



MEDIA RELEASE
For Immediate Release

BBR Holdings reported S\$69.1 million revenue and S\$3.2 million profit for its first half ended 30 June 2017

SINGAPORE, 7 August 2017 – MAINBOARD-LISTED BBR Holdings (S) Ltd (BBR 控股) (“BBR” or “the Group”) announced today that the Group has recorded revenue of S\$69.1 million in the first six months of FY2017 (6M2017) compared to S\$155.3 million in the first six months of FY2016 (6M2016). Net profit attributable to equity holders of the Company rose to S\$3.2 million in 6M2017 compared to a net loss of S\$5.0 million in 6M2016, mainly from improved share of associates’ profits.

Group revenue for 6M2017 decreased by 55.5% from S\$155.3 million to S\$69.1 million with lower sales registered for both General Construction and Specialised Engineering segments. However, with the difference in project mix over the two periods, gross profit margin improved to 12.9% from 4.4% resulting which, gross profit increased by 30.9% from S\$6.8 million to S\$8.9 million.

The Group was faced with some rises in operating costs with its strategic move into Pre-fabricated Pre-finished Volumetric Construction (“PPVC”). Depreciation was higher with the setup of facilities needed and research and development costs were expended to bring future improvements to the PPVC systems. Manpower costs in General Construction also increased as these costs were recorded in operating expenses instead of project costs on completion of a number of projects.

Share of results of joint ventures of S\$1.6 million for 6M2017 comprised S\$0.3 million arising from Singapore Piling – Shincon JV and S\$1.3 million from the progressive recognition of income from the sale of condominium units of The Wisteria. To date, all 216 units were sold and TOP was expected in the second half of 2018.

Share of results of associates amounted to S\$6.2 million in 6M2017 arose from the recognition of sales of 238 units of Lake Life Executive Condominium according to financial accounting standards for Executive Condominium development.

In the property development segment, the Group had successfully clinched the collective sales of Goh & Goh Building, a mixed development in Upper Bukit Timah and is targeting for completion of the en-bloc deal in the next quarter.

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 upfront 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.

The acquisition of Goh and Goh Building has provided the new impetus for our property development business and we are progressing on track to re-develop the 2,868.3 sqm freehold property into a mixed development project."

Financial Position

The financial position of the Group continues to be stable. Net assets stood at S\$135.1 million as at 30 June 2017, as compared to S\$134.7 million as at 31 December 2016. Net asset value per share stands at 41.42 cents as at 30 June 2017.

The Group's cash position remained healthy at S\$44.4 million as at 30 June 2017.

Business Outlook

On 14 July 2017, the Ministry of Trade and Industry announced that based on advance estimates, the Singapore economy grew by 2.5 per cent on a year-on-year basis in the second quarter of 2017, the same pace of growth as in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualized basis, the economy expanded by 0.4 per cent, in contrast to the 1.9 per cent contraction in the preceding quarter. The construction sector contracted by 5.6 per cent on a year-on-year basis in the second quarter, following the 6.1 per cent decline in the previous quarter. The sector was weighed down by a weakness in both private sector and public sector construction activities. On a quarter-on-quarter seasonally-adjusted basis, the sector rebounded to grow by 4.3 per cent, compared to the 14.4 per cent contraction in the preceding quarter.

The industry outlook remains challenging in the next 12 months with rising business costs, labour shortages and stiffer regulatory controls. With weak demand and intense competition in the market, more construction firms are bidding on projects at thin margins and some at below cost to sustain their business. This may in turn drive down the overall gross profit margins for the construction industry.

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.

The Group will also explore for business opportunities locally and in the region to maintain and sustain long term growth.

As at the date of this announcement, the Group has an order book of approximately S\$238 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

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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;
- the design and construction of the Gawi Marine Base and bridge connecting to Pulau Poh in Kenyir Lake in Terengganu, which is expected to be completed in the second half of 2017;
- 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.