**BRC Asia Limited**

**Unaudited 12 Months Financial Statement and Dividend Announcement for the Year Ended 30 September 2013**

## PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

### 1(a) Consolidated Statement of Comprehensive Income for the financial year ended 30 September 2013

| | **2013** **$'000** | 2012 $'000 | +/(-) % |
|---|---|---|---|
| Revenue | **425,024** | 388,446 | 9 |
| Cost of sales | **(360,510)** | (350,918) | 3 |
| Gross profit | **64,514** | 37,528 | 72 |
| Other income [ note (a) ] | **2,812** | 104 | n.m. |
| Expenses | | | |
| - Distribution expenses | **(4,976)** | (3,414) | 46 |
| - Administrative expenses | **(13,011)** | (8,468) | 54 |
| - Finance costs | **(1,280)** | (1,162) | 10 |
| - Other operating expenses | **(3,520)** | (5,025) | (30) |
| Share of results of joint venture | **(856)** | 25 | n.m. |
| Profit before tax [ note (b) ] | **43,683** | 19,588 | 123 |
| Income tax expense [ note (c) ] | **(8,019)** | (3,099) | 159 |
| Profit net of tax | **35,664** | 16,489 | 116 |
| Other comprehensive income: | | | |
| - Fair value gain/(loss) on available-for-sale financial assets | **17** | 20 | (10) |
| - Foreign currency translation | **733** | (149) | (592) |
| Other comprehensive income for the financial year, net of tax | **750** | (129) | (682) |
| Total comprehensive income for the financial year | **36,414** | 16,360 | 123 |
| Profit net of tax attributable to: | | | |
| Owners of the parent | **35,666** | 16,504 | 116 |
| Non-controlling interests | **(2)** | (15) | 86 |
| | **35,664** | 16,489 | 116 |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | **36,418** | 16,377 | 122 |
| Non-controlling interests | **(4)** | (17) | 71 |
| | **36,414** | 16,360 | 123 |

n.m. denotes not meaningful

| | **2013** **$'000** | 2012 $'000 | +/(-) % |
|---|---|---|---|
| **Note (a) - Other income** | | | |
| Interest Income | **5** | 3 | 67 |
| Dividend income from available-for-sale financial assets | **24** | 6 | 300 |
| Government grant | **152** | - | n.m. |
| Rental Income | **-** | 90 | n.m. |
| Foreign exchange gain, net [2] | **2,631** | - | n.m. |
| Gain on disposal of available-for-sale financial assets | **-** | 2 | n.m. |
| Refund of unclaimed dividends | **-** | 3 | n.m |
| Total | **2,812** | 104 | |
| **Note (b) - Profit before tax is arrived at after charging / (crediting) the following:** | | | |
| Interest expense on borrowings | **1,280** | 1,162 | 10 |
| Depreciation of property, plant and equipment | **3,531** | 2,412 | 46 |
| Rental expense on operating leases | **1,025** | 857 | 20 |
| Write-back of provision for onerous contracts [1] | **-** | (1,351) | n.m. |
| Foreign exchange loss, net [2] | **-** | 1,545 | n.m. |
| Loss from fair value changes on currency forward contracts [2] | **630** | 742 | (15) |
| Allowance for impairment of receivables, net | **675** | 1,082 | (38) |
| Write-off of property, plant and equipment | **25** | 35 | (29) |
| Share options expense [3] | **1,101** | 970 | 14 |

**Note (c) - Income tax expense**

| | **The Group** | |
|---|---|---|
| | **2013** **$'000** | 2012 $'000 |
| Tax expense attributable to profit is made up of : | | |
| Provision in respect of current financial year | | |
| Current income tax | **6,782** | 991 |
| Deferred income tax | **1,237** | 2,017 |
| | **8,019** | 3,008 |
| (Over) / under provision in respect of previous financial years | | |
| Current income tax | **-** | (2) |
| Deferred income tax | **-** | 93 |
| Total income tax expense recognised in statement of comprehensive income | **8,019** | 3,099 |

**Comments on Group Profit and Loss**

[1] Provision for onerous contracts are made for contracts under which the costs to meet the obligations are expected to exceed the sales value. These provisions are released when these contractual obligations are met or when the costs to meet the obligations no longer exceed the sales value.

[2] The bulk of the Group's transactional foreign currency exposures arise from the purchase of steel, the principal raw material which is generally denominated in US Dollar. These exposures are hedged using forward exchange contracts. As the Group did not adopt hedge accounting under FRS 39, changes in the fair value of foreign currency forward contracts and foreign exchange differences between forward contract settlement rates and prevailing transaction rates are recognised immediately in profit or loss.

[3] Share options expense relates to the fair value of share options granted to employees of the Company pursuant to the BRC Share Option Scheme 2011. The expense recognised reflects the extent to which the vesting period has expired.

## 1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

| | The Group | | The Company | |
|---|---|---|---|---|
| | **September 2013 $'000** | September 2012 $'000 | **September 2013 $'000** | September 2012 $'000 |
| **Current assets** | | | | |
| Trade and other receivables | **77,703** | 97,534 | **77,703** | 97,534 |
| Amount due from subsidiaries | **-** | - | **10,897** | 3,935 |
| Inventories | **97,608** | 80,742 | **97,214** | 80,742 |
| Prepayments | **1,351** | 5,639 | **1,320** | 5,639 |
| Deposits | **716** | 265 | **657** | 212 |
| Cash and cash equivalents | **18,251** | 26,118 | **17,893** | 26,045 |
| | **195,629** | 210,298 | **205,684** | 214,107 |
| **Non-current assets** | | | | |
| Property, plant and equipment | **61,216** | 35,120 | **51,095** | 31,326 |
| Investment in subsidiaries | **-** | - | **5,453** | 3,514 |
| Investment in joint venture | **9,860** | 10,118 | **6,076** | 6,076 |
| Available-for-sale financial assets | **143** | 125 | **143** | 125 |
| | **71,219** | 45,363 | **62,767** | 41,041 |
| **Total assets** | **266,848** | 255,661 | **268,451** | 255,148 |
| **Current liabilities** | | | | |
| Trade and other payables | **44,863** | 42,409 | **48,059** | 45,356 |
| Advances received / prepayments | **15** | 15 | **15** | 15 |
| Derivative financial instruments | **630** | 742 | **630** | 742 |
| Loan and borrowings | **58,336** | 89,927 | **58,336** | 89,927 |
| Current income tax liabilities | **7,400** | 1,558 | **7,400** | 1,558 |
| | **111,244** | 134,651 | **114,440** | 137,598 |
| **Non-current liabilities** | | | | |
| Provision for retirement benefits | **500** | 460 | **500** | 460 |
| Loan and borrowings | **4,250** | - | **4,250** | - |
| Deferred income tax liabilities | **4,580** | 3,343 | **4,580** | 3,343 |
| | **9,330** | 3,803 | **9,330** | 3,803 |
| **Total liabilities** | **120,574** | 138,454 | **123,770** | 141,401 |
| **Net assets** | **146,274** | 117,207 | **144,681** | 113,747 |
| **Share capital and reserves** | | | | |
| Share capital | **59,265** | 52,997 | **59,265** | 52,997 |
| Treasury shares | **(190)** | - | **(190)** | - |
| Capital reserve | **597** | 597 | **597** | 597 |
| Fair value adjustment reserve | **6** | (11) | **6** | (11) |
| Share option reserve | **1,590** | 1,664 | **1,590** | 1,664 |
| Foreign currency translation reserve | **(471)** | (1,206) | **-** | - |
| Retained earnings | **85,468** | 63,153 | **83,413** | 58,500 |
| **Equity attributable to owners of parent** | **146,265** | 117,194 | **144,681** | 113,747 |
| **Non-controlling interests** | **9** | 13 | **-** | - |
| **Total equity** | **146,274** | 117,207 | **144,681** | 113,747 |

## 1(b)(ii) Aggregate amount of group's borrowings and debt securities

### Amount repayable in one year or less, or on demand

| **September 2013** | | September 2012 | |
|---|---|---|---|
| **Secured $'000** | **Unsecured $'000** | Secured $'000 | Unsecured $'000 |
| **3,000** | **55,336** | - | 89,927 |

### Amount repayable after one year

| **September 2013** | | September 2012 | |
|---|---|---|---|
| **Secured $'000** | **Unsecured $'000** | Secured $'000 | Unsecured $'000 |
| **4,250** | - | - | - |

### Details of any collateral

A borrowing of S$7.3 million (2012: Nil) is secured by a mortgage over the factory at 5, Sixth Lok Yang Road, Singapore 628103.

## 1(c) A Statement of Cash Flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

| | **2013** **$'000** | 2012 $'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before tax | **43,683** | 19,588 |
| Adjustments for : | | |
| Share of results of joint venture | **856** | (25) |
| Depreciation of property, plant and equipment | **3,531** | 2,412 |
| Gain on disposal of available-for-sale financial assets | **-** | (2) |
| Write-off of property, plant and equipment | **25** | 35 |
| Loss on disposal of property, plant and equipment | **-** | 4 |
| Allowance for impairment of trade receivables | **675** | 1,084 |
| Bad debts recovered | **(114)** | - |
| Write-back of provision for onerous contracts | **-** | (1,351) |
| Provision for retirement benefits | **40** | 50 |
| Unrealised exchange differences | **135** | (137) |
| Fair value changes on derivatives | **630** | 742 |
| Share options expense | **1,101** | 970 |
| Interest expense | **1,280** | 1,162 |
| Interest income | **(5)** | (3) |
| Dividend income | **(24)** | (6) |
| **Operating cash flow before working capital changes** | **51,813** | 24,523 |
| Change in operating assets and liabilities | | |
| Trade and other receivables | **13,712** | (46,664) |
| Inventories | **(16,866)** | (25,732) |
| Other current assets | **3,840** | (3,952) |
| Trade and other payables | **5,278** | 23,960 |
| **Cash flows from / (used in) operations** | **57,777** | (27,865) |
| Income tax paid | **(940)** | (3,012) |
| Retirement benefits paid | **-** | (70) |
| **Net cash flows from / (used in) operating activities** | **56,837** | (30,947) |
| **Cash flows from investing activities** | | |
| Purchases of property, plant and equipment | **(27,697)** | (20,302) |
| Proceeds from disposal of available-for-sale financial assets | **-** | 26 |
| Purchase of available-for-sale financial assets | **-** | (24) |
| Interest received | **5** | 3 |
| Dividend received | **24** | 6 |
| **Net cash flows used in investing activities** | **(27,668)** | (20,291) |
| **Cash flows from financing activities** | | |
| Proceed from issuance of ordinary shares | **5,093** | - |
| Net proceeds from term loan | **7,250** | - |
| (Repayment of) / net proceeds from bills payable to banks | **(34,591)** | 68,926 |
| Purchase of treasury shares | **(190)** | - |
| Dividends paid on ordinary shares | **(13,351)** | (914) |
| Interest paid | **(1,245)** | (1,162) |
| **Net cash flows (used in) /from financing activities** | **(37,034)** | 66,850 |
| **Net (decrease) / increase in cash and cash equivalents** | **(7,865)** | 15,612 |
| Cash and cash equivalents at beginning of financial year | **26,118** | 10,508 |
| Effects of exchange rate changes on cash and cash equivalents | **(2)** | (2) |
| **Cash and cash equivalents at end of financial year** | **18,251** | 26,118 |

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Statement of Changes in Equity – Group**

| | Attributable to Owners of Parent | | | | | | | | Non-controlling interests | Equity, Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Treasury shares | Capital reserve | Fair value reserve | Share option reserve | Currency translation reserve | Retained earnings | **Total** | | |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Balance at 1 October 2011 | 48,969 | - | 597 | (31) | 694 | (1,059) | 51,591 | **100,761** | 30 | **100,791** |
| Profit, net of tax | - | - | - | - | - | - | 16,504 | **16,504** | (15) | **16,489** |
| Other comprehensive income for the financial year | - | - | - | 20 | - | (147) | - | **(127)** | (2) | **(129)** |
| **Total comprehensive income for the financial year** | **-** | **-** | **-** | **20** | **-** | **(147)** | **16,504** | **16,377** | **(17)** | **16,360** |
| Grant of equity-settled share options to employees | - | - | - | - | 970 | - | - | **970** | - | **970** |
| Cash dividends on ordinary shares | - | - | - | - | - | - | (914) | **(914)** | - | **(914)** |
| Scrip dividends on ordinary shares | 4,028 | - | - | - | - | - | (4,028) | - | - | - |
| **Balance at 30 September 2012** | **52,997** | **-** | **597** | **(11)** | **1,664** | **(1,206)** | **63,153** | **117,194** | **13** | **117,207** |
| Balance at 1 October 2012 | 52,997 | - | 597 | (11) | 1,664 | (1,206) | 63,153 | **117,194** | 13 | **117,207** |
| Profit, net of tax | - | - | - | - | - | - | 35,666 | **35,666** | (2) | **35,664** |
| Other comprehensive income for the financial year | - | - | - | 17 | - | 735 | - | **752** | (2) | **750** |
| **Total comprehensive income for the financial year** | **-** | **-** | **-** | **17** | **-** | **735** | **35,666** | **36,418** | **(4)** | **36,414** |
| Grant of equity-settled share options scheme to employees | - | - | - | - | 1,101 | - | - | **1,101** | - | **1,101** |
| Cash dividends on ordinary shares | - | - | - | - | - | - | (13,351) | **(13,351)** | - | **(13,351)** |
| Issuance of ordinary shares pursuant to exercise of share options to employee | 6,268 | - | - | - | (1,175) | - | - | **5,093** | - | **5,093** |
| Purchase of treasury shares | - | (190) | - | - | - | - | - | **(190)** | - | **(190)** |
| **Balance at 30 September 2013** | **59,265** | **(190)** | **597** | **6** | **1,590** | **(471)** | **85,468** | **146,265** | **9** | **146,274** |

**Statement of Changes in Equity-Company**

| | Share capital | Treasury shares | Capital reserve | Fair value reserve | Share option reserve | Retained earnings | Total |
|---|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Balance at 1 October 2011 | 48,969 | - | 597 | (31) | 694 | 46,901 | **97,130** |
| Profit, net of tax | - | - | - | - | - | 16,541 | **16,541** |
| Other comprehensive income for the financial year | - | - | - | 20 | - | - | **20** |
| **Total comprehensive income for the financial year** | **-** | **-** | **-** | **20** | **-** | **16,541** | **16,541** |
| Grant of equity-settled share options to employees | - | - | - | - | 970 | - | **970** |
| Cash dividends on ordinary shares | - | - | - | - | - | (914) | **(914)** |
| Scrip dividends on ordinary shares | 4,028 | - | - | - | - | (4,028) | - |
| **Balance at 30 September 2012** | **52,997** | **-** | **597** | **(11)** | **1,664** | **58,500** | **113,747** |
| | | | | | | | |
| Balance at 1 October 2012 | **52,997** | - | **597** | **(11)** | **1,664** | **58,500** | **113,747** |
| Profit, net of tax | - | - | - | - | - | 38,264 | **38,264** |
| Other comprehensive income for the financial year | - | - | - | 17 | - | - | **17** |
| **Total comprehensive income for the financial year** | **-** | **-** | **-** | **17** | **-** | **38,264** | **38,281** |
| Grant of equity-settled share options scheme to employees | - | - | - | - | 1,101 | - | **1,101** |
| Issuance of ordinary shares pursuant to exercise of share options to employee | 6,268 | - | - | - | (1,175) | - | **5,093** |
| Cash dividends on ordinary shares | - | - | - | - | - | (13,351) | **(13,351)** |
| Purchase of treasury shares | - | (190) | - | - | - | - | **(190)** |
| **Balance at 30 September 2013** | **59,265** | **(190)** | **597** | **6** | **1,590** | **83,413** | **144,681** |

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

**Share options**

The BRC Share Option Scheme 2011 (the "Option Scheme") for employees of the Company was approved by members of the Company at the Extraordinary General Meeting held on 25 January 2011.

Movement of share options during the financial year ended 30 September 2013

| | |
|---|---|
| Outstanding at 1 October 2012 | 59,741,000 |
| - Exercised between January to September 2013 | (37,567,000) |
| - Granted on 28 March 2013 | 51,411,000 |
| Outstanding at 30 September 2013 | 73,585,000 |

**Share Buy-back**

The number of treasury shares held by the Company as at 30 September 2013 is 1,200,000 ordinary shares.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

| | 30 September 2013 | 30 September 2012 |
|---|---|---|
| Total number of issued shares | 893,957,064 | 856,390,064 |

**1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

| | 30 September 2013 | 30 September 2012 |
|---|---|---|
| Total number of treasury shares | 1,200,000 | - |

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard**

The figures have not been audited or reviewed.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation to the financial statements for the current financial year and the most recent audited annual financial statements for the financial year ended 30 September 2012.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted the new or revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") which became effective for the current financial year, where applicable. The adoption of these FRS and INT FRS did not result in any substantial changes to the Group's accounting policies and there is no material impact on the financial statements of the Group since 1 October 2012.

## 6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

**Earnings per ordinary share (cents)**

| **The Group** | **2013** | 2012 |
|---|---|---|
| - Basic | **4.060** | 1.965 |
| - Diluted basis | **4.032** | 1.964 |

Earnings per ordinary share were calculated based on weighted average number of shares during the period.

Weighted average number of shares for basic earnings per share computation as of 30 September 2013 and 30 September 2012 were 878,532,119 and 839,213,642 shares respectively.

Weighted average number of shares for diluted earnings per share computation as of 30 September 2013 and 30 September 2012 were 884,657,899 and 839,517,898 shares respectively.

## 7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

**Net asset value per ordinary share (cents)**

| | **2013** | 2012 |
|---|---|---|
| The Group | **16.36** | 13.69 |
| The Company | **16.18** | 13.28 |

Net asset value per ordinary share was calculated based on 893,957,064 shares as at 30 September 2013 and 856,390,064 shares as at 30 September 2012.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**GROUP INCOME STATEMENT**

**Singapore**

**Revenue**

Revenue for the current financial year increased by 9% to S$425.0 million compared to the previous financial year. The quantity of steel delivered increased, but unit selling prices, in line with decreased steel costs, were lower. Higher sales volume is attributable to buoyant construction activities, particularly in the HDB sector.

**Gross profit and gross profit margin**

Gross profit increased by 72% to S$64.5 million compared to previous financial year due to higher sales volume and gross profit margin.

Gross margin as a percentage of sales improved from 9.7% to 15.2% compared to the preceding financial period as the weighted average cost of sales was lowered by cheaper purchases because of declining steel costs while sales orders were secured at better prices.

**Distribution cost and administrative expenses**

The increase in administrative expenses and distribution cost was mainly attributable to an increase in personnel-related costs as well as a higher share option expense of S$1,101,000 (2012: S$970,000) recognised in relation to the grant of options pursuant to the BRC Share Option Scheme 2011.

**Finance cost**

Finance cost was higher due to more bank borrowings required to finance an increased volume of trade bills.

**Other operating expenses**

Other operating expenses decreased by 30% to S$3.5 million in the current financial year from S$5.0 million in the last financial year. Foreign exchange differences between forward contract settlement rates and prevailing transaction rates are recognised immediately in profit or loss. During the current financial year, realised foreign exchange gain of S$2.6 million was recorded in other income (see note (a) on page 2) as compared to a foreign exchange loss of S$1.5 million taken up in other operating expenses in the previous year.

**China**

The Group's share of profits from the investment in the joint venture in China ("JV") deteriorated during the current financial year mainly due to the group's share of provisions for doubtful debts of approximately S$1.4 million.

**Group**

The Group continued to grow in both volume and profit. The Group's net profit for current financial year increased by 116% from S$16.5 million to S$35.7 million compared to the previous financial year.

## GROUP BALANCE SHEET & CASH FLOW

As at 30 September 2013, the Group's balance sheet remained strong with net assets of S$146.2 million and net asset value per ordinary share of 16.36 cents. The reduction in trade receivables was due to an improvement in collections. Higher raw materials position resulted in an increased inventory balance. Prepayments which largely related to advance payment to machinery suppliers decreased as most of these purchases were capitalised during the financial year.

Cash and cash equivalents decreased by S$7.9 million as net cash flows of S$37.0 million and S$27.7 used in financing and investing activities respectively were higher than the net cash flow of S$56.8 million generated from operating activities.

Net cash flows used in financing activities were mainly for dividend payment of S$13.4 million as well as bills and loan repayment of S$27.3 million, partly offset by proceeds of S$5.1 million from issue of ordinary shares pursuant to the exercise of options granted under the BRC Share Option Scheme 2011. Net cash flows used in investing activities were mainly for purchases of plant and equipment during the financial year.

## 9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Group's results for FY 2013 were in line with the commentary in paragraph 10 of the previous Results Announcement.

## 10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Singapore

In its latest Macroeconomic Review published in October 2013, the Monetary Authority of Singapore (MAS) forecasts Singapore's gross domestic product (GDP) growth in 2013 to improve to between 2.5%-3.5% from previous estimates of 1%-3%. Simply put, the net effect of the gaining momentum of G3 economies and moderating growth in most parts of Asia ex-Japan should be a positive one for Singapore's economy. The MAS expects modest uplift for Singapore's external-oriented sectors, and that domestic-driven sectors such as construction would remain resilient.[1]

The local construction market is still in the midst of a period of intense activity. On one hand, there are approximately 130,000 residential units due for completion from 2013-2015, or an average of over 40,000 units per year, which is significantly higher than the preceding three-year average of about 27,000 units per year. At the same time, a substantively above-average amount of non-residential building projects are also slated to come online.[2] Furthermore, major infrastructure works continued apace to meet the Government's commitment to doubling Singapore's rail network from 178km currently to 360km by 2030, including the upcoming Tuas West Extension (by 2016), Eastern Region Line (by 2020) and Thomson Line (by 2021).[3]

The Group expects robust local demand for reinforcing steel.

On the other hand, the strength of the local construction market over the last few years had driven all the major players in the local reinforcing steel industry to aggressively expand their production capacities. Many new entrants have also started up. It should be but a matter of time before the demand and supply situation reverses.

To stay ahead, the Group – a pioneer in the local reinforcing steel industry – is firmly committed to partnering builders to achieve better outcomes at site by providing our brand of **Better • Faster • Cheaper** Prefabricated Reinforcing Solutions.

China

The Group's Joint Venture (JV) in China made a loss in 2013 due to provisions for doubtful debts. We expect that the JV's operating environment will continue to be challenging in the coming year.

[1] http://www.mas.gov.sg/Monetary-Policy-and-Economics/Monetary-Policy/Macroeconomic-Review/2013/Volume-XII-Issue-2-Oct-2013.aspx
[2] Page 56, Macroeconomic Review, October 2013, MAS
[3] http://app.lta.gov.sg/apps/news/page.aspx?c=2&id=38dc4ca3-5e70-4bf8-97bc-87f78e6303e7

Malaysia

The Group's Malaysian operations had just started during the second half of the year. In the coming year, we expect to stabilise this new set-up and start making inroads into this new market.

The Group is optimistic of local business prospects in the coming year.

## 11. Dividend

### (a) Current Financial Period Reported On

| | 2013 | | |
|---|---|---|---|
| Name of dividend | Final (One-tier) Tax exempt | Special (One-tier) Tax exempt | Interim (one-tier) tax exempt |
| Dividend type | Cash | Cash | Cash |
| Dividend rate | 0.8 Singapore cents per ordinary share | 0.4 Singapore cents per ordinary share | 0.5 Singapore cents per ordinary share |
| Date paid / payable | To be advised | To be advised | 21 June 2013 |

### (b) Corresponding Period of the Immediately Preceding Financial Year

| | 2012 | |
|---|---|---|
| Name of dividend | Final (One-tier) Tax exempt | Special (one-tier) tax exempt |
| Dividend type | Cash | Cash |
| Dividend rate | 0.8 Singapore cents per ordinary share | 0.2 Singapore cents per ordinary share |
| Date paid / payable | 26 March 2013 | 26 March 2013 |

### (c) Date payable

To be advised.

### (d) Books closure date

To be advised.

## 12. If no dividend has been declared / recommended, a statement to that effect

Not applicable.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**13. Segmented revenue and results for business or geographical segments ( of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Business segment

The Group is principally involved in the business of prefabrication of steel reinforcement for use in concrete, trading of steel reinforcing bars and manufacturing and sale of wire mesh fences. There is only one primary business segment involved, being the steel related operations of the entire Group.

Geographical location

| **Group segmental results For year ended 30 Sep 2013** | **Singapore $'000** | **China $'000** | **Others $'000** | **Group $'000** |
|---|---|---|---|---|
| Revenue | 425,013 | - | 11 | **425,024** |
| Profit / (loss) after tax | 36,831 | (856) | (311) | **35,664** |
| Total assets | 246,092 | 9,860 | 10,896 | **266,848** |
| Total Non-current assets | 51,307 | 9,860 | 10,052 | **71,219** |
| Capital expenditure | 24,076 | - | 5,535 | **29,611** |

| Group segmental results For year ended 30 Sep 2012 | Singapore $'000 | China $'000 | Others $'000 | Group $'000 |
|---|---|---|---|---|
| Revenue | 388,446 | - | - | 388,446 |
| Profit / (loss) after tax | 16,540 | 25 | (76) | 16,489 |
| Total assets | 241,623 | 10,118 | 3,920 | 255,661 |
| Total Non-current assets | 31,451 | 10,118 | 3,794 | 45,363 |
| Capital expenditure | 16,781 | - | 3,510 | 20,291 |

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to Paragraph 8.

## 15. A breakdown of sales and profit before tax

| | **2013** | 2012 | % |
|---|---|---|---|
| | **$'000** | $'000 | + / (-) |
| | | | |
| Sales reported for first half year | **213,411** | 171,820 | 24 |
| | | | |
| Profit after tax reported for first half year | **17,296** | 3,740 | 362 |
| | | | |
| Sales reported for remaining period | **211,613** | 216,626 | (2) |
| | | | |
| Profit after tax reported for remaining period | **18,368** | 12,749 | 44 |

## 16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

| | **2013** | 2012 |
|---|---|---|
| Total Annual Dividend | **$'000** | $'000 |
| | | |
| Ordinary | **13,351** | 4,942 |

## 17. Interested person transactions

| Name of interested person and nature of transaction | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)* | | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)* | |
|---|---|---|---|---|
| | Financial year ended 30 September 2013 | Financial year ended 30 September 2012 | Financial year ended 30 September 2013 | Financial year ended 30 September 2012 |
| HG Metal Manufacturing Limited | Sales – S$11,000 | - | - | Purchases – S$48,000<br>Sales – S$239,000 |
| Chye Hin Hardware Pte Ltd | Purchases – S$108,000<br>Sales – S$32,000 | Purchases – S$140,000<br>Sales – S$102,000 | - | - |
| Oriental Metals Pte Ltd | - | - | - | Purchases – S$101,000 |
| Sin Teck Guan Machinery (Pte) Ltd | Services – S$407,000 | Services – S$116,000 | - | - |

* The above includes all transactions regardless of value

The group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the listing manual of the Singapore Exchange Securities Trading Limited.

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholders of the issuer pursuant to Rule 704(13) in the format below. If there is no such persons, the issuer must make an appropriate negative statement**

| Name | Age | Family relationship with any director and/ or substantial shareholders | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|---|---|---|---|---|
| Lau Wei Min | 36 | Son of Mr. Lau Eng Hoe, a substantial shareholder of BRC Asia Limited and nephew of Mr. Lau Eng Tiong, Non-Executive and Non independent director and a substantial shareholder of BRC Asia Limited. | Manager – Corporate Communication<br><br>Brand management, creative design of Company's products and promotional materials, inventory logistics and any other duties that may be assigned from time to time.<br><br>Position held since 4 October 2010. | None |

ON BEHALF OF THE BOARD OF DIRECTORS

Lim Siak Meng
Group Managing Director

Seah Kiin Peng
Executive Director

Singapore
19 November 2013