

**INCREASE OF SHAREHOLDINGS IN SUBSIDIARY AND
DISCLOSURE PURSUANT TO RULE 704(17)(B) OF THE LISTING MANUAL**

1. INTRODUCTION

The board of directors ("**Board**") of BRC Asia Limited ("**Company**") and together with its subsidiaries, ("**Group**") refers to the voluntary conditional cash offer by United Overseas Bank Limited ("**UOB**") for and on behalf of the Company to acquire all the issued and paid-up ordinary shares ("**Lee Metal Shares**") in the capital of Lee Metal Group Ltd ("**Lee Metal**") (other than those already owned, controlled or agreed to be acquired by the Company) ("**Offer**").

2. INCREASE OF SHAREHOLDINGS IN A SUBSIDIARY

Pursuant to Rule 704(17)(d) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**"), the Board wishes to announce that the Company's deemed interest in its subsidiary, Lee Metal, has increased to 395,116,539 Lee Metal Shares ¹ (representing approximately 83.26% of the issued Lee Metal Shares)².

The increase of the Company's deemed interest in Lee Metal was pursuant to the transfer and settlement of an aggregate 48,166,558 Lee Metal Shares (representing approximately 10.15% of the issued Lee Metal Shares) on 31 May 2018 tendered in acceptance of the Offer between 21 May 2018 and 25 May 2018 ("**Settlement**"). The Company's aforementioned interest in Lee Metal does not include any deemed interest in Lee Metal Shares which had been tendered in acceptance of the Offer but settlement of which has not yet occurred as of the date of this Announcement.

Further information on the Offer (including the Company's sources of funds used for undertaking the Offer and the financial effects of the Offer on the Group) can be found in (a) the Company's circular dated 14 March 2018 issued to its shareholders in relation to the Offer, and (b) the offer document dated 10 May 2018 issued by UOB, for and on behalf of the Offeror.

3. DISCLOSURE PURSUANT TO RULE 704(17)(B) OF THE LISTING MANUAL

Pursuant to Rule 704(17)(b) of the Listing Manual, as a result of the Settlement, the Company's aggregate cost of investment in quoted securities is as follows:

		Prior to Acquisition	After Acquisition
(a)	Aggregate cost of the Group's quoted investments (S\$ '000)	145,879	166,109
	Aggregate cost of the Group's quoted investments as a percentage of the latest audited consolidated net tangible assets of the Group as at 30 September 2017 ⁽ⁱ⁾ (%)	86.7	98.8

¹ The Lee Metal Shares owned or controlled by the Company are held by its nominee, United Overseas Bank Nominees (Private) Limited.

² Unless stated otherwise, references in this Announcement to the total number of issued Lee Metal Shares are based on 474,551,093 Lee Metal Shares.

		Prior to Acquisition	After Acquisition
(b)	Total market value of its quoted investments ⁽ⁱⁱ⁾ (S\$ '000)	145,337	165,493
(c)	Amount of any provision for diminution in value of investments (S\$ '000)	-	-

Notes:

- (i) The audited consolidated net tangible assets of the Group as at 30 September 2017 amounted to approximately S\$168,177,000.
- (ii) Based on the volume weighted average price of the quoted securities transacted on the full market day preceding this Announcement (on which such securities were traded).

By Order of the Board

Lee Chun Fun
Company Secretary
31 May 2018