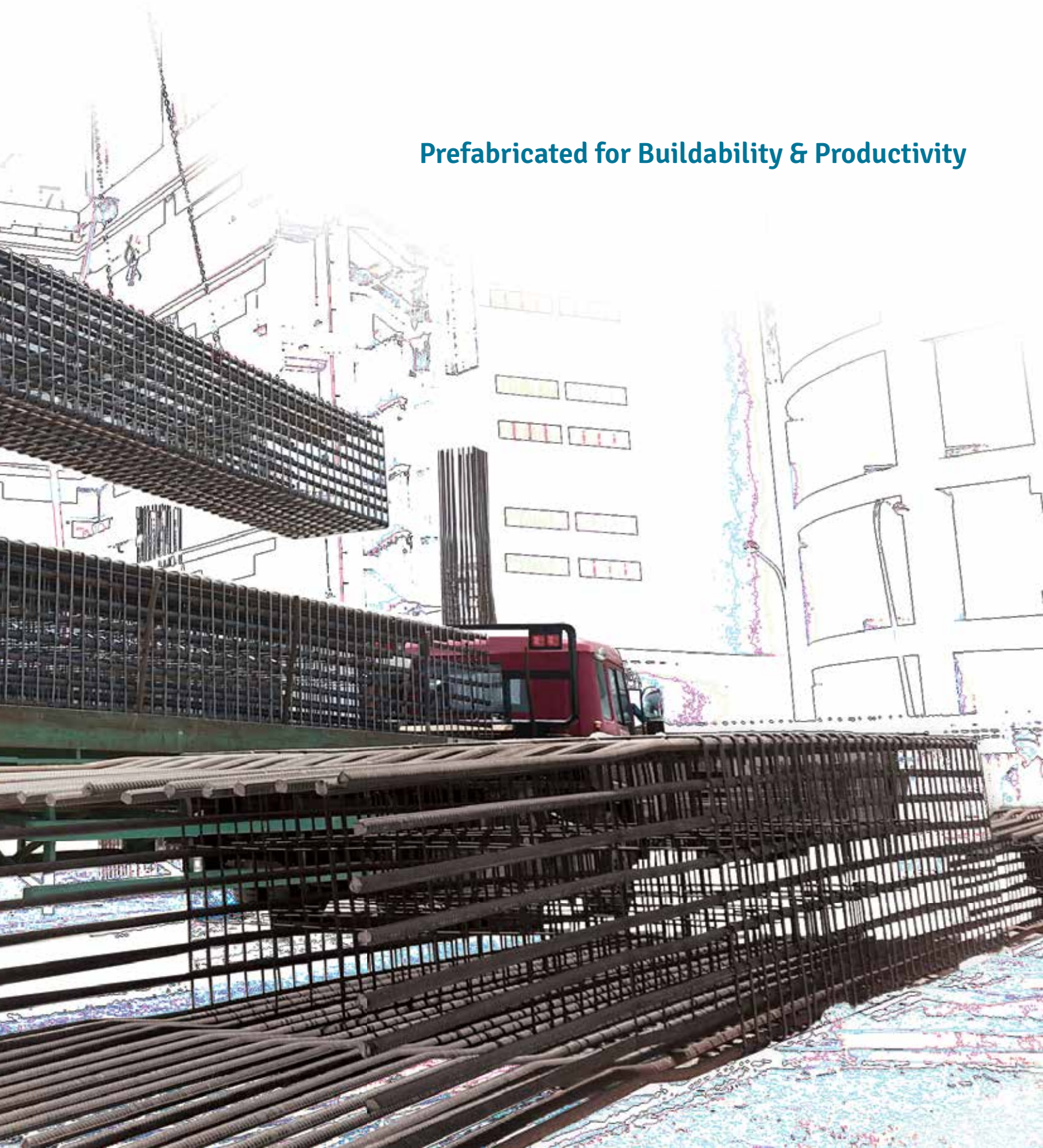


ANNUAL REPORT 2014

BRCPrefab
The Art of Reinforcing

Prefabricated for Buildability & Productivity



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Chairman's Message

Dear Shareholders,

With Singapore construction entering its fourth consecutive boom year, 2014 marked another record-breaking year for volume of steel delivered by BRC. Conversely, 2014 was also a year characterised by declining steel costs and narrowing profit margins. With sentiment in the Singapore real estate sector worsening throughout 2014, players in the reinforcing steel industry competed fiercely for projects in anticipation of leaner years ahead. Having said that, I am pleased to report a relatively good set of results by BRC for its financial year ended 30 September 2014, with net profit of S\$28.4 million.

On the global economic front, coming after the optimism at the end of 2013, the performance of the world economy in 2014 largely disappointed. In the October 2014 World Economic Outlook (WEO) published by the International Monetary Fund (IMF), the projection for global growth for 2014 was revised downwards by 0.4% to 3.3%, largely due to weaker-than-expected global activity for the first half of 2014. Be that as it may, an uneven global recovery, led by the US, continues, and the IMF had forecasted that global growth would be 3.8% for 2015.

In Singapore, growth in gross domestic product (GDP) is expected to be 2.5%-3.5% in 2014, slower than the 4.1% growth achieved in 2013, but still within the middle of the range that was forecasted at the end of 2013. The same pace of expansion is expected to be maintained next year. However, in a reversal from 2013, external-oriented rather than domestic-oriented sectors of the economy are expected to carry more weight in support of this growth projection. On the other hand, according to the Monetary Authority of Singapore (MAS), "Domestic-oriented activities will be resilient despite some margin compression and an expected moderation in construction related activities".

Over the past year, statistics released by various Singapore government bodies showed that the number of residential and non-residential properties in both the private and public sectors to be built in 2015 and 2016 remained comparable to the volume in the last 2 years. Take residential property for instance. In January 2013, there were about 197,559 units to be completed from 2013 to 2016; moving forward to May 2014, 200,034 units remained to be completed from 2014 to 2017. This indicates that demand for construction, and hence for reinforcing steel, will still be strong in the coming year.

In addition, the Singapore government's will to push for higher productivity remains unshakeable. In the construction sector, this has translated into a greater emphasis on buildability right across the building process, including reinforcing steel. As the pioneer in Prefabricated Reinforcing Steel Solutions in the local market with a focus on enabling contractors to build **Better • Faster • Cheaper**, BRC's value engineering is well-placed to capture this potential demand.



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

I AM PLEASED TO REPORT A RELATIVELY GOOD SET OF RESULTS... WITH NET PROFIT OF S\$28.4 MILLION... TOTAL DIVIDEND PROPOSED FOR THE YEAR IS 1.30 SINGAPORE CENTS PER ORDINARY SHARE.

In China, the restructuring of the imbalances and ills caused by years of massive investment-led economic growth under a new leadership will take time. Meanwhile, market conditions will remain highly challenging and, consequently, prospects for our 50:50 joint venture in China (JV) are muted. In 2014, our share of profits from the JV was S\$324,000.

Across the border, it is my hope that our Malaysian operations will be able to make valuable contributions to the BRC Group in the near future.

In our last financial year in 2013, BRC paid out a total dividend of 1.70 Singapore cents per ordinary share, including a special dividend of 0.40 Singapore cents per ordinary share. This year, in view of the still decent profits earned, we will like to propose a final dividend payout of 0.80 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 1.30 Singapore cents per ordinary share.

Finally, as Chairman of the Board of Directors of BRC Asia Limited, I will like to take this opportunity to thank our shareholders, customers, bankers, business associates, suppliers and vendors for their steadfast support of BRC. Last but not least, I will also like to give thanks to management and staff of BRC for their effort and dedication, and to fellow Board members for their counsel and support.



主席致词

尊敬的各位股东，

新加坡建筑市场已进入连续第四个蓬勃的年头，2014标志着另一个BRC钢铁交易量创记录的一年。相反地，2014也是钢材成本下降以及利润率萎缩的一年。在这一个新加坡房地产市场心态渐趋恶化的年度里，钢筋业者在预期未来几年将会比较精简的情况下为争取项目进行了激烈的竞争。尽管如此，本人高兴的向各位汇报，BRC在2014年9月30日截止的财政年度内 (FY2014) 取得了比较不错的成绩，净利润达2840万新元。

世界经济方面，比起2013年底时的乐观展望，它在2014年的表现大致上并不理想。国际货币基金组织 (IMF) 在2014年10月发布的《世界经济展望》里将2014年的世界经济涨幅预测调低0.4%至3.3%，主要原因是上半年弱于预期的全球经济活动。尽管如此，由美国牵头的世界经济将继续不平均的复苏，IMF预测2015年世界经济增长将达到3.8%。

在新加坡，2014年国内生产总值 (GDP) 的增长率预计在2.5%和3.5%之间，比起2013年的4.1%低，但还是处在2013年底时所预测范围的中间数。据估计，明年扩张的步伐将会维持在今年的水平上。然而，与2013年不同的是，经济中外向型而不是内向型行业将为这个经济增长预测带来较大的支撑。另一方面，据新加坡金融管理局 (MAS) 报导，“即使有一些利润率的压缩以及建筑业相关活动的预期放缓，内向型行业活动将会具有弹性”。

从各个新加坡政府机构在过去一年所发布的数据看来，2015年与2016年所要兴建的公众和私人住宅以及非住宅物业仍然可维持过去两年的数量。以住宅物业为例，在2013年1月时，宣布从2013年到2016年所要兴建的单位大约是197,559个；进而到了2013年五月时，宣称从2014年到2017年所要兴建的单位大约是200,034个。这表示建筑以及钢筋的需求在来临的一年里将仍然是强劲的。

除此之外，新加坡政府推动提高生产力的意志仍然不可动摇。在建筑领域，这已转化为对建筑过程的每一个环节的要求 - 包括钢筋 - 更强调可造性。作为预制钢筋领域在本地市场的资深先驱，专注于让建筑商可以建造得**更好·更快·更便宜**，BRC的高增价值加工将可以很好地捕捉这一个潜在的需求。

在新一批领导班子的带领下，中国正在重组多年来以投资为主导经济增长所带来的失衡与弊病，但这将需要一段时间。与此同时，市场环境将持续保持具有高度挑战性，因此，我们在中国的合资企业 (JV) 的前景是偏淡的。在FY2014，我们在JV利润的份额是32.4万新元。

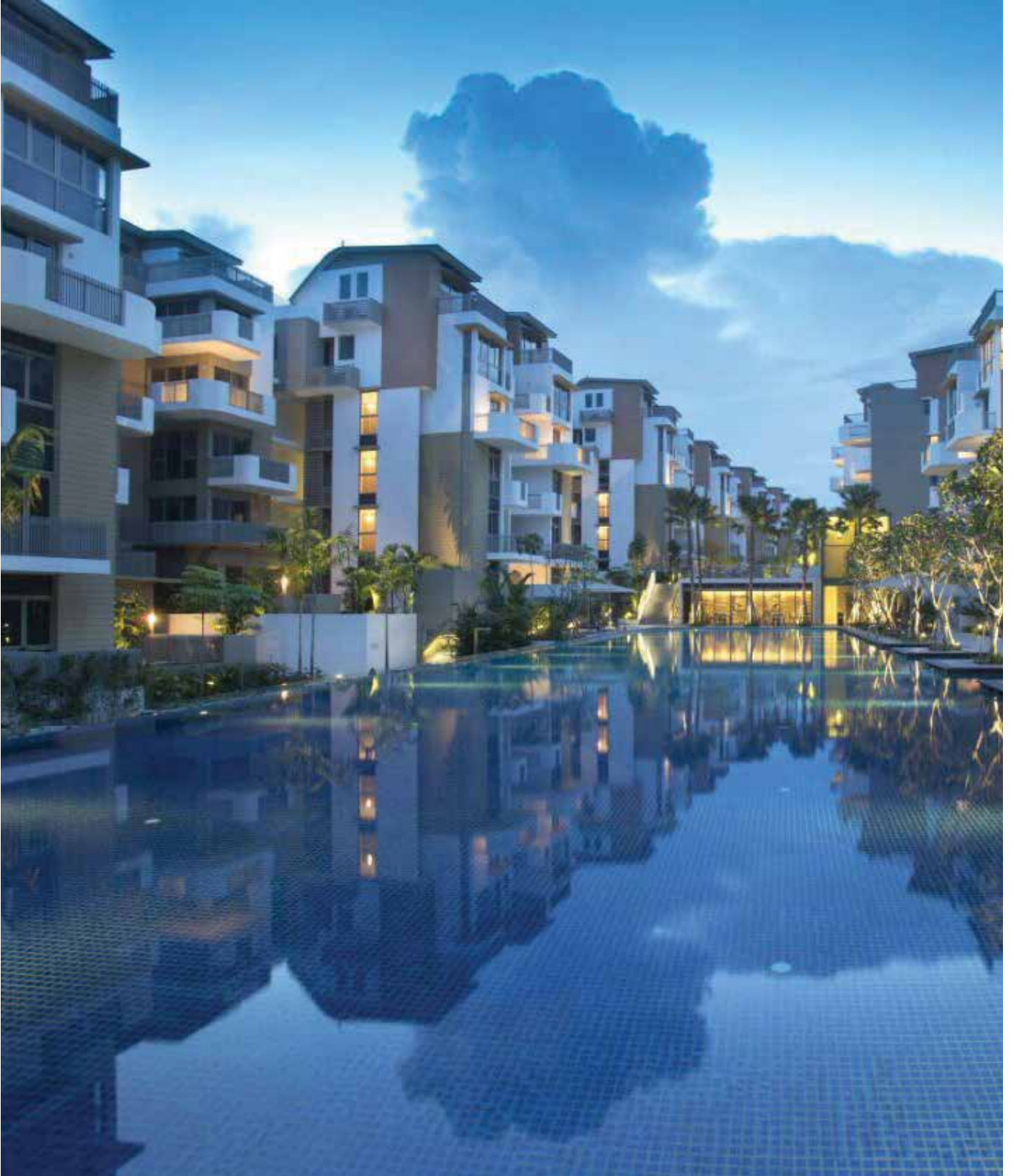
越过边界，我希望我们的马来西亚业务将能在不久的将来为BRC集团带来宝贵的贡献。

在上一个财政年度里 (FY2013)，BRC派发了每普通股新币1.70分的股息，包括每普通股新币0.40分的特别股息。今年，鉴于BRC还是赚取了不俗的利润，我们提议派发每普通股新币0.80分的终期股息。加上已派发每普通股新币0.50分的中期股息，今年所建议的总股息是每普通股新币1.30分。

最后，作为BRC集团的主席，本人谨借此机会感谢我们的股东、客户、银行家、业务伙伴及供应商对BRC坚定不移的支持。本人还要感谢BRC管理层及全体员工所付出的努力和奉献，感谢董事会董事们的指导和支持，谢谢。

本人高兴的向各位汇报，BRC在2014年9月30日截止的财政年度内 (FY2014) 取得了比较不错的成绩，净利润达2840万新元。。。今年所建议的总股息是每普通股新币1.30分。

谢连成
非执行主席
BRC Asia Limited



A prestigious condominium project constructed by Keong Hong Construction Pte Ltd and reinforced by BRC Asia Limited

Operations & Financial Review

Amidst a still buoyant local construction market, BRC has once again delivered a record amount of steel to our customers in our financial year ended 30 September 2014 (“FY2014”), even as top line revenue came in 7.0% lower year-on-year at S\$397.4 million due to lower selling prices, which were partly a result of declining steel cost. In fact, throughout FY2014, selling prices contracted at a faster rate than the fall in the price of steel. One main reason was increased competition. The established reinforcing steel players, like BRC, armed with substantively increased production capacities built up during the course of the construction boom over the last few years, together with a myriad of new entrants that were attracted to the industry for the same reason, competed fiercely for new projects in a property market whose outlook was steadily darkening. As a result, FY2014 gross and net profit margins were compressed to 13.7% and 7.2% respectively from 15.2% and 8.4% a year earlier. Hence, despite delivering a record amount of steel in FY2014, BRC’s gross and net profit for FY2014 contracted 15.0% and 20.0% respectively to S\$54.6 million and S\$28.4 million compared to S\$64.5 million and S\$35.7 million in the preceding financial year.



MR. LIM SIAK MENG
Group Managing Director
BRC Asia Limited

On the expenditure side, overall expenses for FY2014 were about the same as the year before. While distribution costs increased due to more prompt payment discounts taken up by customers, and other operating expenses increased by 15.0% to S\$4.0 million from S\$3.5 million incurred in the previous financial year due to a higher allowance for doubtful debts of S\$1.3 million recorded in the current financial year (FY2013: S\$0.6 million), these increases were partly offset by a decrease in administrative expenses including personnel-related costs and lower finance costs from lesser bank borrowings to finance trade bills.

As of 30 September 2014, BRC’s balance sheet remained healthy with net assets of S\$166.8 million. I am pleased to note that BRC’s net assets have almost tripled from S\$58.7 million as at 30 September 2009 to what they are today, notwithstanding a consistently respectable dividend payout. We have come a long way. What we have achieved would not have been possible without

AS OF 30 SEPTEMBER 2014, BRC’S BALANCE SHEET REMAINED HEALTHY WITH NET ASSETS OF S\$166.8 MILLION. I AM PLEASED TO NOTE THAT BRC’S NET ASSETS HAVE ALMOST TRIPLED FROM S\$58.7 MILLION AS AT 30 SEPTEMBER 2009 TO WHAT THEY ARE TODAY, NOTWITHSTANDING A CONSISTENTLY RESPECTABLE DIVIDEND PAYOUT.

the commitment and teamwork from each and every person in the company, therefore I will like to take this opportunity to thank each and every one of our employees who have contributed to our growth and progress – thank you!

In China, the prospects of our 50:50 joint venture (JV) remained uncertain, as challenging market conditions continue to hinder its progress. For FY2014, the contribution of the JV to our results was positive at S\$324,000.

In Malaysia, our Johor operation has continued to face “start-up” challenges even though it has made some inroads into supplying the Singapore precasters that have relocated over the border. With the first phase of full operations expected to commence in December 2014, we hope this can hasten our progress over the next 12 months.

I am pleased to report that more than half of our older mesh machines have now been replaced with the latest highly flexible and automated lines, which gives us tremendous opportunities to convert rebar to BRC mesh in ways that were not possible previously. Our mesh production capacity is now double that of 3 years ago before the replacement programme began.

Significant breakthroughs were made in mesh application in civil defence shelters, floor slabs for residential units, walls and columns. We were able to reduce site installation manpower and time by more than 50%.

We will continue to focus on innovation and research and development to develop new products and businesses, and processes, people and facilities upgrading to maximise our utilisation efficiencies on machines, people and land.

In the coming years, as the local building and construction sector continues to be transformed by a government determined to drag Singapore up the productivity value chain, buildability and constructability will become increasingly crucial factors for more and more builders in their choice of partners for their projects. I believe that BRC, with our suite of **Better • Faster • Cheaper** Prefabricated Reinforcing Steel Solutions, and our relentless drive to innovate and transform the reinforcing trade, will be well positioned to play a meaningful role in this transformation!



业务及财务回顾

在一个仍然活跃的本地建筑业市场之中，BRC在2014年9月30日截止的财政年度内(FY2014)再一次创下钢铁交易量的历史新高。尽管如此，营收因销售价格的下滑与去年同期相比还下降了7.0%，达到3.97亿新元。钢材成本的下降是造成销售价格滑落的部分原因。其实，在整个2014年里，销售价格下滑的速率超越了钢材价格的疲软，而竞争加剧是主要原因之一。本地建筑市场近几年蓬勃发展，促使资深的钢筋企业包括BRC均大幅度增加生产能力，也吸引了无数企业进入这个行业，而在这一房地产环境前景渐趋暗淡的年度里，大家为了争取新项目进行了激烈的竞争。结果，BRC的毛利率及净利率从上一个财政年(FY2013)的15.2%及8.4%被压缩至FY2014的13.7%及7.2%。于是，尽管FY2014钢铁交易量是创记录的，BRC的毛利润及净利润仍然由FY2013的6450万新元及3570万新元下滑15.0%及20.0%至FY2014的5460万新元及2840万新元。

在支出方面，FY2014总开支与去年同期相比大同小异。但是由于准时付款的优惠折扣随着更多客户的采用而上升，坏账准备也从FY2013的60万新元增加至现财政年度的130万新元，其他营运开支因而上涨了15.0%至400万新元(FY2013:350万新元)。另一方面，行政开销的降低抵消了一部分上述的增幅。行政开销的减少来自员工相关成本的降低、财务费用因较低银行贷款而降低、等等。

在2014年9月30日截止的这一个财政年度内，BRC的资产负债表继续保持健全，净资产为1.67亿新元。我感到很欣慰，BRC不仅每年都有分发相当丰厚的股息，净资产从2009年9月30日的5870万新元到现在也已增长了近三倍。我们所取得的成就建立于每一位员工的付出与团队精神，因此我想借此机会感谢所有对我们的发展和进步做出贡献的同仁 - 谢谢！

中国方面，仍然具有挑战性的市场环境阻碍着我们在的合资企业(JV)的进度，因此它的前景仍然是不明朗的。在FY2014，JV为BRC带来了32.4万新元的正面贡献。

在马来西亚，尽管我们设立于柔佛的业务已经对进军那一些迁移过边界的新加坡预制混凝土厂家在供应上取得了一些进展，它仍然面对一些“初创”挑战。第一阶段的全面运作预期在2014年12月开始，我们希望这能够加快在接下来12月里的步伐。

本人非常高兴地宣布，BRC超过一半老旧的焊网制作机械已经更新为具有高度灵活性及自动化的最新机械，这使我们在钢筋变更为BRC焊网这一方面带来前所未有的巨大机会。比起3年前即在机械更换计划开始之前，我们的焊网生产能力已经翻倍了。

我们的焊网在运用于防空壕、住宅板平、墙及柱子方面也实现了显著的突破。我们能够到现场安装所需的人力及时间节约50%以上。

我们将继续专注于创新及科研以开发新产品和新生意，并且提升流程、人员及设施，促进机械、人员及土地利用效率的最大化。

在未来几年，新加坡政府坚定不移致力提升生产力运动将继续为本地建筑行业带来显著的转变，可造性和可建性将成为建筑商在选择项目合作伙伴时越来越关键的因素。我相信BRC，以我们拥有的一系列具备**更好·更快·更便宜**的预制钢筋解决方案，还有我们对钢筋这行业的革新与转变不懈地努力，将可以为这一个转变很好地发挥有意义的作用！

在2014年9月30日截止的这一个财政年度内，BRC的资产负债表继续保持健全，净资产为1.67亿新元。我感到很欣慰，BRC不仅每年都有分发相当丰厚的股息，净资产从2009年9月30日的5870万新元到现在也已增长了近三倍。

林锡明
集团董事总经理
BRC Asia Limited

BOARD OF DIRECTORS



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.



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.



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



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.



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.



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.



MR. CHING CHIAT KWONG
Non-Executive Director
Appointed on 1 July 2014

Mr Ching Chiat Kwong is Executive Chairman and CEO of Oxley Holdings Limited. He possesses more than 15 years of property development experience.

Mr Ching also serves as the Non-Independent and Non-Executive Chairman of HG Metal Manufacturing Limited, and is also a Non-Executive Director of Artivision Technologies Ltd and NewSat Limited. Mr Ching is also an active supporter of programmes that benefit the elderly and socially disadvantaged.

Mr Ching graduated with a Bachelor of Arts degree and a Bachelor of Social Sciences (Hons) degree from the National University of Singapore in 1989 and 1990 respectively.



KEY EXECUTIVE OFFICERS

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

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.

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.

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.

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.

MR. ONG LIAN TECK

Group Business Development Manager

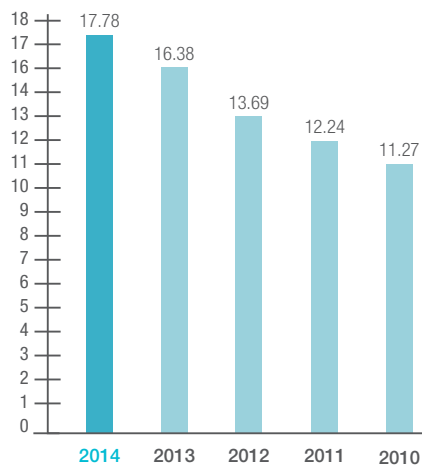
Mr. Ong Lian Teck joined the company in 1999. He assists the Group Managing Director in steel procurement and new product development. He has a Bachelor's Degree (Honours) in Engineering (Civil) from the Nanyang Technological University.

MS. KANG LEONG YIN

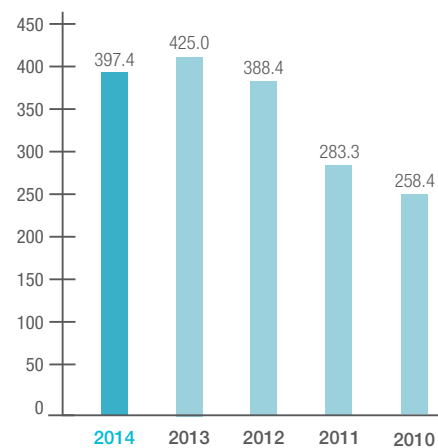
IT Manager

Ms. Kang Leong Yin has more than 20 years of experience in the field of information technology. 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.

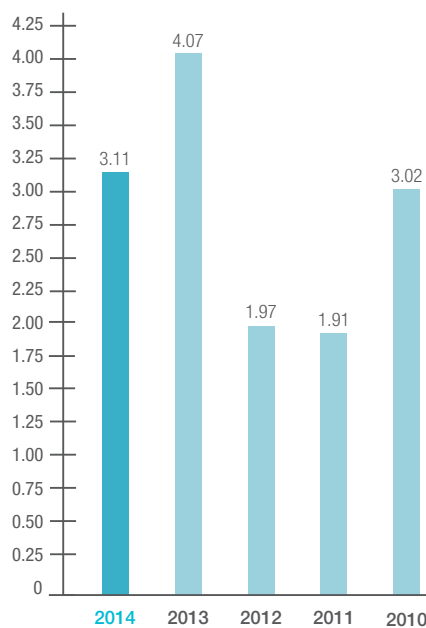
FINANCIAL HIGHLIGHTS



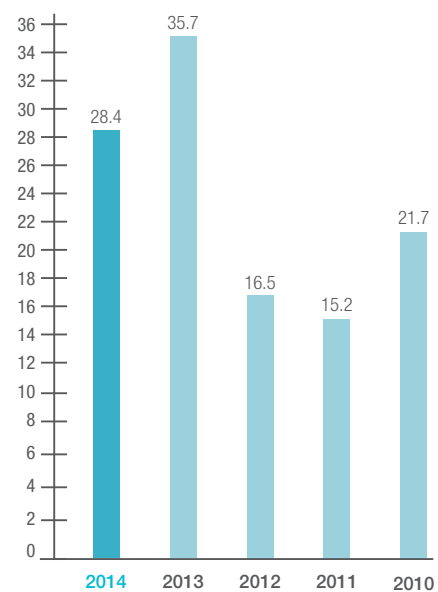
Net tangible assets per share (cents)



Revenue (\$ million)



Basic earnings per share (cents)



Profit net of tax (\$ million)

| Group Financial Results | 2014 | 2013 | 2012 |
|---------------------------------------|---------|---------|---------|
| Revenue (\$'000) | 397,365 | 425,024 | 388,446 |
| Profit before tax (\$'000) | 33,233 | 43,683 | 19,588 |
| Profit after tax (\$'000) | 28,433 | 35,664 | 16,489 |
| Net assets employed (\$'000) | 166,784 | 146,274 | 117,207 |
| Per Share Data | | | |
| Basic earnings per share (cents) | 3.11 | 4.07 | 1.97 |
| Net tangible assets per share (cents) | 17.78 | 16.38 | 13.69 |

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)
Ching Chiat Kwong (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)

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SHARE REGISTRAR

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(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





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