

MEDIA RELEASE

13 June 2024

CCCS consults on the proposed acquisition of shares in HG Metal Manufacturing Limited by Green Estee Pte. Ltd.

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) is inviting public feedback on the proposed acquisition of new ordinary shares in HG Metal Manufacturing Limited (“**HG Metal**”) by Green Estee Pte. Ltd. (“**Estee**”) (the “**Proposed Transaction**”).
2. CCCS received a joint application from HG Metal and Estee (collectively, the “**Parties**”) for a decision on the Proposed Transaction. The application was accepted as complete on 6 June 2024. CCCS is now assessing whether the Proposed Transaction may result in a substantial lessening of competition within any market in Singapore.

The Parties

Estee

3. Estee’s principal activity is investment holding, with various investments in Singapore, Malaysia and Indonesia, and the trading of iron ore and hot briquetted iron. Estee holds a majority interest of 61.16 per cent.¹ in BRC Asia Limited (“**BRC**”), a Singapore-incorporated company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).
4. The principal activities of BRC are: (a) the prefabrication of steel reinforcement for use in concrete, trading of steel reinforcing bars (“**rebars**”), and manufacturing and sale of wire mesh fences; and (b) through its subsidiaries, the prefabrication, trading and manufacturing and sale of steel products, trading and distribution of steel products, as well as property development and investment.

HG Metal

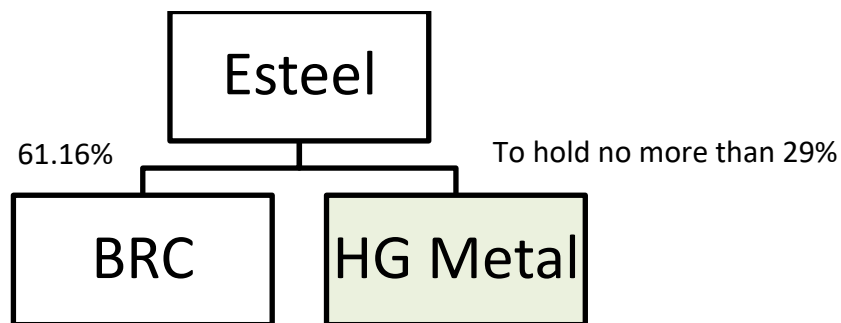
5. HG Metal is publicly listed on the Mainboard of the SGX-ST, and Estee currently holds a 5.33 per cent interest in HG Metal. HG Metal’s principal activities are the business of trading of steel products, and investment holdings; while its subsidiaries are mainly in the business of manufacturing and supply of steel material to the construction industry, and investment holding. The core types of products sold by HG Metal in Singapore are

¹ As at 19 December 2023.

structural steel products, rebars, cut and bend rebars (“**Cut and Bend**”), rebar mechanical splice and thread, steel welded wire mesh (“**Mesh**”), and prefabricated reinforcing steel products (“**Prefab**”).

The Proposed Transaction

6. The Proposed Transaction involves the proposed placement and subscription by Esteel of 34,000,000 new ordinary shares in HG Metal, with Esteel eventually holding no more than 29 per cent interest in the shares of HG Metal.



7. According to the Parties, Esteel and HG Metal do not offer any overlapping goods or services. However, the Parties submitted that, based on publicly available information on BRC’s website, there is overlap in the processing and distribution of the following products which HG Metal and BRC both supply in Singapore:

- (1) rebar;
- (2) Cut and Bend;
- (3) Prefab, which includes prefabricated cage; and
- (4) Mesh.

8. The Parties also submitted that BRC is not, for various reasons, directly or indirectly controlled by Esteel,² including:

- a. Esteel does not have control over BRC’s Board;
- b. Esteel does not have the ability to determine the strategic commercial decisions of BRC; and
- c. Esteel does not provide financial or operational support to BRC.

² Within the meaning of “control” under the Competition Act 2004.

9. The Parties therefore consider that the structure of the relevant industries which they are active in would remain unaffected by the Proposed Transaction, as Steel and HG Metal do not offer any overlapping goods or services in Singapore. The Parties also stated that the Proposed Transaction will not result in a substantial lessening of competition in Singapore. Further, the Parties highlighted that suppliers engaged in the processing and distribution of rebars, Cut and Bend, Mesh and Prefab in Singapore compete intensely on price, as these markets are generally characterised by significant competitive constraints imposed by competitors, as well as strong countervailing buyer power.

Public Consultation

10. CCCS is inviting public feedback on the Proposed Transaction from 13 June 2024 to 26 June 2024, 2 pm.
11. More information on the public consultation can be accessed and downloaded from the CCCS website at www.cccs.gov.sg under the section "[Public Consultation](#)". If the submission or correspondence contains confidential information, please also provide CCCS with a non-confidential version of the submission or correspondence.

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About The Competition & Consumer Commission of Singapore (CCCS)

The Competition and Consumer Commission of Singapore ("CCCS") is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act 2004 which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act 2003 or CPFTA which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for businesses and consumers in Singapore.

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

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