



## BRC Asia Limited

### Unaudited First Quarter Financial Statement and Related Announcement for the Quarter Ended 31 December 2014

#### 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 first quarter ended 31 December 2014

	1 <sup>st</sup> Qtr 2015 \$'000	1 <sup>st</sup> Qtr 2014 \$'000	+ / (-) %
Revenue	101,980	99,764	2
Cost of sales	(92,205)	(84,114)	10
Gross profit	9,775	15,650	(38)
Other income [ note (a) ]	2,046	735	n.m.
Expenses			
- Distribution expenses	(1,353)	(1,368)	(1)
- Administrative expenses	(2,687)	(3,825)	(30)
- Finance costs	(329)	(269)	22
- Other operating expenses	(880)	(645)	36
Share of results of joint venture	(611)	68	n.m.
Profit before tax [ note (b) ]	5,961	10,346	(42)
Income tax expense	(1,205)	(1,796)	(33)
Profit net of tax	4,756	8,550	(44)
Other comprehensive income:			
- Fair value losses on available-for-sale financial assets	(26)	-	n.m.
- Foreign currency translation	(486)	(43)	n.m.
Other comprehensive income for the financial period, net of tax	(512)	(43)	n.m.
Total comprehensive income for the financial period	4,244	8,507	(50)
Profit/(Loss) net of tax attributable to:			
Owners of the parent	4,755	8,561	(44)
Non-controlling interests	1	(11)	n.m.
	4,756	8,550	(44)
Total comprehensive income attributable to:			
Owners of the parent	4,246	8,520	(50)
Non-controlling interests	(2)	(13)	(85)
	4,244	8,507	(50)

n.m. denotes not meaningful.

	<b>The Group</b>		+ / (-) %
	<b>1<sup>st</sup> Qtr 2015 \$'000</b>	<b>1<sup>st</sup> Qtr 2014 \$'000</b>	
<b>Note (a) - Other income</b>			
Sundry income	5	1	n.m.
Interest income	7	2	n.m.
Foreign exchange gain, net [2]	291	-	n.m.
Fair value changes on currency forward contracts [3]	1,743	732	n.m.
Total	2,046	735	n.m.

**Note (b) - Profit before tax is arrived at after charging / (crediting) the following:**

Interest expense on borrowings [1]	329	269	22
Depreciation of property, plant and equipment	1,454	1,005	45
Rental expense on operating leases	1,180	1,236	(5)
Allowance for impairment of receivables, net	306	-	n.m.
Bad debts written off	-	7	n.m.
Provision for onerous contracts [5]	57	-	n.m.
Foreign exchange loss, net [2]	-	21	-
Share options expense [4]	31	441	(93)
Reversal of allowance for inventory obsolescence	(720)	-	n.m.

n.m. denotes not meaningful.

**Comments on Group Profit and Loss**

- [1] The increase in interest expense during the quarter was mainly due to accrual of interest on convertible bonds.
- [2] The Group and the Company have transactional currency exposures arising from purchases which are denominated in a currency other than the respective functional currencies of the Group entities. The foreign currencies in which these transactions are denominated are mainly US Dollar, Malaysian Ringgit and Euro.
- [3] Currency forward contracts are mostly used to hedge exposure to foreign currency exchange risk arising from purchases of steel which are mainly denominated in US Dollar. As the Group did not adopt hedge accounting under FRS 39, changes to fair value of foreign currency forward contracts are recognised immediately in the statement of comprehensive income.
- [4] Pursuant to the BRC Share Option Scheme 2011, the fair value of the employee services received in exchange for the grant of options is recognised as an expense in profit or loss over the vesting period. The lower share options expense is due to fewer share options vested during the period.
- [5] Provision for onerous contracts are made for sales 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.

**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**

	<u>The Group</u>		<u>The Company</u>	
	<b>December 2014 \$'000</b>	September 2014 \$'000	<b>December 2014 \$'000</b>	September 2014 \$'000
<b>Current assets</b>				
Trade and other receivables	82,317	76,517	78,596	72,654
Amount due from subsidiaries	-	-	21,823	21,383
Inventories	96,801	100,450	88,633	92,250
Prepayments	1,651	3,266	1,468	3,190
Deposits	625	712	564	653
Derivative financial instruments	1,743	899	1,743	899
Cash and cash equivalents	16,763	22,606	14,435	18,479
	<b>199,900</b>	204,450	<b>207,262</b>	209,508
<b>Non-current assets</b>				
Property, plant and equipment	73,520	67,334	61,908	55,474
Investment in subsidiaries	-	-	7,385	7,385
Investment in joint venture	9,542	10,154	6,076	6,076
Available-for-sale financial assets	2,000	2,026	2,000	2,026
	<b>85,062</b>	79,514	<b>77,369</b>	70,961
<b>Total assets</b>	<b>284,962</b>	283,964	<b>284,631</b>	280,469
<b>Current liabilities</b>				
Trade and other payables	49,191	37,186	51,623	39,688
Advances received / prepayments	1,675	2,341	1,675	2,341
Loan and borrowings	36,077	51,383	32,195	45,881
Current income tax liabilities	4,530	3,259	4,530	3,259
	<b>91,473</b>	94,169	<b>90,023</b>	91,169
<b>Non-current liabilities</b>				
Provision for retirement benefits	518	518	518	518
Loan and borrowings	15,330	15,911	15,330	15,911
Deferred income tax liabilities	6,582	6,582	6,582	6,582
	<b>22,430</b>	23,011	<b>22,430</b>	23,011
<b>Total liabilities</b>	<b>113,903</b>	117,180	<b>112,453</b>	114,180
<b>Net assets</b>	<b>171,059</b>	166,784	<b>172,178</b>	166,289
<b>Share capital and reserves</b>				
Share capital	67,931	67,931	67,931	67,931
Treasury shares	(190)	(190)	(190)	(190)
Capital reserve	597	597	597	597
Fair value adjustment reserve	(32)	(6)	(32)	(6)
Share option reserve	963	932	963	932
Foreign currency translation reserve	(923)	(439)	-	-
Retained earnings	102,718	97,962	102,909	97,025
<b>Equity attributable to owners of parent</b>	<b>171,064</b>	166,787	<b>172,178</b>	166,289
<b>Non-controlling interests</b>	<b>(5)</b>	(3)	-	-
<b>Total equity</b>	<b>171,059</b>	166,784	<b>172,178</b>	166,289

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

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

	December 2014		September 2014	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Term loan	3,500	-	4,250	-
Bills payable	-	30,097	-	44,653
Finance lease liabilities	2,480	-	2,480	-
	<b>5,980</b>	<b>30,097</b>	<b>6,730</b>	<b>44,653</b>

### Amount repayable after one year

	December 2014		September 2014	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Term loan	-	-	-	-
Finance lease liabilities	5,330	-	5,911	-
Convertible bonds	-	10,000	-	10,000
	<b>5,330</b>	<b>10,000</b>	<b>5,911</b>	<b>10,000</b>

### Details of any collateral

Term loan of S\$3.5 million (2014: S\$4.3 million) secured by a mortgage over a leasehold building at No. 5, Sixth Lok Yang Road, Singapore 628103.

Finance lease liabilities of S\$7.8 million (2014: S\$8.4 million) are secured by certain plant and equipment. The carrying amount of plant and equipment held under finance leases are S\$9.3 million (2014: S\$9.4) at the balance sheet date.

**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**

	1 <sup>st</sup> Qtr 2015 \$'000	1 <sup>st</sup> Qtr 2014 \$'000
<b>Cash flows from operating activities</b>		
Profit before tax	5,961	10,346
Adjustments for :		
Share of results of joint venture	611	(68)
Reversal of allowance for inventory obsolescence	(720)	-
Depreciation of property, plant and equipment	1,454	1,005
Allowance for impairment of trade receivables	306	-
Fair value changes on derivatives	(1,743)	(732)
Share options expense	31	441
Bad debts written off	-	7
Provision for onerous contracts	57	-
Unrealised exchange differences	(473)	(43)
Interest expense	329	269
Interest income	(7)	(2)
<b>Operating cash flow before working capital change</b>	<b>5,806</b>	<b>11,223</b>
Changes in working capital		
Trade and other receivables	(6,106)	763
Inventories	4,370	2,670
Prepayments and deposits	1,701	(490)
Trade and other payables	12,180	(15,596)
<b>Cash flows from operations</b>	<b>17,951</b>	<b>(1,430)</b>
Income tax refund	66	-
Retirement benefits paid	-	(11)
<b>Net cash flows from / (used in) operating activities</b>	<b>18,017</b>	<b>(1,441)</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(7,639)	(3,450)
Interest received	7	2
<b>Net cash flows used in investing activities</b>	<b>(7,632)</b>	<b>(3,448)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	-	109
Repayment of bank loan	(750)	(750)
Repayment of bills payable	(14,556)	(4,921)
Repayment of finance lease	(581)	-
Interest paid	(329)	(269)
<b>Net cash flows used in financing activities</b>	<b>(16,216)</b>	<b>(5,831)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(5,831)</b>	<b>(10,720)</b>
Cash and cash equivalents at beginning of financial period	22,606	18,251
Effects of exchange rate changes on cash and cash equivalents	(12)	(3)
<b>Cash and cash equivalents at end of financial period</b>	<b>16,763</b>	<b>7,528</b>

**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**

	<u>Attributable to Owners of Parent</u>							<u>Non-</u>	<u>Equity, Total</u>	
	<u>Share capital</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Fair value reserve</u>	<u>Share option reserve</u>	<u>Currency translation reserve</u>	<u>Retained earnings</u>	<u>controlling interests</u>		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at 1 October 2013	59,265	(190)	597	6	1,590	(471)	85,468	146,265	9	146,274
Profit, net of tax	-	-	-	-	-	-	8,561	8,561	(11)	8,550
Other comprehensive income for the financial year	-	-	-	-	-	(41)	-	(41)	(2)	(43)
Total comprehensive income for the financial year	-	-	-	-	-	(41)	8,561	8,520	(13)	8,507
Grant of equity-settled share options to employees	-	-	-	-	441	-	-	441	-	441
Issuance of ordinary shares pursuant to exercise of share options to employee	137	-	-	-	(28)	-	-	109	-	109
Balance at 31 December 2013	59,402	(190)	597	6	2,003	(512)	94,029	155,335	(4)	155,331
Balance at 1 October 2014	67,931	(190)	597	(6)	932	(439)	97,962	166,787	(3)	166,784
Profit, net of tax	-	-	-	-	-	(587)	4,756	4,169	1	4,170
Other comprehensive income for the financial year	-	-	-	(26)	-	103	-	77	(3)	74
Total comprehensive income for the financial year	-	-	-	(26)	-	(484)	4,756	4,246	(2)	4,244
Grant of equity-settled share options scheme to employees	-	-	-	-	31	-	-	31	-	31
<b>Balance at 31 December 2014</b>	<b>67,931</b>	<b>(190)</b>	<b>597</b>	<b>(32)</b>	<b>963</b>	<b>(923)</b>	<b>102,718</b>	<b>171,064</b>	<b>(5)</b>	<b>171,059</b>

### Statement of changes in Equity-Company

	<u>Share capital</u> \$'000	<u>Treasury shares</u> \$'000	<u>Capital reserve</u> \$'000	<u>Fair value reserve</u> \$'000	<u>Share option reserve</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total</u> \$'000
Balance at 1 October 2013	59,265	(190)	597	6	1,590	83,413	144,681
Profit, net of tax	-	-	-	-	-	8,769	8,769
Total comprehensive income for the financial year	-	-	-	-	-	8,769	8,769
Grant of equity-settled share options scheme to employees	-	-	-	-	441	-	441
Issuance of ordinary shares pursuant to exercise of share options to employee	137	-	-	-	(28)	-	109
Balance at 31 December 2013	59,402	(190)	597	6	2,003	92,182	154,000
Balance at 1 October 2014	67,931	(190)	597	(6)	932	97,025	166,289
Profit, net of tax	-	-	-	-	-	5,884	5,884
Other comprehensive income for the financial year	-	-	-	(26)	-	-	(26)
Total comprehensive income for the financial year	-	-	-	(26)	-	5,884	5,858
Grant of equity-settled share options scheme to employees	-	-	-	-	31	-	31
<b>Balance at 31 December 2014</b>	<b>67,931</b>	<b>(190)</b>	<b>597</b>	<b>(32)</b>	<b>963</b>	<b>102,909</b>	<b>172,178</b>

**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**

**Number of issued shares (excluding treasury shares)**

As at 1 October 2014	938,089,064
Issuance of new ordinary shares from exercise of employee share options	-
As at 31 December 2014	<u>938,089,064</u>

**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 3 months ended 31 December 2014**

Outstanding at 30 September 2014 / 1 October 2014	28,253,000
- Exercised between October 2014 to December 2014	-
Outstanding at 31 December 2014	<u>28,253,000</u>

**Convertible Bonds**

The Company issued S\$10,000,000 equity-linked redeemable convertible bonds on 16 May 2014.

The convertible bonds outstanding as at 31 December 2014 are as follow:

Principal amount outstanding	Maturity date	Conversion price as at 31 Dec 2014
<u>Convertible bonds due 2019</u>		
S\$10 million at 5 percent per annum	16 May 2019	S\$0.20

Assuming all convertible bonds are fully converted based on the conversion price, the number of new shares to be issued will be 50,000,000, representing 5.33% of the total number of shares in issue (excluding treasury shares) as at 31 December 2014.

**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.**

	<b>31 December 2014</b>	<b>30 September 2014</b>
Total number of issued shares	938,089,064	938,089,064

**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.**

	<b>31 December 2014</b>	<b>30 September 2014</b>
Total number of treasury shares	1,200,000	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 period and the most recent audited annual financial statements for the financial year ended 30 September 2014.

**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 2014.

**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**

<b>Earnings per ordinary share (cents)</b>	<b>1<sup>st</sup> Qtr 2015</b>	<b>1<sup>st</sup> Qtr 2014</b>
- Basic	<b>0.51</b>	0.97
- Diluted basis	<b>0.48</b>	0.96

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 31 December 2014 and 31 December 2013 were 938,089,064 and 892,826,880 shares respectively excluding treasury shares.

Weighted average number of shares for diluted earnings per share computation as of 31 December 2014 and 31 December 2013 were 988,233,840 and 895,051,029 shares respectively excluding treasury shares.

**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)**

	<b>December 2014</b>	<b>September 2014</b>
The Group	<b>18.23</b>	17.78
The Company	<b>18.35</b>	17.73

Net asset value per ordinary share was calculated based on 938,089,064 shares as at 31 December 2014 and 938,089,064 shares as at 30 September 2014.

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 quarter (1Q15) increased by 2% to S\$102.0 million when compared to the corresponding period in the previous financial year (1Q14). The higher volume of steel delivered was mostly offset by lower unit selling prices which were in tandem with declining steel costs.

#### **Gross profit and gross profit margin**

Gross profit for 1Q15 decreased by 38% quarter-on-quarter from S\$15.7 million to S\$9.8 million; gross profit margins also decreased from 15.7% to 9.6%. Margins in 1Q15 were relatively lower as compared to 1Q14 as intensifying competition from new entrants and increased production capacities have continued to put profit margins under pressure.

#### **Administrative expenses**

The decreased administrative expenses in 1Q15 was because of lower share option expense of S\$31,000 (1Q14: S\$441,000) and decrease in other personnel related costs.

#### **Finance costs**

Higher finance costs were due to interest expenses related to hire purchase obligations and convertible bonds.

#### **Other operating expenses**

The increase in other operating expenses in 1Q15 as compared to 1Q14 was mainly due to higher allowance for doubtful debts of S\$306,000 (1Q14: nil).

### **CHINA**

The Group's joint venture in China has recorded a loss in the current period mainly due to allowance for doubtful debts of S\$751,000 (1Q14: nil).

## **GROUP BALANCE SHEET & CASH FLOW**

As at 31 December 2014, the Group's balance sheet remained strong with net assets of S\$171.1 million and net asset value per ordinary share of 18.23 Singapore cents.

Cash and cash equivalents decreased by S\$5.8 million as net cash flow of S\$18.0 million generated from operating activities was less than net cash flows of S\$7.6 million and S\$16.2 million used in investing and financing activities respectively.

Cash flow for financing activities were mainly for repayment of trade bills of S\$14.6 million as well as repayment of term loan and finance lease obligations of S\$0.7 million and S\$0.6 million respectively. Net cash flows used in investing activities were mainly for purchases of plant and equipment.

**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 1Q15 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 the last 2 years, total construction demand in Singapore attained new heights to reach S\$35.8 billion and S\$37.7 billion respectively. For 2015, the Building and Construction Authority (BCA) forecasted that construction contracts for the Singapore built environment sector were expected to reach between S\$29 billion and S\$36 billion, a relatively robust range. While it is anticipated that construction demand for both public and private housing will moderate in 2015, it should be somewhat offset by strong construction demand arising from industrial projects and institutional and civil engineering works.<sup>1</sup> Coupled with the amount of work generated by the record-breaking construction demand in 2014, buoyant local construction activities are to be expected in the year ahead.

As such, we have reason to believe that local demand for reinforcing steel will remain buoyant in 2015.

At the same time, BCA had up the ante on improving productivity in the Singapore construction sector by including new requirements on the use of labour-efficient construction methods and building design in the Building Control (Buildability and Productivity) Regulations. From 1 November 2014, projects were required to meet higher minimum Buildable Design and Constructability standards, to use prefabricated and standardised components and to adopt high-impact productive technologies for projects under the Singapore Government Land Sales (GLS) programme.<sup>2</sup> We expect this to boost the attractiveness of our Total Prefabricated Reinforcing Solutions, which are **Better • Faster • Cheaper**.

We also expect that this will continue to widen the differentiation between mediocre, average and good suppliers in the crowded reinforcing steel market. As the pioneer and a leading reinforcing steel prefabricator, we stand in good stead to withstand this ongoing market transformation.

China

Difficult macroeconomic conditions are expected to continue to hamper the progress of the Group's Joint Venture in China.

Malaysia

We expect the Group's Malaysia start-up to demonstrate steady growth in 2015.

Given the buoyant demand environment, the Group is optimistic of local business prospects in the next 12 months, notwithstanding the increasingly competitive business landscape.

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<sup>1</sup> [http://www.bca.gov.sg/Newsroom/pr08012015\\_BCA.html](http://www.bca.gov.sg/Newsroom/pr08012015_BCA.html)

<sup>2</sup> [http://www.bca.gov.sg/Newsroom/pr06112014\\_BCA.html](http://www.bca.gov.sg/Newsroom/pr06112014_BCA.html)

**11. Dividend**

**(a) Current Financial Period Reported On**

Nil.

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

Nil.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared or recommended for the financial period ended 31 December 2014.

### 13. 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)*	
	1 <sup>st</sup> Quarter ended 31 December 2014	1 <sup>st</sup> Quarter ended 31 December 2013	1 <sup>st</sup> Quarter ended 31 December 2014	1 <sup>st</sup> Quarter ended 31 December 2013
HG Metal Manufacturing Limited	Sales – S\$73,000	Sales – S\$17,000	-	-
Chye Hin Hardware Pte Ltd #	-	Purchases – S\$7,000	-	-
Sin Teck Guan Machinery (Pte) Ltd	Sales – S\$1,000 Services - S\$173,000	Services – S\$162,000	-	-

\* The above includes all transactions regardless of value

# Transactions conducted with Chye Hin hardware Pte Ltd after 30 June 2014 are no longer deemed to be interested person transactions.

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.

### 14. Confirmation pursuant to Rule 705(5) of the SGX Listing Manual

We, Lim Siak Meng and Seah Kiin Peng, being two directors of BRC Asia Limited, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the first quarter ended 31 December 2014 to be false or misleading in any material aspects.

On behalf of the Board of Directors

Lim Siak Meng  
Group Managing Director

Seah Kiin Peng  
Executive Director

Singapore

11 February 2015