

BRC Asia to Raise S\$45.9 million through a Private Placement

SINGAPORE – 28 August 2021 – BRC Asia Limited. ("**BRC**" or the "**Group**"), the leading steel reinforcement solutions provider in Singapore, today announced that it has entered into a subscription agreement with Hong Leong Asia Investments Pte. Ltd. ("**Subscriber**") to raise approximately S\$45.9 million in aggregate gross proceeds through a placement undertaken by way of an exempt offering to the Subscriber. BRC intends to issue 31.015 million new ordinary shares ("**Subscription Shares**") at an issue price of S\$1.48 per share to the Subscriber (the "**Proposed Placement**"). BRC intends to use the net proceeds from the private placement to repay the Group's outstanding borrowings, comprising mainly of trust receipts for the purchase of steel.

The issue price represents a 2.06% discount to the volume-weighted average share price of S\$1.5111 on 27 August 2021, being the last market day preceding the date the subscription agreement is signed.

The Subscriber currently holds 8,860,000 ordinary shares or approximately 3.6% of the Group's existing total issued shares. Concurrently, the Subscriber has entered into a conditional sale and purchase agreement ("**SPA**") with Xinsteel Singapore Pte. Ltd., Nuocheng International Trading & Investment Pte. Ltd., Toe Teow Heng, Wu Ai Ping and Shi Yong (collectively, the "**Vendors**") on 28 August 2021 in respect of the purchase by the Subscriber and the sale by the Vendors of an aggregate of 15,000,000 fully paid-up ordinary shares in the capital of the Company (the "**Vendor Shares**") at a pre-agreed price of S\$1.48 for each Vendor Share (the "**Subscriber Acquisition**").

The Subscription Shares and the Vendor Shares will represent in aggregate approximately 16.77% of the total enlarged issued and paid-up share capital of the Company (excluding treasury shares) upon completion of the Proposed Placement and the Subscriber Acquisition. Accordingly, upon completion of the Proposed Placement and the Subscriber Acquisition, the Subscriber will hold in

aggregate approximately 20.00% of the total enlarged issued and paid-up share capital of the Company (excluding treasury shares).

Commenting on the private placement, Mr. Darrell Lim, Executive Director of the Group, said, ***"We are humbled by Hong Leong Asia's confidence in BRC, and look forward to welcoming HLA onboard as a substantial shareholder, pending all relevant regulatory and shareholder approval. In due course, we hope to work closely with HLA to explore international growth opportunities, especially in sustainable and innovative building solutions."***

Mr. Seah Kiin Peng, Chief Executive Officer of the Group, commented, ***"On behalf of directors, management and staff of BRC Asia, I look forward to warmly welcoming Hong Leong Asia into our BRC family. HLA is a household name in Singapore, particularly in the industrials space, with leading brands in ready-mix and precast for the construction sector. We strongly believe that HLA's support will enhance the growth of our Group, particularly in our quest to expand internationally."***

As of 30 June 2021, the Group has total cash and bank balances of S\$67.5 million and a strong financial position with net assets of S\$293.1 million and net asset value per ordinary share of 120.44 Singapore cents.

For the nine months ended 30 June 2021, the Group has also recorded a 46% surge in net profit to S\$29.3 million despite the ongoing Covid-19 pandemic-related disruptions. The Group has an outstanding orderbook of S\$1.1 billion as of 30 June 2021. The duration of projects in our sales order book range up to 5 years and may be subject to further changes.

--The End--

Company Profile

Incorporated in 1938, BRC Asia Limited ("BRC") is a leading Pan-Asia prefabricated reinforcing steel solutions provider headquartered in Singapore and listed on the Singapore Stock Exchange.

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.

With operations spanning Singapore, Malaysia and China and a total workforce of more than 1,000, the Group has an annual processing capacity of 1.2 million MT.

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.

For more information, please visit the website at www.brc.com.sg

Issued for and on behalf of BRC Asia Limited

By Financial PR Pte Ltd
For more information, please contact:

Romil SINGH / Jass LIM
Email: romil@financialpr.com.sg / jass@financialpr.com.sg
Tel: (65) 6438 2990