BRC Asia Limited

Unaudited 12 months Financial Statement and Dividend Announcement for the Year Ended 30 September 2010

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 2010

	2010 **$'000**	2009 $'000	+/(-) %
Revenue	**258,351**	270,641	(5)
Cost of sales	**(218,437)**	(240,940)	(9)
Gross profit	**39,914**	29,701	34
Other income [note (a)]	**141**	190	(26)
Expenses			
- Distribution expenses	**(2,731)**	(2,261)	21
- Administrative expenses	**(6,321)**	(5,515)	15
- Finance costs	**(1,015)**	(1,924)	(47)
- Other operating expenses	**(4,570)**	(2,257)	102
Share of results of joint venture	**754**	1,059	(29)
Profit before tax [note (b)]	**26,172**	18,993	38
Income tax expense [note (c)]	**(4,437)**	(2,532)	75
Profit net of tax	**21,735**	16,461	32
Other comprehensive income:			
- Fair value gains/(losses) on available-for-sale financial assets	**3**	(1)	n.m.
- Foreign currency translation	**(800)**	(118)	578
Other comprehensive income for the year, net of tax	**(797)**	(119)	570
Total comprehensive income for the year	**20,938**	16,342	28

n.m. denotes not meaningful.

	The Group		
	2010	2009	+/(-)
	$'000	$'000	%
Note (a) - Other income			
Gain on disposal of property, plant and equipment	**-**	1	n.m.
Dividend income from available-for-sale financial assets	**2**	2	0
Rental Income [1]	**125**	187	(33)
Interest Income	**14**	-	n.m.
Total	**141**	190	
Note (b) - Profit before tax is arrived at after charging / (crediting) the following:			
Interest expense on borrowings [2]	**1,015**	1,924	(47)
Depreciation of property, plant and equipment	**1,521**	1,539	(1)
Loss on disposal of property, plant and equipment	**72**	-	n.m.
Share option expense [3]	**-**	45	n.m.
Rental expense on operating leases	**692**	603	15
Provision / (Reversal of provision) for onerous contracts [4]	**1,310**	(1,417)	n.m.
Foreign exchange loss, net [5]	**1,818**	371	390
Fair value changes on currency forward contracts [5]	**560**	723	(23)
Allowance for impairment of trade and other receivables	**710**	82	766
(Bad debts recovered) / Write-off of trade receivables	**(39)**	8	n.m

Note (c) - Income tax expense

	The Group	
	2010	2009
	$'000	$'000
Tax expense attributable to profit is made up of :		
Provision in respect of current financial year		
Current income tax	**4,200**	2,770
Deferred income tax	**28**	248
	4,228	3,018
Under / (over) provision in respect of previous financial years		
Current income tax	**(61)**	(187)
Deferred income tax	**270**	(299)
Total income tax expense recognized in statement of comprehensive income	**4,437**	2,532

Comments on Group Profit and Loss

[1] Rental income relates to rental of factory space to third party.

[2] The decrease in interest expense was the result of the lower level of average borrowings in the current financial year, mainly in the form of bills payables.

[3] Decrease in share option expense is due to the expiry of the BRC Share Option Scheme 2004 on 17 March 2009.

[4] 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.

[5] 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 to fair value of foreign currency forward contracts are recognized immediately in the statement of comprehensive income.

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 2010 $'000	September 2009 $'000	**September 2010 $'000**	September 2009 $'000
Current assets				
Cash and cash equivalents	**22,804**	8,771	**22,792**	8,755
Trade and other receivables	**49,345**	55,317	**49,345**	55,317
Inventories	**48,626**	45,585	**48,626**	45,585
Other current assets	**548**	307	**505**	261
	121,323	109,980	**121,268**	109,918
Non-current assets				
Investment in a subsidiary	**-**	-	**3,426**	3,426
Investment in joint venture	**9,659**	9,467	**6,076**	6,076
Available-for-sale financial assets	**172**	28	**172**	28
Property, plant and equipment	**12,499**	12,124	**12,499**	12,124
	22,330	21,619	**22,173**	21,654
Total assets	**143,653**	131,599	**143,441**	131,572
Current liabilities				
Trade and other payables	**21,771**	40,785	**24,865**	44,107
Current income tax liabilities	**4,550**	3,352	**4,550**	3,352
Borrowings	**25,685**	22,178	**25,685**	22,178
	52,006	66,315	**55,100**	69,637
Non-current liabilities				
Borrowings	**2,715**	4,968	**2,715**	4,968
Provision for retirement benefits	**742**	786	**742**	786
Deferred income tax liabilities	**1,161**	863	**1,161**	863
	4,618	**6,617**	**4,618**	**6,617**
Total liabilities	**56,624**	72,932	**59,718**	76,254
Net assets	**87,029**	58,667	**83,723**	55,318
Share capital and reserves				
Share capital	**42,463**	29,663	**42,463**	29,663
Capital reserve	**597**	597	**597**	597
Fair value adjustment reserve	**11**	8	**11**	8
Share option reserve	**729**	729	**729**	729
Foreign currency translation reserve	**(922)**	(122)	**-**	-
Retained earnings	**44,151**	27,792	**39,923**	24,321
Total equity	**87,029**	58,667	**83,723**	55,318

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

Amount repayable in one year or less, or on demand

30 September 2010		30 September 2009	
Secured $'000	**Unsecured $'000**	Secured $'000	Unsecured $'000
1,010	**24,675**	1,066	21,112

Amount repayable after one year

30 September 2010		30 September 2009	
Secured $'000	**Unsecured $'000**	Secured $'000	Unsecured $'000
616	**2,099**	1,626	3,342

Details of any collateral

Borrowings of S$532,000 is secured by a mortgage over our factory at 12 Tuas Avenue 5, Singapore 639338, and the balance S$1,094,000 relates to machinery financed by hire purchase.

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

	2010	2009
	$'000	$'000
Cash flows from operating activities		
Profit before tax	**26,172**	18,993
Adjustments for :		
Share of results of joint venture	**(754)**	(1,059)
Depreciation of property, plant and equipment	**1,521**	1,539
Loss / (Gain) on disposal of property, plant and equipment	**72**	(1)
Write-off of property, plant and equipment to repair and maintenance	**-**	1
Provision / (Reversal of provision) for onerous contracts	**1,310**	(1,417)
Provision for retirement benefits	**104**	335
Share option expenses	**-**	45
Translation gains	**(238)**	-
Interest expense	**1,015**	1,924
Interest income	**(14)**	-
Dividend income	**(2)**	(2)
Operating cash flow before working capital change	**29,186**	20,358
Change in operating assets and liabilities		
Trade and other receivables	**5,972**	(448)
Inventories	**(3,041)**	41,315
Other current assets	**(241)**	1,707
Trade and other payables	**(20,364)**	(4,277)
Cash flows from operations	**11,512**	58,655
Income tax paid	**(2,941)**	(755)
Retirement benefits paid	**(148)**	-
Net cash flows from operating activities	**8,423**	57,900
Cash flows from investing activities		
Purchases of property, plant and equipment	**(1,974)**	(217)
Purchase of available-for-sale financial assets	**(141)**	-
Proceeds from disposal of property, plant and equipment	**6**	23
Interest received	**14**	-
Dividend received	**2**	2
Net cash flows used in investing activities	**(2,093)**	(192)
Cash flows from financing activities		
(Repayment of) / net proceeds from bank loan	**(1,714)**	3,992
Repayment of finance lease	**(617)**	(473)
Net proceeds from / (repayment of) bills payable to banks	**3,502**	(63,146)
Dividend paid on ordinary shares	**(5,376)**	-
Proceeds from issuance of ordinary shares	**13,000**	-
Share issuance expense	**(200)**	-
Proceeds from exercise of share options	**-**	3,310
Interest paid	**(892)**	(2,557)
Net cash flows from / (used in) financing activities	**7,703**	(58,874)
Net increase / (decrease) in cash and cash equivalents	**14,033**	(1,166)
Cash and cash equivalents at beginning of financial year	**8,771**	9,937
Cash and cash equivalents at end of financial year	**22,804**	8,771

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

	Share capital	Capital reserve	Fair value reserve	Share option reserve	Currency translation reserve	Retained earnings	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 October 2009	29,663	597	8	729	(122)	27,792	58,667
Net profit	-	-	-	-	-	21,735	21,735
Other comprehensive income for the financial year	-	-	3	-	(800)	-	(797)
Total comprehensive income for the financial year	**-**	**-**	**3**	**-**	**(800)**	**21,735**	**20,938**
Dividends on ordinary shares	-	-	-	-	**-**	(5,376)	(5,376)
Issuance of ordinary shares	13,000	-	-	-	-	-	13,000
Share issuance expense	(200)	-	-	-	-	-	(200)
Balance at 30 September 2010	**42,463**	**597**	**11**	**729**	**(922)**	**44,151**	**87,029**
Balance at 1 October 2008	25,105	597	9	1,932	(4)	11,331	38,970
Net profit	-	-	-	-	-	16,461	16,461
Other comprehensive income for the financial year	-	-	(1)	-	(118)	-	(119)
Total comprehensive income for the financial year	**-**	**-**	**(1)**	**-**	**(118)**	**16,461**	**16,342**
Employee share option scheme - Value of employee services	-	-	-	45	-	-	45
Issuance of ordinary shares	4,558	-	-	(1,248)	-	-	3,310
Balance at 30 September 2009	**29,663**	**597**	**8**	**729**	**(122)**	**27,792**	**58,667**

Statement of changes in Equity-Company

	Share capital	Capital reserve	Fair value reserve	Share option reserve	Retained earnings	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 October 2009	29,663	597	8	729	24,321	55,318
Net profit	-	-	-	-	20,978	20,978
Other comprehensive income for the financial year	-	-	3	-	-	**3**
Total comprehensive income for the financial year	**-**	**-**	**3**	**-**	**20,978**	**20,981**
Dividends on ordinary shares	-	-	-	-	(5,376)	(5,376)
Issuance of ordinary shares	13,000	-	-	-	-	13,000
Share issuance expense	(200)	-	-	-	-	(200)
Balance at 30 September 2010	**42,463**	**597**	**11**	**729**	**39,923**	**83,723**
Balance at 1 October 2008	25,105	597	9	1,932	8,899	36,542
Net profit	-	-	-	-	15,422	15,422
Other comprehensive income for the financial year	-	-	(1)	-	-	(1)
Total comprehensive income for the financial year	**-**	**-**	**(1)**	**-**	**15,422**	**15,421**
Employee share option scheme - value of employee services	-	-	-	45	-	45
Issuance of ordinary shares	4,558	-	**-**	(1,248)	**-**	3,310
Balance at 30 September 2009	**29,663**	**597**	**8**	**729**	**24,321**	**55,318**

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

On 6 April 2010, the Company allotted and issued 100,000,000 new ordinary shares in the capital of the Company. As at 30 September 2010 and the date of this announcement, the issued share capital of the Company is 772,009,000 ordinary shares.

The 12,940,000 options outstanding as at 31 December 2008 under the BRC Share Option Scheme 2004 lapsed on 17 March 2009, and there were no more options outstanding as at 30 September 2010 and 30 September 2009.

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 2010	**30 September 2009**
Total number of issued shares	772,009,000	672,009,000

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.

Not applicable.

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 2009.

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 and revised Singapore Financial Reporting Standards ("FRSs") that are mandatory for financial years beginning on and after 1 October 2009, where applicable. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there is no material impact on the financial statements of the Group as at 1 October 2009. Among the changes to FRS is the revised presentation of financial statements under FRS 1 which the Group has duly presented in 1(a) and 1(d)(i).

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

The Group

Earnings per ordinary share (cents)	**2010**	2009
- Basic	**3.02**	2.46
- Diluted basis	**3.02**	2.46

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

Weighted average number of shares as of 30 September 2010 and 30 September 2009 were 720,776,123 and 670,075,844 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

The Group

Net asset value per ordinary share (cents)	**September 2010**	September 2009
- Basic	**11.27**	8.73

The Company

Net asset value per ordinary share (cents)	**September 2010**	September 2009
- Basic	**10.84**	8.23

Net asset value per ordinary share was calculated based on 772,009,000 shares as at 30 September 2010 and 672,009,000 shares as at 30 September 2009.

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

In tandem with buoyant construction activities, the Group delivered higher volume of steel in the current financial year compared to the previous financial year. However, revenue for the current financial year decreased by 5% from S$270.6 million to S$258.4 million due to lower average unit selling prices, which was in line with lower average steel costs.

Gross profit and gross profit margin

Gross profit improved by 34% from S$29.7 million to S$39.9 million with gross profit margin improving from 11% to 15.4%. The improved gross profit was due to the lower average cost of inventory as a result of purchases at a lower price during the first half of the current financial year.

Administrative expenses and distribution costs

The increase in administrative expenses and distribution costs were mainly attributable to an increase in variable employee benefits, which was accorded in view of the higher profits attained by the Group.

Finance costs

The decrease in finance costs was due to lower average bank borrowings required to fund inventory purchases during the current financial year.

Other operating expenses

Other operating expenses increased mainly due to higher foreign exchange losses and increase in allowance for impairment of receivables.

CHINA

The Group's share of profits from the investment in joint venture in China ("JV") decreased by 29% from S$1.1 million to S$754k. This is largely due to lower gross margin as a result of intense market competition and increase in finance costs due to higher average bank borrowings during the current financial year.

GROUP

The Group continued to grow in both volume and profits. Overall, the Group's net profit increased by 32% from S$16.5 million to S$21.7 million.

GROUP BALANCE SHEET & CASH FLOW

Cash and cash equivalents increased by S$14 million from S$8.8 million to SS22.8 million while bank borrowings at year end increased by S$1.3 million from S$27.1 million to S$28.4 million. The improved financial position was due to proceeds from issuance of ordinary shares and cash generated from operating activities during the current financial year.

Due to a much lower level of inventory purchases on open credit terms, trade and other payables decreased by S$19 million from S$40.8 million to S$21.8 million.

The Company made a dividend payment of S$5.4 million in 2Q10 in relation to the financial year 2009.

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

No forecast or prospect statement has been made or disclosed to shareholders.

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

The Ministry of Trade and Industry (MTI) announced on 18 November 2010 that the Singapore economy remained on track to achieve the overall growth forecast of around 15 percent for the whole of 2010.[1] However, growth next year is expected to slow dramatically. Prime Minister Lee Hsien Loong was quoted by both The Straits Times (ST) and The Business Times (BT) on 15 November 2010 that Singapore will no longer be in "*rapid rebound mode*" next year, "*And so, you can't expect another 10 per cent growth, never mind 15 next year.*" PM Lee concluded that "*I think our estimate of 3 to 5 per cent growth for the medium term is still a good one*".[2] [3]

Be that as it may, construction demand outlook, especially in public housing, remains robust. In a news release on 22 October 2010, the Housing & Development Board (HDB) said that 22,000 new flats were planned for 2011. In 2009 and 2010, total new flat supply was only about 13,500 and 17,700 respectively. In the private housing sector, whilst sentiment seemed to have been somewhat dampened by the recent property cooling measures announced by the government on 30 August 2010, data from the Urban Redevelopment Authority (URA) indicates that the supply of private residential units in the pipeline remains healthy. As at end-September 2010, total number of units, both planned and under construction, stands at 64,358. At the end of 2008 and 2009, the figures were 64,982 and 60,476 respectively.[4] In addition, supply in the pipeline for office space, shop space, hotel rooms, factory space and warehouse space figures at end-September 2010 do not show a significant change from those at end-June 2010.[5]

A steady pipeline of public and private sector construction projects, coupled with a stable domestic economy, bodes well for local demand for reinforcing steel over the next 12 months. Competition amongst the major and fringe players in this industry, however, continues to be intense, and margins will remain under pressure. The Company will continue to focus on improving productivity and value engineering to stay competitive and to consolidate its position as a "Total Reinforcing Solutions" provider. We will also continue to be prudent in inventory purchase and management to ride out the continued volatility in international steel prices.

Going forward, we expect our local operating environment to be somewhat challenging.

CHINA

The Group's Joint Venture (JV) in China continues to operate profitably. Margins, however, are likely to remain thin in an intensely competitive marketplace.

Barring unforeseen circumstances, the Group is cautiously optimistic on business prospects for the financial year 2011.

[1] http://app.mti.gov.sg/data/article/23503/doc/PR_3Q2010_ESS.pdf
[2] http://www.pmo.gov.sg/News/Transcripts/Prime+Minister/More+moderate+growth+next+year++PM+Lee.htm
[3] http://www.pmo.gov.sg/News/Transcripts/Prime+Minister/PM+Lee+warns+of+slower+growth+next+year.htm
[4] http://www.ura.gov.sg/real_estate/pipeline_supply
[5] http://www.ura.gov.sg/pr/graphics/2010/pr10-123e1.pdf

11. Dividend

(a) Current Financial Period Reported On

	2010	
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	0.3 Singapore cents per ordinary share
Date paid / payable	To be advised	To be advised

(b) Corresponding Period of the Immediately Preceding Financial Year

	2009
Name of dividend	Final (one-tier) tax exempt
Dividend type	Cash
Dividend rate	0.8 Singapore cents per ordinary share
Date paid	11 February 2010

(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

	Profit / (loss) after tax	
	2010	2009
	$'000	$'000
Singapore	**20,981**	15,402
The People's Republic of China - joint venture	**754**	1,059
	21,735	16,461

	Sales		Total assets		Capital expenditure	
	2010	2009	**2010**	2009	**2010**	2009
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Singapore	**258,351**	270,641	**133,939**	122,071	**1,974**	1,209
Hong Kong	**-**	-	**55**	61	**-**	-
The People's Republic of China - joint venture	**-**	-	**9,659**	9,467	**-**	-
	258,351	270,641	**143,653**	131,599	**1,974**	1,209

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

	2010	2009	%
	$'000	$'000	+ / (-)
Sales reported for first half year	**125,923**	133,773	(6)
Profit after tax reported for first half year	**12,873**	1,324	872
Sales reported for remaining period	**132,428**	136,868	(3)
Profit after tax reported for remaining period	**8,862**	15,137	(41)

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

	2010	2009
Total Annual Dividend	**$'000**	$'000
Ordinary	**5,376**	0

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)*	
	For the financial year from 1 October 2009 to 30 September 2010	For the financial year from 1 October 2008 to 30 September 2009	For the financial year from 1 October 2009 to 30 September 2010	For the financial year from 1 October 2008 to 30 September 2009
HG Metal Manufacturing Limited	-	Purchases – S$4.97m Sales – S$0.12m	Purchases – S$0.81m Sales – S$0.54m	Purchases – S$0.12m Sales – S$5.68m
Chye Hin Hardware Pte Ltd	Purchases – S$0.02m	-	-	-
Oriental Metals Pte Ltd	-	Purchases – S$0.15m Sales – S$0.05m	Purchases – S$0.08m	Purchases – S$0.12m
Sia Ling Sing	-	-	-	Interest payable of S$9k on loan of S$1.00m
Lingco Marine Pte Ltd	-	-	-	Interest payable of S$5k on loan of S$0.50m

* The above includes all transactions regardless of value

The Company had in its Annual General Meeting on 25 January 2010 obtained approval from its shareholders for the renewal of a general mandate for transactions with certain interested persons. Please refer to the Company's Annual Report 2009 for details. The Company's Annual Report 2009 can be accessed through the Company's website www.brc.com.sg and the website www.sgx.com.

ON BEHALF OF THE BOARD

Sia Ling Sing
Chairman

25 November 2010