



HOLDINGS (S) LTD

Registration No.: 199304349M

BUSINESS UPDATE ON COVID-19 IMPACT

The Board of Directors (the “**Board**” or the “**Directors**”) of BBR Holdings (S) Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to update shareholders of the Company (“Shareholders”) on the impact of the COVID-19 pandemic on the business operations and financials of the Group.

On 3 April 2020, the Singapore Government announced and implemented an elevated set of safe distancing measures as “circuit breakers” to curb the further spread of COVID-19 (“Circuit Breaker Measures”). Under the Circuit Breaker Measures, all activities at workplace premises, except for those providing essential services and their related supply chains and service providers, are suspended from 7 April 2020 to 4 May 2020 (“Circuit Breaker Period”).

A further tightening of the Circuit Breaker Measures announced by the Singapore Government on 21 April 2020 include, among others, further reducing the list of companies permitted to operate during the Circuit Breaker Period so as to reduce the number of onsite workers, minimise the movement and interaction of people, and curb the spread of COVID19. The Circuit Breaker Period is also extended by another 4 weeks until 1 June 2020.

On 19 May 2020, the government announced that Circuit Breaker measures will gradually eased from 2 June 2020 and businesses will be allowed to resumed in a phased manner.

The Group had temporarily ceased construction activities in Singapore for all its ongoing projects during the Circuit Breaker Period. All works will require approval from Building and Construction Authority (BCA) before they can restart. The control measures required are safe workplace, safe workers and safe accommodation/transport. The Group will be making submission to BCA to restart the projects and will address these requirements. Meanwhile, activities at the project sites are limited to housekeeping, safety and environmental maintenance works.

As for the Group’s property development business, Covid-19 has also caused a delay in the sales launch of our development, The Linq @ Beauty World.

Malaysia was under the Movement Control Order (“MCO”) since 18th March 2020 and similarly construction activities were suspended. This was slightly eased by the Conditional Movement Control Order (“CMCO”) implemented on 4th May 2020 whereby certain industries and businesses were allowed to resume operation under strict conditions such as permitting only 50 % workforce and adopting social distancing of 1.5 metre. However, for the Construction Industry, it is very challenging to comply as all workers (both foreign and local) will have to go through Covid-19 screening test before they are able to resume work. Due to the large number of foreign workers required to be screened for Covid-19, most of the site were not ready to resume work. With the implementation of Recovery Movement Control Order (“RMCO”) on 10th June 2020 whereby most businesses are permitted to resume operation without much restriction and even inter-state travel are permissible, the construction activities at all the project sites are slow to start.

The Covid-19 outbreak has resulted in lower overall business volume for the Group. Considering the aforesaid developments and uncertainties, and the Group expects a negative impact on the Group’s financial performance for the financial period in respect of the half year ending 30 June 2020 (“HY2020”) and also for its full financial year ending 31 December 2020 (“FY2020”).

Although the Singapore Government has provided relief and support measures in response to the COVID-19 pandemic to partially cushion the negative financial impact, there are uncertainties over the extent of the impact of the COVID-19 pandemic on the economy as well as the Group's business operations. The full extent of the Covid-19 impact on the Company's financial performance for HY2020 and FY2020 cannot be ascertained at this point.

In light of the challenging and deteriorating business environment, the Group's current priority is to ensure that it has adequate liquidity to sustain the Group's business operations and ride through this downturn. The Group is taking a prudent approach in managing its cash flow and is also exploring financing options, should the need arises, to further improve its liquidity, such as the newly announced government-assisted loan.

The Group supports the governmental actions taken to fight the COVID-19 pandemic and reiterates its commitment to protecting the health, safety and well-being of its employees, its subcontractors and their workers, clients, the wider community and other stakeholders.

The Board will continue to assess the impact of the COVID-19 pandemic on the Group and update Shareholders as and when there are any material developments. In the meanwhile, the Board wishes all employees, stakeholders and Shareholders good health and to stay safe in this time of pandemic.

By Order of the Board
BBR HOLDINGS (S) LTD

Andrew Tan
Chief Executive Officer
22 June 2020