

## **BRC Asia receives S\$14.2 million investment as investors see deep value in the company**

- **BRC Asia completed a placement of 10 million shares to investors at S\$1.42 per share**
- **Investors who received placement shares include established financial institutions and market leaders in the local insurance and asset management space**
- **Investors' oversubscription and enthusiasm reflects BRC Asia's resilient operational and financial performance in 2020, its solid balance sheet, the expected industry recovery in 2021 and beyond, and its commitment to a robust dividend policy, among other factors**
- **Funds received from the investment will be used for the repayment of the Group's outstanding bank borrowings**

**SINGAPORE – 26 January 2021 – BRC Asia Limited.** ("BRC" or the "Group"), a leading steel reinforcement solutions provider in Singapore and listed on the SGX Main Board, is pleased to announce that it has successfully completed a placement of 10 million shares in total to a group of investors at S\$1.42 per share.

The 10 million new shares represent about 4.1% of the Group's enlarged number of issued shares<sup>3</sup>, and the placement price of S\$1.42 represents a discount of about 9.4% compared to the volume weighted average trading price of S\$1.5680 for trades done on the shares on the SGX-ST for the full market day on 13 January 2021. BRC Asia will receive S\$14.2 million from the share placement.

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<sup>3</sup> The Group had a total of 233,335,089 issued shares (excluding treasury shares) as of 30 September 2020.



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The placement was received with strong demand from many renowned investors and was oversubscribed. Investors who received placement shares include established financial institutions and market leaders in the local insurance and asset management space.

Commenting on the share placement, Mr. Darrell Lim, Executive Director of the Group, said, *"We are pleased to bring onboard a number of well-established and highly-respected institutional investors, and are humbled by their conviction in the BRC Asia investment thesis. Despite significant challenges over the past year, we strongly believe that BRC Asia's experienced management team, strong balance sheet and commitment to a robust dividend policy will continue to deliver growth to all our shareholders."*

Mr. Seah Kiin Peng, Chief Executive Officer of the Group, commented: *"We expect that construction activities in Singapore will further gather pace in 2021 as Phase III Reopening progresses into the new year. The Singapore government's plan for vaccinating the entire population in 2021 instils confidence of a market recovery that will be sustainable. We appreciate the trust placed in BRC Asia by our latest investors, and remain firmly dedicated to creating long-term sustainable value for all our stakeholders."*

As of 30 September 2020, the Group held cash and bank balances of S\$77.9 million, compared to S\$65.8 million a year earlier. The fund received from the placement will be used for repayment of the Group's outstanding bank borrowings.

For the financial year ended 30 September 2020 ("FY2020"), BRC Asia achieved core earnings of S\$34.8 million, a 3.3% increase from FY2019, despite severe Covid-19 related disruptions in the second half of FY2020. As of 30 September 2020, the Group's sales order book stayed strong at approximately S\$1 billion. The duration of these projects range up to five years and may be subject to further changes.

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### **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](http://www.brc.com.sg)*

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Issued for and on behalf of BRC Asia Limited

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