



MEDIA RELEASE
For Immediate Release

BBR Holdings recorded S\$276.8 million revenue for full year ended 31 December 2016

SINGAPORE, 21 February 2017 – MAINBOARD-LISTED BBR Holdings (S) Ltd (BBR 控股) (“BBR” or “the Group”) announced today that the Group registered revenue of \$276.8 million in financial year ended 31 December 2016 (“FY2016”) compared to \$425.5 million in financial year ended 31 December 2015 (“FY2015”). Pre-tax profit was \$3.3 million and net profit attributable to equity holders of the Company was \$1.1 million for the current year, compared to \$5.3 million and \$2.3 million respectively in FY2015.

The Group achieved higher revenue from its new businesses, namely Pre-fabricated Pre-finished Volumetric Construction (“PPVC”) under the Specialised Engineering Segment and solar leasing projects under the Green Technology Segment. However, overall revenue for FY2016 was lower mainly due to lower general construction activities. In addition, there was no revenue from property development during the year as revenue from Bliss @Kovan had been fully recognised in FY2015. The Group’s current property development projects are undertaken through an associate and a joint-venture and hence do not contribute to the Group’s revenue in FY2016.

Gross profit for FY2016 was lower at \$13.4 million during the year compared to \$25.2 million for FY2015 and this was mainly due to decrease in revenue and cost overruns incurred for certain general construction projects. As such, despite an improvement in profit margins for the Specialised Engineering Segment which

included PPVC, overall gross margin for the current year was lower at 4.8% compared to 5.9% in FY2015.

Mr Andrew Tan, BBR's Chief Executive Officer, said, "Despite the challenging business environment, we are committed to strengthening our core competencies while we invest in building technology of the future. Our investment in PPVC had reaped the initial results and will be the new growth engine for us. Productivity and cost optimisation will remain our priority to steer BBR ahead in Singapore and the region."

Share of results of associates rose to \$9.4 million in FY2016 compared to \$64,000 in FY2015. This contribution was from the Group's 35% equity interest in Lakehomes Pte Ltd ("Lakehomes"), the developer for Lake Life Executive Condominium in Jurong Lake district. TOP was obtained on 30 December 2016 and Lakehomes recognised revenue and profits for 296 sold units in FY2016 based on financial accounting standards for Executive Condominium development. Revenue and profits for the remaining 249 sold units will be recognised in financial year ending 31 December 2017.

Financial Position

The financial position of the Group continues to be stable. Net assets stood at \$130.8 million as at 31 December 2016, as compared to \$132.8 million as at 31 December 2015. Net asset value per share stands at 42.48 cents.

Due to the increase in cash generated from operating activities during the year, cash and cash equivalents and pledged deposits rose to \$63.4 million as at 31 December 2016. This compares favourably with \$29.2 million as at 31 December 2015. The improvement in cash flow from operating activities was mainly due to collections from trade receivables from sold units at Bliss @Kovan upon expiry of defects liability period and the increase in amount due to customers for work-in-progress (net). The improvement in the Group's cash position was in spite of repayments for bank borrowings and capital expenditure for a solar leasing plant made in the current year.

Dividend

In view of the improved cash position, the Board of Directors recommends an additional tax-exempt one-tier special dividend of Singapore 0.2 cents per share over and above the ordinary first and final dividend of 0.4 cents per share for the year, subject to approval by shareholders at the forthcoming Annual General Meeting to be convened. The total dividend of 0.6 cents per share represents a dividend growth of 50 per cent compared to the previous year.

Business Outlook

On 17 February 2017, the Ministry of Trade and Industry announced that the Singapore economy grew by 2.9 per cent on a year-on-year basis in the fourth quarter of 2016, faster than the 1.2 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 12.3 per cent, a reversal from the 0.4 per cent contraction in the preceding quarter. For the whole of 2016, the economy grew by 2.0 per cent.

The construction sector contracted by 2.8 per cent on a year-on-year basis in the fourth quarter, extending the 2.2 per cent decline in the previous quarter. The contraction was largely due to the decline in private sector construction activities. On a quarter-on-quarter seasonally-adjusted annualised basis, the sector expanded by 0.8 per cent, a reversal from the 12.6 per cent contraction in the preceding quarter. However, based on the 2017 Budget, the Singapore government has announced that \$700 million worth of infrastructure projects will be brought forward.

The industry outlook remains challenging in the next 12 months with increasing competition amid a weaker construction market and increase in labour cost due to short supply of foreign workers. The Group will continue to focus on its core business by leveraging its strong track record in building construction and civil engineering to secure more projects as well as enhancing cost effectiveness and efficiency optimisation in the management of on-going projects. BBR will also continue to conduct feasibility studies to undertake new property development projects.

As at the date of this announcement, the Group has an order book of approximately \$250 million in respect of construction projects, predominantly in Singapore and Malaysia.

Please refer to ANNEX 1 for projects update.

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About BBR Group (www.bbr.com.sg)

The BBR Group (BBR控股) is one of Singapore's leading construction groups with more than 20 years of industry experience and businesses spanning across General Construction, Specialised Engineering, Property Development and Green Technology.

Established in 1993, the Group today has a presence in Singapore, Malaysia and Thailand. Its General Construction activities are mainly undertaken through its wholly-owned subsidiary, Singapore Engineering & Construction Pte. Ltd, (formerly known as Singapore Piling & Civil Engineering Private Limited) (SEC), a company it acquired in 2001. SEC has a 40-year history and has been registered with the Building and Construction Authority of Singapore under the "A1" classification since 1984. Its Specialised Engineering arm is part of the BBR Network that spans 50 countries.

BBR's Property Development projects are as follows: **Lush on Holland Hill**, a freehold development with 56 spacious units in two 12-storey blocks completed in 2012; **Bliss @Kovan**, another freehold site which has been developed into a five-storey condominium with superior design elements consisting of 140 units and completed in November 2015; **8 Nassim Hill**, an upmarket development comprising 16 super luxury triplex units with basement carparks completed in 2010; **Lake Life**, a development completed on 30 December 2016 with 546 units of executive condominium on a 99-year leasehold HDB land site at Yuan Ching Road/Tao Ching Road, Jurong and **The Wisteria** and **Wisteria Mall**, a proposed mixed residential and commercial property development on a 99-year leasehold land parcel at Yishun Ave 4.

The Group was listed on the Singapore Exchange Sesdaq in 1997 and was subsequently upgraded to the Mainboard in September 2006.

Issued on behalf of BBR Holdings (S) Ltd by Waterbrooks Consultants Pte Ltd

Media and Analysts Contact

BBR Holdings (S) Ltd

Ms Maria Low

Tel: (+65) 6235 5613

Email: maria@bbr.com.sg

Waterbrooks Consultants Pte Ltd

Tel: (+65) 6100 2228

Mr Wayne Koo

Mobile: (+65) 9338 8166

Email: wayne.koo@waterbrooks.com.sg

Ms Jean Yang

Mobile: (+65) 93636369

Email: jean@waterbrooks.com.sg

ANNEX 1: Projects Update

1) Specialised Engineering & General Construction Segments

Currently, BBR is working on a number of civil engineering and building projects from both the public and private sectors in Singapore as well as Malaysia. These include:

- a S\$57.6 million contract to design, fabricate and install four blocks of housing at Upper Aljunied Road using Pre-fabricated, Pre-finished Volumetric Construction (PPVC) modular system, due to be completed in the first quarter of 2018;
- supply and install modular hostel units at Nanyang Crescent, Nanyang Technological University (Western Water Catchment) using PPVC. The project is scheduled to be completed in the second quarter of 2017;
- two contracts worth approximately RM335 million for specialised engineering projects in Terengganu. The first is the design and construction of the Gawi Marine Base and the bridge connecting to Pulau Poh in Kenyir Lake in Terengganu. The second project comprises the design and construction of a 362 metre long girder bridge to connect the village of Dusun to the village of Dura in Terengganu which was completed in FY2016;
- a S\$80.3 million Walk2Ride programme awarded to a joint venture, Singapore Piling – Shincon JV by the Land Transport Authority to design and construct covered linkways within 400 m radius of MRT stations, expected to be completed in 2018. BBR's wholly-owned subsidiary, Singapore Engineering & Construction Pte. Ltd. (formerly known as Singapore Piling & Civil Engineering Private Limited) has a 51% share in the joint venture;
- two contracts worth RM286 million to build two bridges in Terengganu and Sarawak in Malaysia, which are due to be completed in the first half of 2017; and
- design and build contract for the construction of Wisteria Mall and The Wisteria (apartments) in Yishun Ave 4 for S\$116 million, expected to be completed in the second half of 2018. BBR has an effective equity interest of 25% in this development via a joint venture with a consortium of partners.

2) Property Development Segment

The Wisteria and **Wisteria Mall** is a proposed mixed residential and commercial development, respectively, on a 99-years leasehold site at Yishun Avenue 4. There will be 216 units of apartments and the mall will provide convenience and amenities such as shops, restaurants, a supermarket and food court to residents in the development. BBR has a 25% effective interest in this development.

Lake Life is a 99-years leasehold executive condominium which has achieved TOP on 30 December 2016. The development consists of 546 units which offers modern and lifestyle design features at Yuan Ching Road/Tao Ching Road, Jurong, Singapore. BBR has a 35% interest in this development.

3) Green Technology Segment

BBR is a participant in the floating photovoltaic testbed project at Tengeh reservoir to develop, test and evaluate the economic and technical feasibility of installing floating solar systems on water. The project was completed in the last quarter of 2016.