

PROPOSED ISSUE OF CONVERTIBLE BONDS – RECEIPT OF SGX-ST APPROVAL IN PRINCIPLE

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of BRC Asia Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to its announcement dated 23 April 2014, in relation to the Company’s entry into a convertible bond subscription agreement (the “**Convertible Bond Subscription Agreement**”) for the issue of up to S\$10,000,000 in aggregate principal amount equity-linked redeemable convertible bonds (the “**Bonds**”, and each a “**Bond**”).

2. SGX-ST APPROVAL-IN-PRINCIPLE

The Board wishes to announce that the Company has, on 8 May 2014, received the in-principle approval of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing and quotation of up to 50,000,000 new ordinary shares in the capital of the Company to be issued upon conversion of the Bonds (“**Conversion Shares**”), and such further Conversion Shares to be allotted and issued by the Company pursuant to any adjustments made to the conversion price of the Bonds pursuant to the Terms and Conditions of the Bonds.

The in-principle approval of the SGX-ST for the listing and quotation of the Conversion Shares was granted subject to the following conditions:-

- (a) Compliance with the SGX-ST’s listing requirements;
- (b) Announcement of the conditions under which the price of the Conversion Shares may be adjusted and the conditions under which the Bonds may be redeemed;
- (c) Submission of the following to the SGX-ST:
 - (i) A duly signed undertaking in the format set out in Appendix 2.3.1 of the Listing Manual;
 - (ii) A copy of the signed subscription agreement, agent bank agreement and fiscal agency agreement;
 - (iii) A written confirmation from the Company that the terms of the Bonds comply with Listing Rule 829(1);
 - (iv) A written undertaking from the Company that it will comply with Listing Rule 704(30) and Listing Rule 1207(20) in relation to the use of the proceeds from the Bonds and conversion of the Bonds and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on use of proceeds and in the annual report;

- (v) A written undertaking from the Company that it will comply with Listing Rule 803 (i.e. will not allot and issue the Bonds so as to transfer a controlling interest in the Company without the prior approval of the Company's shareholders in a general meeting);
- (vi) A written undertaking from the Company that it will not place the Bonds to persons prohibited under Listing Rule 812(1); and
- (vii) A written undertaking from the Company to announce any adjustment made pursuant to Listing Rule 829(1).

The Company will be providing the abovementioned confirmations and undertakings to the SGX-ST.

The in-principle approval of the SGX-ST for the listing and quotation of the Conversion Shares is not to be taken as an indication of the merits of the Bonds, the Conversion Shares, the Company and/or its subsidiaries.

On behalf of the Board

LIM SIAK MENG
Group Managing Director

8 May 2014