111,000,000**
Disposal Consideration (which represents 55% of the Agreed NA)		61,050,000
55.0% of the adjusted unaudited NA of SSM as at 31 December 2024		61,045,086
Difference		**4,914**
Premium (%)		0.01

Notes:-

(1) The market value of the SSM Properties, which forms part of the basis for determining the Disposal Consideration, was appraised by the Independent Valuer, as set out in the Valuation Certificate, based on the following valuation approaches:-

(i) Cost approach (primary) – the summation of the land value in the area and cost of constructing a similar property on the land, adjusted for depreciation based on physical deterioration, functional obsolescence and economic obsolescence.

(ii) Income approach (secondary) – capitalisation of net annual income expected to be generated from the asset after deducting annual expenses incidental to the property with an allowance for unoccupancy, using an appropriate market-derived capitalisation rate.

*The details of the market value ascribed to the SSM Properties (further details of the SSM Properties are set out in **Section 5** of **Appendix II** of this announcement) are set out below:-*

SSM Properties	***Market value***	
	Cost approach (primary)	***Income approach (secondary)***
Subject property located in Penang	*RM11,500,000*	*RM11,000,000*
Subject property located in Kapar	*RM48,000,000*	*RM49,000,000*
Subject property located in Kuantan	*RM12,100,000*	*RM11,500,000*
Total	***RM71,600,000***	

(2) Adjusted for deferred tax at the statutory corporate tax rate in Malaysia (leasehold land and buildings: 24.0%; freehold land: 10.0%).

(3) The adjustments on deferred tax were made after taking into consideration the uncertainty of the utilisation and recognition of unabsorbed tax losses that are subject to expiration, and the impending change in control and ownership to BRC under the Proposed Disposal.

(iii) the rationale and benefits of the Proposed Disposal as set out in **Section 3** of this announcement.

Notwithstanding the above, shareholders of SSB should note that the Disposal Consideration will be subject to an adjustment in the event that SSM declares a dividend to its shareholder, SSB ("**Dividend Declared**") prior to the completion of the Proposed Disposal. In such an event, the Disposal Consideration shall be adjusted accordingly based on the formula set out in **Section 3(ii)** of **Appendix I** of this announcement, being 55.0% of the amount after deducting the Dividend Declared from the Agreed NA of RM111,000,000.00.

2.4 Mode of settlement

Pursuant to the terms of the SPA, the Disposal Consideration is to be satisfied by cash in the manner as described in **Section 4** of **Appendix I** of this announcement.

2.5 Date and original cost of investment

The date and original cost of investment by SSB in SSM are as follows:-

Date of investment	No. of SSM Shares	Original cost of investment (RM)	Remark
23 May 1996	924,658	22,000,000	Acquisition of SSM Shares
29 June 1998	787,671	24,150,000	Acquisition of SSM Shares
13 June 2000	1,712,329	22,500,000	Acquisition of SSM Shares
9 July 2018	20,000,000	20,000,000	Subscription for SSM Shares
Total	**23,424,658**	**88,650,000**	

2.6 Liabilities which will remain with SSB

Save for the obligations and liabilities stated in and arising from the SPA, there are no other liabilities, including contingent liabilities, which will remain with SSB pursuant to the Proposed Disposal. In addition, there is no guarantee given by SSB to BRC in relation to the Proposed Disposal.

2.7 Expected loss arising from the Proposed Disposal

The Proposed Disposal is expected to result in a pro forma loss to SSB and its subsidiaries (collectively, "**SSB Group**" or the "**Group**"), details of which are set out below:-

		RM
Disposal Consideration		61,050,000
(Less):	Unaudited NA of SSM as at 31 December 2024[(1)]	(58,093,605)
	Estimated expenses in relation to the Proposed Disposal[(2)]	(820,000)
	Goodwill	(17,347,800)
Estimated net pro forma loss arising from the Proposed Disposal		**(15,211,405)**

Notes:-

(1) 55.0% of the unaudited NA of SSM as at 31 December 2024.

(2) Include professional fees (i.e. principal adviser, solicitors, Independent Valuer, Independent Adviser and other professional advisers) and other direct expenses in relation to the Proposed Disposal.

2.8 Cash company or Practice Note 17 ("PN17") company

Based on the audited consolidated financial statements of the Company for the financial year ended ("**FYE**") 30 June 2024, the Proposed Disposal is not expected to result in the Company becoming a cash company or a PN17 company as defined under the Listing Requirements.

3. RATIONALE AND BENEFITS OF THE PROPOSED DISPOSAL

The Proposed Disposal outlines a strategic arrangement in which BRC, an established steel reinforcement fabricator and solutions provider in Asia, will have a controlling stake in SSM whilst SSB will retain a minority stake in SSM upon completion of the Proposed Disposal. The Proposed Disposal is expected to bring the following strategic advantages:-

(i) To chart SSM's growth under BRC's stewardship

With BRC assuming a controlling stake in SSM, BRC will take the lead in shaping SSM's strategic direction and overseeing its daily operations. Leveraging BRC's industry expertise, this partnership is expected to drive SSM's business expansion and operational efficiencies.

(ii) Value creation for SSB

SSB will retain a minority stake in SSM, ensuring its continued participation in SSM's growth trajectory and profitability.

Notwithstanding the above, it is pertinent to note that the Proposed Disposal is in line with the business strategy of SSB Group, and the proceeds to be raised from the Proposed Disposal will strengthen the Company's financial position.

4. UTILISATION OF PROCEEDS

The Proposed Disposal is expected to raise total gross cash proceeds of RM61.05 million, which is intended to be utilised in the following manner:-

Details of utilisation	RM'000	%	Estimated timeframe for utilisation upon completion of the Proposed Disposal
Working capital[(1)]	60,230	98.66	Within 6 months
Estimated expenses in relation to the Proposed Disposal[(2)]	820	1.34	Within 1 month
Total	**61,050**	**100.00**	

Notes:-

(1) Working capital

The Group intends to utilise RM60.23 million of the proceeds from the Proposed Disposal to support its working capital requirements. The proceeds will be primarily channelled towards, amongst others, payment to suppliers/creditors of the Group, general administrative and daily operational expenses such as staff-related costs, utilities, statutory payments and other overhead expenditures. The breakdown of such proceeds has not been determined at this juncture and will be dependent on the operating and funding requirements of the Group at the time of utilisation.

Notwithstanding that and on the best estimate basis, the percentage of the allocation of the proceeds to be utilised for each component of the working capital are as follows:-

	RM'000	***%***
Payment to suppliers/creditors of the Group	*54,207*	*90.00*
General administrative and daily operational expenses such as staff-related costs, utilities, statutory payments and other overhead expenditures	*6,023*	*10.00*
Total	***60,230***	***100.00***

(2) Estimated expenses in relation to the Proposed Disposal

The proceeds earmarked for estimated expenses in relation to the Proposed Disposal will be utilised in the following manner:-

	RM'000	***%***
Professional fees (i.e. principal adviser, solicitors, Independent Valuer, Independent Adviser and other professional advisers) and regulatory fees	*724*	*88.29*
Contingencies and other incidental expenses in relation to the Proposed Disposal	*96*	*11.71*
Total	***820***	***100.00***

In the event the actual expenses in relation to the Proposed Disposal are higher than estimated, any deficit will be funded through the portion of the proceeds allocated for working capital requirements of the Group or through the Group's internally generated funds. Conversely, any surplus of funds following the payment of the expenses will be utilised for the general working capital requirements of the Group.

Pending the utilisation of proceeds arising from the Proposed Disposal for the above purposes, the proceeds (including accrued interest, if any) will be placed as deposits with licensed financial institutions and/or short-term money market instruments, as the Board may deem fit. Any interest income and/or gains derived from such deposits or instruments will be utilised as additional working capital of the Group.

5. RISK FACTORS

The risk factors relating to the Proposed Disposal, which may not be exhaustive, are set out below:-

5.1 Non-completion risk

The completion of the Proposed Disposal is subject to the fulfilment of the conditions precedent as set out in the SPA as disclosed in **Section 1** of **Appendix I** of this announcement. In the event any of the conditions precedent is not fulfilled or waived within the timeframe stipulated in the SPA and/or in the event an extension of time is not agreed between SSB and BRC, the Proposed Disposal may be delayed or terminated in accordance with the SPA, and the potential benefits arising from the proposed utilisation of proceeds as disclosed in **Section 4** of this announcement may be deferred or may not materialise.

Notwithstanding the above, SSB will take all reasonable steps that are within SSB's control to ensure that the conditions precedent are fulfilled within the timeframe stipulated in the SPA to ensure the completion of the Proposed Disposal.

5.2 Transaction risk

There is no assurance that the anticipated benefits arising from the Proposed Disposal as set out in **Section 3** of this announcement will be realised. The key rationale for the Proposed Disposal is to allow BRC to obtain a controlling stake in SSM with the view that:-

(i) BRC will take the lead in shaping SSM's strategic direction and overseeing its daily operations; and

(ii) SSM will be able to leverage on BRC's industry expertise to drive SSM's business expansion and operational efficiencies.

However, BRC may encounter challenges in effectively implementing its strategies and realising the anticipated synergies as set out in **Section 3** of this announcement. The transition process may require a longer adjustment period, during which operational inefficiencies or unforeseen strategic misalignments could arise. These may include differences in management and operational approaches. Further, external factors such as economic market conditions, regulatory changes and competitive pressures could further impact the realisation of the anticipated synergistic benefits and value creation.

While the Board has evaluated the merits of the Proposed Disposal, it is pertinent to acknowledge the potential uncertainties associated with transaction execution and integration challenges. The transition process may require a longer timeframe for BRC to effectively establish its strategic influence over SSM and realise the anticipated synergies.

6. EFFECTS OF THE PROPOSED DISPOSAL

6.1 Share capital and substantial shareholders' shareholdings

The Proposed Disposal will not have any effect on the issued share capital of SSB and the substantial shareholders' shareholdings in SSB as the Proposed Disposal does not involve any issuance of new ordinary share in SSB ("**SSB Share(s)**" or the "**Share(s)**").

6.2 NA, NA per Share and gearing

For illustrative purposes, based on the latest audited consolidated financial statements of SSB as at 30 June 2024, and assuming that the Proposed Disposal had been completed on 30 June 2024, the pro forma effects of the Proposed Disposal on the audited consolidated NA per Share and gearing of SSB Group are as follows:-

			Pro forma
	Audited as at 30 June 2024 (RM'000)	**(1)Subsequent adjustments up to the LPD (RM'000)**	**After the Proposed Disposal (RM'000)**
Share capital	641,010	1,021,026	1,021,026
Reserves	(72,669)	(74,129)	(2)(89,340)
Total equity attributable to the owners of the Company/ NA	**568,341**	**946,897**	**931,686**
Non-controlling interests	6,129	6,129	6,129
Total equity	**574,470**	**953,026**	**937,815**
No. of SSB Shares in issue ('000)	596,313	1,501,113	1,501,113
NA per SSB Share (RM)	**0.95**	**0.63**	**0.62**
Total borrowings (RM'000)	872,461	713,270	(3)687,882
Gearing (times)	**1.54**	**0.75**	**0.74**

Notes:-

(1) After adjusting for the following:-

*(i) the issuance of 752,057,840 new SSB Shares ("**Issuance of Shares**") to Green Esteel Pte Ltd ("**Esteel**") and the private placement of 152,742,000 new SSB Shares to third-party investors ("**Private Placement**"), both of which were completed on 16 January 2025; and*

*(ii) the repayment of bank borrowings amounting to approximately RM159.19 million pursuant to the variation of the utilisation of proceeds raised from the Issuance of Shares and Private Placement ("**Variation**"). Further details on the Variation are set out in the Company's circular to shareholders dated 6 March 2025 in relation to the Variation.*

*(2) After accounting for the pro forma loss of approximately RM15.21 million, which is expected to arise from the Proposed Disposal as further detailed in **Section 2.7** of this announcement.*

(3) After adjusting for SSM's borrowings amounting to approximately RM25.39 million (which will be excluded from the consolidated financial statements of the SSB Group) following the completion of the Proposed Disposal as SSM will cease to be a subsidiary of the Company.

6.3 Loss and loss per Share ("LPS")

For illustrative purposes, based on the audited consolidated financial statements of SSB for the FYE 30 June 2024, and assuming that the Proposed Disposal had been completed on 1 July 2023, being the beginning of the FYE 30 June 2024, the pro forma effects of the Proposed Disposal on the consolidated loss and LPS of SSB Group are as follows:-

			Pro forma
	Audited FYE 30 June 2024	**(1)Subsequent adjustment up to the LPD**	**After the Proposed Disposal**
Loss after tax ("**LAT**") attributable to the owners of the Company (RM'000)	(55,843)	(57,082)	(2)(72,293)
No. of SSB Shares in issue ('000)	596,313	1,501,113	1,501,113
LPS (sen)(3)	(9.36)	(3.80)	(4.82)

Notes:-

(1) After adjusting for the Issuance of Shares and Private Placement, both of which were completed on 16 January 2025.

*(2) After accounting for the pro forma loss of approximately RM15.21 million, which is expected to arise from the Proposed Disposal as further detailed in **Section 2.7** of this announcement.*

(3) Computed based on LAT attributable to the owners of the Company over the total number of SSB Shares in issue.

7. PERCENTAGE RATIOS UNDER THE LISTING REQUIREMENTS

The highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 10.74%, calculated based on the latest audited consolidated financial statements of SSB for the FYE 30 June 2024.

8. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Disposal is subject to the following being obtained:-

(i) approval from the non-interested shareholders of SSB at an extraordinary general meeting ("**EGM**") of the Company to be convened;

(ii) BRC having obtained either an assessment by Singapore Exchange Regulation Pte Ltd on BRC's views on the application of Rule 908(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**") vis-à-vis disaggregating transactions with SSB Group with Esteel and its associates as defined in the Listing Manual, or approval from the non-interested shareholders of BRC at a general meeting to be convened; and

(iii) approvals/consents from any other relevant authorities and/or parties, if required.

The Proposed Disposal is not conditional upon any other corporate exercises undertaken or to be undertaken by SSB.

9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the directors, major shareholders of SSB and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Disposal:-

(i) Seah Kiin Peng, the Non-Independent Non-Executive Chairman of SSB, who is also the Chief Executive Officer and Executive Director of BRC;

(ii) Zhang Cheng, the Non-Independent Non-Executive Director of SSB, who is a nominee of Esteel;

(iii) Esteel, You Zhenhua, Advance Venture Investments Limited ("**Advance Venture**"), Theme International Holdings Limited ("**Theme International**"), Wide Bridge Limited ("**Wide Bridge**") and Bright Power Ventures Limited ("**Bright Power**") are the controlling shareholders of both SSB and BRC; and

(iv) Hong Leong Investment Holdings Pte Ltd ("**HLIH**") is the major shareholder of both SSB and BRC.

Seah Kiin Peng and Zhang Cheng shall collectively be referred to as the "**Interested Directors**". Esteel, You Zhenhua, Advance Venture, Theme International, Wide Bridge, Bright Power and HLIH shall collectively be referred to as the "**Interested Shareholders**". The Interested Directors and Interested Shareholders shall collectively be referred to as the "**Interested Parties**".

In view of the interests of the Interested Parties, the Proposed Disposal is deemed as a related party transaction under Paragraph 10.08 of the Listing Requirements.

Accordingly, the Interested Directors have abstained and will continue to abstain from deliberating and voting at all relevant Board meetings of SSB in relation to the Proposed Disposal.

The Interested Parties will abstain from voting in respect of their direct and indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Disposal to be tabled at the EGM to be convened. Further, the Interested Parties will also undertake to ensure that all persons connected with them will abstain from voting in respect of their direct and/or indirect interest, if any, on the resolution pertaining to the Proposed Disposal to be tabled at the EGM to be convened.

The direct and indirect shareholdings of the Interested Parties in the Company as at the LPD are as follows:-

	Direct		**Indirect**	
	No. of Shares	**(1)%**	**No. of Shares**	**(1)%**
Interested Directors				
Seah Kiin Peng	-	-	-	-
Zhang Cheng	-	-	-	-
Interested Shareholders				
Esteel	752,057,840	50.10	-	-
You Zhenhua	-	-	(2)752,057,840	50.10
Advance Venture	-	-	(3)752,057,840	50.10
Theme International	-	-	(3)752,057,840	50.10
Wide Bridge	-	-	(4)752,057,840	50.10
Bright Power	-	-	(5)752,057,840	50.10
HLIH	-	-	(6)424,617,539	28.29

Notes:-

(1) Based on the total number of issued SSB Shares of 1,501,113,290 Shares as at the LPD.

*(2) Deemed interested by virtue of his direct shareholdings in Esteel and his controlling interest in Advance Venture, Theme International, Wide Bridge and Bright Power pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore ("**SFA**").*

(3) Deemed interested by virtue of its direct shareholdings in Esteel pursuant to Section 4 of the SFA.

(4) Deemed interested by virtue of its controlling interest in Theme International pursuant to Section 4 of the SFA.

(5) Deemed interested by virtue of its controlling interest in Theme International and Wide Bridge pursuant to Section 4 of the SFA.

(6) Deemed interested by virtue of its shareholdings in Hong Leong Company (Malaysia) Berhad and company(ies) in which HLIH has interest pursuant to Section 4 of the SFA.

10. TRANSACTIONS WITH THE INTERESTED PARTIES FOR THE PRECEDING 12 MONTHS

Save as disclosed below, there were no other transactions (other than the recurrent related party transactions pursuant to Paragraph 10.09 of the Listing Requirements, if any) entered into between SSB Group and the Interested Parties during the 12 months preceding the date of this announcement:-

(i) **Issuance of Shares**

On 16 January 2025, SSB had issued 752,057,840 new SSB Shares to Esteel at an issue price of RM0.42 per SSB Share, representing approximately 50.10% of the enlarged issued share capital of SSB upon completion of the Issuance of Shares and Private Placement.

11. BOARD AUDIT & RISK MANAGEMENT COMMITTEE'S STATEMENT

The Board Audit & Risk Management Committee of SSB, in arriving at its views, has sought independent advice from the Independent Adviser for the Proposed Disposal.

After taking into consideration the evaluation of the Independent Adviser and all aspects of the Proposed Disposal, including but not limited to, the rationale and benefits of the Proposed Disposal, basis and justification of determining the Disposal Consideration, salient terms of the SPA and the financial effects of the Proposed Disposal, the Board Audit & Risk Management Committee of SSB is of the opinion that the Proposed Disposal is:-

(i) in the best interest of the Company;

(ii) fair, reasonable and on normal commercial terms; and

(iii) not detrimental to the interest of the non-interested shareholders of SSB.

12. DIRECTORS' STATEMENT

The Board (save for the Interested Directors), after having considered the evaluation of the Independent Adviser and all aspects of the Proposed Disposal, including but not limited to the rationale and benefits of the Proposed Disposal, basis and justification of determining the Disposal Consideration, salient terms of the SPA and the financial effects of the Proposed Disposal, is of the view that the Proposed Disposal is in the best interest of the Company.

13. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to obtaining all required approvals, the Proposed Disposal is expected to be completed in the second half of 2025.

14. APPLICATION TO THE RELEVANT AUTHORITIES

Barring any unforeseen circumstances, the application to the relevant authorities for the Proposed Disposal shall be made within 2 months from the date of this announcement.

15. PRINCIPAL ADVISER AND INDEPENDENT ADVISER

UOBKH has been appointed by the Company to act as the principal adviser for the Proposed Disposal.

In view that the Proposed Disposal is deemed as a related party transaction under Paragraph 10.08 of the Listing Requirements, Strategic Capital Advisory Sdn Bhd has been appointed by the Company to act as the Independent Adviser to undertake the following in relation to the Proposed Disposal:-

(i) comment as to whether the Proposed Disposal is:-

  (a) fair and reasonable so far as the non-interested shareholders of SSB are concerned; and

  (b) to the detriment of the non-interested shareholders of SSB,

  and such opinion must set out the reasons for the key assumptions made and the factors taken into consideration in forming that opinion;

(ii) advise the non-interested shareholders of SSB on whether they should vote in favour of the resolution pertaining to the Proposed Disposal at the EGM to be convened; and

(iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in items (i) and (ii) above.

16. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA and the Valuation Certificate are available for inspection at the registered office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia during normal business hours from Monday to Friday (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 22 April 2025.

SALIENT TERMS OF THE SPA

1. CONDITIONS PRECEDENT

The completion of the Proposed Disposal ("**Closing**") is conditional upon satisfaction or waiver (as the case may be) of the following conditions precedents ("**Conditions Precedent**") by or before 31 July 2025 or such other date as may be mutually agreed by SSB and BRC (collectively, the "**Parties**") in accordance with the terms of the SPA ("**Long Stop Date**") ("**Unconditional Date**"):-

(i) the passing of an ordinary resolution of the shareholders of SSB at an EGM in respect of the Proposed Disposal;

(ii) the non-occurrence of any material adverse change in relation to the operations, businesses, properties and/or financial condition (including liabilities, assets and results) of SSM, that has caused or is reasonably likely to cause the net tangible asset value of SSM to decrease by more than 20% from that set forth in the unaudited management accounts of SSM drawn up to 31 December 2024 occuring on or before Closing;

(iii) BRC having obtained either an assessment by Singapore Exchange Regulation Pte Ltd on BRC's views on the application of Rule 908(2) of the Listing Manual vis-à-vis disaggregating transactions with SSB Group with Esteel and its associates as defined in the Listing Manual, or approval being obtained from the shareholders of BRC in a general meeting for the Proposed Disposal; and

(iv) the Parties reaching agreement on the agreed form of the shareholders' agreement to be entered into between the Parties.

2. CLOSING

Closing shall take place on ("**Closing Date**"):-

(i) a date falling 5 business days after the Unconditional Date; or

(ii) such other date as the Parties may mutually agree in accordance with the SPA.

3. CONSIDERATION

(i) Subject to **Section 3(ii)** of **Appendix I** of this announcement, the Disposal Consideration shall be an amount in cash equal to RM61.05 million.

(ii) If there is a Dividend Declared before Closing and provided the Dividend Declared has been or would be paid to SSB whether before or after Closing, the Disposal Consideration shall be revised to the following figure in RM:-

Revised Disposal Consideration	=	55% multiplied by (RM111,000,000.00 minus Dividend Declared)

SALIENT TERMS OF THE SPA (CONT'D)

4. PAYMENT

On the Closing Date, BRC shall pay the Disposal Consideration to SSB.

If BRC does not pay the Disposal Consideration when due under the SPA, SSB shall, subject to the terms of the SPA, be entitled to elect to:-

(i) claim for specific performance against BRC of its obligations under the SPA; or

(ii) terminate the SPA (other than the surviving provisions under the SPA) without liability on the part of SSB; or

(iii) fix a new Closing Date.

If SSB does not deliver the required documents in accordance with the SPA, BRC shall, subject to the terms of the SPA, be entitled to elect to:-

(i) claim for specific performance against SSB of its obligations under the SPA; or

(ii) terminate the SPA (other than the surviving provisions under the SPA) without liability on the part of BRC; or

(iii) fix a new Closing Date.

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INFORMATION OF SSM

1. BACKGROUND INFORMATION ON SSM

SSM (Registration No.: 198001012163 (65949-T)) was incorporated as a private limited company in Malaysia under the Companies Act 1965 on 27 December 1980, having its registered address at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

SSM is principally involved in manufacturing, sale and marketing of steel wire mesh, concrete wires, cut and bend bars and other related products.

2. SHARE CAPITAL

The issued share capital of SSM is RM44,497,613.82 comprising 23,424,658 SSM Shares as at the LPD.

3. DIRECTORS AND SHAREHOLDERS

The directors of SSM are Yeoh Choon Kwee and David Ting Kiun Hua as at the LPD.

SSM is a wholly-owned subsidiary of SSB as at the LPD.

4. SUMMARY OF FINANCIAL INFORMATION

A summary of the consolidated financial information of SSM based on its audited financial statements for the past 3 FYEs 30 June 2022, 2023 and 2024 as well as the unaudited financial statements for the 6-month financial periods ended ("**FPE(s)**") 31 December 2023 and 2024 is as follows:-

	Audited FYE 30 June			**Unaudited FPE 31 December**	
	2022	**2023**	**2024**	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	513,545	507,160	524,280	261,815	233,332
Gross profit	20,297	16,279	27,213	14,351	11,443
Profit/(loss) before tax	4,297	(2,686)	5,793	3,353	(101)
PAT/(LAT)	4,966	(2,626)	4,719	2,511	(243)
PAT/(LAT) margin (%)	0.97	(0.52)	0.90	0.96	(0.10)
Share capital	44,498	44,498	44,498	44,498	44,498
Shareholders' funds/NA	96,144	103,776	108,912	106,285	105,624
Cash and cash equivalents	17,750	18,330	13,363	16,517	15,496
Total borrowings	5,544	7,100	25,388	24,953	26,142
No. of SSM Shares in issue ('000)	23,425	23,425	23,425	23,425	23,425
Earnings/(Loss) per SSM Share (RM)	0.21	(0.11)	0.20	0.11	(0.01)
NA per SSM Share (RM)	4.10	4.43	4.65	4.54	4.51
Gearing ratio (times)[(1)]	0.06	0.07	0.23	0.23	0.25
Current ratio (times)[(2)]	1.68	1.87	2.07	2.10	2.13

Notes:-

(1) Computed based on total borrowings over NA.

(2) Computed based on current assets over current liabilities.

During the FYEs/FPEs under review:-

(i) there were no exceptional and/or extraordinary items in the financial statements of SSM;

(ii) there have been no accounting policies adopted by SSM which are peculiar; and

(iii) there have been no audit qualifications to the financial statements of SSM.

Commentary on past performance

(i) FYE 30 June 2023

SSM recorded revenue of approximately RM507.16 million in the FYE 30 June 2023, representing a decrease of approximately 1.24% or RM6.39 million as compared to the revenue of approximately RM513.55 million recorded in the previous financial year. The decrease was mainly due to lower sales volume.

In line with the decrease in revenue, SSM recorded a LAT of approximately RM2.63 million in the FYE 30 June 2023 as compared to a PAT of approximately RM4.97 million recorded in the previous financial year.

(ii) FYE 30 June 2024

SSM recorded revenue of approximately RM524.28 million in the FYE 30 June 2024, representing an increase of approximately 3.38% or RM17.12 million as compared to the revenue of approximately RM507.16 million recorded in the previous financial year. The increase was mainly due to higher sales volume.

In line with the increase in revenue, SSM recorded a PAT of approximately RM4.72 million in the FYE 30 June 2024 as compared to a LAT of approximately RM2.63 million recorded in the previous financial year.

(iii) FPE 31 December 2024

SSM recorded a revenue of approximately RM233.33 million in the FPE 31 December 2024, representing a decrease of approximately 10.88% or RM28.49 million as compared to the revenue of approximately RM261.82 million recorded in the corresponding period of the preceding financial period. The decrease was mainly due to lower sales volume.

In line with the decrease in revenue, SSM recorded a LAT of approximately RM0.24 million for the FPE 31 December 2024 as compared to a PAT of approximately RM2.51 million recorded in the corresponding period of the preceding financial period.

5. KEY INFORMATION OF SSM PROPERTIES

<table>
<tr><th></th><th></th><th>Subject property located in Penang</th><th>Subject property located in Kapar</th><th>Subject property located in Kuantan</th></tr>
<tr><td>Description of the buildings</td><td>:</td><td>(i) single storey detached factory with a double storey office annexed ("Factory I");
(ii) single storey detached factory with a double storey office annexed ("Factory II");
(iii) single storey detached factory ("Factory III");
(iv) guard house;
(v) two Tenaga Nasional Berhad ("TNB") substations; and
(vi) pump room.</td><td>(i) single storey detached factory ("Factory A") with four storey office building ("Office A");
(ii) single storey detached factory ("Factory B") with a double storey engineering and maintenance block ("E&M Block");
(iii) single storey detached factory ("Factory C");
(iv) two guard houses;
(v) refuse chamber; and
(vi) TNB substation.</td><td>(i) single storey detached factory ("Factory 1");
(ii) single storey detached factory ("Factory 2");
(iii) single storey detached factory ("Factory 3");
(iv) double storey office building detached to Factory 1 ("Office 1"); and
(v) other buildings (i.e. single storey canteen, pump house, schedule waste storage, engineering workshop, guard house and TNB substation) ("Other Ancillary Buildings").</td></tr>
<tr><td>Age of buildings</td><td>:</td><td><table><tr><th>No.</th><th>Buildings</th><th>Age</th></tr><tr><td>(i)</td><td>Factory I</td><td>38 years</td></tr><tr><td>(ii)</td><td>Factory II</td><td>40 years</td></tr><tr><td>(iii)</td><td>Factory III</td><td>40 years</td></tr><tr><td>(iv)</td><td>Guard house</td><td>40 years</td></tr><tr><td>(v)</td><td>TNB substations</td><td>40 years</td></tr><tr><td>(vi)</td><td>Pump room</td><td>22 years</td></tr></table></td><td><table><tr><th>No.</th><th>Buildings</th><th>Age</th></tr><tr><td>(i)</td><td>Factory A</td><td>23 years</td></tr><tr><td>(ii)</td><td>Office A</td><td>31 years</td></tr><tr><td>(iii)</td><td>Factory B</td><td>38 years</td></tr><tr><td>(iv)</td><td>E&M Block</td><td>21 years</td></tr><tr><td>(v)</td><td>Factory C</td><td>31 years</td></tr><tr><td>(vi)</td><td>Guard houses</td><td>31 years</td></tr><tr><td>(vii)</td><td>Refuse chamber</td><td>15 years</td></tr><tr><td>(viii)</td><td>TNB substation</td><td>33 years</td></tr></table></td><td><table><tr><th>No.</th><th>Buildings</th><th>Age</th></tr><tr><td>(i)</td><td>Factory 1</td><td>25 years</td></tr><tr><td>(ii)</td><td>Factory 2</td><td>25 years</td></tr><tr><td>(iii)</td><td>Factory 3</td><td>25 years</td></tr><tr><td>(iv)</td><td>Office 1</td><td>25 years</td></tr><tr><td>(v)</td><td>Other Ancillary Buildings</td><td>25 years</td></tr></table></td></tr>
<tr><td>Existing use / occupation</td><td>:</td><td>Manufacturing factory</td><td>Manufacturing factory</td><td>Vacant and unoccupied</td></tr>
<tr><td>Registered owner</td><td>:</td><td>SSM</td><td>SSM</td><td>SSM</td></tr>
<tr><td>Postal address</td><td>:</td><td>2482, Lorong Perusahaan 12, Kawasan Perusahaan, 13600 Perai, Pulau Pinang
2489, Lorong Perusahaan 12, Kawasan Perusahaan, 13600 Perai, Pulau Pinang</td><td>Lot 69501, Batu 5 ½, Jalan Kapar, 42100 Klang, Selangor Darul Ehsan</td><td>Lot. 77A, Kawasan Perindustrian Gebeng, Jalan Gebeng 1/6, 26080 Kuantan, Pahang Darul Makmur</td></tr>
</table>

INFORMATION OF SSM (CONT'D)

		Subject property located in Penang		Subject property located in Kapar	Subject property located in Kuantan
Title No.	:	HS(D) 31359	HS(D) 41665 (formerly known as HSD 2652 Mk 1)	Geran Mukim 18814	HS(D) 45 (formerly known as HS(D) 7702)
Lot No.	:	PT 1466	PT 1407	Lot 69501	PT 16403
Tenure	:	Leasehold for 60 years, expiring on 23 January 2045	Leasehold for 60 years, expiring on 13 May 2043	Grant in perpetuity	Leasehold for 66 years, expiring on 5 February 2052
Approximate land area	:	11,302 square metres ("**sqm**")	4,180 sqm	31,180 sqm	40,468.60 sqm
Category of land use	:	Industrial		Industrial	Industrial
Encumbrances	:	Nil		Nil	Nil
Restriction in interest	:	(i) The land hereby alienated shall not be transferred, charged, leased, sub-leased or otherwise in any manner dealt with or disposed of without the written sanction of the State Authority. (ii) The land hereby alienated shall not be subdivided.		Nil	The land shall not be transferred, charged or leased without the written consent of YAB Chief Minister of Pahang.

INFORMATION OF SSM (CONT'D)

		Subject property located in Penang		Subject property located in Kapar	Subject property located in Kuantan
Other endorsement	:	"Lease of a portion of the land to Tenaga Nasional Berhad for a period of 30 years, commencing on 24 January 1995 and ending on 23 January 2025" vide Presentation No. 0799SC1995022993, No. Jilid 9 No. Folio 181 dated 21 December 1995.	"Lease of a portion of the land to Tenaga Nasional Berhad for a period of 30 years, commencing on 18 June 1992 and ending on 17 June 2022" vide Presentation No. 0799SC1993010077, No. Jilid 7 No. Folio 130 dated 19 July 1993.	(i) "Lease of the entire land to Lembaga Letrik Negara Tanah Melayu for a period of 30 years, commencing on 1 September 1984 and ending on 31 August 2014" vide Presentation No. 011SC3239/1986; No. Jilid 1 No. Folio 91 dated 16 December 1986. (ii) "Approval for the surrender of a portion of land measuring approximately 6,106 sqm, with the quit rent revised to RM3,211.00" vide Presentation No. 011N549/2008 dated 5 December 2008. (iii) "Lease of a portion of the land to Tenaga Nasional Berhad for a period of 30 years, commencing on 7 September 2015 and ending on 6 September 2045" vide Presentation No. 011SC10429/2015 dated 9 October 2015.	Nil

		Subject property located in Penang	Subject property located in Kapar	Subject property located in Kuantan
Express conditions	:	(i) The subsequent proprietor registered after the Penang Development Corporation shall within two years from the date of alienation or within such further term as may be approved by the State Authority erect a factory building or buildings on the land hereby alienated in accordance with the plan approved by the local authority and shall maintain the building or buildings so erected to the satisfaction of the State Authority. (ii) The subsequent proprietor registered after the Penang Development Corporation shall treat, dispose off, or cause to be treated and disposed off, trade effluents in a manner to the satisfaction of the State Authority. (iii) The subsequent proprietor registered after the Penang Development Corporation shall pay and discharge all taxes, rates, assessments and charges whatsoever which may be payable for the time being in respect of the land hereby alienated or any part thereof, levied by the Majlis Perbandaran, Seberang Perai. (iv) The subsequent proprietor registered after the Penang Development Corporation shall ensure that 30% of the employees engaged in the business for which the land is hereby alienated shall be Malays.	Industrial	This land shall be used as an industrial site only.
Independent Valuer	:	Laurelcap Sdn Bhd	Laurelcap Sdn Bhd	Laurelcap Sdn Bhd
Valuation date	:	28 February 2025	4 March 2025	27 February 2025
Valuation approaches	:	(i) Cost approach (primary) (ii) Income approach (secondary)	(i) Cost approach (primary) (ii) Income approach (secondary)	(i) Cost approach (primary) (ii) Income approach (secondary)
Market value ascribed	:	RM11,500,000	RM48,000,000	RM12,100,000
Unaudited net book value as at 31 December 2024	:	RM9,533,472	RM41,007,782	RM5,963,099

INFORMATION OF BRC

1. BACKGROUND INFORMATION OF BRC

BRC (Registration No.: 193800054G) was incorporated in Singapore under the laws of Singapore on 14 December 1938, having its registered address at 350 Jalan Boon Lay, Jurong Industrial Estate, Singapore 619530. BRC is listed on the Mainboard of SGX-ST.

BRC and its subsidiaries are principally involved in prefabrication of steel reinforcement for use in concrete, trading of steel reinforcing bars and manufacturing and sale of wire mesh fences.

2. SHARE CAPITAL

The issued share capital of BRC is SGD185,103,302.95 comprising 275,976,689 BRC Shares (including 1,626,600 shares held as treasury shares) in the capital of BRC as at the LPD.

3. DIRECTORS AND SHAREHOLDERS

The directors of BRC are Darrell Lim Chee Lek, Toh Kian Sing, Kwek Pei Xuan, Stephen Ho Kiam Kong, Chang Pui Yook, Joel Leong Kum Hoe, Zhang Xingwang, Teo Ser Luck, Xu Jiguo and Seah Kiin Peng as at the LPD.

Based on the register of directors' shareholding as at the LPD, the directors of BRC do not own any interests, whether direct or indirect, in BRC Shares.

The substantial shareholders of BRC together with their respective shareholdings in BRC as at the LPD are as follows:-

	Direct		**Indirect**	
	No. of BRC Shares	[(1)]**%**	**No. of BRC Shares**	[(1)]**%**
Esteel	167,795,536	61.16	-	-
You Zhenhua	-	-	[(2)]167,795,536	61.16
Advance Venture	-	-	[(3)]167,795,536	61.16
Theme International	-	-	[(3)]167,795,536	61.16
Wide Bridge	-	-	[(4)]167,795,536	61.16
Bright Power	-	-	[(5)]167,795,536	61.16
Hong Leong Asia Investments Pte Ltd ("**HLAI**")	54,875,000	20.00	-	-
Hong Leong Asia Ltd	-	-	[(6)]55,280,500	20.15
Hong Leong Corporation Holdings Pte Ltd ("**HLCH**")	-	-	[(7)]55,571,900	20.26
Hong Leong Enterprises Pte Ltd	-	-	[(8)]55,571,900	20.26
HLIH	-	-	[(9)]57,460,900	20.94
Davos Investment Holdings Private Limited	-	-	[(10)]57,460,900	20.94
Kwek Holdings Pte Ltd	-	-	[(10)]57,460,900	20.94

Notes:-

(1) *Based on the total number of issued BRC Shares of 274,350,089 Shares (excluding 1,626,600 BRC Shares held as treasury shares) as at the LPD.*

(2) *Deemed interested by virtue of his direct shareholdings in Esteel and his controlling interest in Advance Venture, Theme International, Wide Bridge and Bright Power pursuant to Section 4 of the SFA.*

(3) *Deemed interested by virtue of its direct shareholdings in Esteel pursuant to Section 4 of the SFA.*

(4) *Deemed interested by virtue of its controlling interest in Theme International pursuant to Section 4 of the SFA.*

(5) *Deemed interested by virtue of its controlling interest in Theme International and Wide Bridge pursuant to Section 4 of the SFA.*

(6) *Deemed interested by virtue of its controlling interest in HLAI and Rex Plastics Pte Ltd pursuant to Section 4 of the SFA.*

(7) *Deemed interested by virtue of its controlling interest in HLAI, Starich Investments Pte Ltd and Rex Plastics Pte Ltd pursuant to Section 4 of the SFA.*

(8) *Deemed interested by virtue of its interest of not less than 20% of the voting shares in HLCH pursuant to Section 4 of the SFA.*

(9) *Deemed interested by virtue of its controlling interest in HLAI, Starich Investments Pte Ltd, Rex Plastics Pte Ltd and Shanwood Development Pte Ltd pursuant to Section 4 of the SFA.*

(10) *Deemed interested by virtue of its interest of not less than 20% of the voting shares in HLIH pursuant to Section 4 of the SFA.*

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