



BRC Asia Limited

Unaudited 12 Months Financial Statement and Dividend Announcement for the Year Ended 30 September 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 financial year ended 30 September 2015

	2015 \$'000	2014 \$'000	+ / (-) %
Revenue	384,927	397,365	(3)
Cost of sales	<u>(352,929)</u>	<u>(342,765)</u>	3
Gross profit	31,998	54,600	(41)
Other income [note (a)]	5,323	1,203	n.m.
Expenses			
- Distribution expenses	(5,520)	(5,216)	6
- Administrative expenses	(8,252)	(12,476)	(34)
- Finance costs	(1,463)	(1,169)	25
- Other operating expenses	(3,196)	(4,033)	(21)
Share of results of joint venture	<u>(404)</u>	<u>324</u>	n.m.
Profit before tax [note (b)]	18,486	33,233	(44)
Income tax expense [note (c)]	<u>(3,083)</u>	<u>(4,800)</u>	(36)
Profit net of tax	<u>15,403</u>	<u>28,433</u>	(46)
Other comprehensive income:			
- Fair value loss on available-for-sale financial assets	(74)	(12)	n.m.
- Net loss on net investment in foreign operation	(2,314)	-	n.m.
- Foreign currency translation	<u>(21)</u>	<u>30</u>	n.m.
Other comprehensive income for the financial year, net of tax	<u>(2,409)</u>	<u>18</u>	n.m.
Total comprehensive income for the financial year	<u>12,994</u>	<u>28,451</u>	(54)
Profit net of tax attributable to:			
Owners of the parent	15,461	28,443	(46)
Non-controlling interests	<u>(58)</u>	<u>(10)</u>	n.m.
	<u>15,403</u>	<u>28,433</u>	(46)
Total comprehensive income attributable to:			
Owners of the parent	13,047	28,463	(54)
Non-controlling interests	<u>(53)</u>	<u>(12)</u>	n.m.
	<u>12,994</u>	<u>28,451</u>	(54)

n.m. denotes not meaningful

	2015	2014	+ / (-)
	\$'000	\$'000	%
Note (a) - Other income			
Interest Income	59	15	n.m.
Dividend income	2	8	(75)
Government grant	275	264	4
Sundry income	14	17	(18)
Gain from fair value changes on currency forward contracts [2]	699	899	(22)
Foreign exchange gain, net [1]	4,274	-	n.m.
Total	<u>5,323</u>	<u>1,203</u>	n.m.

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

Interest expense on borrowings	1,463	1,169	25
Depreciation of property, plant and equipment	5,880	5,060	16
Rental expense on operating leases	5,140	4,888	5
Provision for onerous contracts [4]	2,809	328	n.m.
Foreign exchange loss, net [1]	-	811	n.m.
Allowance for impairment of receivables, net	274	1,233	(78)
Bad debts written off	-	11	n.m.
Allowance for inventory obsolescence	(920)	2,420	n.m.
Write-off of property, plant and equipment	16	29	(45)
Share options expense [3]	61	866	(93)
Loss on de-registration of subsidiary	369	-	n.m.

Note (c) - Income tax expense

Tax expense attributable to profit is made up of :

Provision in respect of current financial year			
Current income tax	2,413	3,229	
Deferred income tax	766	2,085	
	<u>3,179</u>	<u>5,314</u>	
Over provision in respect of previous financial years			
Current income tax	(96)	(431)	
Deferred income tax	-	(83)	
Total income tax expense recognised in statement of comprehensive income	<u>3,083</u>	<u>4,800</u>	

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 Dollar, Malaysian Ringgit and Euro.
- [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 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.
- [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. All share options granted to employees have fully vested in the second quarter of current financial year.
- [4] 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.

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>	
	September 2015 \$'000	September 2014 \$'000	September 2015 \$'000	September 2014 \$'000
Current assets				
Trade and other receivables	68,851	76,517	64,361	72,654
Amount due from subsidiaries	-	-	2,648	21,383
Inventories	92,391	100,450	85,969	92,250
Prepayments	5,499	3,266	5,465	3,190
Deposits	499	712	482	653
Derivative financial instruments	699	899	699	899
Cash and cash equivalents	13,940	22,606	12,000	18,479
	181,879	204,450	171,624	209,508
Non-current assets				
Property, plant and equipment	71,395	67,334	61,743	55,474
Investment in subsidiaries	-	-	23,507	7,385
Investment in joint venture	10,555	10,154	6,076	6,076
Long term loan to investee company	2,021	-	2,021	-
Available-for-sale financial assets	1,952	2,026	1,952	2,026
	85,923	79,514	95,299	70,961
Total assets	267,802	283,964	266,923	280,469
Current liabilities				
Trade and other payables	39,915	37,186	39,489	39,688
Amount due to a subsidiary	-	-	2,648	21,383
Advances received / prepayments	2,820	2,341	2,820	2,341
Loan and borrowings	33,244	51,383	28,703	45,881
Current income tax liabilities	2,460	3,259	2,470	3,259
	78,439	94,169	73,549	91,169
Non-current liabilities				
Provision for retirement benefits	489	518	489	518
Loan and borrowings	13,664	15,911	13,664	15,911
Deferred income tax liabilities	7,348	6,582	7,348	6,582
	21,501	23,011	21,501	23,011
Total liabilities	99,940	117,180	95,050	114,180
Net assets	167,862	166,784	171,873	166,289
Share capital and reserves				
Share capital	68,011	67,931	68,011	67,931
Treasury shares	(689)	(190)	(689)	(190)
Capital reserve	597	597	597	597
Fair value adjustment reserve	(80)	(6)	(80)	(6)
Share option reserve	974	932	974	932
Foreign currency translation reserve	(2,116)	(439)	-	-
Retained earnings	101,221	97,962	103,060	97,025
Equity attributable to owners of parent	167,918	166,787	171,873	166,289
Non-controlling interests	(56)	(3)	-	-
Total equity	167,862	166,784	171,873	166,289

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

Amount repayable in one year or less, or on demand

	September 2015		September 2014	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Term loan	-	-	4,250	-
Bills payable	-	22,324	-	44,653
Finance lease liabilities	10,920	-	2,480	-
	10,920	22,324	6,730	44,653

Amount repayable after one year

	September 2015		September 2014	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Finance lease liabilities	3,664	-	5,911	-
Convertible bonds	-	10,000	-	10,000
	3,664	10,000	5,911	10,000

Details of any collateral

Finance lease liabilities of S\$14.6 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\$19.9 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

	2015 \$'000	2014 \$'000
Cash flows from operating activities		
Profit before tax	18,486	33,233
Adjustments for :		
Share of results of joint venture	404	(324)
Depreciation of property, plant and equipment	5,880	5,060
Write-off of property, plant and equipment	16	29
Allowance for inventories obsolescence	(920)	2,420
Allowance for impairment of trade receivables	274	1,319
Bad debts recovered	-	(86)
Bad debts written off	-	11
Provision for onerous contracts	2,809	328
Provision for retirement benefits	14	29
Unrealised exchange differences	(2,691)	(25)
Fair value changes on derivatives	(699)	(899)
Share options expense	61	866
Interest expense	1,463	1,169
Interest income	(59)	(15)
Dividend income	(2)	(8)
Operating cash flow before working capital changes	25,036	43,107
Change in operating assets and liabilities		
Trade and other receivables	7,392	(55)
Inventories	8,979	(5,263)
Other current assets	(1,121)	(1,911)
Trade and other payables	399	(6,488)
Cash flows from operations	40,685	29,390
Income tax paid	(3,116)	(6,936)
Retirement benefits paid	(43)	(11)
Net cash flows from operating activities	37,526	22,443
Cash flows from investing activities		
Purchases of property, plant and equipment	(9,957)	(11,185)
Long term loan to investee company	(2,021)	-
Purchase of available-for-sale financial assets	-	(1,896)
Interest received	59	15
Dividend received from investments in joint venture	54	50
Dividend received	2	8
Net cash flows used in investing activities	(11,863)	(13,008)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	61	7,142
Net proceeds from finance lease	6,193	8,391
Repayment of term bank loan	(4,250)	(3,000)
Proceeds from issuance of convertible bonds	-	10,000
Repayment of bills payable to banks, net	(22,329)	(10,681)
Purchase of treasury shares	(499)	-
Dividends paid on ordinary shares	(12,202)	(15,949)
Interest paid	(1,463)	(995)
Net cash flows used in financing activities	(34,489)	(5,092)
Net (decrease) / increase in cash and cash equivalents	(8,826)	4,343
Cash and cash equivalents at beginning of financial year	22,606	18,251
Effects of exchange rate changes on cash and cash equivalents	160	12
Cash and cash equivalents at end of financial year	13,940	22,606

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-controlling</u>	<u>Equity,</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>	<u>interests</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2013	59,265	(190)	597	6	1,590	(471)	85,468	146,265	9	146,274
Profit, net of tax	-	-	-	-	-	-	28,443	28,443	(10)	28,433
Other comprehensive income for the financial year	-	-	-	(12)	-	32	-	20	(2)	18
Total comprehensive income for the financial year	-	-	-	(12)	-	32	28,443	28,463	(12)	28,451
Grant of equity-settled share options scheme 2011 to employees	-	-	-	-	866	-	-	866	-	866
Cash dividends on ordinary shares	-	-	-	-	-	-	(15,949)	(15,949)	-	(15,949)
Issuance of ordinary shares pursuant to exercise of share options to employee	8,666	-	-	-	(1,524)	-	-	7,142	-	7,142
Balance at 30 September 2014	67,931	(190)	597	(6)	932	(439)	97,962	166,787	(3)	166,784
Balance at 1 October 2014	67,931	(190)	597	(6)	932	(439)	97,962	166,787	(3)	166,784
Profit, net of tax	-	-	-	-	-	-	15,461	15,461	(58)	15,403
Other comprehensive income for the financial year	-	-	-	(74)	-	(2,340)	-	(2,414)	5	(2,409)
Total comprehensive income for the financial year	-	-	-	(74)	-	(2,340)	15,461	13,047	(53)	12,994
Grant of equity-settled share options scheme 2011 to employees	-	-	-	-	61	-	-	61	-	61
Cash dividends on ordinary shares	-	-	-	-	-	-	(12,202)	(12,202)	-	(12,202)
Purchase of treasury shares	-	(499)	-	-	-	-	-	(499)	-	(499)
Issuance of ordinary shares	80	-	-	-	(19)	-	-	61	-	61
Total contributions by and distribution to owners	80	(499)	-	-	42	-	(12,202)	(12,579)	-	(12,579)
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	(499)	-	-	42	663	(12,202)	(11,916)	-	(11,916)
Balance at 30 September 2015	68,011	(689)	597	(80)	974	(2,116)	101,221	167,918	(56)	167,862

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 2013	59,265	(190)	597	6	1,590	83,413	144,681
Profit, net of tax	-	-	-	-	-	29,561	29,561
Other comprehensive income for the financial year	-	-	-	(12)	-	-	(12)
Total comprehensive income for the financial year	-	-	-	(12)	-	29,561	29,549
Grant of equity-settled share options scheme to employees	-	-	-	-	866	-	866
Issuance of ordinary shares pursuant to exercise of share options to employee	8,666	-	-	-	(1,524)	-	7,142
Cash dividends on ordinary shares	-	-	-	-	-	(15,949)	(15,949)
Balance at 30 September 2014	67,931	(190)	597	(6)	932	97,025	166,289
Balance at 1 October 2014	67,931	(190)	597	(6)	932	97,025	166,289
Profit, net of tax	-	-	-	-	-	18,237	18,237
Other comprehensive income for the financial period	-	-	-	(74)	-	-	(74)
Total comprehensive income for the financial period	-	-	-	(74)	-	18,237	18,163
Grant of equity-settled share options scheme to employees	-	-	-	-	61	-	61
Cash dividends on ordinary shares	-	-	-	-	-	(12,202)	(12,202)
Purchase of treasury shares	-	(499)	-	-	-	-	(499)
Issuance of ordinary shares	80	-	-	-	(19)	-	61
Total contributions by and distribution to owners	80	(499)	-	-	42	(12,202)	(12,579)
Balance at 30 September 2015	68,011	(689)	597	(80)	974	103,060	171,873

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)

During the financial year ended 30 September 2015, the Company undertook a share consolidation of every five (5) existing issued ordinary shares in the share capital of the Company into one (1) consolidated ordinary share, which was approved by members of the Company at the Extraordinary General Meeting held on 8 August 2015.

As at 1 October 2014	938,089,064
Issuance of new ordinary shares from exercise of employee share options	<u>520,000</u>
Number of shares before share consolidation	<u>938,609,064</u>
Number of shares after share consolidation	187,721,689
Purchase of treasury shares after completion of share consolidation	<u>(743,500)</u>
As at 30 September 2015	<u>186,978,189</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 financial year ended 30 September 2015

Outstanding as at 1 October 2014	28,253,000
- Exercised between October 2014 to date of share consolidation	(520,000)
Outstanding before share consolidation	<u>27,733,000</u>
Outstanding after share consolidation and as at 30 September 2015	<u>5,546,600</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 September 2015 were as follows:

Principal amount outstanding	Maturity date	Conversion price as at 30 Sep 2015
<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 5.35% of the total number of shares in issue (excluding treasury shares) as at 30 September 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

	30 September 2015	30 September 2014
Total number of issued shares	186,978,189	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

Movement of treasury shares during the financial year ended 30 September 2015

Outstanding as at 1 October 2014 and before share consolidation	<u>1,200,000</u>
Treasury shares after share consolidation	240,000
Purchase of treasury shares after completion of share consolidation	<u>743,500</u>
Outstanding as at 30 September 2015	<u>983,500</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 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	2015	2014 *
- Basic	8.270	15.533
- Diluted basis	8.061	14.772

* 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 September 2015 and 30 September 2014 were 186,945,992 and 183,117,361 shares respectively, excluding treasury shares.

Weighted average number of shares for diluted earnings per share computation as of 30 September 2015 and 30 September 2014 were 196,957,368 and 193,826,781 shares respectively, excluding treasury shares.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital excluding treasury shares 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)

	2015	2014*
The Group	89.78	88.90
The Company	91.92	88.63

*The computations of comparative net asset value per ordinary share and number of shares were adjusted for the effect of share consolidation.

Net asset value per ordinary share was calculated based on 186,978,189 shares as at 30 September 2015 and 187,617,813 shares as at 30 September 2014.

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 delivering a higher volume of steel, revenue for the current financial year decreased by 3% to S\$384.9 million compared to the previous financial year as a result of lower unit selling prices which fell at a faster rate than declining steel costs due to competition amid a downtrending market environment.

Gross profit and gross profit margin

Intensifying competition has continued to put profits and margins under pressure.

Consequently, gross profit decreased 41% to S\$32.0 million compared to the previous financial year; similarly, gross profit margin as a percentage of sales fell to 8.3% from 13.7%.

Distribution cost and administrative expenses

The increased distribution cost arising from more prompt payment discounts to customers was partly offset by lower personnel-related costs. Administrative expenses were also lower due to lower personnel costs and share options expense.

Finance costs

Higher finance costs were attributable to interest expenses related to convertible bonds and trade bills.

Other operating expenses

The decrease in other operating expenses was mainly due to lower allowance for doubtful debts of S\$274,000 (FY14: S\$1,233,000).

Share of results of joint venture

The Group's share of results from the investment in the joint venture in China ("JV") worsened during the current financial year mainly due to the additional allowance for doubtful debts of S\$1.0 million (2014: S\$0.1 million)

GROUP BALANCE SHEET & CASH FLOW

As at 30 September 2015, the Group's balance sheet remained strong with net assets of S\$167.9 million and net asset value per ordinary share of 89.78 Singapore cents.

The Group's trade and other receivables decreased by S\$7.7 million to S\$68.9 million which was in tandem with the lower sales in fourth quarter of the current year compared to the same quarter in the last financial year.

The Group's inventories fell S\$8.1 million to S\$92.4 million mainly because of lower unit costs in line with falling steel prices.

The increase in prepayments was mainly related to deposits for purchase of machinery.

The Group's property, plant and equipment increased by S\$4.1 million to S\$71.4 million due to the purchase of machinery during the year.

The Group's trade and other payables were higher by S\$2.7 million due to more unpaid shipments for imported materials and a higher provision for onerous contracts.

Net cash flows of S\$37.5 million generated from operating activities were mainly used for purchases of plant and equipment of S\$10.0 million, dividend payment of S\$12.2 million and repayment of borrowings of S\$26.6 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 FY2015 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

In the half-yearly macroeconomic review¹ released by the Monetary Authority of Singapore (MAS) on 27 October 2015, it forecasted that growth in Singapore's Gross Domestic Product (GDP) was expected to "come in at around 2 to 2.5 per cent in 2015, with risks tilted towards the downside." Given that the uncertain and challenging global economic climate is expected to adversely impact external-oriented sectors in Singapore, the support for such growth should come from domestic-oriented sectors, which "should expand at a moderate pace, underpinned by sustained demand for healthcare and education services, as well as public infrastructure spending." Nevertheless, the review also pointed out that "The continued weakness in the private real estate segment will have negative spillovers into construction...". Indeed, the latest third-quarter 2015 NUS-REDAS Research Real Estate Sentiment Index (RESI)² detected continued negative sentiment in the market currently and in the next 6 months due to the slowing global economy, rising inflation and interest rates and the continued existence of tough property cooling measures in the local market. This is likely to continue to negatively affect demand for construction by private real estate.

On 17 November 2015, the Housing & Development Board (HDB) carried out its final launch for the year, offering 7,061 new Build-To-Order (BTO) flats in Bukit Batok, Choa Chu Kang, Hougang, Punggol, Sengkang and Bidadari. This brought the total number of new BTO flats launched for 2015 to 15,100 units, lower than the 16,900 units estimate given earlier in the year, and a far cry from the average of 24,969 new BTO flats that was launched each year from 2011 to 2014. For 2016, the new Minister for National Development, Lawrence Wong hinted that the planned number of new BTO flats might be above 15,000 units but not more than 20,000 units. Be that as it may, the Minister also clarified that the Government was "continuing to taper the housing programme and...will continue to move in that direction. But...may need to make some temporary adjustments in order to accommodate this higher demand in housing arising from policy changes."³

Overall, it can be said that the local property market has already entered a downward cycle and, usually, it would mean that the construction sector would not be far behind. In the local reinforcing steel industry, the property and construction boom in the last 6 years has resulted in a scramble to increase production capacity by existing players and an influx of many new entrants. A supply overhang looms. The worsening outlook going forward will test the mettle of each and every player, new and old, and only the fittest will persevere.

China

The business environment in China continues to remain challenging. Whilst stable, the Group's Joint Venture (JV) in China is unlikely to make any breakthrough progress in the coming year.

¹ <http://www.mas.gov.sg/Monetary-Policy-and-Economics/Monetary-Policy/Macroeconomic-Review/2015/Volume-XIV-Issue-2-Oct-2015.aspx>

² <http://www.redas.com/assets/files/publication%20and%20newsletter/3Q15%20RESI%20Report%20.pdf>

³ <http://www.channelnewsasia.com/news/singapore/hdb-may-increase-new-flat/2196802.html>

Malaysia

In the coming year, the Group's Malaysian subsidiary is expected to expand from its current niche market – Singapore customers which have set up in Malaysia – into the Malaysian local market.

11. Dividend

(a) Current Financial Period Reported On

	2015	
Name of dividend	Final (One-tier) Tax exempt	Interim (one-tier) tax exempt
Dividend type	Cash	Cash
Dividend rate	2 Singapore cents per ordinary share *	0.5 Singapore cents per ordinary share #
Date paid / payable	To be advised	5 Jun 2015

* Based on number of shares after share consolidation

Based on number of shares before share consolidation

(b) Corresponding Period of the Immediately Preceding Financial Year

	2014	
Name of dividend	Final (One-tier) Tax exempt	Interim (one-tier) tax exempt
Dividend type	Cash	Cash
Dividend rate	0.8 Singapore cents per ordinary share	0.5 Singapore cents per ordinary share
Date paid / payable	10 Feb 2015	25 Jul 2014

(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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year

Business segment

The Group is principally involved in the business of prefabrication of steel reinforcement for use in concrete, trading of steel reinforcing bars and manufacturing and sale of wire mesh fences. There is only one primary business segment involved, being the steel related operations of the entire Group.

Geographical location

Group segmental results For year ended 30 Sep 2015	Singapore \$'000	China – Joint Venture \$'000	Others \$'000	Group \$'000
Revenue	365,123	-	19,804	384,927
Profit / (loss) after tax	18,949	(404)	(3,142)	15,403
Total assets	234,451	10,555	22,796	267,802
Total non-current assets	65,717	10,555	9,651	85,923
Capital expenditure	11,584	-	474	12,058

Group segmental results For year ended 30 Sep 2014	Singapore \$'000	China – Joint Venture \$'000	Others \$'000	Group \$'000
Revenue	389,916	-	7,449	397,365
Profit / (loss) after tax	29,299	324	(1,190)	28,433
Total assets	244,110	10,154	29,700	283,964
Total non-current assets	56,187	10,154	13,173	79,514
Capital expenditure	9,441	-	1,774	11,185

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to Paragraph 8.

15. A breakdown of sales and profit before tax

	2015	2014	%
	\$'000	\$'000	+ / (-)
Sales reported for first half year	209,877	197,895	6
Profit after tax reported for first half year	10,468	15,105	(31)
Sales reported for remaining period	175,050	199,470	(12)
Profit after tax reported for remaining period	4,935	13,328	(63)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	2015	2014
Total Annual Dividend	\$'000	\$'000
Ordinary	12,202	15,949

17. 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.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholders of the issuer pursuant to Rule 704(13) in the format below. If there is no such persons, the issuer must make an appropriate negative statement

Name	Age	Family relationship with any director and/ or substantial shareholders	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Lau Wei Min	38	Son of Mr. Lau Eng Hoe, a substantial shareholder of BRC Asia Limited and nephew of Mr. Lau Eng Tiong, Non-Executive and Non independent director and a substantial shareholder of BRC Asia Limited.	Manager – Corporate Communication Brand management, creative design of Company's products and promotional materials, inventory logistics and any other duties that may be assigned from time to time. Position held since 4 October 2010.	None

ON BEHALF OF THE BOARD OF DIRECTORS

Lim Siak Meng
Group Managing Director

Seah Kiin Peng
Executive Director

Singapore
27 November 2015