



BRC Asia Limited

BRC reports S\$8.55 million net profit for 1Q2014

- **Revenue dips 11% y-o-y to S\$99.76 million**
- **Gross profit margin improves from 13.6% to 15.7% y-o-y**
- **Strong construction demand forecast for 2014**

Singapore, 13 February 2014 – SGX-Mainboard listed BRC Asia Limited (“BRC” or “The Group”), one of the largest prefabricated steel reinforcement providers in Singapore, recorded a 11% year-on-year fall in revenue to S\$99.76 million for its first quarter ended 31 December 2013 (“1Q2014”), which was largely due to a drop in the amount of steel delivered during this period as well as lower unit selling prices. Despite this, net profit increased by 6% from S\$8.08 million in the first quarter of 2013 (“1Q2013”) to S\$8.55 million in 1Q2014 as a result of lower average cost of inventory amid declining steel costs.

Financial Highlights (S\$'000)

	1Q2014	1Q2013	+ / (-) %
Revenue	99,764	111,634	(11)
Gross Profit	15,650	15,171	3
Gross Profit Margin (%)	15.7	13.6	-
Net Profit	8,550	8,079	6
Earnings Per Share (Cents)	0.97	0.94	3
Net Asset Value Per Share (Cents)	17.34	14.64	18

Industry Outlook

Total construction demand exceeded all projections to hit an all-time high of S\$35.8 billion in 2013. In a news release dated 9 January 2014, BCA projected continued robustness in 2014 by forecasting that total construction demand in Singapore could reach between S\$31-38 billion due to “*strong public housing demand and anticipated higher construction demand for institutional developments and major infrastructure projects*”. This will mean sustained strength in local reinforcing steel demand for 2014.

On the supply side, the boom in local construction activities in the last few years has resulted in a serious expansion of production capacities and capabilities in the reinforcing steel industry by existing industry players as well as new entrants. Therefore, while demand projections continue to be bullish, increasing competition is likely to put industry margins under pressure.

BRC’s Group Managing Director, Mr Lim Siak Meng, commented, “*For us to have a real impact in this increasingly congested marketplace, we must remain true to our **Better • Faster • Cheaper** philosophy and push on with our relentless drive to make a real difference in time and manpower savings for construction projects.*”

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About BRC Asia Limited

BRC Asia Limited is one of the largest reinforcing steel fabricators in Singapore. The Group’s core business is in providing a complete range of reinforcing solutions - steel welded mesh, prefabricated reinforcing steel cages, cut & bent reinforcement bars - for the construction industry.

The Company was incorporated in Singapore in 1938 as the Malayan Wire Mesh & Fencing Co Ltd and was listed on the SGX-ST Mainboard in July 2000.

For more information, please visit the Group’s website at www.brc.com.sg

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