



MEDIA RELEASE

1 March 2018

CCS Consults on the Proposed Acquisition of Lee Metal Group Ltd. by BRC Asia Limited

The Competition Commission of Singapore (“**CCS**”) is conducting a public consultation from 1 March 2018 to 15 March 2018 to invite interested parties to provide feedback on the proposed acquisition of all of the issued share capital of Lee Metal Group Ltd. (“**Lee Metal**”) by BRC Asia Limited (“**BRC**”) (the “**Proposed Transaction**”).

2. CCS received the sole notification from BRC for a decision on the Proposed Transaction on 22 February 2018. CCS is assessing whether the Proposed Transaction would infringe section 54 of the Competition Act (Cap. 50B), which prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.

The Parties

3. BRC is incorporated in Singapore and publicly listed on the SGX-Mainboard. Its principal activities are the prefabrication of steel reinforcement for use in concrete, trading of steel reinforcing bars, and manufacturing and sale of wire mesh fences.

4. Lee Metal is also incorporated in Singapore and publicly listed on the SGX-Mainboard. Its principal activities are steel merchandising and fabrication of reinforcement steel products for the construction and building industry.

The Proposed Transaction

5. This sole notification by BRC relates to the pre-conditional general offer by BRC to acquire all of the issued share capital of Lee Metal.

6. According to BRC:

- a. BRC and Lee Metal overlap in the supply of:

- (i) **12-metre reinforcing steel bars:** 12-metre long reinforcing steel bars in standard bundles;
 - (ii) **cut and bend reinforcing bars:** reinforcing steel bars cut and/or bent to requirement at factories;
 - (iii) **mesh:** steel wire mesh; and
 - (iv) **prefabricated reinforcing steel components:** factory prefabricated reinforcing steel components for use in the construction of reinforced structures,
- b. The regional market for the processing and distribution of reinforcing steel products in Singapore and Malaysia is highly competitive, in view of the excess capacity in the market; the multitude of competitors of varying sizes; surmountable barriers to entry; absence of “brand-stickiness”; the ability of buyers to freely import and process their own reinforcing steel; and the ease with which buyers can change suppliers.

Public Consultation

7. CCS is inviting public feedback in relation to the Proposed Transaction.
8. More information on the public consultation can be accessed and downloaded from the CCS website at www.ccs.gov.sg under the section “[Public Register and Consultation](#)”. The closing date for submissions is on or before **15 March 2018**. If the submission/correspondence contains confidential information, please also provide CCS with a non-confidential version of the submission or correspondence.

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About The Competition Commission of Singapore (CCS)

CCS is a statutory board established under the Competition Act (Chapter 50B) on 1 January 2005 to administer and enforce the Act. It comes under the purview of the Ministry of Trade and Industry. The Act empowers CCS to investigate alleged anti-competitive activities, determine if such activities infringe the Act and impose suitable remedies, directions and financial penalties.

For more information, please visit www.ccs.gov.sg.

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