

**Unaudited 9 Months and Third Quarter Financial Statement and Related Announcement for the Period Ended 30 June 2014**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1(a) Consolidated Statement of Comprehensive Income for the 9 months and third quarter ended 30 June 2014**

	<b>9 Months 2014 \$'000</b>	9 Months 2013 \$'000	+ / (-) %	<b>3<sup>rd</sup> Quarter 2014 \$'000</b>	3 <sup>rd</sup> Quarter 2013 \$'000	+ / (-) %
Revenue	296,363	317,632	(7)	98,468	104,221	(6)
Cost of sales	<u>(252,899)</u>	<u>(268,906)</u>	(6)	<u>(84,724)</u>	<u>(88,611)</u>	(4)
Gross profit	43,464	48,726	(11)	13,744	15,610	(12)
Other income [ note (a) ]	642	1,955	(67)	14	1,149	n.m.
Expenses						
- Distribution expenses	(3,847)	(4,259)	(10)	(1,239)	(1,284)	(4)
- Administrative expenses	(10,171)	(10,483)	(3)	(2,944)	(3,918)	(25)
- Finance costs	(790)	(970)	(19)	(299)	(331)	(10)
- Other operating expenses	(3,352)	(1,699)	97	(1,515)	(391)	287
Share of results of joint venture	153	(1,212)	n.m.	42	113	(63)
Profit before tax [ note (b) ]	<u>26,099</u>	<u>32,058</u>	(19)	<u>7,803</u>	<u>10,948</u>	(29)
Income tax expense	(4,504)	(5,817)	(23)	(1,313)	(2,003)	(34)
Profit net of tax	<u>21,595</u>	<u>26,241</u>	(18)	<u>6,490</u>	<u>8,945</u>	(27)
Other comprehensive income:						
- Fair value losses on available-for-sale financial assets	-	16	n.m.	-	-	n.m.
- Foreign currency translation	(30)	99	n.m.	(3)	99	n.m.
Other comprehensive income for the financial period, net of tax	<u>(30)</u>	<u>115</u>	n.m.	<u>(3)</u>	<u>99</u>	n.m.
Total comprehensive income for the financial period	<u>21,565</u>	<u>26,356</u>	(18)	<u>6,487</u>	<u>9,044</u>	(28)
Profit net of tax attributable to:						
Owners of the parent	21,604	26,243	(18)	6,490	8,947	(27)
Non-controlling interests	(9)	(2)	350	-	(2)	n.m.
	<u>21,595</u>	<u>26,241</u>	(18)	<u>6,490</u>	<u>8,945</u>	(27)
Total comprehensive income attributable to:						
Owners of the parent	21,576	26,360	(18)	6,488	9,046	(28)
Non-controlling interests	(11)	(4)	175	(1)	(2)	(150)
	<u>21,565</u>	<u>26,356</u>	(18)	<u>6,487</u>	<u>9,044</u>	(28)

n.m. denotes not meaningful

	<b>9 Months 2014 \$'000</b>	9 Months 2013 \$'000	+ / (-) %	<b>3<sup>rd</sup> Quarter 2014 \$'000</b>	3 <sup>rd</sup> Quarter 2013 \$'000	+ / (-) %
<b>Note (a) - Other income</b>						
Interest Income	12	3	300	2	1	100
Sundry Income	16	-	n.m.	4	-	n.m.
Dividend income from available-for-sale financial assets	8	-	n.m.	8	-	n.m.
Government grant	209	-	n.m.	-	-	n.m.
Foreign exchange gain, net [2]	397	928	(57)	-	124	n.m.
Fair value changes on currency forward contracts [2]	-	1,024	n.m.	-	1,024	n.m.
<b>Total</b>	<b>642</b>	<b>1,955</b>	<b>(67)</b>	<b>14</b>	<b>1,149</b>	<b>n.m.</b>

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

Interest expense on borrowings	790	970	(19)	299	331	(10)
Depreciation of property, plant and equipment	3,544	2,558	39	1,559	824	89
Rental expense on operating leases	788	706	12	264	239	10
Provision for onerous contracts [1]	200	-	n.m.	200	-	n.m.
Fair value changes on currency forward contracts [2]	356	-	n.m.	174	-	n.m.
Foreign exchange loss, net [2]	-	-	n.m.	406	-	n.m.
Allowance / (reversal) for impairment of receivables	1,329	202	558	436	(12)	n.m.
Bad debts written off	12	-	n.m.	-	-	n.m.
Write-off of property, plant and equipment	-	22	n.m.	-	-	n.m.
Share options expense [3]	836	659	27	30	441	(93)

**Comments on Group Profit and Loss**

- [1] Provision for onerous contracts are made for contracts under which the costs to meet the obligations are expected to exceed the sales value. These provisions are released when these contractual obligations are met or when the costs to meet the obligations no longer exceed the sales value.
- [2] The bulk of the Group's transactional foreign currency exposures arise from the purchase of steel, the principal raw material which is generally denominated in US Dollar. These exposures are hedged using forward exchange contracts. As the Group did not adopt hedge accounting under FRS 39, changes in the fair value of foreign currency forward contracts are recognized immediately in profit or loss.
- [3] Share options expense relates to the fair value of share options granted to employees of the company pursuant to the BRC Share Option Scheme 2011. The expense recognised reflects the extent to which the vesting period has expired.

**1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	<u>The Group</u>		<u>The Company</u>	
	June 2014 \$'000	September 2013 \$'000	June 2014 \$'000	September 2013 \$'000
<b>Current assets</b>				
Trade and other receivables	83,060	77,704	81,329	77,704
Amount due from subsidiaries	-	-	17,978	10,896
Inventories	102,123	97,608	96,238	97,214
Prepayments	4,146	1,351	4,146	1,321
Deposits	703	716	660	657
Cash and cash equivalents	11,560	18,251	11,057	17,893
	<b>201,592</b>	<b>195,630</b>	<b>211,408</b>	<b>205,685</b>
<b>Non-current assets</b>				
Property, plant and equipment	65,730	61,216	54,437	51,095
Investment in subsidiaries	-	-	7,385	5,453
Investment in joint venture	9,963	9,860	6,076	6,076
Available-for-sale financial assets	166	142	166	142
	<b>75,859</b>	<b>71,218</b>	<b>68,064</b>	<b>62,766</b>
<b>Total assets</b>	<b>277,451</b>	<b>266,848</b>	<b>279,472</b>	<b>268,451</b>
<b>Current liabilities</b>				
Trade and other payables	39,856	44,863	43,048	48,059
Advances received / prepayments	2,749	15	2,749	15
Derivative financial instruments	356	630	356	630
Loan and borrowings	41,407	58,336	41,407	58,336
Current income tax liabilities	4,965	7,400	4,965	7,400
	<b>89,333</b>	<b>111,244</b>	<b>92,525</b>	<b>114,440</b>
<b>Non-current liabilities</b>				
Convertible bonds	10,000	-	10,000	-
Provision for retirement benefits	489	500	489	500
Loan and borrowings	8,489	4,250	8,489	4,250
Deferred income tax liabilities	4,580	4,580	4,580	4,580
	<b>23,558</b>	<b>9,330</b>	<b>23,558</b>	<b>9,330</b>
<b>Total liabilities</b>	<b>112,891</b>	<b>120,574</b>	<b>116,083</b>	<b>123,770</b>
<b>Net assets</b>	<b>164,560</b>	<b>146,274</b>	<b>163,389</b>	<b>144,681</b>
<b>Share capital and reserves</b>				
Share capital	67,931	59,265	67,931	59,265
Treasury shares	(190)	(190)	(190)	(190)
Capital reserve	597	597	597	597
Fair value adjustment reserve	6	6	6	6
Share option reserve	902	1,590	902	1,590
Foreign currency translation reserve	(499)	(471)	-	-
Retained earnings	95,815	85,468	94,143	83,413
<b>Equity attributable to owners of parent</b>	<b>164,562</b>	<b>146,265</b>	<b>163,389</b>	<b>144,681</b>
<b>Non-controlling interests</b>	<b>(2)</b>	<b>9</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>164,560</b>	<b>146,274</b>	<b>163,389</b>	<b>144,681</b>

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

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

	June 2014		September 2013	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Term loan	3,000	-	3,000	-
Bills payable	-	35,927	-	55,336
Finance lease liabilities	2,480	-	-	-
	<u>5,480</u>	<u>35,927</u>	<u>3,000</u>	<u>55,336</u>

### Amount repayable after one year

	June 2014		September 2013	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Term loan	2,000	-	4,250	-
Finance lease liabilities	6,489	-	-	-
	<u>8,489</u>	<u>-</u>	<u>4,250</u>	<u>-</u>

### Details of any collateral

Term loan of S\$5.0 million (2013: S\$7.3 million) secured by a mortgage over a leasehold building at No. 5, Sixth Lok Yang Road, Singapore 628103.

Finance lease liabilities of S\$9.0 million (2013: Nil) are secured by certain plant and equipment. The carrying amount of plant and equipment held under finance leases are S\$9.6 million (2013: Nil) at the balance sheet date.

**1(c) A Statement of Cash Flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	<b>9 Months 2014 \$'000</b>	9 Months 2013 \$'000	<b>3<sup>rd</sup> Quarter 2014 \$'000</b>	3 <sup>rd</sup> Quarter 2013 \$'000
<b>Cash flows from operating activities</b>				
Profit before tax	<b>26,099</b>	32,058	<b>7,803</b>	10,948
Adjustments for :				
Share of results of joint venture	<b>(153)</b>	1,212	<b>(42)</b>	(113)
Depreciation of property, plant and equipment	<b>3,544</b>	2,558	<b>1,559</b>	824
Write-off of property, plant and equipment	-	22	-	-
Allowance / (reversal) for impairment of receivables	<b>1,329</b>	202	<b>436</b>	(12)
Bad debts written off	<b>12</b>	-	-	-
Fair value changes on derivatives	<b>356</b>	(1,024)	<b>174</b>	(1,024)
Provision for onerous contracts	<b>200</b>	-	<b>200</b>	-
Translation loss	<b>15</b>	99	<b>48</b>	99
Share options expense	<b>836</b>	659	<b>30</b>	441
Interest expense	<b>790</b>	970	<b>299</b>	331
Interest income	<b>(12)</b>	(3)	<b>(2)</b>	(1)
Dividend income	<b>(8)</b>	-	<b>(8)</b>	-
<b>Operating cash flow before working capital changes</b>	<b>33,008</b>	36,753	<b>10,497</b>	11,493
Change in operating assets and liabilities				
Trade and other receivables	<b>(6,697)</b>	7,662	<b>2,332</b>	(1,274)
Inventories	<b>(4,516)</b>	(6,007)	<b>(3,535)</b>	13,155
Other current assets	<b>(2,782)</b>	1,672	<b>(885)</b>	4,189
Trade and other payables	<b>(3,104)</b>	(5,694)	<b>7,136</b>	(3,430)
<b>Cash flows from operations</b>	<b>15,909</b>	34,386	<b>15,545</b>	24,133
Income tax paid	<b>(6,940)</b>	(823)	<b>(3,376)</b>	(351)
Retirement benefits paid	<b>(11)</b>	-	-	-
<b>Net cash flows from operating activities</b>	<b>8,958</b>	33,563	<b>12,169</b>	23,782
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	<b>(8,058)</b>	(21,494)	<b>(2,272)</b>	(17,810)
Purchase of available-for-sale financial assets	<b>(23)</b>	-	-	-
Interest received	<b>12</b>	3	<b>2</b>	1
Dividend received	<b>8</b>	-	<b>8</b>	-
Dividend received from joint venture	<b>50</b>	-	<b>50</b>	-
<b>Net cash flows used in investing activities</b>	<b>(8,011)</b>	(21,491)	<b>(2,212)</b>	(17,809)
<b>Cash flows from financing activities</b>				
Proceeds from issuance of ordinary shares	<b>7,143</b>	5,053	<b>4,431</b>	466
Proceeds from issuance of convertible bonds	<b>10,000</b>	-	<b>10,000</b>	-
Purchase of treasury shares	-	(190)	-	-
Repayment of proceeds from bills payable to banks	<b>(12,689)</b>	(12,655)	<b>(20,959)</b>	(3,304)
Dividends paid	<b>(11,257)</b>	(13,351)	<b>(11,257)</b>	(4,465)
Interest paid	<b>(790)</b>	(970)	<b>(299)</b>	(331)
<b>Net cash flows used in financing activities</b>	<b>(7,593)</b>	(22,113)	<b>(18,084)</b>	(7,634)
<b>Net decrease in cash and cash equivalents</b>	<b>(6,646)</b>	(10,041)	<b>(8,127)</b>	(1,661)
Cash and cash equivalents at beginning of financial period	<b>18,251</b>	26,118	<b>19,732</b>	17,738
Effects of exchange rate changes on cash and cash equivalents	<b>(45)</b>	-	<b>(45)</b>	-
<b>Cash and cash equivalents at end of financial period</b>	<b>11,560</b>	16,077	<b>11,560</b>	16,077

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Statement of Changes in Equity – Group**

	<u>Attributable to Owners of Parent</u>							<u>Non-</u> <u>controlling</u> <u>interests</u>	<u>Equity, Total</u>	
	<u>Share capital</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Fair value reserve</u>	<u>Share option reserve</u>	<u>Currency translation reserve</u>	<u>Retained earnings</u>	<u>Total</u>		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at 1 October 2012	52,997	-	597	(11)	1,664	(1,206)	63,153	117,194	13	117,207
Profit, net of tax	-	-	-	-	-	-	26,243	26,243	(2)	26,241
Other comprehensive income for the financial period	-	-	-	16	-	101	-	117	(2)	115
<b>Total comprehensive income for the financial period</b>	-	-	-	16	-	101	26,243	26,360	(4)	26,356
Grant of equity-settled share options to employees	-	-	-	-	659	-	-	659	-	659
Cash dividends on ordinary shares	-	-	-	-	-	-	(13,351)	(13,351)	-	(13,351)
Issuance of ordinary shares	6,217	-	-	-	(1,164)	-	-	5,053	-	5,053
Purchase of treasury shares	-	(190)	-	-	-	-	-	(190)	-	(190)
<b>Balance at 30 June 2013</b>	<b>59,214</b>	<b>(190)</b>	<b>597</b>	<b>5</b>	<b>1,159</b>	<b>(1,105)</b>	<b>76,045</b>	<b>135,725</b>	<b>9</b>	<b>135,734</b>
Balance at 1 October 2013	59,265	(190)	597	6	1,590	(471)	85,468	146,265	9	146,274
Profit, net of tax	-	-	-	-	-	-	21,604	21,604	(9)	21,595
Other comprehensive income for the financial period	-	-	-	-	-	(28)	-	(28)	(2)	(30)
<b>Total comprehensive income for the financial period</b>	-	-	-	-	-	(28)	21,604	21,576	(11)	21,565
Grant of equity-settled share options to employees	-	-	-	-	836	-	-	836	-	836
Cash dividends on ordinary shares	-	-	-	-	-	-	(11,257)	(11,257)	-	(11,257)
Issuance of ordinary shares	8,666	-	-	-	(1,524)	-	-	7,142	-	7,142
<b>Balance at 30 June 2014</b>	<b>67,931</b>	<b>(190)</b>	<b>597</b>	<b>6</b>	<b>902</b>	<b>(499)</b>	<b>95,815</b>	<b>164,562</b>	<b>(2)</b>	<b>164,560</b>

## Statement of Changes in Equity-Company

	<u>Share capital</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Fair value reserve</u>	<u>Share option reserve</u>	<u>Retained earnings</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2012	52,997	-	597	(11)	1,664	58,500	113,747
Profit, net of tax	-	-	-	-	-	28,396	28,396
Other comprehensive income for the financial period	-	-	-	16	-	-	16
Total comprehensive income for the financial period	-	-	-	16	-	28,396	28,412
Grant of equity-settled share options to employees	-	-	-	-	659	-	659
Cash dividends on ordinary shares	-	-	-	-	-	(13,351)	(13,351)
Issuance of ordinary shares	6,217	-	-	-	(1,164)	-	5,053
Purchase of treasury shares	-	(190)	-	-	-	-	(190)
Balance at 30 June 2013	59,214	(190)	597	5	1,159	73,545	134,330
Balance at 1 October 2013	59,265	(190)	597	6	1,590	83,413	144,681
Profit, net of tax	-	-	-	-	-	21,987	21,987
<b>Total comprehensive income for the financial period</b>	-	-	-	-	-	21,987	21,987
Grant of equity-settled share options to employees	-	-	-	-	836	-	836
Cash dividends on ordinary shares	-	-	-	-	-	(11,257)	(11,257)
Issuance of ordinary shares	8,666	-	-	-	(1,524)	-	7,142
<b>Balance at 30 June 2014</b>	<b>67,931</b>	<b>(190)</b>	<b>597</b>	<b>6</b>	<b>902</b>	<b>94,143</b>	<b>163,389</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

**Share options**

The BRC Share Option Scheme 2011 (the "Option Scheme") for employees of the Company was approved by members of the Company at the Extraordinary General Meeting held on 25 January 2011.

**Movement of share options during the nine months and third quarter ended 30 June 2014**

Outstanding at 30 September 2013 / 1 October 2013	73,585,000
- Exercised between October 2013 to December 2013	<u>(1,628,000)</u>
Outstanding at 31 December 2013 / 1 January 2014	71,957,000
- Exercised between January 2014 to March 2014	<u>(18,622,000)</u>
Outstanding at 31 March 2014 / 1 April 2014	53,335,000
- Exercised between April 2014 to June 2014	<u>(25,082,000)</u>
Outstanding at 30 June 2014	<u>28,253,000</u>

**Convertible Bonds**

The Company issued S\$10,000,000 equity-linked redeemable convertible bonds on 16 May 2014. The total net proceeds of S\$10,000,000 had been used to pay off part of the Company existing trust receipts.

The convertible bonds outstanding as at 30 June 2014 are as follow:

Principal amount outstanding	Maturity date	Conversion price as at 30 June 2014
<u>Convertible bonds due 2019</u>		
S\$10 million at 5 percent per annum	16 May 2019	S\$0.20

Assuming all convertible bonds are fully converted based on the conversion price, the number of new shares to be issued will be 50,000,000, representing 5.06 % of the total number of shares in issue as at 30 June 2014.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	<b>30 June 2014</b>	<b>30 September 2013</b>
Total number of issued shares	938,089,064	892,757,064

**1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

	<b>30 June 2014</b>	<b>30 September 2013</b>
Total number of treasury shares	1,200,000	1,200,000



2. **Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard**

The figures have not been audited or reviewed.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation to the financial statements for the current financial year and the most recent audited annual financial statements for the financial year ended 30 September 2012.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted the new or revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") which became effective for the current financial year, where applicable. The adoption of these FRS and INT FRS did not result in any substantial changes to the Group's accounting policies and there is no material impact on the financial statements of the Group since 1 October 2013.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

**Earnings per ordinary share (cents)**

<b>The Group</b>	<b>9 Months 2014</b>	9 Months 2013	<b>3<sup>rd</sup> Quarter 2014</b>	3 <sup>rd</sup> Quarter 2013
- Basic	<b>2.389</b>	3.019	<b>0.718</b>	1.029
- Diluted basis	<b>2.386</b>	3.010	<b>0.717</b>	1.026

Earnings per ordinary share were calculated based on weighted average number of shares during the period.

Weighted average number of shares for basic earnings per share computation as of 30 June 2014 and 30 June 2013 were 904,160,659 and 869,142,209 shares respectively.

Weighted average number of shares for diluted earnings per share computation as of 30 June 2014 and 30 June 2013 were 905,281,256 and 871,685,919 shares respectively.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

**Net asset value per ordinary share (cents)**

	<b>June 2014</b>	September 2013
The Group	<b>17.54</b>	16.38
The Company	<b>17.42</b>	16.21

Net asset value per ordinary share was calculated based on 938,089,064 shares as at 30 June 2014 and 892,757,064 shares as at 30 September 2013.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**GROUP INCOME STATEMENT**

*Singapore*

**Revenue**

Despite higher sales volumes in absolute tonnage, revenues for the first nine months and third quarter of the current financial year (9M14 and 3Q14) decreased by 7% to S\$296.4 million and by 6% to S\$98.5 million respectively as compared to the corresponding periods in the previous financial year (9M13 and 3Q13) because of lower unit selling prices which were in tandem with declining steel costs.

**Gross profit and gross profit margin**

9M14 gross profit decreased by 11% year-on-year to S\$43.5 million from S\$48.7 million; similarly, gross profit margin decreased to 14.7% from 15.3%.

3Q14 gross profit decreased by 12% quarter-on-quarter to S\$13.7 million from S\$15.6 million; gross profit margin also decreased to 14.1% from 15.0%.

Intensifying competition arising from influx of new players coupled with increased production capacities in the local reinforcing industry have put profit margins under pressure.

**Administrative expenses and distribution cost**

The lower administrative expenses and distribution cost in 9M14 was mainly attributable to a decrease in personnel related costs.

### **Finance costs**

Finance costs decreased due to lower bank borrowings required to finance trade bills.

### **Other operating expenses**

Included in other operating expenses in 9M14 were allowances for doubtful debts of S\$1.3 million (9M13: S\$0.2 million) and a foreign exchange loss of S\$0.3 million arising from fair value changes on currency forward contracts as compared to a foreign exchange gain of S\$1.0 million in the corresponding period of the previous financial year.

### ***China***

The Group's share of profits in 9M14 from the investment in joint venture in China ("JV") is higher compared to the corresponding period in the previous financial year mainly due to the absence of provisions made for bad debts (9M13 : S\$1.66 million).

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

As at 30 June 2014, the Group's balance sheet remained strong with net assets of S\$164.6 million and net asset value per ordinary share of 17.54 cents.

Cash and cash equivalents decreased by S\$6.6 million in 9M14 as net cash flows of S\$7.6 million used in financing activities and \$8.0 million used in investing activities were higher than net cash flows of S\$9.0 million generated from operating activities.

During 9M14, net cash flows used in financing activities, mainly for dividend payment of S\$11.3 million as well as bills and loan payment of S\$12.7 million, were partly offset by proceeds of S\$7.1 million from issue of ordinary shares pursuant to the exercise of options granted under the BRC Share Option Scheme 2011 and \$10.0 million from issue of convertible bonds.

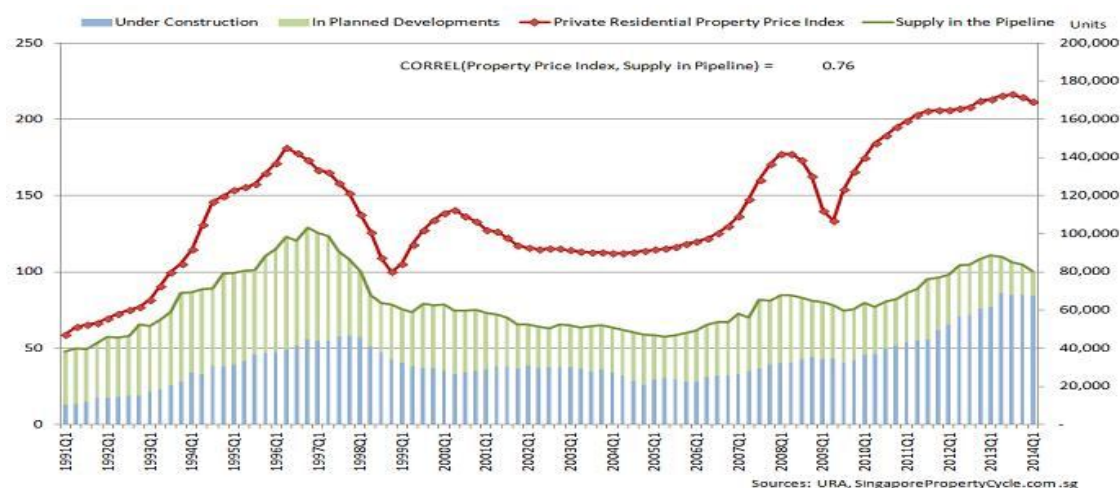
### **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

The Group's results for 9M14 and 3Q14 were in line with the commentary in paragraph 10 of the previous Results Announcement.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

SINGAPORE

The following chart<sup>1</sup>, which plots the Supply in Pipeline for private residential properties against the Private Residential Property Price Index (PPI) in Singapore, shows decreasing prices and supply in the near term. Supply in the pipeline peaked at 88,623 units in the first quarter of 2013 and has been contracting consecutively in the last four quarters to 80,261 units in the first quarter of 2014. In the latest update given by the Urban Redevelopment Authority (URA) on 25 Jul 2014, supply in the pipeline reduced further to 76,014 units at the end of the second quarter of 2014.<sup>2</sup> Nevertheless, it is still a relatively robust supply pipeline – one would have to go back all the way to the first quarter of 1998 to find the supply pipeline at a similar level. However, while the number of units Under Construction currently is at an all-time high, the number of units In Planned Developments seemed to be at an all-time low.



On 10 June 2014, the Singapore Government announced its Government Land Sales (GLS) Programme for new private residential, commercial and hotel developments for the second half of 2014<sup>3</sup>. Table 1 below depicts the GLS Programme over the last four years, clearly showing a substantive drop off in supply in 2014 for the first time in four years.

Table 1 – Singapore Government Land Sales Programme, 2011 – 2014

	2H14	1H14	2H13	1H13	2H12	1H12	2H11	1H11
Confirmed List (sites)	9	8	11	13	15	14	19	19
Reserve List (sites)	14	15	20	19	24	27	24	25
Estimated Residential Units (units)	10,220	11,585	14,155	14,035	14,200	14,100	14,200	14,300
Estimated Commercial Space (sq. metres)	352,140	193,340	268,050	314,680	388,000	218,000	268,000	318,000
Estimated Hotel Rooms (rooms)	0	0	955	1,740	3,700	4,800	3,700	3,700
<b>No. of New Sites within the Lists</b>	<b>9</b>	<b>7</b>	<b>14</b>	<b>17</b>	<b>17</b>	<b>19</b>	<b>23</b>	<b>21</b>

<sup>1</sup> This chart plots the Supply in Pipeline for private residential properties against the Private Residential Property Price Index (PPI). The supply in the pipeline statistics, compiled by the Urban Redevelopment Authority, covers all developments under construction as well as planned developments with provisional and written permission. A project is deemed to be under construction when a permit to commence building works in respect of that building is issued by the Commissioner of Building Control.

<sup>2</sup> <http://www.ura.gov.sg/uol/media-room/news/2014/jul/pr14-44.aspx>

<sup>3</sup> <http://www.ura.gov.sg/uol/media-room/news/2014/jun/pr14-34.aspx>

On the public housing front, the Housing & Development Board (HDB), in a news release titled “*Tapering of BTO<sup>4</sup> Supply*”<sup>5</sup> on 19 July 2014, said that “*After ramping up our BTO building programme for three years, we have cleared the backlog of first-timer applicants. Hence, HDB has announced the transition to a more sustainable BTO building programme.*” Instead of 24,300 BTO units<sup>6</sup>, HDB now says that it is only expected to launch 22,400 such flats in 2014<sup>7</sup>, that is, 1,900 units fewer.

Taken together, while robust demand for construction (and hence for reinforcing steel) in the last few years will continue to keep the industry busy for the coming year or two, the longer term demand outlook is expected to taper off in tandem with weakening construction demand.

On the supply side, the proliferation of new players and the substantial expansion of production capacities by existing ones in the local reinforcing industry in the last few years have resulted in a spike in capacities which will inevitably lead to increasingly cut-throat competition, which will continue to put operating margins under pressure.

On a brighter note, demand for **Prefabricated Reinforcing** is gaining momentum due to the tightening supply of foreign labour and escalating manpower costs. We will continue to innovate and invest in resources to boost this sector of our business as well as our productivity and cost efficiency. Everything we do is aimed at enabling our customers to build **Better • Faster • Cheaper!**

## CHINA

Business conditions are likely to remain challenging for the Group’s JV in China.

## MALAYSIA

The Group’s operations in Johor, Malaysia continue to stabilise as we strive to provide a comparable level of service to our customers which have expanded across the border whilst finding our way around in a new local market.

The Group remains cautiously confident of business prospects for the remaining quarter of the current financial year.

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<sup>4</sup> Build-To-Order

<sup>5</sup> <http://www.hdb.gov.sg/fi10/fi10296p.nsf/PressReleases/B14702B33C6CFD2E48257D190030132E?OpenDocument>

<sup>6</sup> <http://www.hdb.gov.sg/fi10/fi10296p.nsf/PressReleases/E3315441A6CC8F4348257C6900332F50?OpenDocument>

<sup>7</sup> <http://www.hdb.gov.sg/fi10/fi10296p.nsf/PressReleases/B14702B33C6CFD2E48257D190030132E?OpenDocument>

## 11. Dividend

### (a) Current Financial Period Reported On

Any Dividend declared for the current financial period reported on?

Nil

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

Any Dividend declared for the corresponding period of the immediately preceding financial year?

Nil

### (c) Date payable

Not applicable

### (d) Books closure date

Not applicable

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

Not applicable.

## 13. Interested person transactions

Name of interested person and nature of transaction	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)*		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)*	
	3 <sup>rd</sup> Quarter ended 30 June 2014	3 <sup>rd</sup> Quarter ended 30 June 2013	3 <sup>rd</sup> Quarter ended 30 June 2014	3 <sup>rd</sup> Quarter ended 30 June 2013
HG Metal Manufacturing Limited	Sales – S\$7,000	Sales – S\$11,000	-	-
Chye Hin Hardware Pte Ltd	Purchases – S\$1,000	Purchases – S\$39,000	-	-
Sin Teck Guan Machinery (Pte) Ltd	Services – S\$189,000	Services – S\$152,000	-	-

\* 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 Singapore Exchange Securities Trading Limited.

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the third quarter and nine months ended 30 June 2014 to be false or misleading.

On behalf of the Board of Directors

Lim Siak Meng  
Group Managing Director

Seah Kiin Peng  
Executive Director

Singapore  
04 August 2014