



HOLDINGS (S) LTD

Registration No.: 199304349M

Financial Statement for the First Quarter and Three months Ended 31 March 2015

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement with a consolidated statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediate preceding financial year.

	First quarter ended 31 Mar		
	2015 S\$'000	2014 S\$'000	Change %
<u>INCOME STATEMENT</u>			
Revenue	91,797	142,814	(35.7)
Cost of sales	(85,275)	(131,480)	(35.1)
Gross profit	6,522	11,334	(42.5)
Other operating income	1,154	951	21.3
Other income	132	4	N.M.
Administrative costs	(2,144)	(2,100)	2.1
Other operating costs	(4,368)	(3,923)	11.3
Finance costs	(72)	(95)	(24.2)
Share of results of associates	11	(58)	(119.0)
Profit before taxation	1,235	6,113	(79.8)
Income tax expense	(259)	(940)	(72.4)
Profit for the period	976	5,173	(81.1)
Attributable to:			
Equity holders of the Company	848	5,042	(83.2)
Non-controlling interests	128	131	(2.3)
	976	5,173	(81.1)
N.M. - Not meaningful			

STATEMENT OF COMPREHENSIVE INCOME

Profit for the period
Other comprehensive income:
Foreign currency translation differences
Other comprehensive income for the period
Total comprehensive income for the period

Total comprehensive income attributable to:

Owners of the parent
Non-controlling interests

First quarter ended 31 March		
2015 S\$'000	2014 S\$'000	Change %
976	5,173	(81.1)
(386)	8	N.M.
(386)	8	N.M.
590	5,181	(88.6)
512	5,047	(89.9)
78	134	(41.8)
590	5,181	(88.6)

NOTES TO INCOME STATEMENT

The following items have been included in arriving at profit for the period:

Depreciation of property, plant and equipment
Foreign exchange gain, net
Gain on disposal of property, plant and equipment
Interest expense
Interest income
Write-back of allowance for doubtful receivables, net
Write-off of trade payables
Bad debts recovered
Share based compensation expense
Overprovision of income tax in respect of previous years

1,584	1,507	5.1
(132)	(4)	N.M.
(5)	(92)	(94.6)
72	95	(24.2)
(35)	(21)	66.7
(35)	(277)	(87.4)
(87)	-	N.M.
-	(1)	(100.0)
-	91	(100.0)
-	(33)	(100.0)

N.M. - Not meaningful

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.

	Group		Company	
	31-Mar-15	31-Dec-14	31-Mar-15	31-Dec-14
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	25,103	25,222	7,001	7,264
Intangible assets	419	419	-	-
Investments in subsidiaries	-	-	68,549	68,549
Investments in associates	3,506	8,195	260	260
Investment in a joint venture	-	-	-	-
Deferred tax assets	1,085	1,085	-	-
Trade receivables	14,298	13,698	-	-
Loans to associates	45,895	31,952	-	-
Current assets				
Amounts due from subsidiaries	-	-	19,022	18,805
Development properties	80,267	75,200	-	-
Gross amount due from customers for work-in-progress	29,957	31,890	-	-
Inventories	3,858	3,944	-	-
Trade receivables	56,889	75,706	-	-
Other receivables	6,190	4,741	22	122
Pledged deposits	7,175	6,638	-	-
Cash and cash equivalents	22,255	38,002	692	729
	206,591	236,121	19,736	19,656
Current liabilities				
Amounts due to subsidiaries	-	-	11,212	11,161
Gross amount due to customers for work-in-progress	39,699	35,171	-	-
Trade and other payables	62,896	88,653	147	165
Other liabilities	5,075	3,656	1,484	1,461
Loans and borrowings	31,574	33,139	1,732	1,640
Income tax payable	1,076	1,139	283	213
	140,320	161,758	14,858	14,640
Net current assets	66,271	74,363	4,878	5,016
Non-current liabilities				
Trade payables	12,172	10,923	-	-
Deferred tax liabilities	4,503	4,045	-	-
Loans and borrowings	2,381	3,035	1,230	1,640
	137,521	136,931	79,458	79,449
Equity attributable to equity holders of the Company				
Share capital	43,967	43,967	43,967	43,967
Treasury shares	(69)	(69)	(69)	(69)
Retained earnings	92,147	91,299	35,560	35,551
Foreign currency translation reserve	(1,216)	(880)	-	-
	134,829	134,317	79,458	79,449
Non-controlling interests	2,692	2,614	-	-
Total equity	137,521	136,931	79,458	79,449

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

Amount repayable in one year or less, or on demand

As at 31/03/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
\$28,774,000	\$2,800,000	\$33,139,000	-

Amount repayable after one year

As at 31/03/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
\$2,381,000	-	\$3,035,000	-

Details of any collateral

The secured borrowings repayable within one year and after one year comprise mainly obligations under finance leases, banker's acceptances and property loans. These are secured by charges over the property held for sale at Bliss @Kovan, Singapore, leasehold land and building, plant and equipment, motor vehicles and fixed deposits from a subsidiary.

1(c) A consolidated statement of cash flows, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	First quarter ended 31 Mar	
	2015 S\$'000	2014 S\$'000
Cash flows from operating activities		
Profit before taxation	1,235	6,113
Adjustments for:		
Depreciation of property, plant and equipment	1,584	1,507
Write-back of allowance for doubtful receivables, net	(35)	(277)
Write-off of trade payables	(87)	-
Interest income	(35)	(21)
Interest expense	72	95
Gain on disposal of property, plant and equipment	(5)	(92)
Bad debts recovered	-	(1)
Share of results of associates	(11)	58
Share based compensation expense	-	91
Net effect of exchange rate changes in consolidating subsidiaries	(340)	(7)
Operating profit before working capital changes	2,378	7,466
(Increase)/decrease in development properties	(4,946)	143
Decrease in amount due from customers for work-in-progress (net)	6,583	7,119
Decrease/(increase) in trade receivables	17,835	(7,438)
(Increase)/decrease in other receivables	(1,004)	472
Decrease in inventories	29	200
(Decrease)/increase in trade and other payables	(24,070)	921
Increase in other liabilities	1,421	1,996
Cash (used in)/from operations	(1,774)	10,879
Interest paid	(193)	(282)
Interest received	35	21
Income tax (paid)/refund	(330)	1,388
Net cash (used in)/from operating activities	(2,262)	12,006
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	5	92
Purchase of property, plant and equipment (Note A)	(1,374)	(583)
Investment in associates	(250)	(168)
Dividend from an associate	4,800	-
Net cash from/(used in) investing activities	3,181	(659)
Cash flows from financing activities		
Proceeds from/(repayment of) bank borrowings, net	2,112	(1,527)
Repayment of long term borrowings	(3,810)	(5,110)
Repayment of finance leases	(635)	(330)
Loans to an associate	(13,793)	-
Increase in pledged deposits	(653)	-
Net cash used in financing activities	(16,779)	(6,967)
Net (decrease)/increase in cash & cash equivalents	(15,860)	4,380
Net effect of exchange rate changes on cash and cash equivalents	113	(2)
Cash and cash equivalents at beginning of the period	38,002	20,192
Cash and cash equivalents at end of the period	22,255	24,570
<u>Comprising:</u>		
Cash and bank balances	17,662	17,620
Fixed deposits	11,768	10,505
	29,430	28,125
Less: Pledged fixed deposits	(7,175)	(3,555)
	22,255	24,570

1(c) Consolidated statement of cash flows (continued)

Note A

The Group acquired property, plant and equipment through the following arrangements:

Total cost of property, plant and equipment acquired
 Less: Acquisition costs satisfied by finance lease arrangements
 Cash payments

First quarter ended 31 Mar	
2015	2014
S\$'000	S\$'000
1,562	1,495
(188)	(912)
1,374	583

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 equity holders of the Parent						Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Foreign currency translation reserve S\$'000	Share plan reserve S\$'000	Non-controlling interests S\$'000	
Balance at 1 January 2015	43,967	(69)	91,299	(880)	-	2,614	136,931
Total comprehensive income for the period	-	-	848	(336)	-	78	590
Balance at 31 March 2015	43,967	(69)	92,147	(1,216)	-	2,692	137,521
Balance at 1 January 2014	43,967	(450)	82,527	(577)	172	1,843	127,482
Share-based compensation expense	-	-	-	-	91	-	91
Total comprehensive income for the period	-	-	5,042	5	-	134	5,181
Balance at 31 March 2014	43,967	(450)	87,569	(572)	263	1,977	132,754

Company

	Attributable to equity holders of the Company				
	Share capital S\$'000	Treasury shares S\$'000	Share plan reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance at 1 January 2015	43,967	(69)	-	35,551	79,449
Total comprehensive income for the period	-	-	-	9	9
Balance at 31 March 2015	43,967	(69)	-	35,560	79,458
Balance at 1 January 2014	43,967	(450)	172	21,222	64,911
Share-based compensation expense	-	-	91	-	91
Total comprehensive income for the period	-	-	-	201	201
Balance at 31 March 2014	43,967	(450)	263	21,423	65,203

- 1(d)(ii) Details of any changes in the company's share capital arising from right 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.**

Share capital

There have been no changes to the issued share capital of the Company since the end of the previous financial year. As at 31 March 2015 and 31 December 2014, the issued share capital of the Company was \$43,967,199 comprising 307,999,418 ordinary shares and 211,000 treasury shares.

Treasury shares

The Company did not acquire any ordinary shares of the Company to be held as treasury shares during 1Q15 and 1Q14. The number of treasury shares held as at 31 March 2015 was 211,000 (as at 31 March 2014: 1,621,000).

	<u>No. of shares</u>	<u>S\$'000</u>
At 1 January 2015	211,000	69
Purchased in 1Q15	-	-
At 31 March 2015	<u>211,000</u>	<u>69</u>

Employee performance share plan

As at 31 March 2015, there were Nil (as at 31 March 2014: 1,410,000) performance shares granted and outstanding (being contingent award) to eligible employees and directors under the BBR Share Plan.

- 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.**

The total number of issued shares excluding treasury shares as at 31 March 2015 was 307,999,418 (as at 31 December 2014: 307,999,418). The total number of treasury shares held as at 31 March 2015 was 211,000 (as at 31 December 2014: 211,000).

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current period reported on.**

Save as disclosed in para 1(d)(ii), there were no sales, transfers, disposal, cancellation and/or use of treasury shares during the three months ended 31 March 2015.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors report (including any qualifications or emphasis of matters).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those adopted in the most recently audited financial statements for the financial year ended 31 December 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.**

There are no changes in accounting policies and methods of computation.

6. **Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<u>Note</u>	First Quarter Ended 31 March	
		<u>2015</u> Cents	<u>2014</u> Cents
Earnings per ordinary share of the Company attributable to shareholders			
(a) Based on the weighted average number of ordinary shares in issue	(1)	0.27	1.64
(b) On a fully diluted basis (detailing any adjustment made to earnings)	(2)	0.27	1.64

Note

(1) Weighted average number of shares of 307,999,418 (2014: 306,589,418) takes into account the weighted average effect of changes in treasury shares transactions during the period.

(2)

	First Quarter Ended 31 March	
	<u>2015</u>	<u>2014</u>
Weighted average number of ordinary shares for basic earnings per share computation	307,999,418	306,589,418
Effect of dilution – performance shares	-	1,410,000
Weighted average number of ordinary shares for diluted earnings per share computation	307,999,418	307,999,418

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 financial period reported on; and**
 (b) **immediately preceding financial year**

	Group		Company	
	<u>31.3.15</u> Cents	<u>31.12.14</u> Cents	<u>31.3.15</u> Cents	<u>31.12.14</u> Cents
Net asset value per ordinary share based on issued capital at the end of the period	43.78	43.61	25.80	25.80

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the followings:-**
- (a) 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; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Comprehensive Income Statement Review – First quarter 2015 ('1Q15') vs First Quarter 2014 ('1Q14')

Group revenue for 1Q15 was \$91.8 million compared to \$142.8 million for 1Q14. Net profit attributable to equity holders of the Company for the same period decreased to \$0.8 million from \$5.0 million in 1Q14.

The lower revenue for 1Q15 was due mainly to decreased revenue from the general construction segment, which was partially offset by moderately higher specialised engineering revenue. Revenue for 1Q14 was high because most of the group's general construction projects were in their active stage of construction. At the end of 2014, some of the projects were completed which resulted in lower revenue for 1Q15 from the remaining ongoing projects. Specialised engineering revenue continued to show an uptrend attributable to more construction projects in-progress in Malaysia.

Gross profit for 1Q15 decreased to \$6.5 million from \$11.3 million for 1Q14, due largely to a 35.7% decline in revenue as well as lower gross margin which decreased marginally to 7.1% as compared to 7.9% in 1Q14.

Other operating income increased to \$1.2 million for 1Q15 from \$1.0 million in 1Q14, mainly attributable to administrative fee income from the training and test centres. Other income of \$132,000 comprised mainly foreign exchange gains from SGD denominated loans to a Thailand subsidiary due to the appreciation of the Thai baht to the SGD.

Administrative costs were relatively unchanged over the two comparative quarters in 2015 and 2014. Other operating cost for 1Q15 rose by 11.3% to \$4.4 million from \$3.9 million in 1Q14 due mainly to increase in salaries and wages and staff related costs. There was no material difference in the amount of finance costs incurred over the two comparative periods under review.

Income tax expense for 1Q15 was \$259,000 compared to \$0.9 million for 1Q14 due to lower profits in the current quarter.

Statement of Financial Position Review

The carrying amount of the Group's property, plant and equipment remained at approximately \$25 million as at 31 March 2015 and 31 December 2014 because depreciation charges for the current period was offset by acquisition of plant and equipment.

Investments in associates decreased to \$3.5 million as at 31 March 2015 from \$8.2 million as at 31 December 2014 after accounting for dividends of S\$4.8 million received from Tennessee Pte Ltd, a 48% associate. This was partly offset by investment in a new associate, Northernone Development Pte Ltd ("Northernone"), a company incorporated in 1Q15. The Group has an effective equity interest of 25.05% in Northernone and its subsidiaries which have invested in a new mixed residential and commercial development at Yishun Avenue 4 (the "Mixed Development").

Loans to associates increased by \$13.9 million to \$45.9 million as at 31 March 2015 mainly attributable to shareholder's loans provided in proportion to the Group's equity interest in Northernone to partially finance the acquisition of land from HDB for the Mixed Development in the current quarter.

Development property increased to \$80.3 million as at 31 March 2015 from \$75.2 million as at 31 December 2014 due mainly to higher cumulative construction costs to-date and progressive profits recognised at Bliss @Kovan and partially offset by progress claims for sold units.

Total current and non-current trade receivables decreased to \$71.2 million as at 31 March 2015 from \$89.4 million as at 31 December 2014, largely due to lower general construction work volume leading to decreased revenue and trade receivables.

Other receivables rose to \$6.2 million as at 31 March 2015 from \$4.7 million as at 31 December 2014 due mainly to an advance payment to a subcontractor for commencement of production for a construction project, and partially offset by deposits refunded by vendors for services rendered to projects that have been completed.

Cash and cash equivalents, and pledged deposits, decreased to \$29.4 million as at 31 March 2015 from \$44.6 million as at 31 December 2014, mainly attributable to loans to Northernone for the purchase of land for the Mixed Development and term loan repayments in the quarter, and partially offset by dividends received from an associate.

Similar to trade receivables, the Group's current and non-current trade and other payables as at 31 March 2015 decreased, from \$99.6 million as at 31 December 2014 to \$75.1 million, due to lower general construction work volume leading to decreased project costs and trade payables.

Amount due to customers for work-in-progress (which represents billings in excess of costs and profits) rose to \$39.7 million as at 31 March 2015 from \$35.2 million as at 31 December 2014, mainly derived from progressive billings in excess of construction costs for major projects in their active stage of construction in Malaysia.

Other liabilities increased to \$5.1 million as at 31 March 2015 from \$3.7 million as at 31 December 2014, attributable to provisions for operating expenses for the current quarter.

Income tax payable as at 31 March 2015 and 31 December 2014 stood almost unchanged at \$1.1 million and deferred tax liability rose to \$4.5 million as at 31 March 2015 from \$4.0 million as at 31 December 2014 attributable to further tax provision for profits recorded by BBR Kovan Pte Ltd, which is due after Temporary Occupation Permit in 2015.

Total bank loans and borrowings decreased to \$34.0 million as at 31 March 2015 from \$36.2 million as at 31 December 2014 due to term loan repayments and partially offset by loans borrowed for working capital purposes.

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

Not applicable, because there was no forecast or prospect statement on financial performance disclosed previously.

10. A commentary at the date of the announcement of the significant trends and 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.

On 14 April 2015, the Ministry of Trade and Industry announced that based on advance estimates, the Singapore economy grew by 2.1 per cent on a year-on-year basis in the first quarter of 2015, the same rate of growth as that achieved in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower pace of 1.1 per cent compared to the 4.9 per cent in the preceding quarter. The construction sector expanded by 3.3 per cent on a year-on-year basis in the first quarter, an improvement from the 0.7 per cent growth recorded in the preceding quarter. Growth was driven by a pick-up in private sector construction activities. On a quarter-on-quarter seasonally-adjusted annualized basis, growth in the sector accelerated to 13.8 per cent, from 2.2 per cent in the previous quarter.

The industry outlook remains challenging in the next 12 months with increasing competition and anticipated 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 \$555 million in respect of construction projects, predominantly in Singapore and Malaysia.

11. Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

No.

(b) (i) Amount per share – Not applicable

(ii) Previous corresponding period – Not applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived (if the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable

(d) The date the dividend is payable

Not applicable

(e) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared/recommendeded for the current financial period.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions "IPTs", the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained pursuant to Rule 920(1).

CONFIRMATION BY THE BOARD

We, Tan Kheng Hwee Andrew and Carrie Luk Kai Lai, being two of the Directors of the Company, do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 31 March 2015 to be false or misleading.

On behalf of the Board of Directors



TAN KHENG HWEE ANDREW
Executive Director and Chief Executive Officer



CARRIE LUK KA LAI
Non-Executive Director
Singapore