

Unaudited 9 Months and Third Quarter Financial Statement and Related Announcement for the Period Ended 30 June 2016

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 2016

	9 Months	9 Months	+ / (-)	3rd Quarter	3 rd Quarter	+ / (-)
	2016	2015	%	2016	2015	%
	\$'000	\$'000		\$'000	\$'000	
Revenue	256,259	301,606	(15)	87,651	91,729	(4)
Cost of sales	<u>(234,886)</u>	<u>(272,360)</u>	(14)	<u>(77,027)</u>	<u>(82,048)</u>	(6)
Gross profit	21,373	29,246	(27)	10,624	9,681	10
Other income [note (a)]	337	2,076	(84)	72	(740)	n.m.
Expenses						
- Distribution expenses	(3,384)	(4,319)	(22)	(1,311)	(1,633)	(20)
- Administrative expenses	(5,454)	(7,116)	(23)	(2,321)	(2,068)	12
- Finance costs	(983)	(1,103)	(11)	(307)	(394)	(22)
- Other operating expenses	(6,535)	(2,636)	148	(310)	(2,217)	(86)
Share of results of joint venture	830	(352)	n.m.	189	210	(10)
Profit before tax [note (b)]	<u>6,184</u>	<u>15,796</u>	(61)	<u>6,636</u>	<u>2,839</u>	134
Income tax expense	<u>(988)</u>	<u>(2,963)</u>	(67)	<u>(988)</u>	<u>(474)</u>	108
Profit net of tax	<u>5,196</u>	<u>12,833</u>	(60)	<u>5,648</u>	<u>2,365</u>	139
Other comprehensive income/(loss):						
Items that may be reclassified subsequently to profit or loss						
- Net loss on fair value changes on available-for-sale financial assets	-	(26)	n.m.	-	-	-
- Net gain/(loss) on net investment in foreign operation	403	(1,371)	n.m.	(357)	(524)	(32)
- Foreign currency translation	(843)	219	n.m.	(431)	155	n.m.
Other comprehensive loss for the financial period, net of tax	<u>(440)</u>	<u>(1,178)</u>	(63)	<u>(788)</u>	<u>(369)</u>	114
Total comprehensive income for the financial period	<u>4,756</u>	<u>11,655</u>	(59)	<u>4,860</u>	<u>1,996</u>	143
Profit net of tax attributable to:						
Owners of the parent	5,197	12,907	(60)	5,648	2,440	131
Non-controlling interests	<u>(1)</u>	<u>(74)</u>	(99)	<u>-</u>	<u>(75)</u>	n.m.
	<u>5,196</u>	<u>12,833</u>	(60)	<u>5,648</u>	<u>2,365</u>	139
Total comprehensive income attributable to:						
Owners of the parent	4,760	11,727	(59)	4,860	2,066	135
Non-controlling interests	<u>(4)</u>	<u>(72)</u>	(94)	<u>-</u>	<u>(70)</u>	n.m.
	<u>4,756</u>	<u>11,655</u>	(59)	<u>4,860</u>	<u>1,996</u>	143

n.m. denotes not meaningful

	9 Months 2016 \$'000	9 Months 2015 \$'000	+ /(-) %	3 rd Quarter 2016 \$'000	3 rd Quarter 2015 \$'000	+ /(-) %
Note (a) - Other income						
Interest Income	46	35	31	17	18	(6)
Sundry Income	7	23	(70)	3	4	(25)
Dividend income from available-for-sale financial assets	2	2	-	2	2	-
Government grant	282	206	37	50	(5)	n.m.
Foreign exchange gain/(loss), net [1]	-	1,810	n.m.	-	(759)	n.m.
Total	337	2,076	n.m.	72	(740)	n.m.

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

Interest expense on borrowings	983	1,103	(11)	307	394	(22)
Depreciation of property, plant and equipment	4,854	4,504	8	1,726	1,542	12
Operating lease expense	3,753	3,737	-	1,288	1,416	(9)
Provision /(reversal) for onerous contracts [3]	720	(118)	n.m.	2,358	(175)	n.m.
Fair value changes on currency forward contracts, net [2]	1,222	64	n.m.	(1,258)	1,339	n.m.
Foreign exchange loss, net [1]	3,327	-	n.m.	934	-	n.m.
(Reversal) / allowance for impairment of receivables, net	(18)	270	n.m.	(63)	(73)	(14)
Share options expense [4]	-	61	n.m.	-	-	n.m.
(Reversal) / allowance for inventory obsolescence	(1,158)	(2,250)	(49)	250	(760)	n.m.
Loss on disposal of property, plant and equipment	(103)	-	n.m.	(4)	-	n.m.
Loss on de-registration of a subsidiary	-	369	n.m.	-	369	n.m.

Comments on Group Profit and Loss

- [1] The Group and the Company have transactional currency exposures arising from purchases which are denominated in a currency other than the respective functional currencies of the Group entities. The foreign currencies in which these transactions are denominated are mainly US Dollars and Malaysian Ringgit.
- [2] Currency forward contracts are mostly used to hedge exposure to foreign currency exchange risk arising from purchases of steel which are mainly denominated in US Dollars. As the Group does not adopt hedge accounting under FRS 39, changes to fair value of foreign currency forward contracts are recognised immediately in the profit and loss.
- [3] Provision for onerous contracts are made for sales contracts under which the costs to meet the obligations are expected to exceed the sales value. These provisions are released when the contractual obligations are met or when the costs to meet the obligations no longer exceed the sales value.
- [4] 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. All share options granted to employees have fully vested in the second quarter of previous financial year.

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 2016 \$'000	September 2015 \$'000	June 2016 \$'000	September 2015 \$'000
Current assets				
Inventories	80,676	92,391	75,530	85,969
Trade and other receivables	69,840	68,851	63,237	64,361
Amount due from subsidiaries	-	-	7,298	2,648
Prepayments	1,728	5,499	948	5,465
Deposits	258	499	236	482
Derivative financial instruments	-	699	-	699
Cash and cash equivalents	19,303	13,940	15,054	12,000
	171,805	181,879	162,303	171,624
Non-current assets				
Property, plant and equipment	78,976	71,395	69,236	61,743
Investment in subsidiaries	-	-	23,508	23,507
Investment in joint venture	10,380	10,555	6,076	6,076
Loan to investee company	4,321	2,021	4,321	2,021
Available-for-sale financial assets	2,234	1,952	2,234	1,952
	95,911	85,923	105,375	95,299
Total assets	267,716	267,802	267,678	266,923
Current liabilities				
Trade and other payables	33,569	36,778	32,444	36,352
Provisions	3,857	3,137	3,857	3,137
Amount due to a subsidiary	-	-	67	67
Advances received	1,687	2,820	1,687	2,820
Loan and borrowings	38,069	33,244	34,983	28,703
Derivative financial instruments	1,222	-	1,222	-
Current income tax liabilities	1,178	2,460	1,201	2,470
	79,582	78,439	75,461	73,549
Non-current liabilities				
Provisions	409	489	409	489
Loan and borrowings	11,845	13,664	11,845	13,664
Deferred income tax liabilities	7,348	7,348	7,348	7,348
	19,602	21,501	19,602	21,501
Total liabilities	99,184	99,940	95,063	95,050
Net assets	168,532	167,862	172,615	171,873
Share capital and reserves				
Share capital	68,011	68,011	68,011	68,011
Treasury shares	(1,044)	(689)	(1,044)	(689)
Capital reserve	597	597	597	597
Fair value adjustment reserve	(80)	(80)	(80)	(80)
Share option reserve	974	974	974	974
Foreign currency translation reserve	(2,553)	(2,116)	-	-
Retained earnings	102,687	101,221	104,157	103,060
Equity attributable to owners of parent	168,592	167,918	172,615	171,873
Non-controlling interests	(60)	(56)	-	-
Total equity	168,532	167,862	172,615	171,873

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

Amount repayable in one year or less, or on demand

	June 2016		September 2015	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Secured \$'000
Bills payable	-	34,796	-	22,324
Finance lease liabilities	3,273	-	10,920	-
	3,273	34,796	10,920	22,324

Amount repayable after one year

	June 2016		September 2015	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Secured \$'000
Finance lease liabilities	1,845	-	3,664	-
Convertible bonds	-	10,000	-	10,000
	1,845	10,000	3,664	10,000

Details of any collateral

Finance lease liabilities of S\$5.1 million (Sept 2015: S\$14.6 million) are secured by certain plant and equipment. The carrying amount of plant and equipment held under finance leases is S\$18.6 million (Sept 2015: S\$19.7 million) 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

	9 Months 2016 \$'000	9 Months 2015 \$'000	3rd Quarter 2016 \$'000	3rd Quarter 2015 \$'000
Cash flows from operating activities				
Profit before tax	6,184	15,796	6,636	2,839
Adjustments for :				
Share of results of joint venture	(830)	352	(189)	(210)
Depreciation of property, plant and equipment	4,854	4,504	1,726	1,542
Write-off of property, plant and equipment	-	1	-	1
(Reversal) / allowance for inventory obsolescence	(1,158)	(2,250)	250	(760)
(Reversal) / allowance for impairment of receivables	(18)	270	(63)	(73)
Fair value changes on derivatives, net	1,222	64	(1,258)	1,339
Loss on disposal of property, plant and equipment	103	-	(4)	-
Provision / (reversal) for onerous contracts	720	(118)	2,358	(175)
Unrealised exchange differences	600	(1,165)	(490)	(407)
Share options expense	-	61	-	-
Interest expense	983	1,103	307	394
Interest income	(46)	(35)	(17)	(18)
Dividend income	(2)	(2)	(2)	(2)
Operating cash flow before working capital changes	12,612	18,581	9,254	4,470
Change in operating assets and liabilities				
Trade and other receivables	(971)	(5,436)	1,975	7,347
Inventories	12,873	20,510	(31,891)	4,266
Other current assets	4,711	1,977	(94)	160
Trade and other payables	(4,343)	(3,936)	(2,511)	8,055
Cash flows from operations	24,882	31,696	(23,264)	24,298
Income tax paid	(2,270)	(3,106)	(869)	-
Retirement benefits paid	(80)	(14)	-	(14)
Net cash flows from operating activities	22,532	28,576	(24,133)	24,284
Cash flows from investing activities				
Purchases of property, plant and equipment	(12,539)	(9,882)	(747)	(1,568)
Purchase of available-for-sale financial assets	(282)	-	-	-
Interest received	46	35	17	18
Dividend received	2	2	2	2
Long term loan to investee company	(2,300)	(2,021)	(2,300)	(2,021)
Net cash flows used in investing activities	(15,073)	(11,866)	(3,028)	(3,569)
Cash flows from financing activities				
Proceeds from issuance of ordinary shares	-	61	-	-
Purchase of treasury shares	(355)	-	(19)	-
Repayment of bank loan	-	(4,250)	-	(2,750)
Repayment of finance lease liabilities	(9,466)	(1,751)	(3,158)	(589)
Net proceed from / (repayment of) bills payable to banks	12,472	(3,916)	34,796	(19,605)
Dividends paid	(3,731)	(12,203)	-	(4,693)
Interest paid	(983)	(1,103)	(307)	(394)
Net cash flows (used in) / generated from financing activities	(2,063)	(23,162)	31,312	(28,031)
Net increase /(decrease) in cash and cash equivalents	5,396	(6,452)	4,152	(7,316)
Cash and cash equivalents at beginning of financial period	13,940	22,606	15,155	23,445
Effects of exchange rate changes on cash and cash equivalents	(33)	9	4	34
Cash and cash equivalents at end of financial period	19,303	16,163	19,303	16,163

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

	Attributable to Owners of Parent							Non-controlling interests	Equity, Total	
	Share capital	Treasury shares	Capital reserve	Fair value reserve	Share option reserve	Currency translation reserve	Retained earnings			Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at 1 October 2014	67,931	(190)	597	(6)	932	(439)	97,962	166,787	(3)	166,784
Profit, net of tax	-	-	-	-	-	-	12,907	12,907	(74)	12,833
Other comprehensive income for the financial period	-	-	-	(26)	-	(1,154)	-	(1,180)	2	(1,178)
Total comprehensive income for the financial period	-	-	-	(26)	-	(1,154)	12,907	11,727	(72)	11,655
Grant of equity-settled share options scheme 2011 to employees	-	-	-	-	61	-	-	61	-	61
Cash dividends on ordinary shares	-	-	-	-	-	-	(12,203)	(12,203)	-	(12,203)
Issuance of ordinary shares (a)	80	-	-	-	(19)	-	-	61	-	61
Total contributions by and distribution to owners	80	-	-	-	42	-	(12,203)	(12,081)	-	(12,081)
Reclassification of currency translation reserve to profit or loss upon deregistration of a subsidiary	-	-	-	-	-	663	-	663	-	663
Total changes in ownership interest in subsidiary	-	-	-	-	-	663	-	663	-	663
Total transactions with owners in their capacity as owners	80	-	-	-	42	663	(12,203)	(11,418)	-	(11,428)
Balance at 30 June 2015	68,011	(190)	597	(32)	974	(930)	98,666	167,096	(75)	167,021
Balance at 1 October 2015	68,011	(689)	597	(80)	974	(2,116)	101,221	167,918	(56)	167,862
Profit, net of tax	-	-	-	-	-	-	5,197	5,197	(1)	5,196
Other comprehensive income for the financial period	-	-	-	-	-	(437)	-	(437)	(3)	(440)
Total comprehensive income for the financial period	-	-	-	-	-	(437)	5,197	4,760	(4)	4,756
Cash dividends on ordinary shares	-	-	-	-	-	-	(3,731)	(3,731)	-	(3,731)
Purchase of treasury shares	-	(355)	-	-	-	-	-	(355)	-	(355)
Total contributions by and distribution to owners	-	(355)	-	-	-	-	(3,731)	(4,086)	-	(4,086)
Balance at 31 March 2016	68,011	(1,044)	597	(80)	974	(2,553)	102,687	168,592	(60)	168,532

(a) Pursuant to exercise of share options to employees

Statement of Changes in Equity-Company

	<u>Share capital</u> \$'000	<u>Treasury shares</u> \$'000	<u>Capital reserve</u> \$'000	<u>Fair value reserve</u> \$'000	<u>Share option reserve</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total</u> \$'000
Balance at 1 October 2014	67,931	(190)	597	(6)	932	97,025	166,289
Profit, net of tax	-	-	-	-	-	14,348	14,348
Other comprehensive income for the financial year	-	-	-	(26)	-	-	(26)
Total comprehensive income for the financial year	-	-	-	(26)	-	14,348	14,322
Grant of equity-settled share options scheme to employees	-	-	-	-	61	-	61
Cash dividends on ordinary shares	-	-	-	-	-	(12,203)	(12,203)
Issuance of ordinary shares (a)	80	-	-	-	(19)	-	61
Total contributions by and distribution to owners	80	-	-	-	42	(12,203)	(12,081)
Balance at 31 March 2015	68,011	(190)	597	(32)	974	99,170	168,530
Balance at 1 October 2015	68,011	(689)	597	(80)	974	103,060	171,873
Loss, net of tax	-	-	-	-	-	4,828	4,828
Total comprehensive income for the financial year	-	-	-	-	-	4,828	4,828
Cash dividends on ordinary shares	-	-	-	-	-	(3,731)	(3,731)
Purchase of treasury shares	-	(355)	-	-	-	-	(355)
Total contributions by and distribution to owners	-	(355)	-	-	-	(3,731)	(4,086)
Balance at 31 March 2016	68,011	(1,044)	597	(80)	974	104,157	172,615

(a) Pursuant to exercise of share options to employees

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

Number of issued shares (excluding treasury shares)

	30 June 2016	30 June 2015 ¹
As at 1 April	186,483,489	187,721,212
Purchase of treasury shares	(33,500)	-
As at 30 June	<u>186,449,989</u>	<u>187,721,212</u>

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 3 months ended 30 June 2016

Outstanding at 1 April 2016	5,546,600
- Exercised between April 2016 to June 2016	-
Outstanding at 30 June 2016	<u><u>5,546,600</u></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's existing trust receipts.

The convertible bonds outstanding as at 30 June 2016 are as follow:

Principal amount outstanding	Maturity date	Conversion price as at 30 June 2016
<u>Convertible bonds due 2019</u>		
S\$10 million at 5 percent per annum	16 May 2019	S\$1.00

Assuming all convertible bonds are fully converted based on the conversion price, the number of new shares to be issued will be 10,000,000, representing 5.36% of the total number of shares in issue (excluding treasury shares) as at 30 June 2016.

The convertible bonds outstanding as at 30 June 2015 are as follow:

Principal amount outstanding	Maturity date	Conversion price as at 30 June 2015 ¹
<u>Convertible bonds due 2019</u>		
S\$10 million at 5 percent per annum	16 May 2019	S\$1.00

Assuming all convertible bonds are fully converted based on the conversion price, the number of new shares to be issued will be 10,000,000¹, representing 5.30% of the total number of shares in issue (excluding treasury shares) as at 30 June 2015.

¹ Adjusted for effect of share consolidation

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

	30 June 2016	30 September 2015
Total number of issued shares	186,449,989	186,978,189

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

Movement of treasury shares during the financial period ended 31 March 2016

Outstanding as at 1 October 2015	983,500
Purchase of treasury shares	528,200
Outstanding as at 30 June 2016	<u>1,511,700</u>

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 2015.

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 2015.

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)

The Group	9 Months 2016	9 Months 2015*	3rd Quarter 2016	3 rd Quarter 2015*
- Basic	2.788	6.878	3.029	1.300
- Diluted basis	2.788	6.876	3.029	1.300

* The computations of comparative earnings per share and weighted average number of shares were adjusted for the effect of share consolidation.

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 2016 and 30 June 2015 were 186,449,989 and 187,663,402 shares respectively.

Weighted average number of shares for diluted earnings per share computation as of 30 June 2016 and 30 June 2015 were 186,449,989 and 187,718,451 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)

	June 2016	September 2015
The Group	90.39	89.78
The Company	92.58	91.92

Net asset value per ordinary share was calculated based on 186,449,989 shares as at 30 June 2016 and 186,978,189 shares as at 30 September 2015.

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

Revenue for the current quarter (3Q16) and first nine months in the current financial year (9M16) decreased approximately 4% from S\$91.7 million to S\$87.7 million and 15% from S\$301.6 million to S\$256.3 million compared to the corresponding quarter (3Q15) and nine months (9M15) in the previous financial year.

The higher volume of steel delivered during the 3Q16 and 9M16 was off-set by lower unit selling prices arising from intense competition and lower steel prices.

Gross profit and gross profit margin

9M16 gross profit decreased 27% year-on-year from S\$29.2 million to S\$21.4 million as gross profit margin fell to 8.3% from 9.7% notwithstanding an increase in gross profit by 10% quarter-on-quarter to S\$10.6 million from S\$9.7 million and gross profit margin to 12.1% from 10.6%.

The pressure on profit margins due to industry competition in the current market environment was somewhat temporarily relieved by the recent upturn in steel price in 3Q16.

Distribution cost and administrative expenses

The decrease in distribution expenses was mainly a result of lower personnel costs and decrease in prompt payment discount given to customers.

Administrative expenses were lower due to a decrease in personnel-related costs.

Finance costs

Lower finance costs were attributable to lower borrowings.

Other operating expenses

A realised foreign exchange loss of S\$3.3 million and mark-to-market loss of S\$1.2 million on currency forward contracts were taken up as other operating expenses in 9M16 as compared to a realised foreign exchange gain of S\$1.8 million taken up as other income in 9M15.

Share of results of joint venture

The Group's share of 9M16 results from the investment in the joint venture in China ("JV") recorded a profit as compared to a loss in 9M15. This was mainly due to a reversal of allowance of doubtful debts of S\$0.6 million in 9M16 compared to an allowance of S\$0.75 million in 9M15.

GROUP BALANCE SHEET & CASH FLOW

As at 30 June 2016, the Group's balance sheet remained strong with net assets of S\$168.5 million and net asset value per ordinary share of 90.39 Singapore cents.

The Group's inventories fell by S\$11.7 million to S\$80.7 million due to lower inventory levels as well as decreased unit costs which were in line with steel prices.

The Group's trade and other receivables was higher by S\$0.9 million to S\$69.8 million as at 30 June 2016 due to higher sales in 3Q16 as compared to last quarter of the previous financial year.

Prepayments were lower by approximately \$3.8 million as deposit for the purchase of machinery was capitalised when the machinery was put to use in production.

The Group's property, plant and equipment increased by S\$7.6 million to S\$79.0 million due to the purchase of machinery and building additions during the period.

The Group's trade and other payables decreased by S\$3.2 million to S\$33.5 million mainly due to lower provisions for personnel related costs and also lower provisions for price adjustments to customers on the contract price based on the monthly published Building and Construction Authority Index. These are partly offset by higher payable for Goods and Services Tax as well as increase in trade creditors.

The increased current provision was due to higher provisions for onerous contracts. The advances received from third parties to be applied against subsequent invoices issued by the Group and Company to these parties were also lower. Derivative financial instruments comprised of the net fair value changes on current forward contracts that were used to hedge payables and contracted purchase commitments of inventories denominated in US Dollar.

The Group's loan and borrowings were higher by S\$3.0 million due to higher trade bills which were partially offset by repayments to finance lease creditors.

Net cash flows of S\$22.5 million generated from operating activities were mainly used for purchases of plant and equipment of S\$12.5 million and repayment of finance lease of S\$9.5 million.

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 9M16 and 3Q16 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 2 tables compare the supply in the “under construction” and “planned development” pipelines over the last 8 quarters (3rd quarter 2014 to 2nd quarter 2016) for private residences, executive condominiums, offices, retail and hotels.

Supply in the Pipeline¹ – “Planned Development”

Property type \ As at end	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14
Private residential units (no. of units)	6,148	6,697	7,158	5,569	6,531	9,096	9,664	10,495
Executive condominiums (no. of units)	0	510	0	0	632	1,651	1,155	2,495
Office space ('000 sq m)	226	184	278	167	193	134	94	101
Retail space ('000 sq m)	108	133	198	188	171	173	275	264
Hotel rooms (no. of rooms)	348	348	802	1,061	1,450	2,172	2,847	1,653

Supply in the Pipeline – “Under Construction”

Property type \ As at end	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14
Private residential units (no. of units)	41,102	46,815	48,480	52,779	54,706	59,105	59,296	64,001
Executive condominiums (no. of units)	11,554	12,077	14,127	14,540	14,069	13,790	13,065	11,636
Office space ('000 sq m)	796	825	715	741	769	746	814	986
Retail space ('000 sq m)	626	650	610	598	603	550	510	620
Hotel rooms (no. of rooms)	6,197	7,560	7,712	9,469	9,517	9,996	2,847	1,653

Source: Urban Redevelopment Authority of Singapore (URA) quarterly real estate statistics

With the exception of offices, it can be clearly observed that demand and activity in the other segments have moderated rather substantially. Notably, private residences under construction have fallen by 22,899 units from 64,001 units at the end of 3rd quarter 2014 to 41,102 units at the end of 2nd quarter 2016. At the same time, planned residential development had fallen by 4,347 units between those 2 periods.

Indeed, during the Real Estate Developers’ Association of Singapore (Redas) Property Market Update Seminar 2016 held on 12 July, Redas president Augustine Tan pointed out that *“With the cooling measures still in force, the real estate market continues to face disruptive forces on multiple fronts - from weak demand and hefty supply to manpower constraints and challenging business environment”*.²

Furthermore, in remarks made during the media launch of the 2015/16 annual report of the Monetary Authority of Singapore (MAS) on 25 July 2016, MAS Managing Director Ravi Menon, while noting that the property market had been stabilising in the last 2 years under the cooling measures, nonetheless stressed that *“there is still some way to go, to entrench the gains in stabilising the property market and*

¹ Refers to new development and redevelopment projects with planning approvals (i.e. Provisional Permission, Written Permission). A Written Permission (WP) is a final approval, as compared with a Provisional Permission (PP), granted under the Planning Act for a proposed development.

² <http://www.straitstimes.com/business/property/weak-sentiment-still-weighing-down-singapore-property-market-says-redas-chief>

*restoring household debt sustainability.*³ Without the removal of the property cooling measures, it seems unlikely that the real estate market sentiment will turn positive any time soon.

On the public residential housing front, the Housing & Development Board (HDB) had earlier in the year indicated that about 18,000 Build-to-Order (BTO) flats would be launched in 2016. To date, the HDB had only released 7,940 BTO flats, and announced that another 4,800 BTO flats would be launched in August. This would take the number of units put out to 12,740, which would still be 5,260 units short with 4 months remaining in 2016. Whatever it may be, it will still be significantly lower than the average of 22,976 BTO flats launched each year over the last 5 years.⁴

On the other hand, according to JTC's Quarterly Market Report – Industrial Properties – Second Quarter 2016, about 1.6 million m² of industrial space is estimated to come on-stream in the 2nd half of 2016, and an additional 2.0 million m² can be expected in 2017. This is more than the average annual supply of around 1.8 million m² in the past 3 years.⁵

Moreover, based on the forecast given by the Building and Construction Industry (BCA) earlier this year, we already knew that about 65% of 2016's construction demand would come from the public sector, particularly civil engineering works. In his speech at the BCA Awards 2016 on 26 May, Minister for National Development Lawrence Wong reminded the industry that, in the longer-term, the Government still had major infrastructure plans all over Singapore to transform its urban landscape, from a rail transit link to Johor in the north, to Changi air hub in the east, to Southern Waterfront City in the south, to the high speed rail terminus in the west, and so forth.⁶

Overall, compared to the exuberant market conditions which existed in the 5 years or so prior to this, the construction industry has entered a downward cycle. Correspondingly, demand for reinforcing steel is expected to be weaker.

At the same time, reinforcing steel production capacities built up during the boom years have resulted in a supply overhang under the current demand conditions. Also, the recent uptick in steel prices had proved to be very short-lived, lasting only about 3 months, and could only provide temporary relief for declining operating profit margins due to the arrival of cheaper steel booked prior to the spike in steel prices and the improvement in selling prices for spot orders and BCA index contracts. Going forward, however, we can expect ferocious competition to continue to have an adverse impact on industry bottom lines.

Be that as it may, BRC has been sharpening our focus on cost control, value engineering, productivity, efficiency and business excellence, and strengthening our management bench with the addition of a number of senior specialists. We are of the view that this, together with the large scale investments in hardware which we had put in over the last 5 years, will form a solid foundation for BRC going forward.

CHINA

Tough operating conditions in China continue to hamper the progress of BRC's joint venture there, and we do not expect any breakthrough in the coming 12 months.

MALAYSIA

We are cautiously optimistic about the Group's Malaysia business in the coming 12 months.

³ <http://www.mas.gov.sg/News-and-Publications/Speeches-and-Monetary-Policy-Statements/Speeches/2016/MAS-Annual-Report-2015-16.aspx>

⁴ In 2011, 2012, 2013, 2014 and 2015 according to data obtained from HDB's website, HDB launched 25,200, 27,084, 25,139, 22,455 and 15,000 BTO flats respectively.

⁵ <http://www.jtc.gov.sg/industrial-property-market-statistics/Documents/JTC%20Quarterly%20Market%20Report%20for%20Q2%2016.pdf>

⁶ <http://app.mnd.gov.sg/Newsroom/NewsPage.aspx?ID=7299&category=Speech&year=2016&RA1=&RA2=&RA3=>

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/recommendeded, a statement to that effect

Not applicable.

13. Interested person transactions

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 2015 to be false or misleading.

15. Confirmation that the issuer has procured undertakings for all its directors and executive officers (in format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in format that set out in Appendix 7.7 under Rule 720(1) of the listing manual.

On behalf of the Board of Directors

Lim Siak Meng
Group Managing Director

Seah Kiin Peng
Executive Director

Singapore
05 August 2016