



BRC Asia Limited

Unaudited Half-Year and Second Quarter Financial Statement and Related Announcement for the Period Ended 31 March 2015

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 half year and second quarter ended 31 March 2015

	1st Half 2015 \$'000	1st Half 2014 \$'000	+ / (-) %	2nd Qtr 2015 \$'000	2nd Qtr 2014 \$'000	+ / (-) %
Revenue	209,877	197,895	6	107,897	98,131	10
Cost of sales	<u>(190,312)</u>	<u>(168,175)</u>	13	<u>(98,107)</u>	<u>(84,061)</u>	17
Gross profit	19,565	29,720	(34)	9,790	14,070	(30)
Other income [note (a)]	4,091	1,034	n.m.	2,045	1,052	94
Expenses						
- Distribution expenses	(2,686)	(2,608)	3	(1,333)	(1,240)	8
- Administrative expenses	(5,048)	(7,227)	(30)	(2,361)	(3,402)	(31)
- Finance costs	(709)	(491)	44	(380)	(222)	71
- Other operating expenses	(1,694)	(2,243)	(24)	(814)	(2,351)	(65)
Share of results of joint venture	(562)	111	n.m.	49	43	14
Profit before tax [note (b)]	<u>12,957</u>	<u>18,296</u>	(29)	<u>6,996</u>	<u>7,950</u>	(12)
Income tax expense	(2,489)	(3,191)	(22)	(1,284)	(1,395)	(8)
Profit net of tax	<u>10,468</u>	<u>15,105</u>	(31)	<u>5,712</u>	<u>6,555</u>	(13)
Other comprehensive income:						
- Fair value gains on available-for-sale financial assets	(26)	-	n.m.	-	-	n.m.
- Net loss on hedge of net investment in foreign operation	(847)	-	n.m.	(261)	-	n.m.
- Foreign currency translation	64	(33)	n.m.	(36)	10	n.m.
Other comprehensive income for the financial period, net of tax	<u>(809)</u>	<u>(33)</u>	n.m.	<u>(297)</u>	<u>10</u>	n.m.
Total comprehensive income for the financial period	<u>9,659</u>	<u>15,072</u>	(36)	<u>5,415</u>	<u>6,565</u>	(18)
Profit net of tax attributable to:						
Owners of the parent	10,467	15,114	(31)	5,712	6,553	(13)
Non-controlling interests	1	(9)	n.m.	-	2	n.m.
	<u>10,468</u>	<u>15,105</u>	(31)	<u>5,712</u>	<u>6,555</u>	(13)
Total comprehensive income attributable to:						
Owners of the parent	9,661	15,082	(36)	5,415	6,562	(17)
Non-controlling interests	(2)	(10)	(80)	-	3	n.m.
	<u>9,659</u>	<u>15,072</u>	(36)	<u>5,415</u>	<u>6,565</u>	(18)

n.m. denotes not meaningful.

	1 st Half 2015 \$'000	1 st Half 2014 \$'000	+ / (-) %	2 nd Qtr 2015 \$'000	2 nd Qtr 2014 \$'000	+ / (-) %
Note (a) - Other income						
Interest Income	17	10	70	10	8	25
Sundry Income	19	12	58	14	11	27
Government grant	211	209	n.m.	211	209	1
Foreign exchange gain, net [2]	2,569	803	n.m.	2,278	824	n.m.
Fair value changes on currency forward contracts, net [3]	1,275	-	n.m.	(468)	-	n.m.
	<u>4,091</u>	<u>1,034</u>		<u>2,045</u>	<u>1,052</u>	

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

Interest expense on borrowings [1]	709	491	44	380	222	71
Depreciation of property, plant and equipment	2,962	1,985	49	1,508	980	54
Rental expense on operating leases	2,321	2,527	(8)	1,141	1,291	(12)
Fair value changes on currency forward contracts, net [3]	(1,275)	182	n.m.	468	914	n.m.
Bad debts written off	-	12	n.m.	-	5	n.m.
Allowance for impairment of receivables	343	893	(62)	37	893	(96)
Provision for onerous contracts [5]	57	-	n.m.	-	-	n.m.
Reversal of allowance for inventory obsolescence	(1,490)	-	n.m.	(770)	-	n.m.
Share options expense [4]	61	806	n.m.	30	365	(92)

Comments on Group Profit and Loss

- [1] The increase in interest expense during the quarter was mainly due to accrual of interest on convertible bonds.
- [2] 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 Dollar, Malaysian Ringgit and Euro.
- [3] 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 Dollar. As the Group did not adopt hedge accounting under FRS 39, changes to fair value of foreign currency forward contracts are recognised immediately in the statement of comprehensive income.
- [4] Pursuant to the BRC Share Option Scheme 2011, the fair value of the employee services received in exchange for the grant of options is recognised as an expense in profit or loss over the vesting period. The lower share options expense is due to fewer share options vested during the period.
- [5] 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 these contractual obligations are met or when the costs to meet the obligations no longer exceed the sales value.

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>	
	March 2015 \$'000	September 2014 \$'000	March 2015 \$'000	September 2014 \$'000
Current assets				
Trade and other receivables	88,957	76,517	84,059	72,654
Amount due from subsidiaries	-	-	15,561	21,383
Inventories	85,696	100,450	77,442	92,250
Prepayments	1,526	3,266	1,526	3,190
Deposits	634	712	571	653
Derivative financial instruments	1,275	899	1,275	899
Cash and cash equivalents	23,445	22,606	20,009	18,479
	201,533	204,450	200,443	209,508
Non-current assets				
Property, plant and equipment	72,687	67,334	61,142	55,474
Investment in subsidiaries	-	-	14,931	7,385
Investment in joint venture	9,591	10,154	6,076	6,076
Available-for-sale financial assets	2,000	2,026	2,000	2,026
	84,278	79,514	84,149	70,961
Total assets	285,811	283,964	284,592	280,469
Current liabilities				
Trade and other payables	25,757	37,186	28,217	39,688
Advances received / prepayments	937	2,341	937	2,341
Loan and borrowings	65,572	51,383	60,142	45,881
Current income tax liabilities	2,642	3,259	2,642	3,259
	94,908	94,169	91,938	91,169
Non-current liabilities				
Provision for retirement benefits	518	518	518	518
Loan and borrowings	14,746	15,911	14,746	15,911
Deferred income tax liabilities	6,582	6,582	6,582	6,582
	21,846	23,011	21,846	23,011
Total liabilities	116,754	117,180	113,784	114,180
Net assets	169,057	166,784	170,808	166,289
Share capital and reserves				
Share capital	68,011	67,931	68,011	67,931
Treasury shares	(190)	(190)	(190)	(190)
Capital reserve	597	597	597	597
Fair value adjustment reserve	(32)	(6)	(32)	(6)
Share option reserve	974	932	974	932
Foreign currency translation reserve	(1,219)	(439)	-	-
Retained earnings	100,921	97,962	101,448	97,025
Equity attributable to owners of parent	169,062	166,787	170,808	166,289
Non-controlling interests	(5)	(3)	-	-
Total equity	169,057	166,784	170,808	166,289

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

Amount repayable in one year or less, or on demand

	March 2015		September 2014	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Term loan	2,750	-	4,250	-
Bills payable	-	60,342	-	44,653
Finance lease liabilities	2,480	-	2,480	-
	5,230	60,342	6,730	44,653

Amount repayable after one year

	March 2015		September 2014	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Finance lease liabilities	4,746	-	5,911	-
Convertible bonds	-	10,000	-	10,000
	4,746	10,000	5,911	10,000

Details of any collateral

Term loan of S\$2.8 million (2014: S\$4.3 million) is secured by a mortgage over a leasehold building at No. 5, Sixth Lok Yang Road, Singapore 628103.

Finance lease liabilities of S\$7.2 million (2014: S\$8.4 million) are secured by certain plant and equipment. The carrying amount of plant and equipment held under finance leases is S\$9.1 million (2014: S\$9.4 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

	1st Half 2015 \$'000	1st Half 2014 \$'000	2nd Qtr 2015 \$'000	2nd Qtr 2014 \$'000
Cash flows from operating activities				
Profit before tax	12,957	18,296	6,996	7,950
Adjustments for :				
Share of results of joint venture	562	(111)	(49)	(43)
Depreciation of property, plant and equipment	2,962	1,985	1,508	980
Allowance for impairment of receivables	343	893	37	893
Reversal of allowance for inventory obsolescence	(1,490)	-	(770)	-
Fair value changes on derivatives, net	(1,275)	182	468	914
Bad debts written off	-	12	-	5
Provision for onerous contracts	57	-	-	-
Unrealised exchange differences	(758)	(34)	(285)	9
Share options expense	61	806	30	365
Interest expense	709	491	380	222
Interest income	(17)	(10)	(10)	(8)
Operating cash flow before working capital changes	14,111	22,510	8,305	11,287
Change in operating assets and liabilities				
Trade and other receivables	(12,783)	(9,027)	(6,677)	(9,790)
Inventories	16,244	(981)	11,874	(3,651)
Other current assets	1,818	(1,897)	116	(1,407)
Trade and other payables	(11,991)	(10,240)	(24,170)	5,356
Cash flows from / (used in) operations	7,399	365	(10,552)	1,795
Retirement benefits paid	-	(11)	-	-
Income tax paid	(3,106)	(3,564)	(3,172)	(3,564)
Net cash flows from / (used in) operating activities	4,293	(3,210)	(13,724)	(1,769)
Cash flows from investing activities				
Purchases of property, plant and equipment	(8,314)	(5,787)	(675)	(2,337)
Purchase of available-for-sale financial assets	-	(23)	-	(23)
Interest received	17	10	10	8
Net cash flows used in investing activities	(8,297)	(5,800)	(665)	(2,352)
Cash flows from financing activities				
Proceed from issuance of ordinary shares	61	2,711	61	2,602
Repayment of bank loan	(1,500)	(1,500)	(750)	(750)
Net (repayment of) / proceeds from finance lease liabilities	(1,165)	9,545	(584)	9,545
Net proceeds from bills payable	15,689	225	30,245	5,147
Dividend paid on ordinary shares	(7,508)	-	(7,508)	-
Interest paid	(709)	(491)	(380)	(222)
Net cash flows from financing activities	4,868	10,490	21,084	16,322
Net increase in cash and cash equivalents	864	1,480	6,695	12,201
Cash and cash equivalents at beginning of financial period	22,606	18,251	16,763	7,528
Effects of exchange rate changes on cash and cash equivalents	(25)	1	(13)	3
Cash and cash equivalents at end of financial period	23,445	19,732	23,445	19,732

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		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2013	59,265	(190)	597	6	1,590	(471)	85,468	9	146,274
Profit, net of tax	-	-	-	-	-	-	15,114	(9)	15,105
Other comprehensive income for the financial period	-	-	-	-	-	(32)	-	(1)	(33)
Total comprehensive income for the financial period	-	-	-	-	-	(32)	15,114	(10)	15,072
Grant of equity-settled share options scheme 2011 to employees	-	-	-	-	806	-	-	-	806
Issuance of ordinary shares (a)	3,381	-	-	-	(670)	-	-	-	2,711
Balance at 31 March 2014	62,646	(190)	597	6	1,726	(503)	100,582	(1)	164,863
Balance at 1 October 2014	67,931	(190)	597	(6)	932	(439)	97,962	(3)	166,784
Profit, net of tax	-	-	-	-	-	-	10,467	1	10,468
Other comprehensive income for the financial period	-	-	-	(26)	-	(780)	-	(3)	(809)
Total comprehensive income for the financial period	-	-	-	-	-	(780)	10,467	(2)	9,659
Grant of equity-settled share options scheme 2011 to employees	-	-	-	-	61	-	-	-	61
Cash dividends on ordinary shares	-	-	-	-	-	-	(7,508)	-	(7,508)
Issuance of ordinary shares (a)	80	-	-	-	(19)	-	-	-	61
Balance at 31 March 2015	68,011	(190)	597	(32)	974	(1,219)	100,921	(5)	169,057

(a) Pursuant to exercise of share options to employees

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
Balance at 1 October 2013	59,265	(190)	597	6	1,590	83,413	144,681
Profit, net of tax	-	-	-	-	-	15,578	15,578
Total comprehensive income for the financial period	-	-	-	-	-	15,578	15,578
Grant of equity-settled share options scheme 2011 to employees	-	-	-	-	806	-	806
Issuance of ordinary shares (a)	3,381	-	-	-	(670)	-	2,711
Balance at 31 March 2014	62,646	(190)	597	6	1,726	98,991	163,776
Balance at 1 October 2014	67,931	(190)	597	(6)	932	97,025	166,289
Profit, net of tax	-	-	-	-	-	11,931	11,931
Other comprehensive income for the financial period	-	-	-	(26)	-	-	(26)
Total comprehensive income for the financial period	-	-	-	(26)	-	11,931	11,905
Grant of equity-settled share options scheme 2011 to employees	-	-	-	-	61	-	61
Cash dividends on ordinary shares	-	-	-	-	-	(7,508)	(7,508)
Issuance of ordinary shares (a)	80	-	-	-	(19)	-	61
Balance at 31 March 2015	68,011	(190)	597	(32)	974	101,448	170,808

(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)

As at 1 October 2014	938,089,064
Issuance of new ordinary shares from exercise of employee share options	<u>520,000</u>
As at 31 March 2015	<u>938,609,064</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 6 months ended 31 March 2015

Outstanding at 30 September 2014 / 1 October 2014	8,253,000
- Exercised between October 2014 to December 2014	<u>(520,000)</u>
Outstanding at 31 March 2015	<u>27,733,000</u>

Convertible Bonds

The Company issued S\$10,000,000 equity-linked redeemable convertible bonds on 16 May 2014.

The convertible bonds outstanding as at 31 March 2015 are as follow:

Principal amount outstanding	Maturity date	Conversion price as at 31 Mar 2015
<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 5.33% of the total number of shares in issue (excluding treasury shares) as at 31 March 2015.

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

	31 March 2015	30 September 2014
Total number of issued shares	938,609,064	938,089,064

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

	31 March 2015	30 September 2014
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 2014.

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 2014.

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	1st Half 2015	1 st Half 2014	2nd Qtr 2015	2 nd Qtr 2014
- Basic	1.116	1.692	0.609	0.734
- Diluted basis	1.115	1.690	0.609	0.733

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 31 March 2015 and 31 March 2014 were 938,187,365 and 893,406,193 shares respectively.

Weighted average number of shares for diluted earnings per share computation as of 31 March 2015 and 31 March 2014 were 938,417,020 and 894,464,134 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)

	March 2015	September 2014
The Group	18.01	17.78
The Company	18.20	17.73

Net asset value per ordinary share was calculated based on 938,609,064 and 938,089,064 shares as at 31 March 2015 and 30 September 2014 respectively.

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 1H15 and 2Q15 increased approximately 6% from S\$197.9 million to S\$209.9 million and 10% from S\$98.1 million to S\$107.9 million compared to 1H14 and 2Q14 respectively. The higher volume of steel delivered was somewhat offset by falling unit selling prices which were in tandem with declining steel costs.

Gross profit and gross profit margin

Intensifying competition arising mainly from an enlarged supply competing fiercely in anticipation of diminishing demand going forward have continued to put profits and margins under downward pressure in 1H15 and 2Q15.

As a result, 1H15 gross profit decreased 34% year-on-year from S\$29.7 million to S\$19.6 million as gross profit margin fell from 15.0% to 9.3%.

In a similar vein, 2Q15 gross profit dived 30% quarter-on-quarter from S\$14.1 million to S\$9.8 million as gross profit margin dropped from 14.3% to 9.1%.

Administrative expenses and distribution costs

Administrative expenses in 1H15 were lower due to a reduced share option expense of S\$61,000 (1H14: S\$806,000) and decrease in other personnel-related costs.

Finance costs

Higher finance costs were attributable to interest expenses related to hire-purchase obligations and convertible bonds.

Other operating expenses

The decrease in other operating expenses in 1H15 as compared to 1H14 was mainly due to lower allowance for doubtful debts of S\$343,000 (1H14: S\$893,000).

Share of results of joint venture

The Group's joint venture in China recorded a loss of S\$562,000 in 1H15 mainly due to a unilateral precautionary allowance for doubtful debts of S\$751,000 (1H14: nil) by the Group.

GROUP BALANCE SHEET & CASH FLOW

As at 31 March 2015, the Group's balance sheet remained strong with net assets of S\$169.1 million and net asset value per ordinary share of 18.01 Singapore cents.

Trade and other receivables for the Group were higher by S\$12.4 million as compared to end of the last financial year mainly due to increased sales revenue in 2Q15 as compared to 4Q14. Group inventories fell S\$14.8 million from S\$100.5 million as at the end of the last financial year to S\$85.7 million as at the end of the quarter currently reported on because of lower volume as well as unit costs. As at end March 2015, loan and borrowings were higher while trade and other payables were lower as compared to end of the last financial year because more shipments for imported materials in transit were paid through bank financing.

The Company had on 30 March 2015 increased its investment in BRC Prefab Holdings Sdn. Bhd. ("**BRC PH**"), a wholly-owned subsidiary company in Malaysia, from RM10.0 million to RM30.0 million by way of subscription of 20 million new ordinary shares for RM1.00 each via capitalization of RM20.0 million of amounts due from BRC PH.

Net cash flows of S\$4.3 million and S\$13.0 million generated respectively from operating activities and from bank borrowings were mainly used for purchases of plant and equipment of S\$8.3 million and payment of dividend of S\$7.5 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 1H15 and 2Q15 were in line with the commentary in paragraph 10 of the previous Results Announcement.

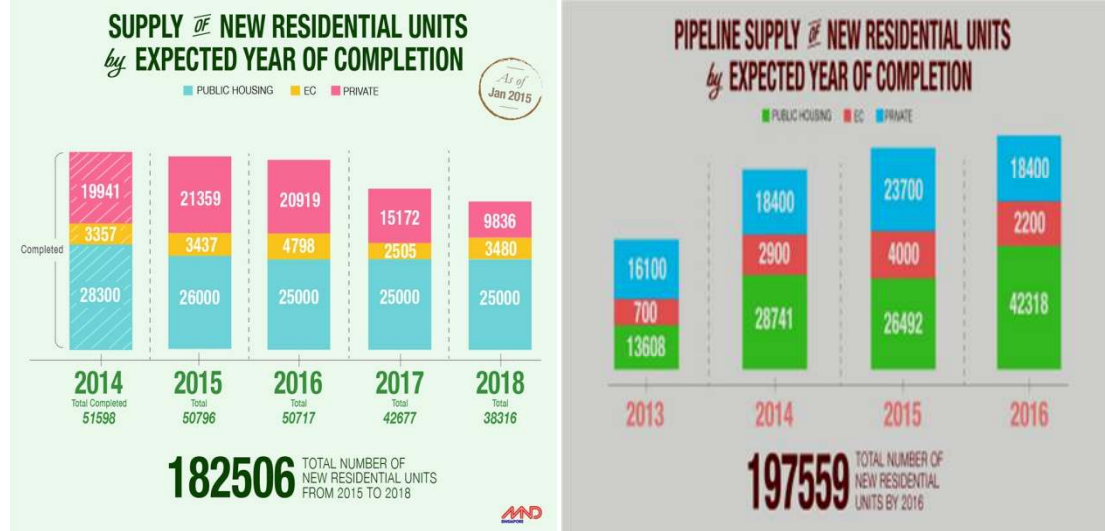
10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

SINGAPORE

The following 2 charts published by the Minister for National Development Mr Khaw Boon Wan contrast the state of the residential property market in Singapore two years ago and now. The supply pipeline has contracted by about 15,000 units.

As at 20 Feb 2015

As at 18 Jan 2013



In particular, the Housing & Development Board (HDB) had announced that it planned to launch only 16,900 Build-to-Order (“BTO”) flats in 2015, a figure greatly lower than the average of 24,969 BTO flats launched each year over the last four years¹.

Further, latest data from the Urban Redevelopment Authority (URA) indicates a somewhat weaker supply pipeline for office and retail space as well as hotel rooms as at end first quarter 2015 compared to the same period a year earlier, as clearly shown in the following tables.

Table 1

As at end of first quarter 2014 ('000 sq m gross)

Office Space	Total	2014	2015	2016	2017	2018	>2018
Total	998	281	53	461	124	79	-
Under Construction	849	281	48	454	66	-	-
Planned	149	-	5	7	58	79	-
Written Permission	119	-	5	3	58	53	-
Provisional Permission	30	-	-	4	-	26	-

Table 1A

As at end of first quarter 2015 ('000 sq m gross)

Office Space	Total	2015	2016	2017	2018	2019	>2019
Total	880	52	514	155	92	67	-
Under Construction	746	52	513	107	74	-	-
Planned	134	-	1	48	18	67	-
Written Permission	84	-	1	37	6	40	-
Provisional Permission	50	-	-	11	12	27	-

¹ In 2011, 2012, 2013 and 2014, according to data obtained from HDB’s website, HDB launched 25,200, 27,084, 25,139 and 22,455 BTO flats respectively.

Table 2 *As at end of first quarter 2014 ('000 sq m gross)*

Retail Space	Total	2014	2015	2016	2017	2018	>2018
Total	928	256	216	138	140	178	-
Under Construction	634	256	207	101	55	15	-
Planned	294	-	9	37	85	163	-
Written Permission	152	-	8	16	63	65	-
Provisional Permission	142	-	1	21	22	98	-

Table 2A *As at end of first quarter 2015 ('000 sq m gross)*

Retail Space	Total	2015	2016	2017	2018	2019	>2019
Total	723	113	223	176	181	30	-
Under Construction	550	113	214	117	106	-	-
Planned	173	-	9	59	75	30	-
Written Permission	79	-	1	9	55	14	-
Provisional Permission	94	-	8	50	20	16	-

Table 3 *As at end of first quarter 2014 (number of rooms)*

Hotel Rooms	Total	2014	2015	2016	2017	2018	>2018
Total	12,673	2,510	3,429	2,934	3,098	702	-
Under Construction	8,689	2,510	2,961	2,364	854	-	-
Planned	3,984	-	468	570	2,244	702	-
Written Permission	2,535	-	468	478	1,152	437	-
Provisional Permission	1,449	-	-	92	1,092	265	-

Table 3A *As at end of first quarter 2015 (number of rooms)*

Hotel Rooms	Total	2015	2016	2017	2018	2019	>2019
Total	12,168	4,750	2,770	2,743	1,905	-	-
Under Construction	9,996	4,750	2,528	2,237	481	-	-
Planned	2,172	-	242	506	1,424	-	-
Written Permission	991	-	242	175	574	-	-
Provisional Permission	1,181	-	-	331	850	-	-

On the other hand, strong construction demand is expected for industrial projects and institutional and civil engineering works. In the latest first quarter 2015 market report on industrial properties published by the JTC Corporation (JTC), it forecasts that about 2.1 million sqm of industrial space is estimated to come on-stream in the next 3 quarters of 2015, and another 2.5 million sqm is expected to be completed in 2016. This is significantly higher than the average annual supply of around 1.5 million sqm per year over the past three years.

Be that as it may, anticipation of a weaker market has led to more intense competition within the reinforcing steel industry, putting profit margins under considerable pressure.

CHINA

Operating in very difficult macroeconomic conditions, the Group's Joint Venture (JV) in China is not expected to make significant progress in 2015.

MALAYSIA

We continue to expect the Group's Malaysia start-up to show steady growth in 2015.

11. Dividend

(a) Current Financial Period Reported On

Any Dividend declared for the current financial period report on? Yes

Name of Dividend	Interim
Dividend Type	Cash; Tax exempt (1-tier) dividend
Dividend Amount	S\$0.005 per ordinary share

b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Interim (paid on 25 July 2014)
Dividend Type	Cash; Tax exempt (1-tier) dividend
Dividend Amount	S\$0.005 per ordinary share

(c) Date payable

To be advised.

(d) Books closure date

To be advised.

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)*	
	Half year ended 31 March 2015	Half year ended 31 March 2014	Half year ended 31 March 2015	Half year ended 31 March 2014
HG Metal Manufacturing Pte Ltd	Sales – S\$373,000	Sales – S\$18,000	-	-
HG Construction Steel Pte Ltd	Sales – S\$92,000	-	-	-
Chye Hin Hardware Pte Ltd #	-	Purchases – S\$9,000	-	-
Sin Teck Guan Machinery (Pte) Ltd	Sales – S\$1,000 Services – S\$371,000	Services – S\$349,000	-	-

* The above includes all transactions regardless of value

Transactions conducted with Chye Hin hardware Pte Ltd after 30 June 2014 are no longer deemed to be 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 second quarter and first half ended 31 March 2015 to be false or misleading.

On behalf of the Board of Directors

Lim Siak Meng
Group Managing Director

Seah Kiin Peng
Executive Director

Singapore

13 May 2015