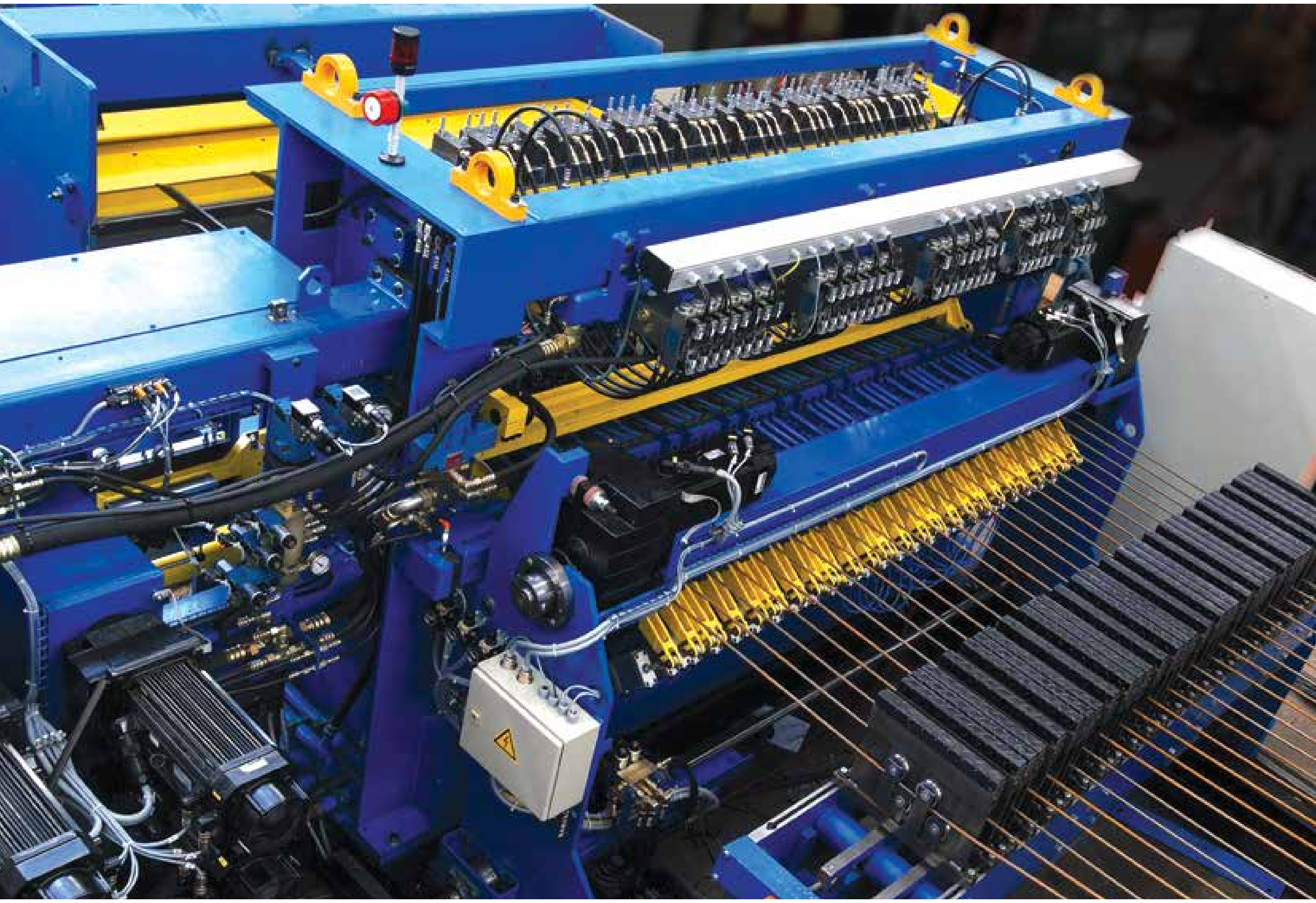
BRC Prefab
The Art of Reinforcing



Investing in

TECHNOLOGY

for higher **PRODUCTIVITY**

ANNUAL REPORT 2013

CONTENTS

CHAIRMAN'S MESSAGE

"THIS YEAR, GIVEN BRC'S EXCEPTIONAL PERFORMANCE... TOTAL DIVIDEND PROPOSED FOR THE YEAR IS 1.70 SINGAPORE CENTS PER ORDINARY SHARE

Dear Shareholders,

BRC has come a long way from humble beginnings as a backyard producer of fencing in 1938. In 2013, BRC celebrated its 75th year with its customers at the Ritz-Carlton Hotel in Singapore. I report with great pleasure that 2013 is also a record-breaking year for BRC. Driven by strong growth in sales volume, revenue ascended to another all-time high of S$425.0 million for the financial year ended 30 September 2013. At the same time, net profit rose to an unprecedented S$35.7 million amid the continuing Singapore construction boom.

The world economy continues to recover from the American Subprime and European financial crises. In a reversal of fortunes from a year earlier, advanced economies are gradually strengthening while growth in emerging market economies has slowed. Having said that, downside risks persist. For one, the Singapore government's series of measures to cool the property market to prevent a bubble build-up may result in a steep decline in construction demand in the near future.

Be that as it may, the Monetary Authority of Singapore (MAS) expects Singapore's economy, which is more dependent on advanced economies, to perform fairly well in 2013 with growth of 3.5-4% as compared to only 1.3% in 2012. One contributing factor highlighted by MAS was the sustained momentum of the construction sector and related industries. Supported by a very strong pipeline of projects, activity in the Singapore construction sector remained at a heightened level throughout 2013.

Spurred on by our philosophy of providing Better • Faster • Cheaper prefabricated reinforcing steel solutions to the construction industry, BRC ploughed nearly S$30.0 million in the last two years into the latest state-of-the-art machinery. We strongly believe that our value engineering-driven and customer-centric approach towards this business will continue to win us plaudits among discerning builders.

Looking ahead, while local property prices seemed to have, at least for now, been finally tamed by the numerous cooling measures introduced by the Singapore government, and while the accelerated supply in public housing is expected to start reverting to a normal state from 2014, the bumper crop of building projects launched in the past few years, coupled with numerous infrastructure projects and many large-scale developments planned under the Urban Redevelopment Authority's (URA) Draft Master Plan 2013 e.g. a new waterfront city, should ensure that construction and reinforcing steel demand remain at healthy levels in the near future.

On the other hand, business conditions in China proved extremely challenging. In 2013, our share of results from our joint venture in China was a loss of S$856,000 after we provided approximately S$1.4 million for doubtful debts.

Meanwhile, operations in our Malaysia factory started progressively going live from the middle of 2013. In 2014, we aim to stabilize operations and to start making inroads into the Malaysian market.

In our last financial year in 2012, BRC paid out a total dividend of 1.00 Singapore cent per ordinary share. This year, given BRC's exceptional performance, we will like to propose a final dividend payout of 1.20 Singapore cents per ordinary share, including a special dividend of 0.40 Singapore cents per ordinary share. Together with the interim dividend of 0.50 Singapore cents per ordinary share, total dividend proposed for the year is 1.70 Singapore cents per ordinary share.

Last but not least, as Chairman, I will like to take this chance to give thanks to our shareholders, customers, bankers, business associates and suppliers for their unwavering support of BRC. I will also like to express my appreciation to the management and staff of BRC for their hard work and commitment, and to my fellow members of the Board of Directors for their guidance and support.

MR. SIA LING SING
Non-Executive Chairman
BRC Asia Limited

> “鉴于BRC的出色表现... 今年所建议的总股息是每普通股新币1.70仙

尊敬的各位股东，

BRC已经从1938年初创时一间小小的篱笆网制造商取得了长足进展。2013年，BRC在新加坡丽思卡尔顿酒店与顾客们一起庆祝其成立75周年。本人非常高兴地宣布2013年也是BRC突破纪录的一年。在2013年9月30日截止的这一个财政年内，集团的营收在销量强劲增长的推动下提升到另一个新高点4.25亿新元。与此同时，在持续的新加坡建设热潮中，集团的净利润增长至前所未有的3570万新元。

世界经济仍在从美国次贷与欧洲的金融危机中恢复。与去年同时恰恰相反，发达经济体正逐步增强，而新兴市场经济体的增长已放缓。话虽如此，下行风险仍然存在，比如，新加坡政府为了预防房地产泡沫的形成而采取的一系列降温措施可能导致建筑需求在不久的将来急剧下降。

尽管如此，新加坡金融管理局(MAS)预计新加坡的经济，因较依赖于发达经济体，将在2013年有相当不错的表现，预期增长3.5%至4%，较之2012年的1.3%。MAS强调的其中一个促进因素是建筑业及相关行业的持续动力。因为有着大批项目的支撑，新加坡2013年的建筑活动全年都保持在活跃的水平。

在我们为建筑业提供**更好•更快•更便宜**的预制钢筋解决方案理念的激励下，BRC在过去两年里为最新、最先进的机械投入了约3000万新元。我们坚信在此行业中我们以高价值加工为导向和以客户为中心的方式，将继续为我们在眼光敏锐的建筑承包商中赢得喝彩。

展望未来，虽然当地房地产价格现阶段似乎终于被新加坡政府的无数降温措施所驯服，而公共住屋加速的供应预计将从2014年起开始恢复到正常状态，但，鉴于过去几年所推出的大量建设项目、加上无数的基础设施项目以及在市区重建局(URA)2013年总体规划草案中规划的许多大型开发项目，例如一个新的滨海城市，这应该确保在不久的将来建筑和钢筋的需求将保持在健康的水平。

另一方面，中国的业务环境却极具挑战性。2013年，在我们提供了近140万新元的坏帐储备之后，我们在中国的合资企业的亏损额计856000新元。

同时，我们马来西亚工厂从2013年年中起运作逐步开始投入生产应用。2014年，我们打算稳定运作并开始进军马来西亚市场。

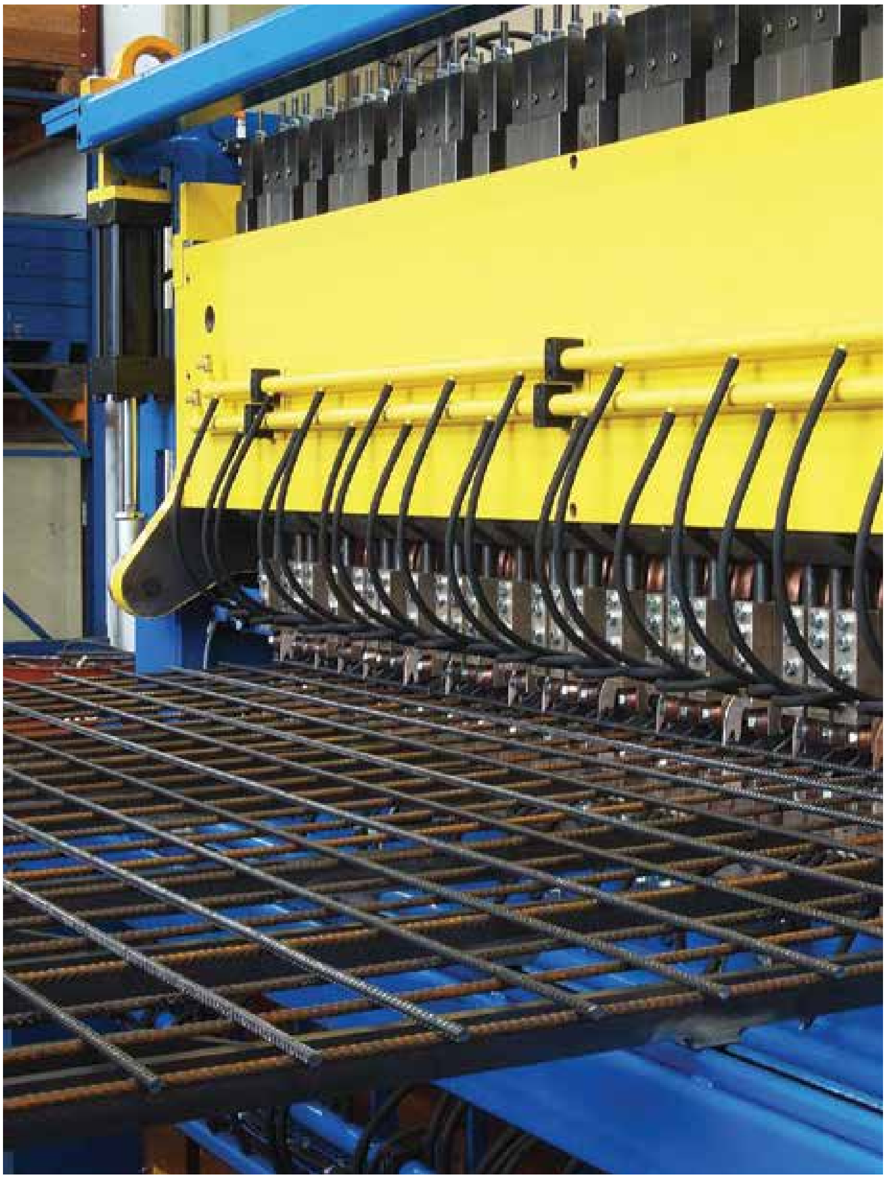
在上一个财政年度里(2012年)，集团派发了每普通股新币1.00仙的股息。今年，鉴于BRC的出色表现，我们提议派发每普通股新币1.20仙的末期股息(包括每普通股新币0.40仙的特别股息)。加上已派发每普通股新币0.50仙的中期股息，今年所建议的总股息是每普通股新币1.70仙。

最后，作为主席，本人借此机会感谢我们的股东、客户、银行家、业务伙伴和供应商，为你们对BRC坚定不移的支持说一声谢谢。本人还要感谢BRC管理层和全体工作人员的辛勤工作和无私奉献，感谢董事会全体成员的指导和支持，谢谢。

谢连成
非执行主席
BRC Asia Limited

THE ART OF REINFORCING

OPERATIONS & FINANCIAL REVIEW



" BRC PUT IN A STRONG PERFORMANCE IN 2013 AS OUR SUBSTANTIAL INVESTMENTS IN THE LAST TWO YEARS IN THE LATEST STATE-OF-THE-ART MACHINERY STARTED TO BEAR FRUIT IN A SINGAPORE CONSTRUCTION MARKET THAT IS STILL EXTREMELY BUOYANT BUT HEAVILY WEIGHED DOWN BY A SHRINKING SUPPLY OF FOREIGN LABOUR.

BRC put in a strong performance in 2013 as our substantial investments in the last two years in the latest state-of-the-art machinery started to bear fruit in a Singapore construction market that is still extremely buoyant but heavily weighed down by a shrinking supply of foreign labour. With our focus always on value engineering to achieve Better • Faster • Cheaper outcomes at site for our customers, these advanced machinery enhanced BRC's ability to provide prefabricated reinforcing steel solutions which were hitherto unachievable.

Meanwhile, the Singapore government's drive on productivity has intensified relentlessly. As foreign worker levies rise and quotas fall, businesses including those in the construction industry continued to be pushed to find ways of doing more with less. This ties in neatly with BRC's core aim of providing our customers with solutions that can save manpower, time and cost.

The versatility of our new range of mesh-making machines has enabled us to develop highly sophisticated and cost-effective mesh designs for high-rise residential structures. The response from our customers has been very positive and encouraging. Time savings of 2 to 3 days per floor have been achieved.

Consequently, both top and bottom lines hit an all-time record. For the financial year ended 30 September 2013 (FY2013), BRC's revenue improved by 9.0% to a new high of S$425.0 million (FY2012: S$388.4 million) while net profit more than doubled to S$35.7 million (FY2012: S$16.5 million). FY2013 gross margin as a percentage of sales also improved significantly from 9.7% to 15.2% compared to FY2012, as the weighted average cost of sales were lowered by cheaper purchases while sales orders were secured with higher value engineering margins. This, together with a higher sales volume, drove gross profit up by 72.0% to S$64.5 million (FY2012: S$37.5 million).

In line with increased sales volume and profits, finance costs rose 10.0% from S$1.2 million in FY2012 to S$1.3 million in FY2013 to finance an increased volume of inventory. At the same time, administrative expenses as well as distribution cost increased 54.0% and 46.0% respectively to S$13.0 million and S$5.0 million respectively as personnel-related costs rose and a higher share options expense of S$1.1 million (FY2012: S$1.0 million) was recognized.

On the other hand, other operating expenses decreased by 30.0% to S$3.5 million (FY2012: S$5.0 million) due to a net foreign exchange gain of S$2.6 million that was recorded in other income in this financial year compared to a net foreign exchange loss of S$1.5 million which was taken up in other operating expenses in FY2012.

As at 30 September 2013, BRC's balance sheet continued to strengthen with net assets of S$146.2 million compared to S$117.2 million a year earlier.

Market conditions in China continued to be tough. BRC recorded a loss of about S$0.9 million for our China joint venture (JV) after providing S$1.4 million for the JV's doubtful debts.

In Malaysia, our newly-built factory has started initial operations. As we progressively ramp up production in the next 12 months, we hope to start making inroads into the Singapore precasters who have relocated to Johor and the buoyant construction market emerging from the grand Iskandar project.

I am extremely heartened with the momentum that our Better • Faster • Cheaper prefabricated reinforcing steel solutions has gathered in the marketplace. This would not have been possible at all without the dedication, hard work and sacrifices of the staff in both the front and back offices and the workers in the factory. I will like to dedicate this outstanding set of results to each and every one of them – thank you.

Going forward, we remain fiercely committed to upping our focus on cost-effective value engineering to benefit our most important stakeholder – our customers – by continually innovating and giving them a Better • Faster • Cheaper reinforcing alternative.

MR. Lim Siak Meng
Group Managing Director
BRC Asia Limited

业务及财务回顾

2013年，BRC表现强劲，在一个仍然非常活跃但外劳供应紧缩的新加坡建筑市场里，我们过去两年对最新、最先进的机械的大量投资开始见效。我们始终专著于高价值加工以为我们的顾客在工地上实现 更好•更快•更便宜的成果，这些先进的机械提高了BRC提供迄今无法实现的预制钢筋解决方案的能力。

同时，新加坡政府的生产力运动不断深化。在一个外籍劳工税上升但配额下降的情况下，企业们包括建筑业在内都被推向寻找用更少来做更多的方法。这与BRC的核心目标 – 为我们的顾客提供能够节省人力、时间和成本的解决方案 – 不谋而合。

我们新系列的焊网制作机械的通用性使我们能够为高层住宅结构开发出高度复杂和具成本效益的焊网设计。客户们的反应非常积极和令人鼓舞。每一层楼节省两至三天的时间已经实现。

因此，无论是营收还是利润都是创记录的。在2013年9月30日截止的这一个财政年度内(FY2013)，BRC的营收增长了9.0%达到历史新高4.25亿新元(FY2012:3.884亿新元)净利润增加了一倍以上达到3570万新元(FY2012:1650万新元)。较之FY2012，FY2013毛利率从9.7%相当显著地增长到15.2%，这基于在一方面平均销售成本因较低的采购价格而降低而在另一方面所赢得的销售订单包含着较高的高价值加工利润。这一点，以及更高的销量，使得毛利增长了72.0%达到6450万新元(FY2012: 3750万新元)。

随着销量和利润的增加，财务费用提升了10.0%，从FY2012的120万新元上升到FY2013的130万新元，以支撑更大量的库存。同时，由于员工相关成本的上升以及更高的购股权费用110万新元(FY2012:100万新元)，管理费用以及经销成本分别增长了54.0%和46.0%，达到1300万新元和500万新元 。

另一方面，由于本财政年度的汇兑收益260万新元已计入其他收入，加上FY2012的汇兑损失150万新元已记录在其他营业开支中，今年的其他营业开支下降了30.0%至350万新元(FY2012:500万新元)。

在2013年9月30日截止的这一个财政年度内，BRC的资产负债表继续增强，净资产为1.462亿新元，较之上一年的1.172亿新元。

中国的市场条件依旧艰难。在为我们的中国合资企业(JV)作出拨备坏账准备140万新元后，BRC为JV计入了约90万新元的亏损。

在马来西亚，我们新建的工厂已经开始初步的运作。随着我们在接下来的12个月里逐步提高产量，我们希望开始进军那一些搬迁到柔佛的新加坡预制混泥土厂家以及从宏伟的依斯干达工程中涌现的蓬勃建筑市场。

我对我们的更好•更快•更便宜的预制钢筋解决方案在市场上汇聚的力量感到十分欣慰。没有前线和后勤员工以及工厂工人等工作人员的奉献精神、辛勤工作和牺牲，这一切根本不可能实现。我想将这杰出的成果归功于他们每一个人 – 谢谢。

展望未来，我们依然激烈的致力于增加我们对具成本效益的高价值加工的专著来造利于我们最重要的利益相关者 – 我们的顾客 – 通过不断地创新并且给予他们一个 更好•更快•更便宜的预制钢筋选择。

林锡明
集团董事总经理
BRC Asia Limited

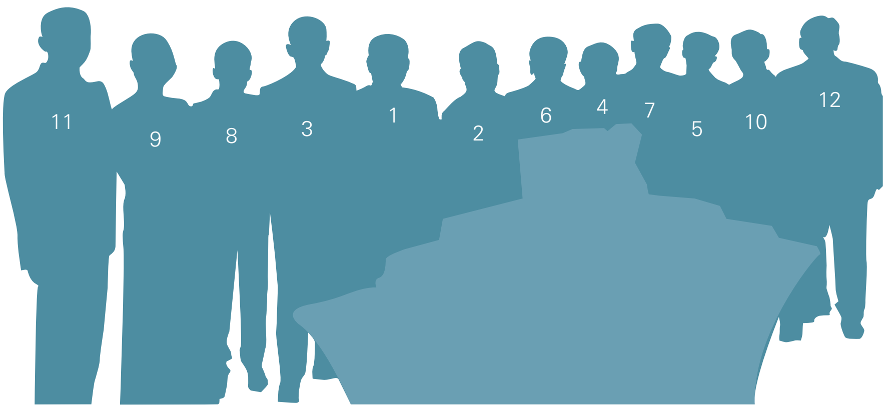
BOARD OF DIRECTORS

1 MR. SIA LING SING
Non-Executive Chairman
Appointed on 3 November 2008

Mr. Sia Ling Sing, the Non-Executive Chairman, was appointed to the Board in 2008. Mr. Sia is the Managing Director of the Lingco Group of companies, which are involved in shipbuilding and ship chartering. He is a businessman with more than 30 years of experience in the shipping industry.

2 MR. LIM SIAK MENG
Group Managing Director
Appointed on 2 June 1992

Mr. Lim Siak Meng, the Group Managing Director, has more than 30 years of experience in the construction industry. Mr. Lim is responsible for the business performance of the Group. He provides leadership and direction for our Group, and oversees the development and implementation of our business plans and strategies.



3 MR. SEAH KIIN PENG
Executive Director
Appointed on 1 March 2010

Mr. Seah Kiin Peng, the Executive Director, joined the Group in March 2010. Mr. Seah is responsible for assisting the Group Managing Director in strategic development of local and overseas business units and corporate governance matters, as well as spearhead the development of overseas businesses. He is also overall-in-charge of the management information system of the Group. Prior to joining the Group, he was the General Manager of a group of companies in the shipping business. Mr. Seah started his career with the Singapore Foreign Service after graduating with Bachelor and Masters of Science in Management from the London School of Economics and Political Science.

BOARD OF DIRECTORS

4 MR. OOI SENG SOON

Independent Director
Appointed on 23 January 2009

Mr. Ooi Seng Soon, an Independent Director, has more than 23 years of experience in corporate banking. He is also currently an Independent Director of another listed company. He graduated from the University of Singapore with a Bachelor of Arts degree in 1971.

5 MR. TAN LEE MENG

Independent Director
Appointed on 23 January 2009

Mr. Tan Lee Meng, an Independent Director, started his career in 1994 assisting his family in establishing operations in Malaysia where he set up Winspark Sdn Bhd and Jing Ma Property Sdn Bhd, serving as director overseeing the construction- and property- related businesses. In 1996, he was appointed as a director of Asia Progress International Pte Ltd to participate in the Masterplan for Information Technology in Education to roll out the IT-training for MOE teachers islandwide. In 2000, responding to the dot.com boom, he set up LinksTech Holding Pte Ltd to provide strategic investments in dot.com companies. Since then, he has been providing investment and consultancy services and serves as director overseeing the investments by his companies.

6 MR. LAU ENG TIONG

Non-Executive Director
Appointed on 1 October 2009

Mr. Lau Eng Tiong, a Non-Executive Director, is the Managing Director of Sin Teck Guan Pte Ltd. He has more than 25 years of experience in the business of heavy machinery and equipment trading.

7 MR. YAP XI MING

Non-Executive Director
Appointed on 16 August 2010

Mr. Yap Xi Ming (葉璽明), a Non-Executive Director, is also the Non-Executive Chairman of HG Metal Manufacturing Limited. Mr. Yap is the Managing Director of Chye Hin Hardware Pte Ltd (再興五金 (私人) 有限公司). He has more than 25 years of experience in the steel stockist business.

KEY EXECUTIVE OFFICERS

The names, duties / responsibilities and working experience of our Key Executive Officers are set out below:

MS. KANG LEONG YIN
IT Manager

Ms. Kang Leong Yin has more than 20 years of experience in the field of information techonology. She is responsible for the development of new IT systems to support the operations of the Company. She also oversees the day-to-day running of IT operations. She holds a Bachelor of Science Degree in Computing and Information System from the University of London.

8 MR. LAU WEE MIN
Corporate Communications Manager

Mr. Lau Wee Min has a Bachelor's Degree (Honours) in Product Design from Kent University (UK). He is responsible for brand management, and oversees the creative design of BRC's products and promotional materials. In addition, Mr Lau is responsible for inventory logistics.

9 MS. LEE CHUN FUN
Group Financial Controller

Ms. Lee Chun Fun began her career in auditing with a public accounting firm and has more than 20 years of experience in finance, treasury and credit control functions. She is responsible for the Group's financial and treasury management.

Ms. Lee has a Masters Degree in Business Administration from the University of Strathclyde and a Bachelor's Degree in Accountancy from the National University of Singapore.

10 MR. NG MENG SEAH
Senior Marketing Manager

Mr. Ng Meng Seah has more than 35 years of experience in the construction industry. He joined the Company in 1972 as a draughtsman / estimator and has progressed through the ranks to the position of Senior Marketing Manager. He oversees the Sales and Marketing department and is responsible for formulating new marketing plans and strategies. He is also responsible for the Engineering Services section in sales-related customer support.

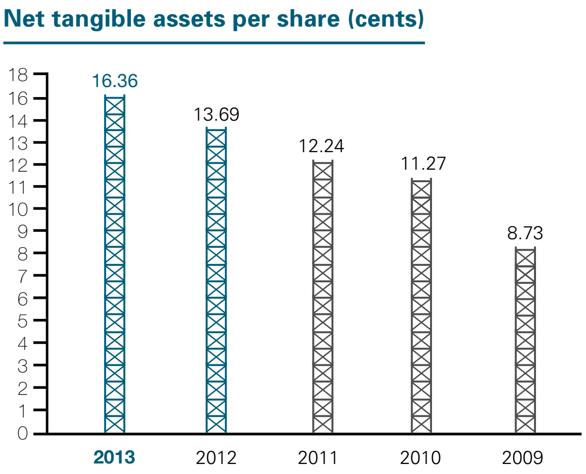
11 MR. ONG LIAN TECK
Group Business Development Manager

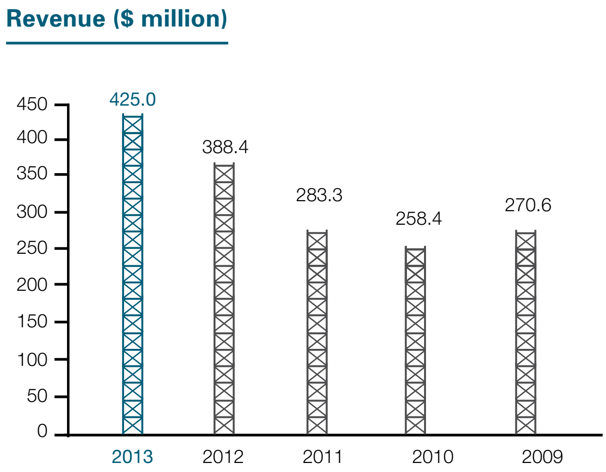
Mr. Ong Lian Teck joined the company in 1999. He assists the Group Managing Director in steel procurement and new product development. He has a Bachelor's Degree (Honours) in Engineering (Civil) from the Nanyang Technological University.

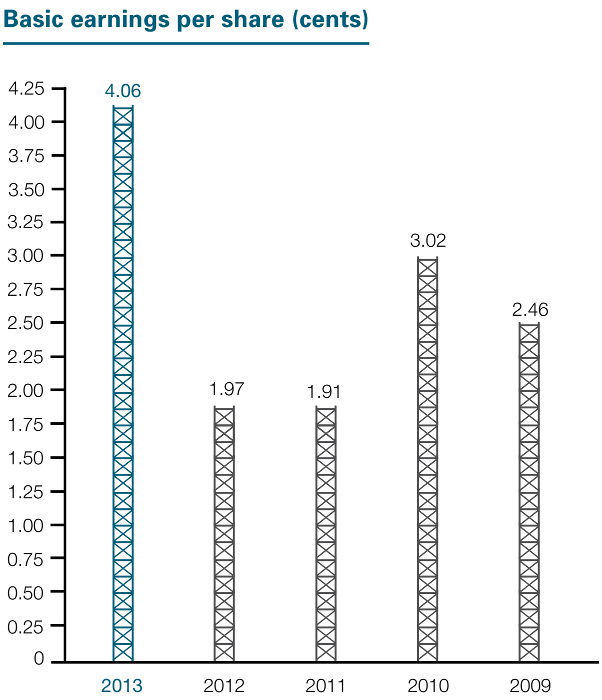
12 MR. TAN LAU MING
Works Manager

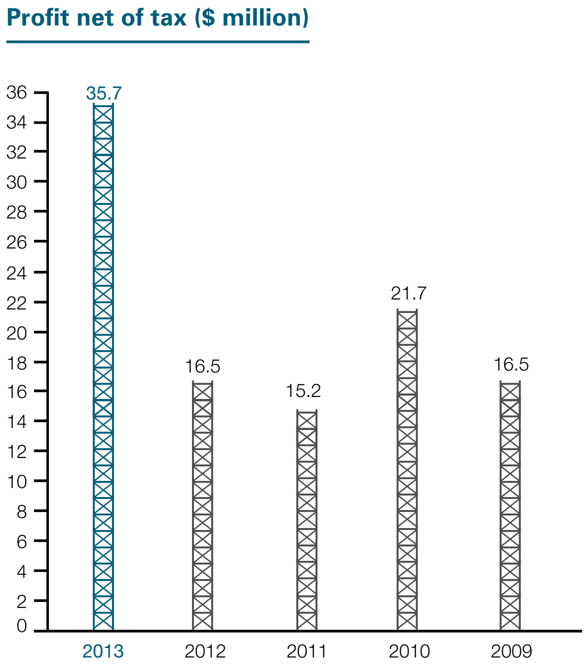
Mr. Tan Lau Ming has more than 18 years of experience in production operations which include manufacturing, planning, resource allocation, industrial engineering and process control. He is responsible for all production and operational matters of the Company. Mr. Tan has a Masters Degree in Engineering Management from the University of Wollongong.

FINANCIAL HIGHLIGHTS









Group	2013	2012	2011
Revenue ($'000)	425,024	388,446	283,300
Profit before tax ($'000)	43,683	19,588	18,180
Profit after tax ($'000)	35,664	16,489	15,197
Net assets employed ($'000)	146,274	117,207	100,791
Per Share Data			
Basic earnings per share (cents)	4.06	1.97	1.91
Net tangible assets per share (cents)	16.36	13.69	12.24

INTRODUCTION

BRC Asia Limited (the "Company") and its subsidiaries (the "Group") is committed to adopting and maintaining high standards of corporate governance and transparency practices for the protection of shareholders' interests.

This report outlines the Company's corporate governance processes and activities with specific reference to the Code of Corporate Governance (the "Code") as prescribed by the Singapore Exchange Securities Trading Limited (the "SGX-ST").

THE CODE

The Code is divided into four main sections, namely:

(A) Board matters	(C) Accountability and audit
(B) Remuneration matters	(D) Communication with shareholders

The revised Code of Corporate Governance issued by the Monetary Authority of Singapore in 2012 will be applicable to the Group in its financial year commencing 1 October 2013. As at the date of this report, the Group has complied with many of its key revised principles and continues to keep pace with developments in corporate governance.

(A) BOARD MATTERS

Principle 1: Every Company should be headed by an effective Board to lead and control the Company. The Board works with management to achieve this, and management remains accountable to the Board.

THE BOARD OF DIRECTORS

The Board of Directors consists of:

Mr. Lau Eng Tiong	(Non-Executive Director)
Mr. Lim Siak Meng	(Group Managing Director)
Mr. Ooi Seng Soon	(Independent Director)
Mr. Seah Kiin Peng	(Executive Director)
Mr. Sia Ling Sing	(Non-Executive Chairman)
Mr. Tan Lee Meng	(Independent Director)
Mr. Yap Xi Ming	(Non-Executive Director)

There were no changes to the Board during the financial year.

BOARD FUNCTIONS

The functions of the Board are:

- to supervise and approve strategic direction of the Group;
- to deliberate and decide on policies covering corporate governance and business matters;
- to review the business practices and risk management of the Group;
- to review the management performance of the Group;
- to review and approve Interested Person Transactions;
- to approve matters beyond the authority of the executives;
- to ensure that there are policies and safeguards in the internal control system to preserve the integrity of the assets and to ensure compliance with legal and regulatory requirements;
- to deliberate on and approve all communications with shareholders; and
- to deliberate on and approve recommendations made by the Audit, Nominating and Remuneration Committees.

These functions are carried out either directly or through board committees like Audit Committee, Nominating Committee, Remuneration Committee and Committee of Directors.

Decisions on material acquisitions or disposals, share issues, funding proposals and dividends are reserved for the Board. The Company has also specified in its procedure manuals, limits of authority which specifically refer transactions beyond the limit of executives to the Board for approval.

BOARD'S CONDUCT OF AFFAIRS

The Board meets regularly and the directors are either present or participate via tele-conferencing. When circumstances require, members of the Board exchange views outside the formal environment of board meetings. Ad hoc matters requiring the Board's decision are dealt with through circular resolution.

The record of attendance of the directors at the board and committee meetings for the financial year ended 30 September 2013 is as follows:

Name of Director	Board of Directors		Audit Committee		Remuneration Committee		Nominating Committee	
	Number of Meetings							
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Lau Eng Tiong	5	5	–	–	1	1	1	1
Lim Siak Meng	5	5	–	–	1	1	1	1
Ooi Seng Soon	5	5	5	5	1	1	1	1
Seah Kiin Peng	5	5	–	–	–	–	–	–
Sia Ling Sing	5	5	–	–	–	–	–	–
Tan Lee Meng	5	5	5	5	1	1	1	1
Yap Xi Ming	5	4	5	4	–	–	–	–

Board papers are distributed in advance of the board meetings to allow the directors to read and to seek clarification. Company Secretaries Ms. Lee Chun Fun and Ms Low Mei Wan assist the Chairman in the preparation of notices and board papers. They are also responsible for advising the Board on procedures and on the Company's practices, while at the same time serving as a conduit in facilitating communication with the SGX-ST. The directors may take independent professional advice and receive relevant training, particularly on relevant new laws, regulations and changing commercial risks, from time to time so as to enable them to discharge their duties.

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from management. No individual or small group of individuals should be allowed to dominate the Board's decision-making.

COMPOSITION AND GUIDANCE

The Board consists of three Non-Executive Directors, two Independent Directors and two Executive Directors. The Board's size and composition are considered appropriate for the Company's needs, with a good mix and diversity of skills and experiences, to ensure that the Board will be able to make satisfactory and independent decisions regarding the affairs of the Company. Balance is further achieved as more than one-third of the Board is independent and non-executive, thereby eliminating the risk of a particular group dominating the decision-making process. None of the Independent Directors has any relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Company. No individual or group of individuals dominates the Board's decision-making.

To facilitate a more effective check on management, the independent directors meet with the external auditors, without the presence of the management, at least once a year.

The profile of each Board member is provided on pages 9 and 10 of the Annual Report.

Principle 3: There should be a clear division of responsibilities at the top of the Company — the working of the Board and the responsibility of the executives in the Company's business — which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

ROLE OF THE CHAIRMAN AND THE GROUP MANAGING DIRECTOR

Mr. Sia Ling Sing, appointed as Non-Executive Chairman with effect from 9 February 2009, leads the Board and has a clear role that is distinct from that of the Group Managing Director, Mr. Lim Siak Meng.

The Chairman ensures that board meetings are held on a timely basis to deliberate, decide or approve matters which require the Board's attention. He leads all board meetings, and will, prior to the meetings, review all board papers and proposals before they are presented. If necessary, he will invite participation from advisors or management staff to facilitate in-depth discussions.

The Chairman ensures effective communication with shareholders and facilitates effective contributions from the Non-Executive Directors. He is also responsible for promoting and maintaining high standards of corporate governance.

The Group Managing Director is responsible for implementing the Group's strategies and policies as well as the daily management and operations of the Group.

Principle 4: There should be a formal and transparent process for the appointment of new directors to the Board.

NOMINATING COMMITTEE

The Nominating Committee consists of:

Mr. Tan Lee Meng	(Chairman)
Mr. Ooi Seng Soon	(Member)
Mr. Lim Siak Meng	(Member)
Mr. Lau Eng Tiong	(Member)

The Nominating Committee was set up in July 2000. All the members were Non-Executive Directors except for Mr. Lim Siak Meng, an Executive Director. Furthermore, the Chairman is neither related to, nor a substantial shareholder in the Company.

The principal functions of the Nominating Committee are:

- to identify and evaluate new candidates to the Board, evaluating and nominating directors for re-nomination upon retirement by rotation;
- to assess the independence of Independent Directors;
- to review the extent of Board representation of all the directors to ensure that sufficient time is devoted to the affairs of the Company; and
- to evaluate the Board's performance and the contribution of each Board member.

During the year, the Nominating Committee met once, evaluating the Board's performance and contribution of each Board member as well as discussing the re-appointment of directors who are subject to retirement at the forthcoming annual general meeting. All the Committee members participated in the meeting and discussions.

The Nominating Committee has reviewed the independence of Mr. Tan Lee Meng and Mr. Ooi Seng Soon and is satisfied that there are no relationships which would deem any of them not to be independent. In reviewing the independence, the Nominating Committee has considered the relationships identified by the Code and, additionally, that the Independent Directors are also independent of substantial shareholders of the Company.

Although some of the Board members have multiple board representations, the Nominating Committee is satisfied that the Directors have devoted sufficient time and attention to the Company.

CORPORATE GOVERNANCE REPORT

Key information on the Directors as at the date of this Annual Report is set out below:

Name of Director	Appointment	Date of initial appointment / last re-election	Directorships in other listed companies and other principal commitments Current	Past 3 Years
Lau Eng Tiong	Non-Executive Director	1 October 2009 / 28 January 2013	–	–
Lim Siak Meng	Group Managing Director	2 June 1992 / 28 January 2013	–	–
Ooi Seng Soon	Independent Director	23 January 2009 / 18 January 2012	NH Ceramics Limited (Independent Director)	–
Seah Kiin Peng	Executive Director	1 March 2010 / 28 January 2013	–	–
Sia Ling Sing	Non-Executive Chairman	3 November 2008 / 18 January 2012	–	–
Tan Lee Meng	Independent Director	23 January 2009 / 18 January 2012	Hisaka Holdings Ltd. (Independent Director)	–
Yap Xi Ming	Non-Executive Director	16 August 2010 / 25 January 2011	HG Metal Manufacturing Limited (Non–Executive Chairman)	–

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

For the year under review, the Nominating Committee evaluated the Board's performance as a whole. The performance criteria for the Board evaluation cover amongst other criteria, Board Structure, Conduct of Meetings, Corporate Strategy and Planning and Risk Management and Internal Control. Although the Directors are not evaluated individually, the factors taken into consideration for the re-nomination of the Directors for the current year are based on the Directors' attendance at meetings held during the year and the contribution made by the Directors at the meetings.

Principle 6: In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

To assist the Board in discharging its duties, the Board is provided with reports as well as financial statements on a regular basis. Board papers are also distributed in advance of board meetings so that the directors would have sufficient time to understand the matters which are to be discussed. The directors are entitled to request from management and should be provided such additional information as needed to make informed decisions.

The Independent and Non-Executive Directors are always available to provide guidance to the management on business issues and in areas which they specialise in. The directors also have direct access to the management, the Company Secretaries and the Company's professional advisors if they require more information.

Under the direction of the Chairman, the Company Secretaries ensure good information flows within the Board and its Board committees and between management and non-executive directors, advising the Board on all governance matters, as well as facilitating orientation and assisting with professional development as required. During the financial year, the Company Secretaries have attended all Board and Board committee meetings.

The appointment and the removal of the Company Secretary is a matter for the Board as a whole.

B) REMUNERATION MATTERS

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The Remuneration Committee consists of:

Mr. Ooi Seng Soon	(Chairman)
Mr. Tan Lee Meng	(Member)
Mr. Lau Eng Tiong	(Member)
Mr. Lim Siak Meng	(Member)

The principal functions of the Remuneration Committee are:

- to advise the Board on the framework of remuneration policies for the directors and key executive officers;
- to review and recommend to the Board any changes to the existing remuneration system of the Executive Directors and key executive officers;
- to approve specific adjustments or changes to the Executive Directors' and key executive officers' remuneration packages; and
- to recommend the directors' fees to the Board for its endorsement, supporting its recommendation by reference to prevailing best practices and benchmarks.

In determining the remuneration system for the key executive officers, the Remuneration Committee seeks advice from human resource consultants and senior practitioners in order to obtain comparable information on the market and the industry.

During the year, the Remuneration Committee met once, discussing various remuneration matters and recording its decisions by the way of minutes and circular resolutions. All the Committee members were involved in the deliberations. No director was involved in the fixing of his own remuneration.

Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the Company successfully, but the Company should avoid paying more for this purpose. A significant proportion of the Executive Directors' remuneration should be structured so as to link rewards to corporate and individual performance.

Principle 9: Each Company should provide clear disclosure of its remuneration policy, level and mix of remuneration and the procedure for setting remuneration in the Company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executive officers, and performance.

The remuneration package of Executive Directors and key executive officers consists of:

Basic salary
Basic salary is determined based on the market value of the job. Merit increments, if any, are added to the basic salary. In line with the Singapore government's recommendations, the Company has designated a portion of the basic salary as a monthly variable component for certain employees, including key executive officers.

Fees
The Non-Executive and Independent Directors are entitled to directors' fees. The level of fees is reviewed for reasonableness, taking into account the size of the Company and the additional duties and responsibilities of the directors.

Bonus
The Executive Directors and selected key executive officers are entitled to a bonus which is determined by the Company's performance. The Board, as recommended by the Remuneration Committee, approves any bonuses paid to the Executive Directors and selected key executive officers.

Benefits-in-kind
Customary benefits-in-kind, consistent with market practices, are given to Executive Directors and selected key executive officers.

Employee Share Option Scheme

The Executive Directors and eligible employees are participants to options under the Employee Share Option Scheme ("BRC Share Option Scheme 2011") approved by shareholders on 25 January 2011. The Scheme provides an opportunity for participants who have contributed significantly to the growth and performance of the Company to participate in the equity of the Company, thereby aligning their interests with shareholders.

The Committee of Directors which administers the BRC Share Option Scheme 2011 consists of:

Mr. Ooi Seng Soon	(Chairman)
Mr. Tan Lee Meng	(Member)
Mr. Lau Eng Tiong	(Member)
Mr. Lim Siak Meng	(Member)
Mr. Seah Kiin Peng	(Member)

For competitive reasons, the Company will not fully disclose details of directors' remuneration which falls within bands of $250,000.

The remuneration of the directors and key executive officers is set out below:

Name of Director	Salary %	Bonus %	Fees [1] %	Benefits-in-kind [2] %	Fair value of Share Options [3] %	Total %
Above $500,000 band						
Mr. Lim Siak Meng	15	65	–	3	17	100
Mr. Seah Kiin Peng	13	60	–	4	23	100
Below $250,000 band						
Mr. Lau Eng Tiong	–	–	100	–	–	100
Mr. Ooi Seng Soon	–	–	100	–	–	100
Mr. Sia Ling Sing	–	–	100	–	–	100
Mr. Tan Lee Meng	–	–	100	–	–	100
Mr. Yap Xi Ming	–	–	100	–	–	100

Notes:

1 *The fees are subject to approval by shareholders at the Annual General Meeting to be held on 23 January 2014.*

2 *Includes transport allowances, contributions to Central Provident Fund, retirement benefits and other benefits-in-kind.*

3 *The share options were granted under the BRC Share Option Scheme 2011. The fair value of the options was determined using the Black-Scholes-Merton Option Pricing Model.*

Information on the BRC Share Option Scheme 2011 such as size of grants, exercise price of options that were granted as well as outstanding and vesting period of options are set out on pages 55 to 57 of the Annual Report.

Key Executive Officers (Top 5)

The Code recommends that this report sets out the names of at least the top 5 key executive officers who are not directors with remuneration which falls within bands of $250,000. Given the highly competitive industry conditions, the Company believes that it is not in the best interest of the Company to disclose details of the remuneration of its top 5 key executive officers. The remuneration of each of the Company's top 5 key executives is above $250,000.

Remuneration of Employees Related to Directors

There is no employee related to a Director or the Group Managing Director whose remuneration exceeds $150,000 in the Company's employment for the financial year ended 30 September 2013.

(C) ACCOUNTABILITY AND AUDIT

Principle 10: The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

In presenting the annual financial statements and announcements of financial results to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's and the Group's performance, position and prospects. The Board is mindful of its obligation to provide timely and fair disclosure of material information. The Board is accountable to the shareholders while the management is accountable to the Board.

Principle 11: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

AUDIT COMMITTEE

The Audit Committee was formed in July 2000. Members of the Committee are:

Mr. Ooi Seng Soon	(Chairman)
Mr. Tan Lee Meng	(Member)
Mr. Yap Xi Ming	(Member)

All the members are Non-Executive Directors, of which two — Mr. Ooi Seng Soon and Mr. Tan Lee Meng — being also Independent Directors. There is a good mix of expertise among the members who can handle financial as well as commercial issues relating to the Company's business.

There were five Audit Committee meetings held during the year. In the meetings dealing with the announcement of the Group's results, the following were also present: the Group Managing Director, the Executive Director and the Group Financial Controller.

Below are the duties and responsibilities of the Audit Committee:

- to review the audit plans of the internal and external auditors of the Company;
- to review and discuss reports and memoranda of examination arising from internal and external audits, in order to ensure that proper internal controls are in place to ensure the integrity of the reported financial numbers, compliance with the relevant standards, and that disclosures are timely, accurate and meaningful;
- to review the quarterly and annual financial statements and the auditors' report on the annual financial statements of the Company before their submission to the Board of Directors;
- to review effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews and evaluation carried out by the independent internal auditor and the assistance given to them by the Company's management;
- to review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes, and any reports received from regulators;
- to meet with the external independent auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;
- to allow and encourage unimpeded access to independent internal and external auditors;
- to assess the performance and cost-effectiveness of the internal and external independent auditors, approve their remuneration, and recommend to the Board their re-appointment;
- to review the nature and extent of non-audit services provided by the external independent auditors;
- to report actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considers appropriate; and
- to review interested person transactions in accordance with the requirements of the SGX-ST's Listing Manual.

The Company has put in place a whistle-blowing policy and the Audit Committee has the authority to conduct independent investigations into any complaints. As at to-date, no reports of fraudulent or inappropriate activities or malpractices have been received.

The Audit Committee has met with the independent auditors without the presence of the Company's management annually. The Audit Committee has reviewed and concluded that there were no non-audit services provided by the external auditors. The Audit Committee is satisfied with the independence of the external auditors and has recommended to the Board that they be re-appointed.

In appointing the audit firms for the Group, the Audit Committee is satisfied that the Company has complied with the Listing Rules 712 and 715. In addition, the Audit Committee is satisfied that the Company has complied with Rule 717 of the Listing Manual regarding the audit of the foreign subsidiary and joint venture.

The amount of fees paid to auditors for audit and non-audit services for the financial year ended 30 September 2013 are set out on page 55 of the Annual Report.

Principle 12: The Board should ensure that the management maintains a sound system of internal controls to safeguard shareholders' investments and Company's assets.

INTERNAL CONTROLS

Management reviews the system of internal controls regularly in order to ensure that sufficient checks and balances exist within the system to safeguard the Company's assets. The Audit Committee ensures that these controls are effective by engaging an external consultant as the internal auditor. The internal auditor works within the scope of an audit plan, which has been approved by the Audit Committee, to review and test the adequacy and effectiveness of the internal controls of the Group. The external independent auditors will, in the course of the external audit, conduct a review of certain internal control procedures but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

During the year, the Board of Directors and the Audit Committee have reviewed the adequacy of the Group's internal controls, including financial, operational, compliance and information technology controls as well as risk management system. Based on the reviews conducted, the Board of Directors, with the concurrence of Audit Committee, is of the opinion that the system of internal controls was adequate as at 30 September 2013.

Principle 13: The Company should establish an internal audit function that is independent of the activities it audits.

INTERNAL AUDIT

As the size of the Company cannot support a full-time internal audit team and also for cost reasons, the management has, with the agreement of the Audit Committee, outsourced its internal audit function to a reputable, independent public accounting firm. PricewaterhouseCoopers LLP has been appointed as the Internal Auditor by the Audit Committee, and it reports directly to the Chairman of the Audit Committee.

The Internal Auditor prepares and executes a risk-based audit plan in order to review the adequacy and effectiveness of the Company's system of internal controls. The Internal Auditor had recommended that a Control Self Assessment (CSA) programme be developed over key processes. This would provide a structured framework for continuous assessment of risks and controls by employees so as to better manage risks as well as to reinforce risks and controls ownership at line management level. CSA provides senior management as well as the Audit Committee with a tangible in-house assessment of internal controls which would facilitate their governance of risk as well as compliance reporting. Internal audit work done during the financial year include CSA for Inventory Management, Interested Persons Transactions as well as a review of segregation of duties, interface controls and assess rights in Oracle Financials. In addition, the external auditors would highlight any material internal control weaknesses which have come to their attention in the course of their statutory audit. All audit findings and recommendations made by the internal and external auditors are reported to the Audit Committee. Significant issues are discussed at Audit Committee meetings. The Internal Auditor may be engaged to follow up on recommendations by the internal and external auditors to ensure Management has implemented them in a timely and appropriate manner and report the results to the Audit Committee.

During the year, the Board of Directors and the Audit Committee have reviewed the adequacy of the Company's internal controls, including financial, operational, compliance and information technology controls as well as risk management system. Based on the reviews conducted, the Board of Directors, with the concurrence of Audit Committee, is of the opinion that the system of internal controls was adequate as at 30 September 2013.

(D) COMMUNICATION WITH SHAREHOLDERS

Principle 14: The Company should engage in regular, effective and fair communication with shareholders.

It is the Company's policy to be transparent and open with its shareholders and this is achieved through timely announcements and meaningful disclosures, which are made on a non-selective basis. The Company also attends to shareholders' queries promptly.

The Company also disseminates information to shareholders and the investing public through its website www.brc.com.sg.

Principle 15: Companies should encourage greater shareholder participation at Annual General Meetings and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

The Company encourages shareholders' participation at the Company's Annual General Meetings.

The Company ensures that sufficient explanations of all resolutions are included in the Notice of the Annual General Meeting. At the Annual General Meeting, the Company makes available the services of the Company's auditors, lawyers and other advisors to provide answers to queries from any shareholder. In addition, the Chairman of the respective Audit, Nominating and Remuneration Committees will also be present. Senior management is also present to address any queries which shareholders may have.

Attendance by proxies is allowed as stipulated in the Articles of Association. However, the Company has not amended its Articles to lift the limit on the number of proxies for nominee companies as it is not possible to make such an amendment to apply only to nominee companies and not to all shareholders. In addition, the Board believes that it would not promote greater efficiency or effective decision making nor would it be cost-effective to lift the limit on the number of proxies completely. The Board is not implementing absentia-voting methods by mail, e-mail or fax until issues on security and integrity are satisfactorily resolved.

The proceeding of the AGM is properly recorded, including all comments or queries raised by shareholders relating to the agenda of the meeting and responses from the Board and Management.

CORPORATE SOCIAL RESPONSIBILITY

Apart from creating long term value for its stakeholders and upholding high standards of governance, the Company recognises the importance of environmental sustainability and social responsibility.

The Company has in place proper procedures for recycling and disposal of steel scrap. In addition, the Company has been involved in giving to the less fortunate communities by way of donations.

INTERESTED PERSON TRANSACTIONS

The Company has set out the procedures for review and approval of the Company's interested person transactions.

Disclosure according to Rule 907 of the SGX-ST Listing Manual in respect of interested person transactions for the financial year ended 30 September 2013 is stated in the table below:

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$289,000	–	–	Purchases – S$48,000 Sales – S$239,000
Chye Hin Hardware Pte Ltd	Purchases – S$108,000 Sales – S$32,000	Purchases – S$140,000 Sales – S$102,000	–	–
Oriental Metals Pte Ltd	–	–	–	Purchases – S$101,000
Sin Teck Guan Machinery (Pte) Ltd	Services – S$411,000	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 SGX-ST since 28 January 2013.

RISK MANAGEMENT

The Board acknowledges that risks are inherent in business and views the taking of risks as a prelude to generating returns. However, the Board's policy is that risks should be managed in order to reduce the variability of returns.

The primary responsibility for identifying business risks lies with management, who then tables and recommends processes to the Board for their deliberation and for formulating policies to deal with the risks. The Board also approves the recommended processes for managing risk, which could include optimisation, hedging, reduction of exposure or limiting possible losses through controls.

UTILISATION OF PROCEEDS

There have been no proceeds raised in the financial year under review and no outstanding proceeds from previous fund raising.

DEALING IN THE COMPANY'S SECURITIES

The Group's internal code pursuant to Rule 1207 (19) of the Listing Manual issued by SGX-ST is still in place and there has not been any incidence of non-compliance. The Company has informed its officers not to deal in the Company's shares whilst they are in possession of unpublished material price-sensitive information and during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements.

The directors and officers of the Company are advised not to deal in the Company's securities on short-term considerations.

Directors and officers are required to observe insider trading provisions under the Securities and Futures Act (Chapter 289) at all times even when dealing in the Company's securities within the permitted periods. Directors of the Company are required to report all dealings to the Company Secretary.

CONTENTS

DIRECTORS' REPORT

The directors are pleased to present their report to the members together with the audited consolidated financial statements of BRC Asia Limited (the "Company") and its subsidiaries (collectively the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 September 2013.

Directors

The directors of the Company in office at the date of this report are:

Lau Eng Tiong
Lim Siak Meng
Ooi Seng Soon
Seah Kiin Peng
Sia Ling Sing
Tan Lee Meng
Yap Xi Ming

Arrangements to enable directors to acquire shares and debentures

Except as described below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50 (the "Act"), an interest in shares of the Company and its related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest			Deemed interest		
Name of director	**At beginning of financial year**	**At end of financial year**	**At 21 October 2013**	**At beginning of financial year**	**At end of financial year**	**At 21 October 2013**
Ordinary shares of the Company						
Lau Eng Tiong[1]	–	–	–	70,825,523	70,825,523	70,825,523
Lim Siak Meng	39,730,524	54,972,524	54,972,524	–	–	–
Sia Ling Sing [2]	–	–	–	239,814,794	240,404,794	240,404,794
Seah Kiin Peng	779,927	11,140,927	11,140,927	–	–	–

(1) Lau Eng Tiong has a 25% interest in Sin Teck Guan (Pte) Ltd and is deemed to have an interest in the shares of the Company held by Sin Teck Guan (Pte) Ltd pursuant to Section 7 of the Act.

(2) Sia Ling Sing has a 30.17% interest in Lingco Marine Pte Ltd and is deemed to have an interest in the shares of the Company held by Lingco Marine Pte Ltd pursuant to Section 7 of the Act. Furthermore, Sia Ling Sing is also deemed to have an interest in the shares of the Company held by Lingco Holdings Pte Ltd pursuant to Section 7 of the Act.

Directors' interests in shares and debentures (cont'd)

There was no change in any of the above-mentioned interests between the end of the financial year and 21 October 2013.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or by a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share options

BRC Share Option Scheme 2011

The BRC Share Option Scheme 2011 (the "Scheme") for Executive Directors, and confirmed employees of the Group was approved by shareholders of the Company at an Extraordinary General Meeting on 25 January 2011. On 23 March 2013 (2012: 6 March 2012), 51,411,000 (2012: 18,000,000) share options were granted pursuant to the Scheme; 45,211,000 (2012: 11,800,000) share options were granted without a discount at an exercise price of $0.18 (2012: $0.13) per share and 6,200,000 (2012: 6,200,000) share options were granted at a discounted exercise price of $0.16 (2012: $0.12) per share.

The exercise price of options granted at a discount represented a 10.0% (2012: 9.3%) discount to the average last dealt prices of the Company's ordinary shares on The Singapore Exchange Securities Trading Limited ("SGX-ST") for the five (5) consecutive market days immediately preceding the date of grant of the options. The two executive directors of the Company, Lim Siak Meng and Seah Kiin Peng, were granted 22,933,000 (2012: 3,135,000) and 15,428,000 (2012: 2,565,000) options respectively at a non-discounted exercise price of $0.18 (2012: $0.13) per share.

Details of all the options to subscribe for ordinary shares of the Company pursuant to the employee share option plans as at 30 September 2013 are described in Note 8.

All options that were granted are valid for a period of five (5) years from the date of grant. The options granted without a discount are exercisable during the period commencing from the first anniversary of the date of grant and expiring on the fifth anniversary of the date of grant of such options. The options granted at a discount are exercisable during the period commencing from the second anniversary of the date of grant and expiring on the fifth anniversary of the date of grant of such options.

Once the options are granted, they are exercisable for an option term of five (5) years. The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price. The persons to whom the options have been issued shall have no restriction on the eligibility to participate in any other share options or share incentive schemes implemented by the Company or any other company within the Group. The Group and the Company have no obligation to repurchase or settle the options in cash.

The aggregate nominal amount of shares over which options may be granted on any date, when added to the nominal shares issued and issuable in respect of all options granted under the Scheme, shall not exceed 15% of the issued share capital of the Company on the day preceding that date.

Share options (cont'd)

Details of the options to subscribe for ordinary shares of the Company granted to directors of the Company are as follows:

Name of director	Aggregate options outstanding at beginning of financial year	Options granted during financial year	Aggregate options granted since commencement of plan to end of financial year	Aggregate options exercised since commencement of plan to end of financial year	Aggregate options expired since commencement of plan to end of financial year	Aggregate options outstanding at end of financial year
Lim Siak Meng	12,663,000	22,933,000	35,596,000	12,663,000	–	22,933,000
Seah Kiin Peng	10,361,000	15,428,000	25,789,000	10,361,000	–	15,428,000

Since the commencement of the BRC Share Option Scheme 2011 till the end of the financial year:

- no options have been granted to the controlling shareholders of the Company and their associates;
- no participant, other than the directors mentioned above, has received 5% or more of the total options available under the Scheme; and
- no options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted.

Audit Committee

The Audit Committee consists of three members, all of whom are non-executive or independent directors. At the end of the financial year and at the date of this report, the Audit Committee comprised the following members:

Ooi Seng Soon (Chairman)
Tan Lee Meng
Yap Xi Ming

The Audit Committee carried out its functions in accordance with section 201B(5) of the Singapore Companies Act, Cap. 50, including the following:

- Reviewed the audit plans of the internal and external auditor of the Group and the Company, and reviewed the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group's and the Company's management to the external and internal auditors;
- Reviewed the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;
- Reviewed effectiveness of the Group's and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditors;
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- Reviewed the nature and extent of non-audit services provided by the external auditor;
- Recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditors, and reviews the scope and results of the audit;
- Reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considers appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the SGX-ST's Listing Manual.

Audit Committee (cont'd)

The Audit Committee having reviewed and concluded that there were no non-audit services provided by the external auditor to the Group. The Audit Committee is satisfied with the independence of the external auditor. The Audit Committee has also conducted a review of interested person transactions.

The Audit Committee convened four meetings during the financial year. The Audit Committee has also met with internal and external auditor, without the presence of the Company's management, at least once a year.

Further details regarding the Audit Committee are disclosed in the Report on Corporate Governance.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors,

Lim Siak Meng
Director

Seah Kiin Peng
Director

Singapore
18 December 2013

STATEMENT BY DIRECTORS

We, Lim Siak Meng and Seah Kiin Peng, being two of the directors of BRC Asia Limited, do hereby state that, in the opinion of the directors:

(a) the accompanying balance sheets, consolidated statement of comprehensive income, statements of changes in equity, and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 September 2013 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

Lim Siak Meng
Director

Seah Kiin Peng
Director

Singapore
18 December 2013

Independent Auditor's Report to the Members of BRC Asia Limited

Report on the financial statements

We have audited the accompanying financial statements of BRC Asia Limited (the "Company") and its subsidiaries (collectively the "Group") set out on pages 30 to 84, which comprise the balance sheets of the Group and the Company as at 30 September 2013, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 September 2013 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
18 December 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 September 2013

	Note	2013 $'000	2012 $'000
Revenue	4	**425,024**	388,446
Cost of sales		**(360,510)**	(350,918)
Gross profit		**64,514**	37,528
Other income	5	**2,812**	104
Expenses			
Distribution expenses		**(4,976)**	(3,414)
Administrative expenses		**(13,011)**	(8,468)
Finance costs	6	**(1,280)**	(1,162)
Other operating expenses		**(3,520)**	(5,025)
Share of results of joint venture		**(856)**	25
Profit before tax	7	**43,683**	19,588
Income tax expense	9	**(8,019)**	(3,099)
Profit net of tax for the year		**35,664**	16,489
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Net gain on fair value changes of available-for-sale financial assets		**17**	20
Foreign currency translation		**733**	(149)
Other comprehensive income for the year, net of tax		**750**	(129)
Total comprehensive income for the year		**36,414**	16,360
Profit for the year attributable to:			
Owners of the Company		**35,666**	16,504
Non-controlling interests		**(2)**	(15)
		35,664	16,489
Total comprehensive income for the year attributable to:			
Owners of the Company		**36,418**	16,377
Non-controlling interests		**(4)**	(17)
		36,414	16,360
Earnings per share (cents per share):			
Basic	10	**4.06**	1.97
Diluted	10	**4.03**	1.96

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 30 September 2013

	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Non-current assets					
Property, plant and equipment	11	**61,216**	35,120	**51,095**	31,326
Investment in joint venture	12	**9,860**	10,118	**6,076**	6,076
Investment in subsidiaries	13	**–**	–	**5,453**	3,514
Available-for-sale financial assets	14	**142**	125	**142**	125
		71,218	45,363	**62,766**	41,041
Current assets					
Inventories	15	**97,608**	80,742	**97,214**	80,742
Trade and other receivables	16	**77,704**	97,534	**88,600**	101,469
Prepayments		**1,351**	5,639	**1,321**	5,639
Deposits		**716**	265	**657**	212
Cash and cash equivalents	17	**18,251**	26,118	**17,893**	26,045
		195,630	210,298	**205,685**	214,107
Total assets		**266,848**	255,661	**268,451**	255,148
Current liabilities					
Trade and other payables	18	**44,863**	42,409	**48,059**	45,356
Advances received	19	**15**	15	**15**	15
Loans and borrowings	20	**58,336**	89,927	**58,336**	89,927
Derivative financial instruments	28	**630**	742	**630**	742
Current income tax liabilities		**7,400**	1,558	**7,400**	1,558
		111,244	134,651	**114,440**	137,598
Net current assets		**84,386**	75,647	**91,245**	76,509
Non-current liabilities					
Provision for retirement benefits	21	**500**	460	**500**	460
Loan and borrowings	20	**4,250**	–	**4,250**	–
Deferred tax liabilities	22	**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
Equity attributable to owners of the Company					
Share capital	23	**59,265**	52,997	**59,265**	52,997
Treasury shares	23	**(190)**	–	**(190)**	–
Other reserves	24	**1,722**	1,044	**2,193**	2,250
Retained earnings		**85,468**	63,153	**83,413**	58,500
Equity attributable to owners of the Company		**146,265**	117,194	**144,681**	113,747
Non-controlling interests		**9**	13	**–**	–
Total equity		**146,274**	117,207	**144,681**	113,747
Total equity and liabilities		**266,848**	255,661	**268,451**	255,148

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 September 2013

	Note	Share capital	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
		Attributable to owners of the Company						
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
Balance at 1 October 2011		48,969	–	201	51,591	100,761	30	100,791
Profit, net of tax		–	–	–	16,504	16,504	(15)	16,489
Other comprehensive income for the year		–	–	(127)	–	(127)	(2)	(129)
Total comprehensive income for the year		–	–	(127)	16,504	16,377	(17)	16,360
Cash dividends on ordinary shares	25	–	–	–	(914)	(914)	–	(914)
Scrip dividends on ordinary shares	25	4,028	–	–	(4,028)	–	–	–
Grant of equity-settled share option scheme 2011 to employees	24(a)	–	–	970	–	970	–	970
Total contributions by and distributions to owners		4,028	–	970	(4,942)	56	–	56
Balance at 30 September 2012 and 1 October 2012		**52,997**	–	**1,044**	**63,153**	**117,194**	**13**	**117,207**
Profit, net of tax		–	–	–	**35,666**	**35,666**	**(2)**	**35,664**
Other comprehensive income for the year		–	–	**752**	–	**752**	**(2)**	**750**
Total comprehensive income for the year		–	–	**752**	**35,666**	**36,418**	**(4)**	**36,414**
Cash dividends on ordinary shares	25	–	–	–	**(13,351)**	**(13,351)**	–	**(13,351)**
Issuance of ordinary shares pursuant to exercise of share options to employee	23	**6,268**	–	**(1,175)**	–	**5,093**	–	**5,093**
Purchase of treasury shares	23	–	**(190)**	–	–	**(190)**	–	**(190)**
Grant of equity-settled share option scheme 2011 to employees	24(a)	–	–	**1,101**	–	**1,101**	–	**1,101**
Total contributions by and distributions to owners		**6,268**	**(190)**	**(74)**	**(13,351)**	**(7,347)**	–	**(7,347)**
Balance at 30 September 2013		**59,265**	**(190)**	**1,722**	**85,468**	**146,265**	**9**	**146,274**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 September 2013

	Note	Share capital $'000	Treasury shares $'000	Other reserves $'000	Retained earnings $'000	Total equity $'000
Company						
Balance at 1 October 2011		48,969	–	1,260	46,901	97,130
Profit, net of tax		–	–	–	16,541	16,541
Other comprehensive income for the year						
- Net gain on fair value changes of available-for-sale financial assets	24(b)	–	–	20	–	20
Total comprehensive income for the year		–	–	20	16,541	16,561
Cash dividends on ordinary shares	25	–	–	–	(914)	(914)
Scrip dividends on ordinary shares	25	4,028	–	–	(4,028)	–
Grant of equity-settled share option scheme 2011 to employees	24(a)	–	–	970	–	970
Total contributions by and distributions to owners		4,028	–	970	(4,942)	56
Balance at 30 September 2012 and 1 October 2012		**52,997**	–	**2,250**	**58,500**	**113,747**
Profit, net of tax		–	–	–	**38,264**	**38,264**
Other comprehensive income for the year						
- Net gain on fair value changes of available-for-sale financial assets	24(b)	–	–	**17**	–	**17**
Total comprehensive income for the year		–	–	**17**	**38,264**	**38,281**
Cash dividends on ordinary shares	25	–	–	–	**(13,351)**	**(13,351)**
Issuance of ordinary shares pursuant to exercise of share options to employee	23	**6,268**	–	**(1,175)**	–	**5,093**
Purchase of treasury shares	23	–	**(190)**	–	–	**(190)**
Grant of equity-settled share option scheme 2011 to employees	24(a)	–	–	**1,101**	–	**1,101**
Total contributions by and distributions to owners		**6,268**	**(190)**	**(74)**	**(13,351)**	**(7,347)**
Balance at 30 September 2013		**59,265**	**(190)**	**2,193**	**83,413**	**144,681**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 30 September 2013

	Note	2013 $'000	2012 $'000
Cash flows from operating activities			
Profit before tax		**43,683**	19,588
Adjustments for:			
Depreciation of property, plant and equipment	11	**3,530**	2,412
Share of results of joint venture		**856**	(25)
Gain on disposal of available-for-sale financial assets	7	–	(2)
Write-off of property, plant and equipment	7	**25**	35
Loss on disposal of property, plant and equipment	7	–	4
Allowance for impairment of trade receivables	16	**674**	1,084
Bad debts recovered	16	**(115)**	–
Write-back of provision for onerous contracts	7	–	(1,351)
Provision for retirement benefits	8	**40**	50
Share option expense	8	**1,101**	970
Interest expense	6	**1,280**	1,162
Interest income	5	**(5)**	(3)
Dividend income	5	**(24)**	(6)
Fair value changes on derivatives	7	**630**	742
Unrealised exchange differences		**135**	(137)
Operating cash flow before working capital changes		**51,810**	24,523
Changes in working capital			
Trade and other receivables		**13,713**	(46,664)
Inventories		**(16,866)**	(25,732)
Prepayments and deposits		**3,840**	(3,952)
Trade and other payables		**(1,893)**	23,960
Cash flows from/(used in) operations		**50,604**	(27,865)
Income taxes paid		**(940)**	(3,012)
Retirement benefits paid	21	–	(70)
Net cash flows from/(used in) operating activities		**49,664**	(30,947)
Cash flows used in investing activities			
Purchases of property, plant and equipment	11	**(20,524)**	(20,302)
Proceeds from disposal of available-for-sale financial assets		–	26
Purchase of available-for-sale financial assets		–	(24)
Interest received		**5**	3
Dividends received from investments in available-for-sale financial assets		**24**	6
Net cash flows used in investing activities		**(20,495)**	(20,291)
Cash flows from/(used in) financing activities			
Proceeds from issuance of ordinary shares		**5,093**	–
Proceeds from term bank loan		**7,250**	–
Purchase of treasury shares		**(190)**	–
Net (repayment of)/ proceeds from bills payable to banks		**(34,591)**	68,926
Interest paid		**(1,245)**	(1,162)
Dividends paid on ordinary shares	25	**(13,351)**	(914)
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 year		**26,118**	10,508
Effects of exchange rate changes on cash and cash equivalents		**(2)**	(2)
Cash and cash equivalents at end of year	17	**18,251**	26,118

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

BRC Asia Limited (the "Company") is a public limited liability company incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is at 350 Jalan Boon Lay, Jurong Industrial Estate, Singapore 619530.

The principal activities of the Company are the prefabrication of steel reinforcement for use in concrete, trading of steel reinforcing bars, and manufacturing and sale of wire mesh fences. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

There have been no significant changes in the nature of these activities during the year.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'000) as indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 October 2012. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Revised FRS 19 *Employee Benefits*	1 January 2013
FRS 113 *Fair Value Measurement*	1 January 2013
Amendments to FRS 107 *Disclosures – Offsetting Financial Assets and Financial Liabilities*	1 January 2013
Improvements to FRSs 2012	1 January 2013
- Amendment to FRS 1 *Presentation of Financial Statements*	1 January 2013
- Amendment to FRS 16 *Property, Plant and Equipment*	1 January 2013
- Amendment to FRS 32 *Financial Instruments: Presentation*	1 January 2013
Revised FRS 27 *Separate Financial Statements*	1 January 2014
Revised FRS 28 *Investments in Associates and Joint Ventures*	1 January 2014
FRS 110 *Consolidated Financial Statements*	1 January 2014

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

Description	**Effective for annual periods beginning on or after**
FRS 111 *Joint Arrangements*	1 January 2014
FRS 112 *Disclosure of Interests in Other Entities*	1 January 2014
Amendments to FRS 32 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014

Except for the Amendments to FRS 111, Revised FRS 28 and FRS 112, the directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 111, Revised FRS 28 and FRS 112 are described below.

FRS 111 Joint Arrangements and Revised FRS 28 *Investments in Associates and Joint Ventures*

FRS 111 and the Revised FRS 28 are effective for financial periods beginning on or after 1 January 2014.

FRS 111 classifies joint arrangements either as joint operations or joint ventures. Joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement, whereas joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

FRS 111 requires the determination of joint arrangement's classification to be based on the parties' rights and obligations under the arrangement, with the existence of a separate legal vehicle no longer being the key factor. FRS 111 disallows proportionate consolidation and requires joint ventures to be accounted for using the equity method. The Revised FRS 28 was amended to describe the application of equity method to investments in joint ventures in addition to associates.

The Group currently accounts for its investment in joint venture using the equity method. Upon adoption of FRS 111, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

FRS 112 Disclosures of Interest in Other Entities

FRS 112 Disclosures of Interest in Other Entities is effective for financial periods beginning on or after 1 January 2014.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effect of those interests on its financial statements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Group when applied in 2014.

2.4 Basis of consolidation and business combination

A) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company's. Consistent accounting policies are applied to like transactions and events in similar circumstances.

2. **Summary of significant accounting policies (cont'd)**

2.4 Basis of consolidation and business combination (cont'd)

A) Basis of consolidation (cont'd)

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

B) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it is not be remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

2. **Summary of significant accounting policies (cont'd)**

2.4 Basis of consolidation and business combination (cont'd)

B) Business combinations (cont'd)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the statement of comprehensive income except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss on disposal of the foreign operation.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into Singapore Dollars at the rate of exchange ruling at the balance sheet date, and the statement of comprehensive income is translated at the weighted average exchange rates for the financial year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2. **Summary of significant accounting policies (cont'd)**

2.6 Foreign currency (cont'd)

(b) Consolidated financial statements (cont'd)

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment, and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.16. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, all property, plant and equipment except for a leasehold building are measured at cost less accumulated depreciation and accumulated impairment losses. The leasehold building was initially stated at cost and subsequently measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation.

The valuation of the leasehold building was carried out in 1993 based on the appraisals received from an independent firm of professional valuers and the revaluation surplus was taken to asset revaluation reserve. The Group does not have a policy of periodically revaluing of its leasehold buildings as allowed under FRS 16 for one-off revaluation performed between 1 January 1984 and 31 December 1996.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The whole of the revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation is computed on a straight line basis over the estimated useful life of the asset as follows:

Leasehold buildings	–	Over the lease term of between 11 to 37 years
Plant and machinery	–	4 to 15 years
Motor vehicles	–	4 to 7 years
Furniture and equipment	–	3 to 5 years

2. Summary of significant accounting policies (cont'd)

2.7 Property, plant and equipment (cont'd)

Assets under construction are not depreciated as these assets are not available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at the end of each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2. Summary of significant accounting policies (cont'd)

2.9 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investment in subsidiaries is accounted for at cost less impairment losses.

2.10 Joint venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

The Group's investment in joint venture is accounted for using the equity method. Under the equity method, the investment in the joint venture is measured in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. The Group's share of profit or loss of its joint venture is shown on the face of profit or loss after tax.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its joint venture. The Group determines at each balance sheet date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

The most recent available audited financial statements of the joint venture is used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those in the Group, the share of results is based on the last audited financial statements available and the unaudited management financial statements made up to the end of the Group's accounting period. Where necessary, adjustments are made to bring the accounting policies to be in line with those of the Group.

Upon loss of joint control, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the former jointly controlled entity upon loss of joint control and the aggregate of the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investment in joint venture is accounted for at cost less impairment losses.

2. Summary of significant accounting policies (cont'd)

2.11 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

ii. Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

iii. Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

2. Summary of significant accounting policies (cont'd)

2.11 Financial instruments (cont'd)

(a) ***Financial assets (cont'd)***

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received, and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

ii. Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. **Summary of significant accounting policies (cont'd)**

2.11 Financial instruments (cont'd)

(b) ***Financial liabilities (cont'd)***

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(c) ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.12 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for individually assessed financial assets, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amount so charged is written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.12 Impairment of financial assets (cont'd)

(b) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) *Available-for-sale financial assets*

In the case of equity investments classified as available-for-sale, objective evidence of impairment include: (i) significant financial difficulty of the issuer or obligor; (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand; demand deposits; and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a weighted average basis.

- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2. **Summary of significant accounting policies (cont'd)**

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress, and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing cost are expensed in the period they occur. Borrowing costs consist of interest and other cost that an entity incurs in connection with the borrowing of funds.

2.17 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.18 Employee benefits

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore Companies in the Group makes contributions to the Central Provident Fund in Singapore, a defined contribution pension scheme. Similar defined contributions are made in accordance to other schemes in the jurisdiction that the Group operates in. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Retirement benefits*

Retirement benefits are granted to employees who commenced employment with the Company prior to 1 January 1983. The retirement benefits are calculated based on one (1) week's pay for each full year of service at the employee's last-drawn salary at date of retirement.

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of a defined benefit plan is the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is calculated annually. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality govenrment bonds that are denominated in the currency in which the benefits will be paid; and it has tenures approximating that of the related benefit obligations.

Actuarial gains and losses are recognised in profit or loss in the period in which they arise.

2. Summary of significant accounting policies (cont'd)

2.18 Employee benefits (cont'd)

(c) *Employee share option scheme*

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation. The employee share option reserve is transferred to retained earnings upon expiry of the share option.

2.19 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

(a) *As lessee*

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. Summary of significant accounting policies (cont'd)

2.19 Leases (cont'd)

(b) *As lessor*

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.20.

2.20 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent and has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) *Sale of goods*

Revenue from sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) *Rental income*

Rental income arising from operating leases is recognised on a straight-line basis over the term of the lease. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(c) *Dividend income*

Dividend income is recognised when the Group's right to receive payment is established.

(d) *Interest income*

Interest income is recognised using the effective interest method.

2.21 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Summary of significant accounting policies (cont'd)

2.21 Taxes (cont'd)

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity; and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period, or in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.21 Taxes (cont'd)

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.22 Segment reporting

For management purposes, 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 entire Group's steel related operations, and accordingly the information regarding its financial position and results is represented by the financial statements as a whole.

For management purposes, the Group is organised into geographical segments which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 29, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.23 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.24 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.25 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

2. **Summary of significant accounting policies (cont'd)**

2.25 Contingencies (cont'd)

(b) a present obligation that arises from past events but not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.26 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) *Fair value of financial instruments*

Where the fair values of financial instruments recorded on the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values. The judgements include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The valuation of financial instruments is described in more detail in Note 30.

(b) *Income taxes*

The Group has exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payables and deferred tax liabilities at the balance sheet date was $7,400,000 (2012: $1,558,000) and $4,580,000 (2012: $3,343,000) respectively.

(c) *Impairment of loans and receivables*

The Group and the Company assess at each reporting period whether there is any objective evidence that a financial asset is impaired. Significant financial difficulties of the debtor, the probability of bankruptcy and default or significant delay in payments are considered objective evidences that a receivable is impaired.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded in the statement of comprehensive income. As at 30 September 2013, the Group and the Company recorded impairment allowance for trade and other receivables of $1,679,000 (2012: $1,195,000), and the charge for the financial year is $559,000 (2012: $1,084,000).

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and reported amounts of revenue and expenses within the next financial year, are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements was prepared. Existing circumstances and assumptions about future developments, however may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Revenue*

Certain sales contracts allow for sales to be invoiced based on the contract price at the point of sale and subject to subsequent price adjustments to the contract price based on a published monthly Building and Construction Authority Index. The period between invoicing and final pricing is typically between 45 and 60 days. Revenue on such sales is recognised based on the estimated fair value of the total consideration receivable. Where the final price of such sales is different from the initial fair value estimates, the difference will impact revenue in the period in which such determination is made. As at 30 September 2013, management recorded a debit adjustment to revenue of $2,358,000 (2012: debit adjustment of $872,000) in respect of the price adjustments. A 5% difference in the published monthly Building and Construction Authority Index from management's estimates would result in approximately 1.4% (2012: 4.6%) variance in the Group's profit before tax.

(b) *Employee share options*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 8.

4. Revenue

	Group	
	2013	**2012**
	$'000	$'000
Sale of goods	**425,024**	388,446

5. Other income

	Group	
	2013	**2012**
	$'000	$'000
Rental income	–	90
Interest income - loans and receivables	**5**	3
Dividend income - available-for-sale financial assets	**24**	6
Government grant	**152**	–
Foreign exchange gain, net	**2,631**	–
Gain on disposal of available-for-sale financial assets	–	2
Refund of unclaimed dividends	–	3
	2,812	104

6. Finance costs

	Group	
	2013	**2012**
	$'000	$'000
Interest expense		
- term bank loan	**138**	–
- bills payable to banks	**1,141**	1,162
- others	**1**	–
	1,280	1,162

7. Profit before tax

Profit before tax is arrived at after charging/(crediting) the following:

	Group	
	2013	**2012**
	$'000	$'000
Audit fees paid/payable to		
- auditors	**165**	163
Non-audit fees paid/payable to		
- other auditors	**62**	91
Depreciation of property, plant and equipment (Note 11)	**3,530**	2,412
Employee compensation (Note 8)	**22,996**	18,739
Rental expense on operating leases	**962**	857
Allowance for impairment of trade receivables, net (Note 16)	**559**	1,084
Write-off of property, plant and equipment	**25**	35
Write-back of provision for onerous contracts	–	(1,351)
Utilities	**2,969**	2,812
Repair and maintenance	**7,300**	5,017
Foreign exchange loss, net	–	1,545
Fair value changes on derivatives (Note 28)	**630**	742
Gain on disposal of available-for-sale financial assets	–	(2)
Loss on disposal of property, plant and equipment	–	4
Transportation expenses	**7,985**	6,014
Legal and other professional fees	**228**	192
Inventories recognised as an expense in cost of sales (Note 15)	**311,532**	315,094

8. Employee compensation

	Group	
	2013	**2012**
	$'000	$'000
Wages and salaries	**20,434**	16,707
Employer's contribution to Central Provident Fund	**1,421**	1,012
Retirement benefits (Note 21)	**40**	50
Share option expense [Note 24(a)]	**1,101**	970
	22,996	18,739

8. **Employee compensation (cont'd)**

Employee share option scheme

Under the BRC Share Option Scheme 2011 (the "Scheme"), share options were granted on 15 March 2011, 6 March 2012, and 28 March 2013 respectively to all eligible employees except for controlling shareholders or associates of such controlling shareholders [as defined in the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST")]. The terms of the Scheme are stated in the Directors' Report.

Movement in the number of unissued ordinary shares under option and their exercise prices is as follows:

Group and Company	Number of ordinary shares under option: At beginning of financial year	Granted during financial year	Exercised during financial year	Forfeited during financial year	At end of financial year	Weighted average Exercise price	Exercise period
	'000	'000	'000	'000	'000		
2013							
2011 Options – discounted	**8,527**	–	**(5,323)**	–	**3,204**	**$0.13**	**15.3.2013 – 14.3.2016**
2011 Options – undiscounted	**34,264**	–	**(20,974)**	–	**13,290**	**$0.14**	**15.3.2012 – 14.3.2016**
2012 Options – discounted	**5,680**	–	–	–	**5,680**	**$0.12**	**06.3.2014 – 05.3.2017**
2012 Options – undiscounted	**11,270**	–	**(11,270)**	–	–	**$0.13**	**06.3.2013 – 05.3.2017**
2013 Options – discounted	–	**6,200**	–	–	**6,200**	**$0.16**	**28.3.2015 – 27.3.2018**
2013 Options – undiscounted	–	**45,211**	–	–	**45,211**	**$0.18**	**28.3.2014 – 27.3.2018**
	59,741	**51,411**	**(37,567)**	–	**73,585**	**$0.15**	
2012							
2011 Options – discounted	9,118	–	–	(591)	8,527	$0.13	15.3.2013 – 14.3.2016
2011 Options – undiscounted	36,471	–	–	(2,207)	34,264	$0.14	15.3.2012 – 14.3.2016
2012 Options – discounted	–	6,200	–	(520)	5,680	$0.12	06.3.2014 – 05.3.2017
2012 Options – undiscounted	–	11,800	–	(530)	11,270	$0.13	06.3.2013 – 05.3.2017
	45,589	18,000	–	(3,848)	59,741	$0.13	

- The options granted during the year had not fully vested as at 30 September 2013.
- The number of options outstanding and exercisable as at 30 September 2013 was 16,494,000 (2012: 34,264,000).
- The average weighted fair value of options granted during the financial year was $0.0346 (2012: $0.0340).
- The exercise prices for options outstanding at the end of the reporting period were in the range of $0.12 to $0.18 (2012: $0.12 to $0.14).
- The weighted average remaining contractual life for these options is 3.95 (2012: 3.78) years.

8. Employee compensation (cont'd)

Employee share option scheme (cont'd)

Fair value of share options granted

The fair value of the share options granted during the year under the Scheme is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted.

The following table lists the inputs to the option pricing model:

	The Scheme (Binomial)	
	2013	**2012**
Dividend yield (%)	**6.20**	6.20
Expected volatility (%)	**50.00**	50.00
Risk-free interest rate (% p.a.)	**0.99**	0.99
Expected life of option (years)	**5.00**	5.00
Weighted average share price ($)	**0.18**	0.13

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

9. Income tax expense

	Group	
	2013	**2012**
	$'000	$'000
Current income tax		
- Current financial year	**6,782**	991
- Over provision in respect of previous financial years	–	(2)
	6,782	989
Deferred income tax		
- Current financial year arising from origination and reversal of temporary differences	**1,237**	2,017
- Under provision in respect of previous financial years	–	93
	1,237	2,110
Total income tax expense recognised in profit or loss	**8,019**	3,099

9. Income tax expense (cont'd)

The reconciliation between the tax expense and the product of profit before tax multiplied by the applicable corporate tax rate for the financial years ended 30 September 2013 and 2012 is as follows:

	Group	
	2013	**2012**
	$'000	$'000
Profit before tax	**43,683**	19,588
Tax calculated at domestic rates applicable to profits in the countries where the Group operates	**7,397**	3,324
Adjustments:		
Income not subject to taxation	**(30)**	(11)
Share of results of joint venture	**146**	(4)
Expenses not deductible for tax purposes	**636**	314
Effect of partial tax exemption and tax relief	**(61)**	(48)
Effects of enhanced capital allowances	–	(612)
Under provision in respect of previous financial years	–	91
Others	**(69)**	45
Income tax expense recognised in profit or loss	**8,019**	3,099

10. Earnings per share

(a) *Basic earnings per share*

Basic earnings per share is calculated by dividing profit net of tax for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The earnings per share is calculated as follows:

	Group	
	2013	**2012**
	$'000	$'000
Profit net of tax attributable to owners of the Company	**35,666**	**16,504**

	Group	
	No. of shares '000	**No. of shares** '000
Weighted average number of ordinary shares outstanding for basic earnings per share computation	**878,532**	839,214
Basic earnings per share (cents)	**4.06**	1.97

10. Earnings per share (cont'd)

(b) *Diluted earnings per share*

Diluted earnings per share is calculated by dividing profit net of tax for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Group	
	2013	**2012**
	$'000	$'000
Profit net of tax attributable to owners of the Company	**35,666**	16,504
	No. of shares '000	**No. of shares** '000
Weighted average number of ordinary shares outstanding for basic earnings per share computation	**878,532**	839,214
Effects of dilution for share options	**6,143**	–
Weighted average number of ordinary shares outstanding for diluted earnings per share computation	**884,675**	839,518
Diluted earnings per share (cents)	**4.03**	1.96

45,211,000 share options granted to employees in 2013 (2012: 42,791,000 shares options and 11,270,000 shares options granted in 2011 and 2012 respectively) under the BRC Share Option Scheme 2011 have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

11. Property, plant and equipment

	Leasehold buildings $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and equipment $'000	Construction in progress $'000	Total $'000
Group						
Cost or valuation						
At 1 October 2011						
Cost	6,802	42,948	495	2,513	5,092	57,850
Valuation	6,300	–	–	–	–	6,300
	13,102	42,948	495	2,513	5,092	64,150
Additions	4,269	10,283	338	1,530	3,882	20,302
Transfer	4,375	–	–	321	(4,696)	–
Disposal	–	–	–	(5)	–	(5)
Written-off	–	(710)	–	(72)	–	(782)
Exchange differences	–	–	–	–	(10)	(10)
At 30 September 2012 and 1 October 2012						
Cost	15,446	52,521	833	4,287	4,268	77,355
Valuation	6,300	–	–	–	–	6,300
Additions	427	12,478	–	359	16,416	29,680
Reclassification	–	101	–	272	(373)	–
Written-off	–	(125)	–	(15)	–	(140)
Exchange differences	–	–	–	–	(29)	(29)
At 30 September 2013	22,173	64,975	833	4,903	20,282	113,166
Represented by:						
Cost	15,873	64,975	833	4,903	20,282	106,866
Valuation	6,300	–	–	–	–	6,300
	22,173	64,975	833	4,903	20,282	113,166
Accumulated depreciation						
At 1 October 2011	9,604	34,734	237	2,296	–	46,871
Disposal	–	–	–	(1)	–	(1)
Written-off	–	(680)	–	(67)	–	(747)
Depreciation charge	453	1,441	83	435	–	2,412
At 30 September 2012 and 1 October 2012	10,057	35,495	320	2,663	–	48,535
Written-off	–	(103)	–	(12)	–	(115)
Depreciation charge	605	2,081	110	734	–	3,530
At 30 September 2013	10,662	37,473	430	3,385	–	51,950
Net book value						
At 30 September 2012	11,689	17,026	513	1,624	4,268	35,120
At 30 September 2013	11,511	27,502	403	1,518	20,282	61,216

11. Property, plant and equipment (cont'd)

	Leasehold buildings $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and equipment $'000	Construction in progress $'000	Total $'000
Company						
Cost or valuation						
At 30 September 2011						
Cost	6,802	42,948	495	2,494	4,814	57,553
Valuation	6,300	–	–	–	–	6,300
	13,102	42,948	495	2,494	4,814	63,853
Additions	4,269	10,283	338	1,530	361	16,781
Transfer	4,375	–	–	321	(4,696)	–
Written-off	–	(710)	–	(66)	–	(776)
At 30 September 2012 and 1 October 2012						
Cost	15,446	52,521	833	4,279	479	73,558
Valuation	6,300	–	–	–	–	6,300
Additions	427	12,996	–	266	10,387	24,076
Reclassification	–	101	–	272	(373)	–
Transfer to a subsidiary	–	(10,570)	–	(28)	(21)	(10,619)
Written-off	–	(125)	–	(15)	–	(140)
At 30 September 2013	22,173	54,923	833	4,774	10,472	93,175
Represented by:						
Cost	15,873	54,923	833	4,774	10,472	86,875
Valuation	6,300	–	–	–	–	6,300
	22,173	54,923	833	4,774	10,472	93,175
Accumulated depreciation						
At 30 September 2011	9,604	34,734	237	2,294	–	46,869
Written-off	–	(680)	–	(66)	–	(746)
Depreciation charge	453	1,441	83	432	–	2,409
At 30 September 2012 and 1 October 2012	10,057	35,495	320	2,660	–	48,532
Transfer to subsidiary	–	(9,851)	–	(13)	–	(9,864)
Written-off	–	(103)	–	(12)	–	(115)
Depreciation charge	605	2,081	111	730	–	3,527
At 30 September 2013	10,662	27,622	431	3,365	–	42,080
Net book value						
At 30 September 2012	11,689	17,026	513	1,619	479	31,326
At 30 September 2013	11,511	27,301	402	1,409	10,472	51,095

11. Property, plant and equipment (cont'd)

Purchases of property, plant and equipment included on the consolidated cash flow statement comprise of:

	Group	
	2013	**2012**
	$'000	$'000
Additions to property, plant and equipment during the year	**29,680**	20,302
Less: Amount unpaid included in trade and other payables	**(3,601)**	–
Less: Prepayment in prior year	**(5,555)**	–
Purchases of property, plant and equipment on the consolidated cash flow statement	**20,524**	20,302

Assets under construction

The Group's and Company's assets under construction as at 30 September 2013 relate to expenditure for a freehold building and plant and machinery in the course of construction.

Revaluation of leasehold building

Included in leasehold buildings is a building which was revalued based on appraisals received from an independent firm of professional valuers in 1993. The valuation was based on the open market value of the leasehold building. The revaluation surplus was taken to asset revaluation reserve.

The Group does not have a policy of periodic revaluation of property leasehold buildings (as allowed under FRS 16 for one-off revaluation performed on property, plant and equipment between 1 January 1984 and 31 December 1996).

If the leasehold building stated at valuation had been included in the financial statements at cost less accumulated depreciation, the net book value would have been nil (2012: nil).

Assets pledged as security

The Group's leasehold building with carrying amount of $8,199,000 (2012: $8,303,000) is mortgaged to secure the Group's term bank loan (Note 20).

12. Investment in joint venture

The Company has a 50% (2012: 50%) equity interest in a joint venture, Anhui BRC & Ma Steel Weldmesh Co. Ltd, incorporated in the People's Republic of China ("PRC"). The joint venture's principal activity is to market and manufacture steel welded wire mesh and other forms of wire and reinforcing steel products for use in the construction industry in the PRC.

	Group		Company	
	2013	**2012**	**2013**	**2012**
	$'000	$'000	$'000	$'000
Unquoted shares, at cost	**6,076**	6,076	**6,076**	6,076
Share of post-acquisition reserves	**3,613**	4,469	–	–
Effects of exchange rates	**171**	(427)	–	–
	9,860	10,118	**6,076**	6,076

The summarised financial information of the joint venture, adjusted for the proportion of ownership interest held by the Group, is as follows:

	Group	
	2013	**2012**
	$'000	$'000
Assets and liabilities:		
Current assets	**17,491**	16,929
Non-current assets	**2,615**	2,878
Total assets	**20,106**	19,807
Current liabilities	**5,071**	2,403
Non-current liabilities	**5,175**	7,286
Total liabilities	**10,246**	9,689
Net assets	**9,860**	10,118
Income and expenses:		
Income	**36,190**	34,798
Expenses	**(37,046)**	(34,773)
Profit for the year	**(856)**	25

13. Investment in subsidiaries

	Company 2013 $'000	Company 2012 $'000
Shares, at cost	**7,308**	5,369
Less: Impairment losses	**(1,855)**	(1,855)
	5,453	3,514

Details of the subsidiaries are as follows:

	Name of subsidiary	Principal activities	Country of incorporation/ business	Proportion (%) of ownership interest 2013	Proportion (%) of ownership interest 2012
	Held by the Company				
#	BRC China Limited	Dormant	Hong Kong	**100**	100
^	BRC Prefab Sdn. Bhd.	Prefabrication, manufacturing and sale, and trading of steel products	Malaysia	**70**	70
@	BRC Prefab Holdings Sdn. Bhd.	Prefabrication, manufacturing and sale, and trading of steel products	Malaysia	**100**	100
**	Eva Investments Pte Ltd	Investment holding	Singapore	**100**	–

The subsidiary is audited by Cheung & Yue, Certified Public Accountants. The subsidiary is submitting an application for de-registration to the Company Registry of Hong Kong.

^ The subsidiary is audited by Roger Yue, Tan & Associates.

@ Audited by a member firm of Ernst & Young Global in Malaysia.

** Not required to be audited for the current financial year.

On 17 September 2013, the Company acquired the entire paid up capital of Eva Investments Pte Ltd ("Eva") for $100. Eva was incorporated in 2013 and had not commenced business activities as at 30 September 2013. As at the date of acquisition, Eva's net assets comprised only cash.

During the year, the Company subscribed for 4,999,998 additional shares in BRC Prefab Holdings Sdn Bhd for $1,939,000.

14. Available-for-sale financial assets

	Group and Company	
	2013	**2012**
	$'000	$'000
Listed securities:		
- equity securities - Singapore	**142**	125
At beginning of financial year	**125**	105
Purchase of available-for-sale financial assets	–	24
Disposal of available-for-sale financial assets	–	(24)
Fair value changes recognised in other comprehensive income [Note 24(b)]	**17**	20
At end of financial year	**142**	125

15. Inventories

	Group		Company	
	2013	**2012**	**2013**	**2012**
	$'000	$'000	$'000	$'000
Raw materials	**77,671**	59,476	**77,326**	59,476
Finished goods	**978**	2,459	**978**	2,459
Goods in transit	**18,959**	18,807	**18,910**	18,807
	97,608	80,742	**97,214**	80,742

The cost of inventories recognised as expense and included in "cost of sales" amounted to $311,532,000 (2012: $315,094,000).

16. Trade and other receivables

	Group		Company	
	2013	**2012**	**2013**	**2012**
	$'000	$'000	$'000	$'000
Trade receivables:				
- Third parties	**79,333**	98,677	**79,333**	98,677
- Subsidiaries	–	–	**357**	–
- Related parties	**17**	52	**17**	52
	79,350	98,729	**79,707**	98,729
Less: Allowance for impairment of trade receivables – third parties	**(1,679)**	(1,195)	**(1,679)**	(1,195)
Trade receivables - net	**77,671**	97,534	**78,028**	97,534
Non-trade receivables:				
- Due from subsidiaries	–	–	**10,539**	3,935
- Due from a joint venture	**33**	–	**33**	–
Total trade and other receivables	**77,704**	97,534	**88,600**	101,469
Add: Deposits	**716**	265	**657**	212
Cash and cash equivalents (Note 17)	**18,251**	26,118	**17,893**	26,045
Total loans and receivables	**96,671**	123,917	**107,150**	127,726

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. Trade receivables are denominated in Singapore Dollars.

Related party balances

The trade and non-trade amounts due from subsidiaries and a joint venture are unsecured, interest-free and repayable on demand and are expected to be settled in cash.

Receivables that are past due but not impaired

The Group has trade receivables amounting to $34,695,000 (2012: $44,490,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

	Group and Company	
	2013	**2012**
	$'000	$'000
Trade receivables past due:		
- Less than 90 days	**34,286**	40,846
- 90 - 180 days	**409**	3,644
	34,695	44,490

16. Trade and other receivables (cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	Group and Company	
	2013	**2012**
	$'000	$'000
Trade receivables – nominal amounts	**1,679**	1,195
Less: Allowance for impairment	**(1,679)**	(1,195)
	–	–
Movement in allowance accounts:		
At beginning of financial year	**1,195**	154
Charge for the financial year	**674**	1,084
Reversal during the financial year	**(115)**	–
Bad debts written off against allowance	**(75)**	(43)
At end of financial year	**1,679**	1,195

Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

Trade and other receivables denominated in foreign currencies at 30 September are as follows:

	Group		Company	
	2013	**2012**	**2013**	**2012**
	$'000	$'000	$'000	$'000
United States Dollar	–	100	–	100
Malaysia Ringgit	**10**	–	**8**	–

17. Cash and cash equivalents

	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Cash at banks and on hand	**18,251**	26,118	**17,893**	26,045

Cash at banks earn interest at floating rates based on daily bank deposit rates. The weighted average affective interest rates as at 30 September 2013 for the Group and Company were 0.11% (2012: 0.11%) and 0.11% (2012: 0.11%) respectively.

Cash and cash equivalents denominated in foreign currencies at 30 September are as follows:

	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
United States Dollar	**128**	7	**128**	7
Malaysia Ringgit	**547**	722	**190**	722

18. Trade and other payables

	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Trade payables:					
- Third parties		**22,909**	29,293	**22,885**	29,293
- Related parties		**2**	21	**2**	21
	(a)	**22,911**	29,314	**22,887**	29,314
Non-trade payables:					
- Due to related parties	(b)	**57**	–	**57**	–
- Due to subsidiary	(b)	–	–	**3,313**	3,322
Accrued employee compensation		**12,113**	6,631	**12,113**	6,631
Accrued operating expenses		**9,782**	6,464	**9,689**	6,089
Total trade and other payables		**44,863**	42,409	**48,059**	45,356
Add: Loans and borrowings (Note 20)		**62,586**	89,927	**62,586**	89,927
Financial liabilities carried at amortised cost		**107,449**	132,336	**110,645**	135,282

(a) Trade payables are generally settled on 1 to 90 days' terms.

(b) The non-trade amounts due to related parties and a subsidiary are unsecured, interest-free, repayable upon demand and are expected to be settled in cash.

18. Trade and other payables (cont'd)

Trade and other payables denominated in foreign currencies at 30 September are as follows:

	Group and Company	
	2013	**2012**
	$'000	$'000
United States Dollar	–	5,398
Euro	**5,407**	124
Malaysia Ringgit	**214**	325

19. Advances received

The advances received from third parties are unsecured and repayable on demand and expected to be settled in cash.

20. Loans and borrowings

	Group and Company	
	2013	**2012**
	$'000	$'000
Current		
Term bank loan (secured)	**3,000**	–
Bills payable to banks (unsecured)	**55,336**	89,927
	58,336	89,927
Non-current		
Term bank loan (secured)	**4,250**	–
Total loans and borrowings	**62,586**	89,927

Term bank loan (secured)

This loan bears interest at 1.35% above SIBOR (2012: nil) and was secured by a mortgage over a leasehold building of the Group (Note 11). The loan is payable within 2 years in quarterly instalments which commence on 1 October 2012.

Bills payable to banks

Bills payable bears interest at 1.2% to 1.6% per annum (2012: 1.2% to 1.6% per annum) and is repayable within 4 months (2012: 4 months) after the financial year end.

21. Provision for retirement benefits

The Group and the Company have in place a retirement benefit scheme for employees who commenced employment with the Company prior to 1 January 1983. The retirement benefits are calculated based on one week's pay for each full year of service at the employee's last-drawn basic salary at date of retirement. The retirement benefit scheme is unfunded and will be paid out by the Company in cash when due. As at 30 September 2013, there are no plan assets (2012:nil).

The changes in the present value of the defined retirement benefit obligation recognised as a liability in the balance sheets are as follows:

	Group and Company	
	2013	**2012**
	$'000	$'000
Balance at beginning of financial year	**460**	480
Payment during financial year	–	(70)
Charged to statement of comprehensive income (Note 8)	**40**	50
Service cost	**26**	38
Interest cost	**14**	12
Balance at end of financial year	**500**	460

Of the total charged, amounts of $14,000 (2012: $12,000) and $26,000 (2012: $38,000) were included in "cost of goods sold" and "administrative expenses" respectively.

The principal actuarial assumptions at the balance sheet date are as follows:

	Group and Company	
	2013	**2012**
Discount rate at 30 September	**4%**	4%
Future salary increases	**5%**	7%
Resignation rate	**0%**	0%

Amounts for the current and previous four periods are as follows:

	Group and Company				
	2013	**2012**	**2011**	**2010**	**2009**
	$'000	$'000	$'000	$'000	$'000
Defined benefit obligation	**500**	460	480	742	786

22. Deferred tax liabilities

Deferred tax as at 30 September 2013 and 2012 relates to the following:

	Group				Company	
	Consolidated balance sheet		Consolidated statement of comprehensive income		Balance sheet	
	2013	2012	2013	2012	2013	2012
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred tax assets:						
Provisions	**85**	94	**9**	217	**85**	94
Deferred tax liabilities:						
Differences in depreciation for tax purposes	**(4,665)**	(3,437)	**1,228**	1,893	**(4,665)**	(3,437)
Deferred tax liabilities, net	**(4,580)**	(3,343)			**(4,580)**	(3,343)
Deferred tax expense			**1,237**	2,110		

23. Share capital and treasury shares

Share capital

	Group and Company			
	2013		2012	
	No. of ordinary shares '000	$'000	No. of ordinary shares '000	$'000
Issued and fully paid				
At beginning of financial year	**856,390**	**52,997**	823,648	48,969
Issuance of ordinary shares	–	–	32,742	4,028
Exercise of employees share options	**37,567**	**6,268**	–	–
At end of financial year	**893,957**	**59,265**	856,390	52,997

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

In the previous financial year, 32,742,555 new ordinary shares were allotted and issued at an issue price of $0.123 per new ordinary share pursuant to the Scrip Dividend Scheme which was applied to the first and final tax-exempt (one-tier) dividend of 0.6 Singapore cents per ordinary share for the financial year ended 30 September 2011.

23. Share capital and treasury shares (cont'd)

Treasury shares

	Group and Company			
	2013		2012	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid				
At beginning of financial year	–	–	–	–
Acquired during the financial year	**1,200**	**190**	–	–
At end of financial year	**1,200**	**190**	–	–

Treasury shares relate to ordinary shares of the Company that is held by the Company.

The Company acquired 1,200,000 (2012: nil) shares in the Company through purchase on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was $190,000 (2012: nil) and this was presented as a component within shareholders' equity.

24. Other reserves

		Group		Company	
	Note	2013	2012	2013	2012
		$'000	$'000	$'000	$'000
Share option reserve	(a)	**1,590**	1,664	**1,590**	1,664
Fair value adjustment reserve	(b)	**6**	(11)	**6**	(11)
Foreign currency translation reserve	(c)	**(471)**	(1,206)	–	–
Asset revaluation reserve	(d)	**597**	597	**597**	597
		1,722	1,044	**2,193**	2,250

(a) ***Share option reserve***

Share option reserve represents the equity-settled share options granted to employees (Note 8). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

	Group and Company	
	2013	2012
	$'000	$'000
At beginning of financial year	**1,664**	694
Value of employee services	**1,101**	970
Issuance of shares upon exercise of share options	**(1,175)**	–
At end of financial year	**1,590**	1,664

24. Other reserves (cont'd)

(b) ***Fair value adjustment reserve***

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

	Group and Company	
	2013	**2012**
	$'000	$'000
At beginning of financial year	**(11)**	(31)
Available-for-sale financial assets:		
- Net gain on fair value changes during the financial year	**17**	20
At end of financial year	**6**	(11)

(c) ***Foreign currency translation reserve***

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

	Group	
	2013	**2012**
	$'000	$'000
At beginning of financial year	**(1,206)**	(1,059)
Net effect of exchange differences arising from the translation of financial statements of foreign operations	**735**	(147)
At end of financial year	**(471)**	(1,206)

(d) ***Asset revaluation reserve***

Asset revaluation reserve arose on revaluation of a certain leasehold building in 1993 (Note 11). There is no movement in asset revaluation reserve during the current and previous financial years as the Group does not have a policy of periodic revaluation of property leasehold buildings (as allowed under FRS 16 for one-off revaluation performed on property, plant and equipment between 1 January 1984 and 31 December 1996).

25. Dividends

	Group and Company	
	2013	**2012**
	$'000	$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Interim exempt (one-tier) dividend for 2013: 0.50 cents (2012: nil) per share	**4,465**	–
- Final exempt (one-tier) dividend for 2012: 0.80 cents (2011: 0.60 cents) per share	**7,109**	4,942
- Special exempt (one-tier) dividend for 2012: 0.20 cents (2011: nil) per share	**1,777**	–
	13,351	4,942
Dividends on ordinary shares comprise:		
- Cash dividends on ordinary shares	**13,351**	914
- Scrip dividends on ordinary shares	–	4,028
	13,351	4,942

Proposed but not recognised as a liability as at 30 September:

Dividends on ordinary shares, subject to shareholders' approval at the AGM:

	Group and Company	
	2013	**2012**
	$'000	$'000
- Final exempt (one-tier) dividend for 2013: 0.80 cents (2012: 0.80 cents) per share	**7,152**	6,851
- Special exempt (one-tier) dividend for 2013: 0.40 cents (2012: 0.20 cents) per share	**3,576**	1,713
	10,728	8,564

26. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following were significant transactions between the Group and the Company and its related companies and related parties on rates and terms agreed during the financial year:

(a) ***Sales and purchases of goods and services***

	Group	
	2013	**2012**
	$'000	$'000
Sales of goods to companies related to directors	**321**	341
Purchases from companies related to directors	**(519)**	(404)
Purchases from joint venture	**1,132**	–

(b) ***Compensation of key management personnel***

The remuneration of directors and other members of key management of the Group paid during the financial year is as follows:

	Group	
	2013	**2012**
	$'000	$'000
Wages and salaries	**7,448**	3,948
Employer's contribution to Central Provident Fund	**79**	89
Share options	**1,141**	735
Other short-term benefits	**381**	309
Directors' fees	**305**	270
	9,354	5,351

Included in the above is the total compensation to directors of the Company amounting to $4,656,000 (2012: $2,478,000).

During the financial year, 38,361,000 (2012: 5,700,000) share options were granted to two of the Company's executive directors under the BRC Share Option Scheme 2011 at an exercise price of $0.18 (2012: $0.13) per share.

At the end of the reporting period, the total amount of outstanding share options granted by the Company to the abovementioned directors amounted to 38,361,000 (2012: 23,024,000). No share options have been granted to the Company's non-executive directors.

27. Commitments

(a) *Capital commitments*

Capital expenditures contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group and Company 2013 $'000	Group and Company 2012 $'000
Capital commitment in respect of freehold buildings	–	2,796
Capital commitment in respect of motor vehicle	**202**	–
Capital commitment in respect of plant and machinery	**7,531**	8,986
Capital commitment in respect of computer software and equipment	**49**	–
	7,782	11,782

(b) *Operating lease commitments*

As a lessee

As at the balance sheet date, the Group and the Company have operating lease commitments for rental payable in subsequent accounting periods as follows:

	Group and Company 2013 $'000	Group and Company 2012 $'000
Future minimum lease payments		
Within one financial year	**958**	910
After one financial year but within five financial years	**3,833**	3,641
After five financial years	**13,559**	13,713
	18,350	18,264

The above operating lease commitments are based on existing rates. The lease agreements have a provision for a periodic revision of such rates in the future.

28. Derivative financial instruments

Derivative financial instruments comprise the net fair value changes on currency forward contracts that are used to hedge foreign currency payables and contracted purchase commitments of inventories denominated in US Dollar and Euro.

	2013			2012		
Group and Company	**Contract/ Notional Amount** $'000	**Assets** $'000	**Liabilities** $'000	**Contract/ Notional Amount** $'000	**Assets** $'000	**Liabilities** $'000
Currency forward contracts	**70,656**	–	**630**	55,672	–	742

The Group and the Company did not adopt hedge accounting under FRS 39 – Financial Instruments: Recognition and Measurement. The fair value changes for currency forward contracts recognised as an expense in the statement of comprehensive income amounted to $630,000 (2012: $742,000) (Note 7).

29. Segment reporting

For management purposes, 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 entire Group's steel related operations, and accordingly the information regarding its financial position and results is represented by the financial statements as a whole. Hence, no separate business segment information is presented.

Geographical segments

The Group's business operates in three main geographical areas. Sales revenue is based on the country in which the customer is located. Segment assets consist primarily of property, plant and equipment, inventories, receivables and cash and bank balances.

	Singapore	People's Republic of China - Joint Venture	Malaysia	Hong Kong	Group
	$'000	$'000	$'000	$'000	$'000
Financial year ended 30 September 2013					
Revenue	**425,024**	–	–	–	**425,024**
Profit/(loss) after tax	**36,527**	**(856)**	–	**(7)**	**35,664**
Total assets	**246,092**	**9,860**	**10,855**	**41**	**266,848**
Total non-current assets	**51,306**	**9,860**	**10,052**	–	**71,218**
Capital expenditure	**24,076**	–	**5,605**	–	**29,680**
Financial year ended 30 September 2012					
Revenue	388,446	–	–	–	388,446
Profit/(loss) after tax	16,474	25	–	(10)	16,489
Total assets	241,623	10,118	3,881	39	255,661
Total non-current assets	31,451	10,118	3,794	–	45,363
Capital expenditure	16,781	–	3,521	–	20,302

30. Fair value of financial instruments

A. Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Group and Company			
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	$'000	$'000	$'000	$'000
2013				
Financial assets:				
Available-for-sale financial assets (Note 14)	**142**	–	–	**142**
At 30 September 2013	**142**	–	–	**142**
Financial liabilities:				
Derivative financial instruments (Note 28)				
- Currency forward contracts	–	**630**	–	**630**
At 30 September 2013	–	**630**	–	**630**
2012				
Financial assets:				
Available-for-sale financial assets (Note 14)	125	–	–	125
At 30 September 2012	125	–	–	125
Financial liabilities:				
Derivative financial instruments (Note 28)				
- Currency forward contracts	–	742	–	742
At 30 September 2012	–	742	–	742

Fair value hierarchy

The Group categorise fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follow:

– Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

– Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

– Level 3 - Unobservable inputs for the asset and liability.

There have been no transfers between Level 1 and Level 2 fair value measurements during the financial years ended 2013 and 2012.

30. Fair value of financial instruments (cont'd)

A. Fair value of financial instruments that are carried at fair value (cont'd)

Determination of fair value

Available-for-sale financial assets (Note 14): Fair value is determined directly by reference to the published market bid price at the end of the reporting period.

Derivative financial instruments (Note 28): Currency forward contracts are valued according to valuations obtained from reputable financial institutions as at the end of reporting period.

B. Fair value of financial instruments by classes not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Trade and other receivables, deposits, cash and cash equivalents, trade and non-trade payables, accruals, bills payables to banks and term bank loan.

The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting period.

31. Financial risk management objective and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board of Directors reviews and agrees on the policies and procedures for the management of these risks, which are executed by the Group Managing Director and/or the Group Financial Controller.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and procedures for the management of these risks.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's credit risk arises primarily from trade and other receivables. For other financial assets (including available-for-sale financial assets, derivative financial instruments, and cash and cash equivalents), the Group and the Company minimise credit risks by dealing exclusively with high credit rating counterparties.

The Group and the Company have a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Credit review, which takes into account qualitative and quantitative factors such as business performance and profile of the customers, is performed and approved by the management before credit is granted. All customer payment profiles and credit exposures are monitored on an on-going basis by the Accountant.

Exposure to credit risk

At the end of reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets including derivative financial instruments with positive fair values.

31. Financial risk management objective and policies (cont'd)

(a) ***Credit risk (cont'd)***

Credit risk concentration profile

The Group's and the Company's trade receivables concentration profiles by geographical areas and industry sectors as at the end of reporting period are as follows:

	Group		Company	
	2013	**2012**	**2013**	**2012**
	$'000	$'000	$'000	$'000
By country:				
- Singapore	**77,671**	97,534	**77,671**	97,534
- Malaysia	–	–	**357**	–
	77,671	97,534	**77,028**	97,534
By industry sector:				
- Construction	**77,671**	97,534	**78,028**	97,534

28% (2012: 34%) of the Group and Company's trade receivables were due from 10 (2012: 10) major customers who are in the construction industry in Singapore.

At the end of reporting period, 0.02% (2012: 0.05%) and 0.02% (2012: 0.05%) of the Group's and the Company's trade and other receivables were due from related parties respectively.

Financial assets that are neither past due nor impaired

Cash and cash equivalents and derivative financial instruments that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and have no history of default. Trade and other receivables that are neither past due nor impaired are with creditworthy debtors having good payment record with the Group.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 16 (Trade and other receivables).

(b) ***Liquidity risk***

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risks arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage liquidity risk by ensuring the availability of funding through an adequate amount of committed credit facilities from reputable financial institutions. In addition, the Group and the Company also maintain surplus cash balances for future investment opportunities.

31. Financial risk management objective and policies (cont'd)

(b) ***Liquidity risk (cont'd)***

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of reporting period based on contractual undiscounted repayment obligations:

	Within 1 year $'000	2 to 5 years $'000	Total $'000
Group			
At 30 September 2013			
Financial assets:			
Available-for-sale financial assets	–	**142**	**142**
Trade and other receivables	**77,704**	–	**77,704**
Cash and cash equivalents	**18,251**	–	**18,251**
Other current assets - deposits	**716**	–	**716**
Total undiscounted financial assets	**96,671**	**142**	**96,813**
Financial liabilities:			
Trade and other payables	**44,863**	–	**44,863**
Loans and borrowings	**58,733**	**4,388**	**63,121**
Derivative financial instruments			
- Receipts	**(70,026)**	–	**(70,026)**
- Payments	**70,656**	–	**70,656**
Total undiscounted financial liabilities	**104,226**	**4,388**	**108,614**
At 30 September 2012			
Financial assets:			
Available-for-sale financial assets	–	125	125
Trade and other receivables	97,534	–	97,534
Cash and cash equivalents	26,118	–	26,118
Other current assets - deposits	265	–	265
Total undiscounted financial assets	123,917	125	124,042
Financial liabilities:			
Trade and other payables	42,409	–	42,409
Loans and borrowings	89,983	–	89,983
Derivative financial instruments			
- Receipts	(55,671)	–	(55,671)
- Payments	56,413	–	56,413
Total undiscounted financial liabilities	133,134	–	133,134

31. Financial risk management objective and policies (cont'd)

(b) ***Liquidity risk (cont'd)***

	Within 1 year	2 to 5 years	Total
	$'000	$'000	$'000
Company			
At 30 September 2013			
Financial assets:			
Available-for-sale financial assets	–	**142**	**142**
Trade and other receivables	**88,600**	–	**88,600**
Cash and cash equivalents	**17,893**	–	**17,893**
Other current assets – deposits	**657**	–	**657**
Total undiscounted financial assets	**107,150**	**142**	**107,292**
Financial liabilities:			
Trade and other payables	**48,059**	–	**48,059**
Loans and borrowings	**58,733**	**4,388**	**63,121**
Derivative financial instruments			
- Receipts	**(70,026)**	–	**(70,026)**
- Payments	**70,656**	–	**70,656**
Total undiscounted financial liabilities	**107,422**	**4,388**	**111,810**
At 30 September 2012			
Financial assets:			
Available-for-sale financial assets	–	125	125
Trade and other receivables	101,469	–	101,469
Cash and cash equivalents	26,045	–	26,045
Other current assets – deposits	212	–	212
Total undiscounted financial assets	127,726	125	127,851
Financial liabilities:			
Trade and other payables	45,356	–	45,356
Loans and borrowings	89,983	–	89,983
Derivative financial instruments			
- Receipts	(55,671)	–	(55,671)
- Payments	56,413	–	56,413
Total undiscounted financial liabilities	136,081	–	136,081

(c) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from bank borrowings. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 4 months (2012: 4 months) from the balance sheet date.

31. Financial risk management objective and policies (cont'd)

(c) ***Interest rate risk (cont'd)***

The Group's and the Company's exposure to interest rate risk relates primarily to interest-bearing bills payables to financial institutions.

The Group's exposure to market interest rates arises from its term bank loan which bears interest at 1.35% above SIBOR.

At the end of reporting period, if SGD interest rates had been 50 basis points lower/ higher with all other variables constant, the Group's profit before tax would have been $36,000 (2012: nil) higher/ lower respectively as a result of lower/ higher interest expense on the term loan.

(d) ***Foreign currency risk***

The Group and the Company have transactional currency exposures arising from purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The foreign currencies in which these transactions are denominated is mainly the US Dollar ("USD") and Euro.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of reporting period, such foreign currency balances are mainly in USD and Malaysia Ringgit.

The Group and the Company use currency forward contracts to hedge its exposure to foreign currency exchange risk arising from purchases which are mainly denominated in USD. The Group's and the Company's trade payables balances at the balance sheet date have similar exposures.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations which include Malaysia, Peoples' Republic of China and Hong Kong. The Group's investments in these foreign operations are not hedged as currency positions are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD/SGD exchange rate, with all other variables held constant, of the Group's profit before tax:

		2013 **Increase/ (decrease) in Profit before tax** $'000	**2012** **Increase/ (decrease) in Profit before tax** $'000
Group and Company			
USD/SGD	- strengthened 7% (2012: 7%)	**9**	3,108
	- weakened 7% (2012: 7%)	**(9)**	(3,108)
EURO/SGD	- strengthened 7% (2012: 7%)	**(378)**	84
	- weakened 7% (2012: 7%)	**378**	(84)
MYR/SGD	- strengthened 7% (2012: 7%)	**24**	28
	- weakened 7% (2012: 7%)	**(24)**	(28)

32. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 September 2013 and 2012.

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. Net debt comprises loans and borrowings, less cash and cash equivalents. Capital includes equity attributable to owners of the Company.

	Group	
	2013	**2012**
	$'000	$'000
Loans and borrowings	**62,586**	89,927
Less:		
Cash and cash equivalents	**(18,251)**	(26,118)
Net debt	**44,335**	63,809
Equity attributable to owners of the Company	**146,265**	117,194
Capital plus net debt	**190,600**	181,003
Gearing ratio	**23%**	35%

33. Authorisation of financial statements for issue

The financial statements for the year ended 30 September 2013 were authorised for issue in accordance with a resolution of the Board of Directors dated on 18 December 2013.

1. BACKGROUND

1.1 Notice of AGM

We refer to Ordinary Resolution 9 set out in the notice of annual general meeting ("**Notice of AGM**") at pages 102 to 105 of the annual report of the Company dated 7 January 2014 ("**Annual Report**").

1.2 Letter to Shareholders

The purpose of this Appendix I is to provide shareholders of the Company ("**Shareholders**") with information relating to, and to explain the rationale for, the proposed renewal of the Share Purchase Mandate (as defined in **paragraph 1.4** below), and to seek their approval in relation therefor at the annual general meeting of the Company to be held on 23 January 2014 ("**AGM**").

The details of the Share Purchase Mandate are set out at **paragraph 2** of this Appendix I.

1.3 SGX-ST

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the accuracy of any statements or opinions made or reports contained in this Appendix I.

1.4 Proposed Renewal of the Share Purchase Mandate

It is a requirement under the Companies Act, Chapter 50 of Singapore, as amended or modified from time to time ("**Companies Act**") for a company to obtain the approval of its shareholders to purchase or otherwise acquire its own shares at a general meeting of its shareholders. At the annual general meeting of the Company held on 28 January 2013 ("**2013 AGM**"), shareholders of the Company ("**Shareholders**") had approved, *inter alia*, the renewal of the share purchase mandate approved on 18 January 2012 authorising the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "**Shares**") (the "**Share Purchase Mandate**").

The Share Purchase Mandate took effect on the date of the passing of Ordinary Resolution 9 at the 2013 AGM and will expire on the date of the forthcoming AGM, scheduled to be held on 23 January 2014. Accordingly, the directors of the Company ("**Directors**") are proposing to seek Shareholders' approval for the renewal of the Share Purchase Mandate at the AGM. The Share Purchase Mandate is set out in Ordinary Resolution 9 in the Notice of AGM.

As at 24 December 2013, being the latest practicable date prior to the printing of this Appendix I (the "**Latest Practicable Date**"), the Company has purchased 1,200,000 Shares by way of Market Purchases (as defined in **paragraph 2.2.3** below) pursuant to the Share Purchase Mandate approved by Shareholders at the annual general meeting of the Company held on 18 January 2012 ("**2012 AGM**"). The highest and lowest price paid was S$0.159 and S$0.157 per Share respectively. The total consideration paid for the purchases was S$189,534.

1.5 Advice to Shareholders

If a Shareholder is in any doubt as to the course of action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. SHARE PURCHASE MANDATE

2.1 Background and Rationale

The Directors wish to renew the Share Purchase Mandate to allow the Company to purchase issued Shares. The Share Purchase Mandate will allow the Directors to make share purchases at the appropriate price level and is one of the ways through which the return on equity of the Company and its subsidiaries ("**Group**") may be enhanced. Share purchases or acquisitions provide the Company with an easy mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. Share purchases or acquisitions also allow the Directors to exercise control over the share structure of the Company and may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the earnings per Share ("**EPS**") and/or the net tangible asset ("**NTA**") per Share of the Company.

During the period when the Share Purchase Mandate is in force, the Share Purchase Mandate will give the Directors the flexibility to purchase or acquire Shares when and if the circumstances permit. The Share Purchase Mandate will also give the Company the opportunity to purchase or acquire Shares when such Shares are undervalued, to help mitigate short-term market volatility and to offset the effects of short-term speculation. The Share Purchase Mandate will also allow the Directors to effectively manage and minimise the dilution impact (if any) associated with share option schemes and performance share plans.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares of up to ten per cent. (10%) of the issued share capital of the Company as at the date of the AGM at which the Share Purchase Mandate is approved, Shareholders should note that purchases and acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full ten per cent. (10%) limit as authorised and no purchases or acquisitions of Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company or the Group.

2.2 Details of the Share Purchase Mandate

The authority and limitations placed on purchases or acquisitions of Shares under the Share Purchase Mandate, if renewed at the AGM, are the same as previously approved by Shareholders at the 2013 AGM and, for the benefit of Shareholders, are summarised below:

2.2.1 <u>Maximum Number of Shares</u>

Only Shares which are issued and fully paid-up may be purchased by the Company. The total number of Shares which may be purchased is limited to that number of Shares representing not more than ten per cent. (10%) of the issued Shares as at the date of the AGM at which the renewal of the Share Purchase Mandate is approved ("**Approval Date**").

Purely for illustrative purposes, based on 893,161,064 issued Shares as at the Latest Practicable Date (disregarding Treasury Shares (as defined in **paragraph 2.2.3** below) as at the Latest Practicable Date) and assuming no further Shares are issued on or prior to the AGM, the purchase by the Company of up to the maximum limit of ten per cent. (10%) of its issued Shares (excluding Treasury Shares) will result in the purchase or acquisition of 89,316,106 Shares.

In the event that any of the outstanding share options granted under the BRC Share Option Scheme 2011 (which was adopted at the extraordinary general meeting of the Company held on 25 January 2011) ("**Share Options**") that have vested are exercised during the period between the Latest Practicable Date and the date of the AGM, only those new Shares that are allotted and issued by the Approval Date pursuant to the exercise of such vested Share Options will be taken into account for the purposes of determining the total number of Shares as at the Approval Date.

2. SHARE PURCHASE MANDATE (cont'd)

2.2 Details of the Share Purchase Mandate (cont'd)

2.2.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the AGM, at which the renewal of the Share Purchase Mandate is approved, up to:

(i) the next annual general meeting of the Company is held or required by law to be held;

(ii) purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

(iii) the authority conferred by the Share Purchase Mandate is varied or revoked,

whichever is the earliest.

2.2.3 Manner of Purchases

Purchases or acquisitions of Shares may be made on the SGX-ST ("**Market Purchases**"); and/or otherwise than on the SGX-ST, effected pursuant to an equal access scheme ("**Off-Market Purchases**").

Market Purchases refer to purchases of Shares by the Company transacted on the SGX-ST through SGX Reach, the new securities trading system of the SGX-ST to replace Quest-ST as of 15 August 2011, through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases of Shares by the Company made under an equal access scheme or schemes for the purchase of Shares from Shareholders. The Directors may impose such terms and conditions, which are consistent with the Share Purchase Mandate, the listing rules ("**Listing Rules**") of the listing manual ("**Listing Manual**") of SGX-ST and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:

(i) offers for the purchase or acquisition of issued Shares shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;

(ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers are the same, except that there shall be disregarded:

(a) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

(b) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and

(c) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

2. SHARE PURCHASE MANDATE (cont'd)

2.2 Details of the Share Purchase Mandate (cont'd)

2.2.3 Manner of Purchases (cont'd)

In addition, pursuant to Rule 885 of the Listing Rules and the Companies Act, in making an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document or notice to all Shareholders which must contain at least the following information:

(i) the terms and conditions of the offer;

(ii) the maximum number of Shares or the maximum percentage of ordinary issued share capital authorised to be purchased or acquired;

(iii) the maximum price which may be paid for the Shares;

(iv) the date on which the Share Purchase Mandate is to expire, being a date that must not be later than the date on which the next annual general meeting of the Company is or is required by law to be held, whichever is earlier;

(v) the sources of funds to be used for the Shares purchase or acquisition including the amount of financing and its impact on the Company's financial position;

(vi) the period and procedures for acceptances;

(vii) the reasons for the proposed purchase or acquisition of Shares;

(viii) the consequences, if any, of the proposed purchase or acquisition of Shares by the Company that will arise under the Singapore Code on Take-overs and Mergers ("**Take-over Code**") or other applicable take-over rules;

(ix) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;

(x) details of any purchase or acquisition of Shares made by the Company in the previous twelve (12) months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions, where relevant, and the total consideration paid for the purchases; and

(xi) whether the Shares purchased by the Company will be cancelled or kept as treasury shares ("**Treasury Shares**").

2.2.4 Maximum Purchase Price

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

(i) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as defined hereinafter) of the Shares; and

(ii) in the case of an Off-Market Purchase, one hundred and ten per cent. (110%) of the Average Closing Price of the Shares,

2. SHARE PURCHASE MANDATE (cont'd)

2.2 Details of the Share Purchase Mandate (cont'd)

2.2.4 Maximum Purchase Price (cont'd)

in each case, excluding related expenses of the purchase or acquisition (the "**Maximum Price**").

For the purpose of this Appendix I:

"**Average Closing Price**" means the average of the closing market prices of a Share for the five (5) days on which the SGX-ST is open for trading in securities ("**Market Days**") on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Rules, for any corporate action that occurs after the relevant five (5) Market Day period; and

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.3 Status of Purchased Shares

Any Share which is purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Share is held by the Company as a Treasury Share. At the time of each purchase or acquisition of the Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company, which are cancelled and are not held as Treasury Shares.

All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Companies Act) will be automatically de-listed by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

2.4 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Some of the key provisions on treasury shares under the Companies Act are summarised below:

2.4.1 Maximum Holdings

The number of Shares held as Treasury Shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares.

2.4.2 Voting and Other Rights

The Company cannot exercise any right In respect of the Treasury Shares. In particular, the Company will not have the right to attend or vote at meetings and to receive any dividends or other distribution of the Company's assets in respect of the Treasury Shares.

However, the allotment of Treasury Shares as fully paid bonus shares in respect of Treasury Shares is allowed. A subdivision or consolidation of any Treasury Share into Treasury Shares of a smaller amount is also allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

2. **SHARE PURCHASE MANDATE (cont'd)**

2.4 Treasury Shares (cont'd)

2.4.3 Disposal and Cancellation

Where the Company holds Shares as Treasury Shares, it may dispose of such Treasury Shares at any time in the following ways:

(i) sell the Treasury Shares for cash;

(ii) transfer the Treasury Shares for the purposes of or pursuant to an employees' share scheme;

(iii) transfer the Treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the Treasury Shares; or

(v) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

In addition, under Rule 704(28) of the Listing Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage and the value of the treasury shares comprised in the usage.

2.5 Reporting Requirements

Within thirty (30) days of passing a Shareholders' resolution to approve the purchase or acquisitions of Shares by the Company, the Company shall lodge a copy of such resolution with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**").

The Company shall notify ACRA within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of purchases or acquisitions including the date of the purchases or acquisitions, the total number of Shares purchased or acquired, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled and the number of Shares held as Treasury Shares, the Company's issued share capital before and after the purchases and acquisitions of Shares, the amount of consideration paid by the Company for the purchases or acquisitions, and such other information required by the Companies Act.

Rule 886 of the Listing Rules specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9:00 a.m.:

(a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme in accordance with Section 76C of the Companies Act, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company In a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

2. SHARE PURCHASE MANDATE (cont'd)

2.6 Source of Funds

The Company may only apply funds for the purchase or acquisition of Shares as provided in the Articles of Association of the Company and in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares pursuant to the Share Purchase Mandate, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or distributable profits provided that:

(i) the Company is able to pay its debts in full at the time it purchases the Shares and will be able to pay its debts as they fall due in the normal course of business during the period of twelve (12) months immediately following the date of purchase; and

(ii) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the purchase of Shares become less than the value of its liabilities (including contingent liabilities).

Where the purchase of Shares is made out of distributable profits, such purchase (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the purchase of Shares is made out of capital, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares but the amount available for the distribution of cash dividends by the Company will not be reduced.

The Company will use its internal resources and/or external borrowings to finance its purchase or acquisition of the Shares. Where the purchase of Shares is financed through internal resources, it will reduce the cash reserves of the Group and the Company, and thus the current assets and shareholders' funds of the Group and the Company. This will result in an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would be an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

However, the Directors do not propose to exercise the Share Purchase Mandate to such an extent as would have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

2.7 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, how the purchase or acquisition is funded, whether the Shares purchased or acquired are held as Treasury Shares or immediately cancelled on purchase or acquisition as well as how the Shares if held as Treasury Shares, are subsequently dealt with by the Company in accordance with Section 76K of the Companies Act.

Accordingly, it is not possible for the Company to calculate or quantify the actual impact of purchases or acquisitions of Shares that may be made pursuant to the Share Purchase Mandate on the NTA and EPS of the Company and the Group.

2. SHARE PURCHASE MANDATE (cont'd)

2.7 Financial Effects (cont'd)

2.7.1 Illustrative Financial Effects

For illustrative purposes only, based on the audited financial statements of the Company and the Group for the financial year ended 30 September 2013 (please refer to page 31 of the Annual Report), and assuming that none of the outstanding Share Options are exercised before the AGM, the Company has distributable reserves of approximately S$85.5 million to effect purchases of its Shares from the market. For illustrative purposes only, and based on the assumptions set out below:

(i) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 89,316,106 Shares, representing ten per cent. (10%) of its issued share capital as at the Latest Practicable Date and the Shares are purchased at S$0.21 per Share, being a price representing one hundred and five per cent. (105%) of the Average Closing Price as at the Latest Practicable Date; and

(ii) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 89,316,106 Shares, representing ten per cent. (10%) of its issued share capital as at the Latest Practicable Date and the Shares are purchased at S$0.22 per Share, being a price representing one hundred and ten per cent. (110%) of the Average Closing Price as at the Latest Practicable Date,

and provided that the purchases or acquisitions are financed entirely out of internal sources of funds and the purchased or acquired Shares are cancelled or held in treasury, the impact of the purchase of Shares by the Company pursuant to the Share Purchase Mandate on the Group's and the Company's audited financial statements for FY2013 would be as set out below.

Group	Market Share Purchase (S$'000)		Off-Market Share Purchase (S$'000)	
	Before Share Purchase	**After Share Purchase**	**Before Share Purchase**	**After Share Purchase**
Shareholders' Funds	146,274	165,030	146,274	165,924
Net Assets	146,274	165,030	146,274	165,924
Current Assets	195,629	177,378	195,629	177,378
Current Liabilities	111,244	111,749	111,244	112,643
Total Borrowings	62,586	63,091	62,586	63,985
Cash and Cash Equivalents	18,251	–	18,251	–
No. of issued and paid-up Shares ('000) (excluding treasury shares)	893,161	803,800	893,161	803,800
Financial Ratios				
Net Assets per Share (cents) [1a]	16.377	20.531	16.377	20.642
Gearing (times) [1b]	0.43	0.38	0.43	0.39
Basic Earnings per Share (cents) [1c]	4.00	4.43	4.00	4.43

Notes:

(1) For the purposes of the above calculations:

(a) "**Net Assets per Share**" is calculated based on the NTA and the issued and paid-up Shares (excluding Treasury Shares) as at the Latest Practicable Date;

(b) "**Gearing**" represents the ratio of total borrowings to total equity; and

(c) "**Basic Earnings per Share**" is calculated based on profit attributable to Shareholders and number of issued and paid-up Shares (excluding treasury shares) as at the Latest Practicable Date.

2. **SHARE PURCHASE MANDATE (cont'd)**

2.7 Financial Effects (cont'd)

Shareholders should note that the financial effects set out in this section are purely for illustrative purposes only and are in no way indicative of the Company's real financial position or a forecast of the Group's and the Company's financial figures.

2.8 Tax Implications

2.8.1 Where the Company uses its Distributable Profits for the Share Purchase

Pursuant to Section 10J of the Income Tax Act, Chapter 134 of Singapore when the Company purchases or otherwise acquires Shares issued by it from any Shareholder of the Company (referred to in this paragraph as a buyback), and such Shares are deemed cancelled under Section 76B of the Companies Act, any payment made by the Company to any Shareholder for the buyback out of funds other than contributed capital may be deemed to be a dividend paid by the Company and, under certain circumstances, a dividend received by the Shareholder. Where the payment to the Shareholder is made by the Company out of its contributed capital, the payment will not be regarded as a payment of dividend by the Company to the Shareholder.

Where the proceeds received by Shareholders from the Company are made out of funds other than contributed capital, Shareholders will not be taxed on any deemed dividend as the Company has moved to the one-tier corporate tax system. Under the one-tier corporate tax system, the Company pays a final tax on its corporate profits and dividends paid by the Company are tax exempt one-tier dividends.

Where the proceeds received by Shareholders from the Company are made out of contributed capital, the proceeds will be treated for income tax purposes in the same manner as proceeds arising from any other disposal of shares. Whether the payment is taxable in the hands of such Shareholders will depend on the whether such proceeds are receipt of an income or a capital nature.

Shareholders should note that the foregoing is not to be regarded as advice on the tax position of any Shareholder. Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.9 Listing Rules

Under Rule 884 of the Listing Rules, a listed company may purchase shares by way of Market Purchases at a price per share which is not more than five per cent. (5%) above the average of the closing market prices of the shares over the last five (5) Market Days, on which transactions in the shares were recorded, before the day on which the purchases were made.

The Maximum Price for a Share in relation to Market Purchases by the Company conforms to this restriction.

While the Listing Rules do not expressly prohibit any purchase of shares by a listed company during any particular time(s), because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. Rule 1207(19) of the Listing Rules provides, *inter alia*, that a listed issuer and its officers should not deal in the listed issuer's securities during the period commencing two (2) weeks before the announcement of each of the issuer's results for the first three (3) quarters, and one (1) month before the announcement of the issuer's annual (full year) results, as the case may be, and ending on the date of the announcement of the relevant results. In line with the best practices guide on securities dealings issued by the SGX-ST, the Company will not purchase or acquire any Shares through Market Purchases during the period of one (1) month immediately preceding the announcement of the Company's full year results and the period of two (2) weeks immediately preceding the announcement of the Company's results for the first three (3) quarters.

2. SHARE PURCHASE MANDATE (cont'd)

2.10 Listing Status

The Company is required under Rule 723 of the Listing Rules to ensure that at least ten per cent. (10%) of any class of its equity securities (excluding preference shares and convertible equity securities) are in the hands of the public. The "public", as defined under the Listing Rules, are persons other than its Directors, chief executive officer, Substantial Shareholders or controlling shareholders and its subsidiaries, as well as the associates of such persons. For purposes of this Appendix I, the terms "**Substantial Shareholder**" and "**subsidiary**" shall have the meaning ascribed to them in the Companies Act and the terms "**controlling shareholder**" and "**associate**" shall have the meanings ascribed to them in the Listing Manual.

As at the Latest Practicable Date, there are 243,888,557 Shares in the hands of the public (as defined above), representing 27.306% of the issued Shares. Assuming that the Company purchases its Shares through Market Purchases up to the full ten per cent. (10%) limit pursuant to the Share Purchase Mandate and all such Shares purchased are held by the public, the number of Shares in the hands of the public would be reduced to 154,572,451 Shares, representing 19.229% of the reduced issued share capital of the Company[(1)].

In undertaking any purchases of its Shares through Market Purchases, the Directors will use their best efforts to ensure that a sufficient number of Shares remain in public hands so that the Share purchase(s) will not:

(i) adversely affect the listing status of the Shares on the SGX-ST;

(ii) cause market illiquidity; or

(iii) adversely affect the orderly trading of Shares.

Note:

(1) Based on the assumption that all of the purchased Shares are cancelled. In the event that such purchased Shares are held as Treasury Shares, the number of Shares in the hands of the public would represent 17.306% of the issued share capital of the Company.

2.11 Obligations to Make a Take-over Offer

Under the Take-over Code, a person will be required to make a general offer for a public company if:

(i) he acquires thirty per cent. (30%) or more of the voting rights of the company; or

(ii) he holds between thirty per cent. (30%) and fifty per cent. (50%) of the voting rights of the company and he increases his voting rights in the company by more than one per cent. (1%) in any six (6) month period.

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code ("**Rule 14**").

2. SHARE PURCHASE MANDATE (cont'd)

2.11 Obligations to Make a Take-over Offer (cont'd)

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert:

(i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and

(ii) a company, its parent, its subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies as well as any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforementioned entities for the purchase of voting rights, all with each other.

For this purpose, ownership or control of at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the equity share capital of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

Under Appendix 2 of the Take-Over Code, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights in the Company of such Directors and their concert parties:

(i) increase to thirty per cent. (30%) or more; or

(ii) if the voting rights of such Directors and their concert parties fall between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties increase by more than one per cent. (1%) in any period of six (6) months.

A Shareholder not acting in concert with the Directors will not incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company increase to thirty per cent. (30%) or more, or if the voting rights of such Shareholder fall between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

The interests of the Directors and Substantial Shareholders as at the Latest Practicable Date are disclosed in **paragraph 3** below. Save as set out in **paragraph 2.12** below, as at the Latest Practicable Date, assuming that the Company purchases the maximum limit of ten per cent. (10%) of its issued Shares:

(i) none of the Directors (together with persons acting in concert with them, if any) will be obligated to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase by the Company of Shares under the Share Purchase Mandate; and

(ii) none of the Directors are aware of any Substantial Shareholders who may become obligated to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase by the Company of Shares under the Share Purchase Mandate.

2. SHARE PURCHASE MANDATE (cont'd)

2.11 Obligations to Make a Take-over Offer (cont'd)

This paragraph 2.11 does not purport to be a comprehensive or exhaustive description of all the implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their own professional advisers at the earliest opportunity.

2.12 Concert Parties

As at the Latest Practicable Date, each of Lingco Marine Pte. Ltd. ("**LMPL**") and Lingco Holdings Pte Ltd ("**LHPL**") each hold 189,184,490 Shares and 51,220,304 Shares respectively (representing 21.181% and 5.735% of the issued share capital of the Company respectively), which, in aggregate, represents 26.916% of the existing issued share capital of the Company.

By virtue of Section 7 of the Companies Act, LMPL is deemed to have an interest in the shares of the Company held by LHPL. Mr Sia Ling Sing, the Non-Executive Chairman of the Company, has a 30.17% interest in LMPL. By virtue of Section 7 of the Companies Act, he is therefore deemed to have an interest in 189,184,490 Shares (representing 21.181% of the Shares) and 51,220,304 Shares (representing 5.735% of the Shares) held by LMPL and LHPL respectively. Therefore, he is deemed interested in 26.916% of the Shares.

Mr Seah Kiin Peng, an Executive Director of the Company, holds 11,140,927 Shares representing 1.247% of the issued Share capital of the Company, and 15,428,000 Share Options. As Mr Seah Kiin Peng is the nephew of Mr Sia Ling Sing, Mr Sia Ling Sing and Mr Seah Kiin Peng are presumed to be acting in concert under the Take-over Code.

Assuming that:

(i) the Company purchases the maximum limit of ten per cent. (10%) of its issued Shares and such purchased Shares are cancelled;

(ii) Mr Seah Kiin Peng does not exercise any of his Share Options; and

(iii) the Lingco Concert Group (as defined below) does not either acquire or dispose of any of its Shares,

the aggregate shareholding percentage of Mr Sia Ling Sing, Mr Seah Kiin Peng, LMPL and LHPL (the "**Lingco Concert Group**") based on their shareholdings as at the Latest Practicable Date, will increase to 31.293%. Accordingly, the Lingco Concert Group may incur an obligation to make a general offer for the Shares as a consequence of the purchase of Shares by the Company.

Further, in the event that Mr Seah Kiin Peng exercises all his Share Options resulting in the aggregate shareholding of the Lingco Concert Group as at the Latest Practicable Date increasing to 266,973,721 Shares representing 29.383% of the Shares, and if the Company then purchases the maximum limit of ten per cent. (10%) of its issued Shares and such purchased Shares are cancelled, the aggregate shareholding percentage of the Lingco Concert Group would increase to 32.587% and the Lingco Concert Group may incur an obligation to make a general offer for the Shares.

In light of the foregoing, unless exempted, if the Lingco Concert Group does not reduce its shareholding percentage to a level such that the aggregate shareholding percentage of the Lingco Concert Group will not exceed 30%, based on the aggregate shareholding of the Lingco Concert Group as at the Latest Practicable Date and assuming that Mr Seah Kiin Peng does not exercise any of his Share Options, the maximum percentage of Shares that the Company can purchase in order that the Lingco Concert Group will not incur an obligation to make a general offer for the Shares is 6.122% if the purchased Shares are held in treasury. Accordingly, the Company may be limited in the aggregate number of Shares it can purchase pursuant to the Share Purchase Mandate.

2. SHARE PURCHASE MANDATE (cont'd)

2.13 Share Purchases in the Previous Twelve (12) Months

In the last twelve (12) months immediately preceding the Latest Practicable Date, the Company has purchased 1,200,000 Shares by way of Market Purchases pursuant to the Share Purchase Mandate approved by Shareholders at the 2012 AGM. The highest and lowest price paid was S$0.159 and S$0.157 per Share respectively. The total consideration paid for the purchases was S$189,534.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

Based on the Register of Directors' Shareholding and the Register of Substantial Shareholders respectively as at the Latest Practicable Date, and assuming (i) the Company purchases the maximum limit of ten per cent. (10%) of its issued Shares, (ii) there is no change in the number of Shares held by the Directors and Substantial Shareholders or which they are deemed interested in, and (iii) none of the outstanding Share Options are exercised, as at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders, direct or indirect, in the Shares are set out below:

	Direct Interest		Deemed Interest		Total Interest		Number of Shares comprised in outstanding Share Options
	Number of Shares	%(1)	Number of Shares	%(1)	Number of Shares	%(1)	
Directors							
Lau Eng Tiong(2)	–	–	72,905,523	8.163	72,905,523	8.163	–
Lim Siak Meng	54,972,524	6.155	–	–	54,972,524	6.155	22,933,000
Sia Ling Sing(3)	–	–	240,404,794	26.916	240,404,794	26.916	–
Seah Kiin Peng	11,140,927	1.247	–	–	11,140,927	1.247	15,428,000
Shareholders							
Oversea-Chinese Bank Nominees Pte Ltd (holding on behalf of HG Metal Pte Ltd)	210,727,591	23.593	–	–	210,727,591	23.593	–
HG Metal Investments Pte Ltd(2)	–	–	210,727,591	23.593	210,727,591	23.593	–
HG Metal Manufacturing Limited(2)	–	–	210,727,591	23.593	210,727,591	23.593	–
LMPL	189,184,490	21.181	51,220,304	5.735	240,404,794	26.916	–
LHPL	51,220,304	5.735	–	–	51,220,304	5.735	
Sia Ling Sing(3)	–	–	240,404,794	26.916	240,404,794	26.916	–
Sin Teck Guan (Pte) Ltd	72,905,523	8.163	–	–	72,905,523	8.163	–
Lau Eng Tiong(4)	–	–	72,905,523	8.163	72,905,523	8.163	–
Lau Eng Hoe(5)	–	–	72,905,523	8.163	72,905,523	8.163	–
Lau Eng Lin(6)	–	–	72,905,523	8.163	72,905,523	8.163	–
Lau Eng Seng(7)	–	–	72,905,523	8.163	72,905,523	8.163	–
Siem Seng Hing & Company (Pte) Limited	59,121,148	6.619	–	–	59,121,148	6.619	–

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST (cont'd)

Notes:

(1) Based on the total issued Shares (excluding Treasury Shares), comprising 893,161,064 Shares as at the Latest Practicable Date.

(2) HG Metal Manufacturing Limited has a 100% interest in HG Metal Investments Pte Ltd, which in turn has an interest of 100% in HG Metal Pte Ltd. Accordingly, both these parties are deemed to have an interest in the Shares held by HG Metal Pte Ltd pursuant to Section 7 of the Companies Act.

(3) By virtue of Section 7 of the Companies Act, LMPL is deemed to have an interest in the shares of the Company held by LHPL. Mr Sia Ling Sing has a 30.17% interest in LMPL and is deemed to have an interest in the Shares held by LMPL and LHPL pursuant to Section 7 of the Companies Act.

(4) Mr Lau Eng Tiong has a 25.00% interest in Sin Teck Guan (Pte) Ltd and is deemed to have an interest in the Shares held by Sin Teck Guan (Pte) Ltd pursuant to Section 7 of the Companies Act.

(5) Mr Lau Eng Hoe has a 25.00% interest in Sin Teck Guan (Pte) Ltd and is deemed to have an interest in the Shares held by Sin Teck Guan (Pte) Ltd pursuant to Section 7 of the Companies Act.

(6) Mr Lau Eng Lin has a 25.00% interest in Sin Teck Guan (Pte) Ltd and is deemed to have an interest in the Shares held by Sin Teck Guan (Pte) Ltd pursuant to Section 7 of the Companies Act.

(7) Mr Lau Eng Seng has a 25.00% interest in Sin Teck Guan (Pte) Ltd and is deemed to have an interest in the Shares held by Sin Teck Guan (Pte) Ltd pursuant to Section 7 of the Companies Act.

4. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. The Directors recommend that Shareholders vote in favour of Ordinary Resolution 9 relating to the proposed renewal of the Share Purchase Mandate as set out in the Notice of AGM in pages 85 to 99 of the Annual Report.

5. ANNUAL GENERAL MEETING

The AGM, notice of which is set out at pages 102 to 105 of the Annual Report, will be held on Thursday, 23 January 2014 at 10.30 a.m. at 5, Sixth Lok Yang Road, Singapore 628103.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

6.1 Appointment of Proxies

Shareholders who are unable to attend the AGM and who wish to appoint a proxy to attend and vote on their behalf are requested to complete, sign and return the proxy form in the Annual Report ("**Proxy Form**") in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company by 10.30 a.m. on 21 January 2014, not later than forty-eight (48) hours before the time set for the AGM. The completion and lodgment of the Proxy Form by a Shareholder does not preclude him from attending and voting in person at the AGM if he so wishes. In such event, the relevant Proxy Forms will be deemed to be revoked.

6.2 When Depositor Regarded as Shareholder

A Depositor (as defined in Section 130A of the Companies Act) shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register (as defined in Section 130A of the Companies Act) at least forty-eight (48) hours before the AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix I and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix I constitutes full and true disclosure of all material facts about the renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix I misleading.

Where information in this Appendix I has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix I in its proper form and context.

8. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 350 Jalan Boon Lay, Jurong Industrial Estate, Singapore 619530 during normal business hours from the date of this Appendix I up to (and including) the date of the AGM:

(i) the Memorandum and Articles of Association of the Company; and

(ii) the Annual Report of the Company for the financial year ended 30 September 2013.

Yours faithfully
For and on behalf of the
Board of Directors of
BRC ASIA LIMITED

Lim Siak Meng
Group Managing Director

STATISTICS OF SHAREHOLDING

As at 16 December 2013

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	33	0.99	13,522	0.00
1,000 - 10,000	2,174	64.89	6,233,935	0.69
10,001 - 1,000,000	1,103	32.93	98,256,427	10.99
1,000,001 - and above	40	1.19	789,857,180	88.32
TOTAL	**3,350**	**100.00**	**894,361,064**	**100.00**

TWENTY LARGEST SHAREHOLDERS AS AT 16 DECEMBER 2013

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES [1]
1	HG METAL PTE LTD	210,727,591	23.59
2	LINGCO MARINE PTE LTD	189,184,490	21.18
3	SIN TECK GUAN (PTE) LTD	72,905,523	8.16
4	SIEM SENG HING & COMPANY (PTE) LIMITED	59,121,148	6.62
5	LIM SIAK MENG	54,972,524	6.15
6	LINGCO HOLDINGS PTE LTD	51,220,304	5.73
7	UNITED OVERSEAS BANK NOMINEES PTE LTD	39,621,312	4.44
8	CITIBANK NOMINEES SINGAPORE PTE LTD	19,357,722	2.17
9	SEAH BOON HWA	11,403,407	1.28
10	SEAH KIIN PENG (XIE JINGPING)	11,140,927	1.25
11	SHANWOOD DEVELOPMENT PTE LTD	9,445,000	1.06
12	OCBC SECURITIES PRIVATE LTD	8,097,062	0.91
13	LAU WEE MIN (LIU WEIMIN)	4,855,000	0.54
14	CHUA KIAN LIN	4,000,704	0.45
15	TAI YONG CONSTRUCTION PTE LTD	3,052,358	0.34
16	DBS NOMINEES PTE LTD	2,481,835	0.28
17	BANK OF SINGAPORE NOMINEES PTE LTD	2,394,973	0.27
18	NEO AIK CHENG	2,304,000	0.26
19	HSBC (SINGAPORE) NOMINEES PTE LTD	2,103,191	0.24
20	NG KENG SOON	2,050,000	0.23
	TOTAL:	**760,439,071**	**85.15**

Note:

[1] Shareholdings exclusive of 1,200,000 treasury shares.

SUBSTANTIAL SHAREHOLDERS AS AT 16 DECEMBER 2013

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	%[1]	Number of Shares	%[1]	Number of Shares	%[1]
Directors						
Lau Eng Tiong[2]	–	–	72,905,523	8.163	72,905,523	8.163
Lim Siak Meng	54,972,524	6.155	–	–	54,972,524	6.155
Sia Ling Sing[3]	–	–	240,404,794	26.916	240,404,794	26.916
Seah Kiin Peng	11,140,927	1.247	–	–	11,140,927	1.247
Shareholders						
Oversea-Chinese Bank Nominees Pte Ltd (holding on behalf of HG Metal Pte Ltd)	210,727,591	23.593	–	–	210,727,591	23.593
HG Metal Investments Pte Ltd[2]	–	–	210,727,591	23.593	210,727,591	23.593
HG Metal Manufacturing Limited[2]	–	–	210,727,591	23.593	210,727,591	23.593
LMPL	189,184,490	21.181	51,220,304	5.735	240,404,794	26.916
LHPL	51,220,304	5.735	–	–	51,220,304	5.735
Sia Ling Sing[3]	–	–	240,404,794	26.916	240,404,794	26.916
Sin Teck Guan (Pte) Ltd	72,905,523	8.163	–	–	72,905,523	8.163
Lau Eng Tiong[4]	–	–	72,905,523	8.163	72,905,523	8.163
Lau Eng Hoe[5]	–	–	72,905,523	8.163	72,905,523	8.163
Lau Eng Lin[6]	–	–	72,905,523	8.163	72,905,523	8.163
Lau Eng Seng[7]	–	–	72,905,523	8.163	72,905,523	8.163
Siem Seng Hing & Company (Pte) Limited	59,121,148	6.619	–	–	59,121,148	6.619

Notes:

(1) Based on the total issued Shares (excluding Treasury Shares), comprising 893,161,064 Shares as at the Latest Practicable Date.

(2) HG Metal Manufacturing Limited has a 100% interest in HG Metal Investments Pte Ltd, which in turn has an interest of 100% in HG Metal Pte Ltd. Accordingly, both these parties are deemed to have an interest in the Shares held by HG Metal Pte Ltd pursuant to Section 7 of the Companies Act.

(3) By virtue of Section 7 of the Companies Act, LMPL is deemed to have an interest in the shares of the Company held by LHPL. Mr Sia Ling Sing has a 30.17% interest in LMPL and is deemed to have an interest in the Shares held by LMPL and LHPL pursuant to Section 7 of the Companies Act.

(4) Mr Lau Eng Tiong has a 25.00% interest in Sin Teck Guan (Pte) Ltd and is deemed to have an interest in the Shares held by Sin Teck Guan (Pte) Ltd pursuant to Section 7 of the Companies Act.

(5) Mr Lau Eng Hoe has a 25.00% interest in Sin Teck Guan (Pte) Ltd and is deemed to have an interest in the Shares held by Sin Teck Guan (Pte) Ltd pursuant to Section 7 of the Companies Act.

(6) Mr Lau Eng Lin has a 25.00% interest in Sin Teck Guan (Pte) Ltd and is deemed to have an interest in the Shares held by Sin Teck Guan (Pte) Ltd pursuant to Section 7 of the Companies Act.

(7) Mr Lau Eng Seng has a 25.00% interest in Sin Teck Guan (Pte) Ltd and is deemed to have an interest in the Shares held by Sin Teck Guan (Pte) Ltd pursuant to Section 7 of the Companies Act.

PUBLIC SHAREHOLDING AS AT 16 DECEMBER 2013

Based on the registers of shareholdings, approximately 27.31% of the Company's shares are held in the hands of the public. The Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

BRC ASIA LIMITED
(Company Registration No. 193800054G)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of BRC Asia Limited (the "Company") will be held at 5 Sixth Lok Yang Road, Singapore 628103 on Thursday, 23 January 2014 at 10.30 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 September 2013 and the Directors' Report and the Auditor's Report thereon. **(Resolution 1)**

2. To declare a first and final tax-exempt (one-tier) dividend of 0.8 Singapore cents per ordinary share and a special tax-exempt (one-tier) dividend of 0.4 Singapore cents per ordinary share for the financial year ended 30 September 2013. **(Resolution 2)**

3. To approve the Directors' fees of $305,000for the financial year ended 30 September 2013. (2012: S$270,000) **(Resolution 3)**

4. To re-elect the following Directors retiring pursuant to Article 99 of the Company's Articles of Association:

   (i) Mr.Ooi Seng Soon **(Resolution 4)**
   (ii) Mr. Tan Lee Meng **(Resolution 5)**
   (iii) Mr. Yap Xi Ming **(Resolution 6)**

   Mr.Ooi Seng Soon, if re-elected as Director of the Company, will remain as Chairman of the Audit and Remuneration Committees and Member of the Nominating Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

   Mr. Tan Lee Meng, if re-elected as Director of the Company will remain as Chairman of the Nominating Committee and Member of the Audit and Remuneration Committees and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

   Mr. Yap Xi Ming, who is a Non-Executive Director, if re-elected as Director of the Company will remain as a Member of the Audit Committee and will be considered as Non-Independent and Non-Executive Director.

5. To re-appoint Ernst & Young LLP, Certified Public Accountants, as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as ordinary resolutions with or without modifications:

6. **AUTHORITY TO ISSUE SHARES**

   "That pursuant to Section 161 of the Companies Act, Cap. 50 (the "Act") and the listing rules ("Listing Rules") of the listing manual ("Listing Manual") of Singapore Exchange Securities Trading Limited ("SGX-ST"), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, to:

   (a) (i) issue shares in the capital of the Company ("Shares") whether by way of bonus, rights or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, options, debentures or other instruments convertible into Shares,

(b) (notwithstanding the authority conferred by this resolution ("Resolution") may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not be more than 50% of the total number of issued shares (excluding treasury shares), in the capital of the Company or such other limit as may be prescribed by the SGX-ST as at the date the general mandate is passed;

(ii) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro-rata basis to existing shareholders shall not be more than twenty per cent (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company or such other limit as may be prescribed by the SGX-ST as at the date the general mandate is passed;

(iii) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraphs (i) and (ii) above, the total number of issued shares (excluding treasury shares) shall be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company as at the date the general mandate is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or employee stock options or vesting of share awards which are outstanding or subsisting at the date the general mandate is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares; and

(iv) unless earlier revoked or varied by the Company in general meeting, such authority shall continue in force until the next Annual General Meeting or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier." (See Explanatory Note 1) **(Resolution 8)**

7. **APPROVAL OF THE RENEWAL OF THE GENERAL MANDATE FOR SHARE PURCHASE**

"That:

(a) for the purposes of Sections 76C and 76E of the Act, the exercise by the directors of the Company ("Directors") of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Percentage (as hereinafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) purchases or acquisitions of Shares may be made on the SGX-ST ("Market Purchases") transacted through the SGX-ST's trading system through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) otherwise than on the SGX-ST, in accordance with an equal access scheme ("Off-Market Purchases") as may be determined or formulated by the Directors as they consider fit in the interests of the Company, which scheme(s) shall satisfy the conditions, which are consistent with the Share Purchase Mandate (as hereinafter defined), the Listing Rules and the Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

(b) unless otherwise varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest date on which:

(i) the next annual general meeting of the Company is held or required by law to be held;

(ii) share purchases have been carried out to the full extent mandated; or

(iii) the authority contained in the Share Purchase Mandate is varied or revoked;

(c) in this Resolution:

"Average Closing Price" means the average of the last dealt prices of a Share for the five (5) consecutive trading days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Rules, for any corporate action that occurs after the relevant five (5) days period;

"Date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"Maximum Percentage" means that number of issued Shares representing ten per cent (10%) of the issued ordinary share capital as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

"Maximum Price" in relation to a Share to be purchased, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed:

(i) in the case of a Market Purchase, one hundred and five per cent (105%) ofthe Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, one hundred and ten per cent (110%) of the Average Closing Price of the Shares,

in each case, excluding related expenses of the purchase or acquisition; and

(d) the Directors and/or any of the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary in the interests of the Company to give effect to the Share Purcahse Mandate and/or this Resolution."
(See Explanatory Note 2) **(Resolution 9)**

8. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN that the Register of Members and Share Transfer Books of the Company will be closed on 15 April 2014 to determine shareholders' entitlements to the proposed dividends. Duly completed registrable transfers of shares received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a business division of Tricor Singapore Pte.Ltd.) at80 Robinson Road, #02-00, Singapore 068898, up to 5.00 p.m. on 14 April 2014 will be registered to determine shareholders' entitlements to the proposed dividends. Subject as aforesaid, shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on the 14 April 2014 will be entitled to the dividends.

The proposed dividends, if approved by the members at the Annual General Meeting, will be paid on 23 April 2014.

BY ORDER OF THE BOARD

LEE CHUN FUN (MS)
LOW MEI WAN (MS)
Company Secretaries

7 January 2014
Singapore

Explanatory Notes:

1. Resolution 8, if passed, will authorise and empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and/or shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution 8 in the Company up to an amount not exceeding in aggregate fifty per cent (50%) of the total number of issued shares (excluding treasury shares) of which the total number of shares and shares to be issued in pursuance of Instruments made or granted pursuant to Resolution 8 issued other than on a pro-rata basis to existing shareholders shall not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

   For the purpose of Resolution 8, the total number of issued shares (excluding treasury shares) is based on the Company's total number of issued shares (excluding treasury shares) at the time this proposed ordinary resolution is passed after adjusting for new shares arising from the conversion or exercise of Instruments or the vesting of share awards outstanding or subsisting at the time when this proposed ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

2. Resolution 9, if passed, will authorise the Directors to make purchases of otherwise acquire issued shares from time to time subject to and in accordance with the guidelines set out in Appendix I, the Listing Manual and such other laws as may for the time being be applicable. This authority will continue in force until the next annual meeting of the Company, unless previously revoked or varied at a general meeting or when such purchases or acquisitions are carried out to the full extent mandated.

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead.
2. A proxy need not be a member of the Company.
3. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
4. The instrument appointing a proxy must be deposited at the registered office of the Company at 350 Jalan Boon Lay, Jurong Industrial Estate, Singapore 619530, not later than forty-eight (48) hours before the time appointed for the Meeting.

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BRC ASIA LIMITED
(Incorporated in Singapore)
(Company Registration No.: 193800054G)

Proxy Form for Annual General Meeting

IMPORTANT:
1. For investors who have used their CPF monies to buy shares in the capital of BRC Asia Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY.**
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as observers have to submit their request through their respective agent banks so that their agent banks may register, within the specified timeframe, with BRC Asia Limited (Agent Banks: please refer to note 8 below on the required details).

*I/We, ______________________________ NRIC/Passport No ______________

of ____

being a member/members of BRC ASIA LIMITED (the "Company"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

or failing *him/her/them, the Chairman of the Annual General Meeting or such other person the Chairman may designate, as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting of the Company, to be held at 5 Sixth Lok Yang Road, Singapore 628103 on Thursday, 23 January 2014 at 10.30 a.m. and at any adjournment thereof.

The Chairman intends to cast undirected proxy votes in favour of each of the proposed resolutions. Where the Chairman is appointed as *my/our proxy/proxies, *I/we acknowledge that the Chairman may exercise *my/our proxy/proxies even if he has an interest in the outcome of the resolution.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at *his/their discretion, as *he/they will on any other matter arising at the Meeting.

No.	Ordinary Resolutions	For	Against
1.	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 September 2013 and the Directors' Report and Auditor's Report thereon		
2.	To declare a first and final tax-exempt (one-tier) dividend of 0.8 Singapore cents per ordinary share and a special tax-exempt (one-tier) dividend of 0.4 Singapore cents per ordinary share for the financial year ended 30 September 2013		
3.	To approve the Directors' fees of $305,000 for the financial year ended 30 September 2013 (2012:$270,000)		
4.	To re-elect Mr. Ooi Seng Soon (Article 99)		
5.	To re-elect Mr. Tan Lee Meng (Article 99)		
6.	To re-elect Mr. Yap Xi Ming (Article 99)		
7.	To re-appoint Ernst & Young LLP, Certified Public Accountants, as Auditors of the Company and to authorise the Directors to fix their remuneration		
8.	Authority to issue shares		
9.	To approve the renewal of the General Mandate for Share Purchase		

(Please indicate with a tick (√) within the space provided whether you wish your vote to be cast for or against the Resolutions as set out in the Notice of the Meeting.)

Dated this ______________ day ____________ of 2014

Total No. of Shares in	No. of Shares Held
CDP Register	
Register of Members	

____
Signature(s) of member(s) or Common Seal

**Delete as appropriate*

IMPORTANT: Please read notes overleaf before completing this Proxy Form.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number of shares is inserted, this proxy form will be deemed to relate to all the shares held by you.

2. A member may appoint not more than two proxies to attend and vote at the same Annual General Meeting (“AGM”) of the Company. A Member appointing more than one proxy shall specify the percentage of shares to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent one hundred (100) per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named. The Company shall be entitled: (1) to reject any instrument of proxy executed by a Depositor if the Depositor’s name does not appear in the Depository register forty-eight (48) hours prior to the commencement of the relevant General Meeting as certified by The Central Depository (Pte) Ltd (“CDP”) to the Company; and (2) for the purpose of a poll, to treat an instrument of proxy executed by a Depositor as representing the number of shares equal to the number of shares appearing against his name in the Depository Register referred to in (1) above, notwithstanding the number of shares actually specified in the relevant instrument of proxy. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the Company’s registered office at 350 Jalan Boon Lay, Jurong Industrial Estate, Singapore 619530, not less than forty-eight (48) hours before the time set for the AGM.

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its representative or attorney duly authorised.

5. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must, be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

6. A corporation which is a Member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

7. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the Member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the meeting, as certified by CDP to the Company.

8. Agent banks acting on the request of CPF investors who wish to attend the AGM as observers are required to submit in writing, a list with details of the investor’s name, NRIC/Passport number, addresses and number of shares held. The list, signed by an authorised signatory of the agent bank, has to reach the Company Secretary at the registered office of the Company not less than fort-eight (48) hours before the time appointed for holding the AGM.

AFFIX
STAMP

The Company Secretary
BRC Asia Limited
350 Jalan Boon Lay
Jurong Industrial Estate
Singapore 619530

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sia Ling Sing (Non-Executive Chairman)
Lim Siak Meng (Group Managing Director)
Seah Kiin Peng (Executive Director)
Ooi Seng Soon (Independent Director)
Tan Lee Meng (Independent Director)
Lau Eng Tiong (Non-Executive Director)
Yap Xi Ming (Non-Executive Director)

KEY EXECUTIVE OFFICERS

Lim Siak Meng (Group Managing Director)
Seah Kiin Peng (Executive Director)
Ng Meng Seah (Senior Marketing Manager)
Lee Chun Fun (Group Financial Controller)
Tan Lau Ming (Works Manager)
Ong Lian Teck (Group Business Development Manager)
Lau Wee Min (Corporate Communications Manager)
Kang Leong Yin (IT Manager)

REGISTERED OFFICE

350 Jalan Boon Lay
Jurong Industrial Estate
Singapore 619530
Tel: 6265 2333
Fax: 6264 3063
Website: www.brc.com.sg

AUDITORS

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner-in-charge: Tan Peck Yen
(since financial year ended 30 September 2013)

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte Ltd)
80 Robinson Road #02-00
Singapore 068898

COMPANY SECRETARIES

Lee Chun Fun
Low Mei Wan

SOLICITORS

Harry Elias Partnership LLP
Drew & Napier LLC

PRINCIPAL BANKERS

ANZ Banking Group Limited
DBS Bank Limited
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
HSBC Limited
United Overseas Bank Limited
CIMB Bank Berhad

For those who aspire to build

‘Better, Faster, Cheaper’