BRC ASIA LIMITED
Incorporated in the Republic of Singapore
Company Registration No. 193800054G

BRC Asia recovers strongly with 565% increase in FY2018 earnings to S$12 million

- **Group's revenue increased by 83% year-on-year to S$567 million in FY2018, supported by higher volume and price of steel sales and contribution by Lee Metal Group Ltd[1]**
- **Both gross and operating margins improved, a result of early benefits reaped from the ongoing post-merger integration exercise**
- **Proposes final dividend of 1 Singapore cents per ordinary share**

SINGAPORE – 23 November 2018 – BRC Asia Limited. ("**BRC**" or the "**Group**"), a leading steel reinforcement solutions provider in Singapore listed on the SGX Main Board, announced its financial results for the twelve months ended 30 September 2018 ("**FY2018"**) today.

Financial overview

Financial Highlights	**FY2018** (S$'000)	**FY2017** (S$'000)	Change (%)
Revenue	567,009	310,148	83
Gross profit	45,091	19,373	133
Gross profit margin	*8.0%*	*6.2%*	*1.8 ppts***
Operating expenses*	31,075	17,641	76
Operating profit	15,650	3,024	418
Operating profit margin	*2.8%*	*1.0%*	*1.8 ppts*
Net profit attributable to shareholders	12,043	1,811	565
Earnings per share (from continuing operations. Basic and fully diluted. Singapore cents)	5.571	0.972	473

* Operating expenses included distribution expenses, administration expenses, finance costs and other operating expenses

** Ppts: Percentage points

[1] Lee Metal Group Ltd has changed its name to Lee Metal Group Pte. Ltd. with effect from 19 Nov 2018.

Revenue increased by 83% from S$310.1 million in FY2017 to S$567.0 million in FY2018. This was primarily attributable to the increased steel sales tonnage delivered and higher steel price compared to FY2017. In addition, the Group completed its acquisition of the 100% stake in Lee Metal Group Ltd ("**Lee Metal**") in July 2018, and Lee Metal contributed to the higher revenue of the Group as well.

Gross profit increased by 133% from S$19.4 million in FY2017 to S$45.1 million in FY2018. This was supported by the higher sales volume as well as the higher gross margin, which improved from 6.2% in FY2017 to 8.0% in FY2018.

Operating expenses increased by 76% from S$17.6 million in FY2017 to S$31.1 million in FY2018, primarily due to some one-off professional fees and finance costs incurred in relation to the acquisition of Lee Metal's shares. Despite these one-off expenses, the Group's operating profit margin improved from 1.0% in FY2017 to 2.8% in FY2018.

Overall, the Group reported earnings from continuing operations of S$12.0 million in FY2018, an increase of 565% compared to the S$1.8 million reported in FY2017. Earnings per share in FY2018 was 5.57 Singapore cents, compared to 0.97 Singapore cents in FY2017.

BRC sincerely appreciates the unwavering support given by shareholders, and proposes a final dividend of 1 Singapore cents per ordinary share for FY2018.

BRC ASIA LIMITED
Incorporated in the Republic of Singapore
Company Registration No. 193800054G

Market overview and outlook

After a few years of challenging business environment for the construction sector, the market has started to show some encouraging signs. According to recent official real estate statistics[1], there will be continuing improvement in the construction pipeline in the private housing, executive condominiums, offices, hotels and industrial properties segments. On the other hand, the development pipelines for public housing and retail properties declined. This construction demand landscape suggests a mixed outlook for the reinforcing steel industry, and the recovery from the multi-year decline could only be moderate.

In July 2018, the Group completed the acquisition of the 100% stake in Lee Metal, another established fabricator and distributor of steel products in Singapore. Further to the completion, the Group has appointed a management team with extensive experience in the steel fabrication and trading industry to facilitate a smooth and efficient integration of the two entities and push ahead business expansion.

Commenting on the performance of the Group, Mr. Seah Kiin Peng, Chief Executive Officer of the Group, said, ***"The acquisition of Lee Metal has proved to be a sensible strategy for BRC to stay resilient in a recovering market. Through streamlining operations and assets, we have started to improve our cost efficiency, offer better product and service to customers and realise the economies of scale. Looking ahead, drawing the talents of a collective, integrated team, we will explore ways to capitalise on BRC's outstanding capabilities in prefabricated steel reinforcement in and beyond Singapore, further improve our financial performance, and continue to create value for our customers and shareholders."***

--The End—

[1] https://www.ura.gov.sg/Corporate/Media-Room/Media-Releases/pr18-63

BRC ASIA LIMITED
Incorporated in the Republic of Singapore
Company Registration No. 193800054G

Company Profile

BRC Asia Limited (SGX: BEC), incorporated in 1938, headquartered in Singapore and listed on the main board of Singapore Exchange, is a leading solutions provider for prefabricated reinforcing steel, offering products such as 12m standard length rebar, standard and customised welded wire mesh, cut and bend services for rebar and prefabrication service for various structural elements. BRC aims to prefabricate a major portion of reinforcement for in-situ installation or for precast elements. By transferring labourious and unproductive in-situ steel fixing work to factory fabrication, substantial benefits in on-site manpower savings, shorter construction cycle, better buildability and productivity can be achieved leading to a "Better, Faster, Cheaper" outcome for all stakeholders. Along with steel reinforcement, BRC is also the leading supplier of steel welded fence mesh products in Singapore under the brand name "BRC Weldfence". BRC employs more than 1000 people in Singapore, Malaysia and China. In July 2018, BRC Asia completed the 100% acquisition of Lee Metal Group Ltd, and Lee Metal is now wholly-owned by the Group.

For more information please visit the website at www.brc.com.sg

---

Issued for and on behalf of BRC Asia Limited

By Financial PR Pte Ltd
For more information, please contact:

Romil SINGH / Reyna MEI
Email: romil@financialpr.com.sg / reyna@financialpr.com.sg
Tel: (65) 6438 2990 / Fax: (65) 6438 0064