



BRC Asia Limited

Unaudited 12 Months Financial Statement and Dividend Announcement for the Year Ended 30 September 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 financial year ended 30 September 2016

	2016 \$'000	2015 \$'000	+ / (-) %
Revenue	346,752	384,927	(10)
Cost of sales	<u>(318,070)</u>	<u>(352,929)</u>	(10)
Gross profit	28,682	31,998	(10)
Other income [note (a)]	1,022	5,323	(81)
Expenses			
- Distribution expenses	(4,466)	(5,520)	(19)
- Administrative expenses	(7,344)	(8,252)	(11)
- Finance costs	(1,085)	(1,463)	(26)
- Other operating expenses	(7,216)	(3,196)	126
Share of results of joint venture	550	(404)	n.m.
Profit before tax [note (b)]	<u>10,143</u>	<u>18,486</u>	(45)
Income tax expense [note (c)]	<u>(1,802)</u>	<u>(3,083)</u>	(42)
Profit net of tax	<u>8,341</u>	<u>15,403</u>	(46)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
- Fair value loss on available-for-sale financial assets	9	(74)	n.m.
- Net loss on net investment in foreign operation	239	(2,314)	n.m.
- Reclassification of currency translation reserve to profit or loss upon de-registration of a subsidiary	-	663	n.m.
- Foreign currency translation	<u>(817)</u>	<u>(21)</u>	n.m.
Other comprehensive income for the financial year, net of tax	<u>(569)</u>	<u>(1,746)</u>	(67)
Total comprehensive income for the financial year	<u>7,772</u>	<u>13,657</u>	(43)
Profit net of tax attributable to:			
Owners of the Company	8,343	15,461	(46)
Non-controlling interests	<u>(2)</u>	<u>(58)</u>	n.m.
	<u>8,341</u>	<u>15,403</u>	(46)
Total comprehensive income attributable to:			
Owners of the Company	7,776	13,710	(43)
Non-controlling interests	<u>(4)</u>	<u>(53)</u>	n.m.
	<u>7,772</u>	<u>13,657</u>	(43)

n.m. denotes not meaningful

	2016	2015	+ / (-)
	\$'000	\$'000	%
Note (a) - Other income			
Interest Income	63	59	7
Dividend income	2	2	-
Government grant	352	275	28
Sundry income	62	14	343
Gain from fair value changes on currency forward contracts [2]	543	699	(22)
Foreign exchange gain, net [1]	-	4,274	n.m.
Total	<u>1,022</u>	<u>5,323</u>	(81)

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

Interest expense on borrowings	1,085	1,463	(26)
Depreciation of property, plant and equipment	6,592	5,880	12
Rental expense on operating leases	4,814	5,140	(6)
(Reversal) of / Provision for onerous contracts [4]	(545)	2,809	n.m.
Foreign exchange loss, net [1]	4,351	-	n.m.
Allowance for impairment of receivables, net	127	431	(70)
Bad debts recovered	(3)	(128)	(98)
Loss/(gain) on disposal of property, plant and equipment	56	(1)	n.m.
Reversal of inventory obsolescence	(35)	(920)	(96)
Write-off of property, plant and equipment	29	16	81
Share options expense [3]	-	61	n.m.
Loss on de-registration of subsidiary	-	369	n.m.

	2016	2015	+ / (-)
	\$'000	\$'000	%
Note (c) - Income tax expense			
Tax expense attributable to profit is made up of :			
Provision in respect of current financial year			
Current income tax	953	2,413	(61)
Deferred income tax	634	766	(17)
	<u>1,587</u>	<u>3,179</u>	(50)
Over provision in respect of previous financial years			
Current income tax	(70)	(96)	(27)
Deferred income tax	285	-	n.m.
Total income tax expense recognised in statement of comprehensive income	<u>1,802</u>	<u>3,083</u>	(42)

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 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 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 profit and loss.
- [3] Share options expense relates to the fair value of share options granted to employees of the company pursuant to the BRC Share Option Scheme 2011. All share options granted to employees have fully vested in the second quarter of previous 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 2016 \$'000	September 2015 \$'000	September 2016 \$'000	September 2015 \$'000
Non-current assets				
Property, plant and equipment	76,652	71,395	67,205	61,743
Investment in subsidiaries	-	-	30,162	23,507
Investment in joint venture	10,162	10,555	6,076	6,076
Loan to investee company	4,321	2,021	4,321	2,021
Available-for-sale financial assets	2,243	1,952	2,243	1,952
	93,378	85,923	110,007	95,299
Current assets				
Inventories	91,445	92,391	84,079	85,969
Trade and other receivables	66,008	68,851	57,355	64,361
Amount due from subsidiaries	-	-	4,950	2,648
Prepayments	4,199	5,499	1,740	5,465
Deposits	245	499	229	482
Derivative financial instruments	543	699	521	699
Cash and cash equivalents	11,939	13,940	7,657	12,000
	174,379	181,879	156,531	171,624
Total assets	267,757	267,802	266,538	266,923
Current liabilities				
Trade and other payables	31,898	36,778	30,600	36,352
Provisions	2,592	3,137	2,592	3,137
Amount due to a subsidiary	-	-	69	67
Advances received	1,459	2,820	1,459	2,820
Loan and borrowings	39,487	33,244	34,273	28,703
Current income tax liabilities	781	2,460	795	2,470
	76,217	78,439	69,788	73,549
Non-current liabilities				
Provisions	427	489	427	489
Loan and borrowings	11,233	13,664	11,233	13,664
Deferred income tax liabilities	8,267	7,348	8,267	7,348
	19,927	21,501	19,927	21,501
Total liabilities	96,144	99,940	89,715	95,050
Net assets	171,613	167,862	176,823	171,873
Equity attributable to owners of the Company				
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	(71)	(80)	(71)	(80)
Share option reserve	974	974	974	974
Foreign currency translation reserve	(2,692)	(2,116)	-	-
Retained earnings	105,833	101,221	108,356	103,060
Equity attributable to owners of the Company	171,608	167,918	176,823	171,873
Non-controlling interests	5	(56)	-	-
Total equity	171,613	167,862	176,823	171,873

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

Amount repayable in one year or less, or on demand

	September 2016		September 2015	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Bills payable	-	37,056	-	22,324
Finance lease liabilities	2,431	-	10,920	-
	<u>2,431</u>	<u>37,056</u>	<u>10,920</u>	<u>22,324</u>

Amount repayable after one year

	September 2016		September 2015	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Finance lease liabilities	1,233	-	3,664	-
Convertible bonds	-	10,000	-	10,000
	<u>1,233</u>	<u>10,000</u>	<u>3,664</u>	<u>10,000</u>

Details of any collateral

Finance lease liabilities of S\$3.7 million (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\$8.0 million (2015: S\$19.9 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

	2016	2015
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	10,143	18,486
Adjustments for :		
Share of results of joint venture	(550)	404
Depreciation of property, plant and equipment	6,592	5,880
Write-off of property, plant and equipment	29	16
Reversal of inventories obsolescence	(35)	(920)
Allowance for impairment of trade receivables	127	431
Loss/(gain) on disposal of property, plant and equipment	56	(1)
Bad debts recovered	(3)	(128)
(Reversal) of / provision for onerous contracts	(545)	2,809
Provision for retirement benefits	18	14
Unrealised exchange loss / (gain)	124	(590)
Fair value changes on derivatives	(543)	(699)
Share options expense	-	61
Interest expense	1,085	1,463
Interest income	(63)	(59)
Dividend income	(2)	(2)
Operating cash flow before working capital changes	16,433	27,165
Change in working capital		
Trade and other receivables	2,719	7,363
Inventories	981	8,979
Prepayments and deposits	2,253	(1,121)
Trade and other payables	(6,241)	399
Cash flows from operations	16,145	42,785
Income tax paid	(2,563)	(3,116)
Retirement benefits paid	(80)	(43)
Net cash flows from operating activities	13,502	39,626
Cash flows from investing activities		
Purchases of property, plant and equipment	(11,741)	(12,058)
Loan to investee company	(2,300)	(2,021)
Proceeds from disposal of property, plant and equipment	65	1
Purchase of available-for-sale financial assets	(282)	-
Capital contribution from non-controlling interest	65	-
Interest received	63	59
Dividends received from investments in joint venture	-	54
Dividends received from investments in available-for-sale financial assets	2	2
Net cash flows used in investing activities	(14,128)	(12,963)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	-	61
(Repayment)/proceeds from finance lease.net	(10,920)	6,193
Repayment of term bank loan	-	(4,250)
Proceeds/(repayment) bills payable to banks, net	14,732	(22,329)
Purchase of treasury shares	(355)	(499)
Dividends paid on ordinary shares	(3,731)	(12,202)
Interest paid	(1,085)	(1,463)
Net cash flows used in financing activities	(1,359)	(34,489)
Net decrease in cash and cash equivalents	(1,985)	(8,826)
Cash and cash equivalents at beginning of financial year	13,940	22,606
Effects of exchange rate changes on cash and cash equivalents	(16)	160
Cash and cash equivalents at end of financial year	11,939	13,940

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>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>Non-controlling interests</u>	<u>Total</u>
	\$'000	\$'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	-	-	-	-	-	-	15,461	15,461	(58)	15,403
Other comprehensive income for the financial year	-	-	-	(74)	-	(2,340)	-	(2,414)	5	(2,409)
Reclassification of currency translation reserve to profit or loss upon deregistration of a subsidiary	-	-	-	-	-	663	-	663	-	663
Total comprehensive income for the financial year	-	-	-	(74)	-	(1,677)	15,461	13,710	(53)	13,657
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)
Balance at 30 September 2015	68,011	(689)	597	(80)	974	(2,116)	101,221	167,918	(56)	167,862
Balance at 1 October 2015	68,011	(689)	597	(80)	974	(2,116)	101,221	167,918	(56)	167,862
Profit, net of tax	-	-	-	-	-	-	8,343	8,343	(2)	8,341
Other comprehensive income for the financial year	-	-	-	9	-	(576)	-	(567)	(2)	(569)
Total comprehensive income for the financial year	-	-	-	9	-	(576)	8,343	7,776	(4)	7,772
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)
Capital contribution from non-controlling interest	-	-	-	-	-	-	-	-	65	65
Total changes in ownership interest in subsidiary	-	-	-	-	-	-	-	-	65	65
Total transactions with owners in their capacity as owners	-	(355)	-	-	-	-	(3,731)	(4,086)	65	(4,021)
Balance at 30 September 2016	68,011	(1,044)	597	(71)	974	(2,692)	105,833	171,608	5	171,613

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 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
Balance at 1 October 2014	68,011	(689)	597	(80)	974	103,060	171,873
Profit, net of tax	-	-	-	-	-	9,027	9,027
Other comprehensive income for the financial period	-	-	-	9	-	-	9
Total comprehensive income for the financial period	-	-	-	9	-	9,027	9,036
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 30 September 2016	68,011	(1,044)	597	(71)	974	108,356	176,823

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 September 2016	30 September 2015 ¹
As at 1 July	186,449,989	187,721,689
Purchase of treasury shares	-	(743,500)
As at 30 September	<u>186,449,989</u>	<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 3 months ended 30 September 2016

Outstanding at 1 July 2016	5,546,600
- Exercised between July 2016 to September 2016	-
Outstanding at 30 September 2016	<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 are as follow:

	30 September 2016	30 September 2015 ¹
Principal amount outstanding		
<u>Convertible bonds due 2019</u>		
S\$10 million at 5 percent per annum		
Maturity date	16 May 2019	16 May 2019
Conversion price	S\$1.00	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 September 2016 and 5.34% of the total number of shares in issue (excluding treasury shares) as at 30 September 2015 respectively.

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 September 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 year ended 30 September 2016

Outstanding as at 1 October 2015	983,500
Purchase of treasury shares	<u>528,200</u>
Outstanding as at 30 September 2016	<u><u>1,511,700</u></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	2016	2015
- Basic	4.476	8.270
- Diluted basis	4.460	8.061

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 2016 and 30 September 2015 were 186,449,989 and 186,945,992 shares respectively, excluding treasury shares.

Weighted average number of shares for diluted earnings per share computation as of 30 September 2016 and 30 September 2015 were 196,449,989 and 196,957,368 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)

	2016	2015
The Group *	92.04	89.81
The Company	94.84	91.92

* Based on the Group's net asset value after deducting the non-controlling interest, divided by total number of issued shares excluding treasury share as at end of financial year.

Net asset value per ordinary share was calculated based on 186,449,989 shares as at 30 September 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

Despite delivering a higher volume of steel, revenue for the current financial year decreased by 10% to S\$346.8 million compared to the previous financial year as a result of lower unit selling prices arising from intense competition and lower steel prices.

Gross profit and gross profit margin

Consequently, while gross profit margin as a percentage of sales was maintained at 8.3%, gross profit decreased 10% to S\$28.7 million compared to the previous financial year.

Distribution cost and administrative expenses

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

Lower administrative expenses due to a decrease in personnel-related costs were partially off-set by increase in third party professional fees.

Finance costs

Lower finance costs were attributable to lower average borrowings during the year.

Other operating expenses

The higher operating expenses was mainly due to a realised foreign exchange loss of S\$4.3 million recorded in the current financial year as compared to a realised foreign exchange gain of S\$4.3 million taken up as other income in the previous financial year. The above increase was partly offset by lower bad debts provision of S\$0.1 million recorded during this financial year as compared to S\$0.4 million taken up in the previous financial year.

Share of results of joint venture

The Group's share of results from the investment in the joint venture in China ("JV") recorded a profit in the current financial year as compared to a loss in the previous financial year. This was mainly due to a reversal of allowance of doubtful debts of S\$0.3 million in the current financial year as compared to an allowance of S\$1.0 million in the previous financial year.

GROUP BALANCE SHEET & CASH FLOW

As at 30 September 2016, the Group's balance sheet remained strong with net assets of S\$171.6 million and net asset value per ordinary share of 92.04 Singapore cents.

The Group's trade and other receivables decreased by S\$2.8 million to S\$66.0 million due to an improved ageing of debts despite higher sales in the last quarter of the current financial year compared to the corresponding period in the previous financial year.

Although the physical level of inventories was higher, the Group's inventories fell S\$0.9 million to S\$91.4 million due to the lower cost of steel.

Prepayments were mainly related to deposits for purchase of machinery.

The Group's property, plant and equipment increased by S\$5.3 million to S\$76.7 million due to the purchase of machinery during the year.

The Group's trade and other payables decreased by S\$4.9 million to S\$31.9 million as a result of a lower provision for price adjustments to contract prices of certain sales contracts which allowed for subsequent price adjustments based on the published monthly Building and Construction Authority Index fluctuation. In addition, provisions for staff related cost were also lower than that of the previous year.

Net cash flows of S\$13.8 million generated from operating activities were mainly used for purchases of plant and equipment of S\$12.0 million and dividend payment of S\$3.7 million.

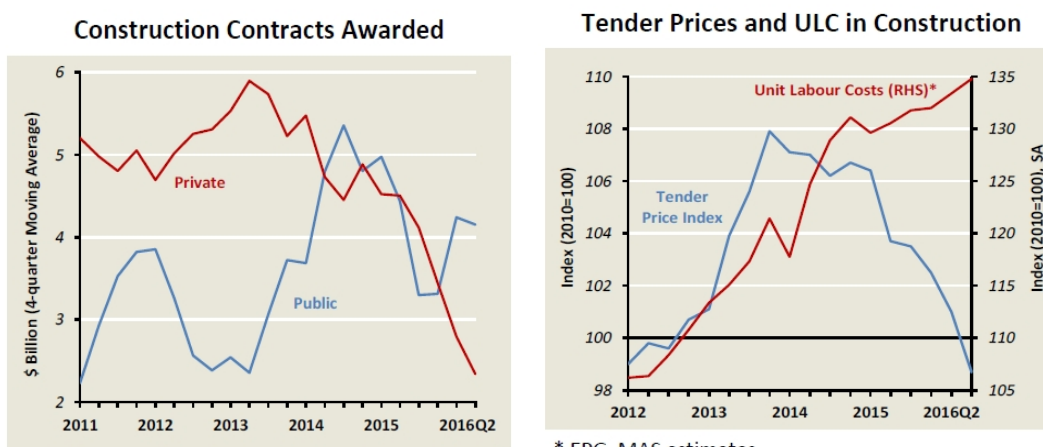
9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Group's results for FY2016 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

According to the Monetary Authority of Singapore (MAS) in its half-yearly macroeconomic review in October 2016¹, the Singapore economy is currently in a cyclical downturn, with Gross Domestic Product (GDP) growth projected to come in at the lower end of the 1% to 2% forecast range for 2016, and only slightly higher in 2017. On the construction sector, the MAS noted that non-residential public works was the main driver offsetting a weak and declining private construction and, going forward, “will help sustain construction activity”. Be that it may, the MAS also pointed out that “tender prices for new projects had started to decline from 2014, possibly indicating increased competition among firms in the bidding process”, and that “unit labour cost (ULC) in this sector have been on the rise, putting further pressure on profit margins.”, as the following two graphs show.



* EPG, MAS estimates.

We can expect this to translate into lower margins throughout the construction supply chain, including for the local reinforcing steel industry, where an oversupply situation has developed after the boosting of production capacities by existing players and influx of many new entrants during the property and construction boom over the last 6 years.

Even in public housing, where an average of 24,969 new Build-To-Order (BTO) flats were launched yearly from 2011-2014, the pipeline had shrunk to 15,100 units and 17,871 units in 2015 and 2016 respectively. Bearing in mind what Minister for National Development Lawrence Wong had said in October 2015 when asked about the public housing programme going forward, “We had a huge housing programme where we built more than 20,000 at one time over a few years, then we tapered off to 15,000. We are not going back to over 20,000, but it’s a slight adjustment from 15,000... We are continuing to taper the housing programme and we will continue to move in that direction. But I think we may need to make some temporary adjustments in order to accommodate this higher demand in housing arising from policy changes.”², we can expect a similarly moderate programme in 2017.

Overall, we believe that the coming year will be a challenging and volatile one.

¹ http://www.mas.gov.sg/~media/resource/publications/macro_review/2016/Oct%2016/Macroeconomic%20Review%20Oct%202016.pdf

² <http://www.channelnewsasia.com/news/singapore/hdb-may-increase-new-flat/2196802.html>

China

We do not expect the Group's Joint Venture (JV) in China to make any breakthrough progress in the coming year amid a challenging and complex business environment.

Malaysia

We expect the Group's Malaysian subsidiary to make good progress in its efforts to penetrate the Malaysian local market in the coming year.

11. Dividend

(a) Current Financial Period Reported On

	2016	
Name of dividend	Final (One-tier) Tax exempt	Interim (one-tier) tax exempt
Dividend type	Cash	N/A
Dividend rate	2.4 Singapore cents per ordinary share *	N/A
Date paid / payable	To be advised	N/A

(b) Corresponding Period of the Immediately Preceding Financial Year

	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	18 Feb 2016	5 June 2015

* Based on number of shares after share consolidation

Based on number of shares before share consolidation

(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 2016	Singapore \$'000	China – Joint Venture \$'000	Malaysia \$'000	Group \$'000
Revenue	321,295	-	25,457	346,752
Profit / (loss) after tax	8,598	550	(807)	8,341
Total assets	225,103	10,162	32,492	267,757
Total non-current assets	73,769	10,162	9,447	93,378
Capital expenditure	11,503	-	238	11,741

Group segmental results For year ended 30 Sep 2015	Singapore \$'000	China – Joint Venture \$'000	Malaysia \$'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

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

	2016 \$'000	2015 \$'000	% + / (-)
Sales reported for first half year	168,608	209,877	(20)
(Loss)/profit after tax reported for first half year	(452)	10,468	n.m.
Sales reported for remaining period	178,144	175,050	2
Profit after tax reported for remaining period	8,793	4,935	78

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

	2016	2015
Total Annual Dividend	\$'000	\$'000
Ordinary	3,731	12,202

17. 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)*
HG Metal Manufacturing Limited	Sales – S\$2,785,000 Purchases – S\$17,000	-
HG Construction Steel Pte Ltd	Sales – S\$920,000	-
Sin Teck Guan Machinery (Pte) Ltd	Services purchased – S\$114,000	-

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	39	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.	<p>Manager – Corporate Communication</p> <p>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.</p> <p>Position held since 4 October 2010.</p>	None
Lim Jun Da	28	Son of Mr. Lim Siak Meng, Group Managing Director, also a substantial shareholder of BRC Asia Limited	<p>Manager – Corporate and Marketing Services</p> <p>Assisting the Group Managing Director and Executive Director of the Company in corporate and legal matters and marketing services.</p> <p>Position held since 4 January 2016.</p>	N/A

ON BEHALF OF THE BOARD OF DIRECTORS

Lim Siak Meng
Group Managing Director

Seah Kiin Peng
Executive Director

Singapore
24 November 2016