



Press Release

Hong Leong Asia To Acquire 20% Of BRC Asia Limited

Singapore, 28 August 2021 – Hong Leong Asia Ltd. ("HLA" or together with its subsidiaries, the "Group"), the listed trading and manufacturing arm of the Hong Leong Group, Singapore, today announced that, through its wholly-owned subsidiary Hong Leong Asia Investments Pte. Ltd., it has entered into a subscription agreement with BRC Asia Limited ("BRC") to subscribe for 31,015,000 new ordinary shares in the capital of BRC at an issue price of S\$1.48 per share, for a total cash consideration of S\$45,902,200. This transaction will require BRC shareholders' approval at an Extraordinary General Meeting to be convened. Esteel Enterprise Pte. Ltd. which currently owns 68.96% of BRC has given an undertaking to vote in favour of the transaction.

HLA has also simultaneously entered into a sale and purchase agreement ("SPA") with five (5) BRC shareholders for the acquisition of an aggregate of 15,000,000 ordinary shares in the capital of BRC, for a total cash consideration of S\$22,200,000.

BRC is a leading steel reinforcement solutions provider in Singapore, offering 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.

Completion of these two transactions combined with previously held BRC shares will result in the Group having approximately 20.00% in the enlarged share capital of BRC (excluding treasury shares). HLA may request to nominate two directors to BRC's board in a non-executive capacity, subject to the recommendation of the nominating committee of BRC, the approval of the board of directors of BRC and compliance with all applicable requirements.

This investment in BRC would help expand the Group's interest in the building materials sector in Singapore and increase technology and automation opportunities for both HLA and BRC. The Prefabricated Prefinished Volumetric Construction (PPVC) building technology is one example where there are synergies in concrete and steel reinforcement solutions. There are also opportunities for growth overseas as China and other Southeast Asian countries work towards improving productivity in the building and construction sector.

HLA Executive Chairman, Mr Kwek Leng Peck said: "As Asia undergoes rapid urbanisation, enhanced productivity in the building and construction sector will be in demand. Hong Leong Asia, together with BRC Asia will have a unique opportunity to develop and scale up innovative and sustainable urban solutions for cities of the future."

HLA Chief Executive Officer, Mr Stephen Ho Kiam Kong said: "This is a unique opportunity to acquire a meaningful stake in BRC, a company steeped in history with a strong focus on innovation and its people. There is potential to generate synergy between our concrete and steel reinforcement capabilities as we pursue the path towards technology and automation in Singapore and markets beyond."

The transaction is expected to close before 31 December 2021. It is not expected to have any material impact on the net tangible assets per share and the earnings per share for the Group in the current financial year.

Issued by Hong Leong Asia Ltd. (Co. Reg. No. 196300306G)

About Hong Leong Asia Ltd.:

Hong Leong Asia Ltd. has been listed on the Mainboard of Singapore Exchange Securities Trading Limited since 1998. It is part of the Singapore-based conglomerate, Hong Leong Group, one of the largest and most successful globalised corporations in Asia. Over the years, we have grown from a building materials supplier to a diversified Asian multinational known for our market leadership and financial strength. We work closely with our customers across the rapidly urbanising Asia to develop and deliver innovative solutions that will improve quality of life and drive sustainability for cities of the future

For more information on the Group, please visit our website www.hlasia.com.sg.

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