



HOLDINGS (S) LTD

Registration No.: 199304349M

Financial Statement for the First Quarter and Three Months Ended 31 March 2017

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		
	2017 S\$'000	2016 S\$'000	Change %
<u>INCOME STATEMENT</u>			
Revenue	33,075	82,093	(59.7)
Cost of sales	(27,682)	(77,232)	(64.2)
Gross profit	5,393	4,861	10.9
Other operating income	749	559	34.0
Other expense	(187)	(304)	(38.5)
Administrative costs	(2,015)	(1,969)	2.3
Other operating costs	(4,688)	(4,275)	9.7
Finance costs	(84)	(134)	(37.3)
Share of results of joint ventures	622	(302)	N.M.
Share of results of associates	5,781	79	N.M.
Profit/(loss) before taxation	5,571	(1,485)	N.M.
Income tax expense	(30)	(237)	(87.3)
Profit/(loss) for the period	5,541	(1,722)	N.M.
Attributable to:			
Equity holders of the Company	5,382	(1,682)	N.M.
Non-controlling interests	159	(40)	N.M.
	5,541	(1,722)	N.M.

N.M. - Not meaningful

STATEMENT OF COMPREHENSIVE INCOME

Profit/(loss) 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		
2017 S\$'000	2016 S\$'000	Change %
5,541	(1,722)	N.M.
(402)	700	N.M.
(402)	700	N.M.
5,139	(1,022)	N.M.
5,058	(1,112)	N.M.
81	90	(10.0)
5,139	(1,022)	N.M.

NOTES TO INCOME STATEMENT

The following items have been included in arriving at profit/(loss) for the period:

Depreciation of property, plant and equipment
Foreign exchange loss, net
Gain on disposal of property, plant and equipment
Interest expense
Interest income
Allowance for doubtful receivables, net
Allowance for inventories obsolescence
Amortisation of deferred income
Fair value loss on derivative
(Over)/underprovision of income tax in respect of previous years

1,459	1,343	8.6
62	304	(79.6)
-	(24)	N.M
84	134	(37.3)
(276)	(213)	29.6
47	14	235.7
315	-	N.M
(40)	-	N.M
125	245	(49.0)
(178)	96	N.M

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-17 S\$'000	31-Dec-16 S\$'000	31-Mar-17 S\$'000	31-Dec-16 S\$'000
Non-current assets				
Property, plant and equipment	42,803	42,979	19,254	18,641
Intangible assets	419	419	-	-
Investments in subsidiaries	-	-	54,898	54,898
Investments in associates	15,857	10,162	260	260
Investment in joint ventures	-	-	-	-
Deferred tax assets	424	424	-	-
Trade receivables	5,959	7,355	-	-
Loans to associates	20,223	20,136	-	-
Loans to a joint venture	21,992	20,525	-	-
Current assets				
Amounts due from subsidiaries	-	-	3,761	3,547
Properties held for sale	7,989	9,463	-	-
Gross amount due from customers for work-in-progress	5,041	6,118	-	-
Inventories	6,689	7,343	-	-
Trade receivables	50,002	55,866	-	-
Other receivables	1,789	2,458	73	876
Pledged deposits	4,800	4,657	-	-
Cash and bank balances (including fixed deposits)	56,781	58,730	800	1,047
	133,091	144,635	4,634	5,470
Current liabilities				
Amounts due to subsidiaries	-	-	4,730	4,947
Gross amount due to customers for work-in-progress	35,512	33,635	-	-
Trade and other payables	34,694	44,372	168	307
Deferred income	159	159	-	-
Other liabilities	2,043	2,142	717	547
Loans and borrowings	3,195	3,201	452	443
Income tax payable	4,623	4,890	193	193
	80,226	88,399	6,260	6,437
Net current assets/(liabilities)	52,865	56,236	(1,626)	(967)
Non-current liabilities				
Trade payables	3,293	5,699	-	-
Deferred income	2,893	2,933	-	-
Deferred tax liabilities	283	239	-	-
Loans and borrowings	14,279	14,710	10,003	10,123
	139,794	134,655	62,783	62,709
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	94,960	89,578	18,885	18,811
Foreign currency translation reserve	(2,976)	(2,652)	-	-
	135,882	130,824	62,783	62,709
Non-controlling interests	3,912	3,831	-	-
Total equity	139,794	134,655	62,783	62,709

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

Amount repayable in one year or less, or on demand

As at 31/03/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
S\$1,695,000	S\$1,500,000	S\$1,701,000	S\$1,500,000

Amount repayable after one year

As at 31/03/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
S\$14,279,000	-	S\$14,710,000	-

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 land and building, plant and equipment, motor vehicles and fixed deposits.

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	
	2017 S\$'000	2016 S\$'000
Cash flows from operating activities		
Profit/(loss) before taxation	5,571	(1,485)
Adjustments for:		
Depreciation of property, plant and equipment	1,459	1,343
Allowance for doubtful receivables, net	47	14
Amortisation of deferred income	(40)	-
Allowance for inventories obsolescence	315	-
Interest income	(276)	(213)
Interest expense	84	134
Fair value adjustment on derivative	125	245
Gain on disposal of property, plant and equipment	-	(24)
Share of results of joint ventures	(622)	302
Share of results of associates	(5,781)	(79)
Net effect of exchange rate changes in consolidating subsidiaries	(86)	799
Operating cash flows before working capital changes	796	1,036
Decrease in properties held for sale	1,452	-
Increase in amount due to customers for work-in-progress (net)	3,312	17,273
Decrease in trade receivables	6,963	24,578
Decrease in other receivables	660	567
Decrease in inventories	299	908
Decrease in trade and other payables	(11,981)	(23,380)
Increase in other liabilities	213	724
Cash generated from operations	1,714	21,706
Interest paid	(122)	(183)
Interest received	162	86
Income tax paid	(254)	(345)
Net cash generated from operating activities	1,500	21,264
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	24
Purchase of property, plant and equipment (Note A)	(1,427)	(2,757)
Distribution of profits from a joint venture	189	128
Net cash used in investing activities	(1,238)	(2,605)
Cash flows from financing activities		
Repayment of bank borrowings, net	-	(486)
Proceeds from long term borrowings, secured	-	2,048
Repayment of long term borrowings	(387)	(1,282)
Repayment of finance leases	(42)	(324)
Loans to an associate	-	(175)
Loans to a joint venture	(1,353)	(586)
Increase in pledged deposits	(221)	-
Net effect of exchange rate changes in consolidating subsidiaries	70	(88)
Net cash used in financing activities	(1,933)	(893)
Net (decrease)/increase in cash & cash equivalents	(1,671)	17,766
Net effect of exchange rate changes on cash and cash equivalents	(316)	(344)
Cash and cash equivalents at beginning of the period	58,482	23,935
Cash and cash equivalents at end of the period	56,495	41,357

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

	First quarter ended 31 Mar	
	2017 S\$'000	2016 S\$'000
Comprising:		
Cash and bank balances	20,954	31,531
Fixed deposits	40,627	15,485
	61,581	47,016
Less: Pledged fixed deposits	(4,800)	(5,461)
Statement of financial position - cash and bank balances (including fixed deposits)	56,781	41,555
Less: Maintenance funds from owners of Bliss @Kovan received on behalf of property managing agent	(286)	(198)
	56,495	41,357

Note A

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

	First quarter ended 31 Mar	
	2017 S\$'000	2016 S\$'000
Total cost of property, plant and equipment acquired	1,427	2,806
Less: Interest cost paid	-	(49)
Cash payments	1,427	2,757

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	Non-controlling interests S\$'000	
Balance at 1 January 2017	43,967	(69)	89,578	(2,652)	3,831	134,655
Total comprehensive income for the period	-	-	5,382	(324)	81	5,139
Balance at 31 March 2017	43,967	(69)	94,960	(2,976)	3,912	139,794
Balance at 1 January 2016	43,967	(69)	91,167	(2,257)	2,536	135,344
Total comprehensive income for the period	-	-	(1,682)	570	90	(1,022)
Balance at 31 March 2016	43,967	(69)	89,485	(1,687)	2,626	134,322

Company

	Attributable to equity holders of the Company			Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	
Balance at 1 January 2017	43,967	(69)	18,811	62,709
Total comprehensive income for the period	-	-	74	74
Balance at 31 March 2017	43,967	(69)	18,885	62,783
Balance at 1 January 2016	43,967	(69)	19,895	63,793
Total comprehensive income for the period	-	-	(305)	(305)
Balance at 31 March 2016	43,967	(69)	19,590	63,488

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 2017 and 31 December 2016, 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 the year.

	<u>No. of shares</u>	<u>S\$'000</u>
At 1 January and 31 March 2017	<u>211,000</u>	<u>69</u>

Employee performance share plan

As at 31 March 2017 and 2016, there were no 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 2017 was 307,999,418 (as at 31 December 2016: 307,999,418). The total number of treasury shares held as at 31 March 2017 was 211,000 (as at 31 December 2016: 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 2017.

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 2016.

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.**

	First Quarter Ended 31 March	
	<u>2017</u> Cents	<u>2016</u> Cents
Earnings/(loss) per ordinary share of the Company attributable to shareholders		
(a) Based on the weighted average number of ordinary shares in issue	1.75	(0.55)
(b) On a fully diluted basis (detailing any adjustment made to earnings)	1.75	(0.55)

The weighted average number of shares of 307,999,418 (31 December 2016: 307,999,418) for basic and diluted earnings per share computation takes into account the weighted average effect of changes in treasury shares transactions during the periods, of which there were none.

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>31.3.17</u> Cents	<u>31.12.16</u> Cents	<u>31.3.17</u> Cents	<u>31.12.16</u> Cents
Net asset value per ordinary share based on issued capital at the end of the period	44.12	42.48	20.38	20.36

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.

Income Statement Review – First Quarter 2017 ('1Q17') vs First Quarter 2016 ('1Q16')

Despite a decline in Group revenue from \$82.1 million in 1Q16 to \$33.1 million in 1Q17, the Group reported net profit attributable to equity holders of the Company of \$5.4 million in the current quarter compared to a net loss of \$1.7 million in 1Q16, mainly from improved operating performance and share of associates' profits.

The decrease in Group revenue for 1Q17 compared to 1Q16 was mainly due to lower revenue from the General Construction Segment, and partially offset by revenue from sale of one condominium unit at Bliss @Kovan under the Property Development Segment. Work volume for general construction has declined because most of these projects were completed in 2016. The Group's other property development projects are undertaken through an associate and a joint-venture and hence do not contribute to the Group's revenue.

Although there is a decrease in Group revenue, gross profit for 1Q17 rose to \$5.4 million from \$4.9 million in 1Q16, mainly attributable to improved performance from Pre-finished Pre-fabricated Volumetric Construction (PPVC) projects under the Specialised Engineering Segment, and partially offset by lower profits from General Construction due to a

decrease in revenue. Overall gross margin for 1Q17 improved to 16.3% from 5.9% in 1Q16 as a result of difference in project mix.

Other operating income for 1Q17 rose to \$0.8 million from \$0.6 million in 1Q16, mainly attributable to higher interest income from bank deposits and administrative fees earned from the training and testing centres.

Other expense pertaining to foreign exchange loss on the Group's financial assets and forward currency purchases denominated in USD decreased to \$0.2 million in 1Q17 from \$0.3 million in 1Q16.

Administrative costs for both 1Q17 and 1Q16 remained unchanged at approximately \$2.0 million with higher depreciation expense from solar leasing assets being partially offset by lower marketing costs in 1Q17. Operating costs increased by \$0.4 million to \$4.7 million in 1Q17 from \$4.3 million in 1Q16, mainly due to impairment losses for inventories.

Finance costs in 1Q17 decreased to \$84,000 from \$134,000 in 1Q16, mainly due to lower interest expense after full repayment of a term loan in December 2016.

Share of results of associates rose to \$5.8 million in 1Q17 compared to \$79,000 in 1Q16, attributable to the Group's 35% equity interest in Lakehomes Pte Ltd ("Lakehomes"), the developer for LakeLife Executive Condominium in Jurong Lake district. TOP was obtained on 30 December 2016 and profits for 296 sold units were recognised in financial year 2016 based on financial accounting standards for Executive Condominium development. Lakehomes continues to report profits for another 194 sold units in 1Q17.

The Group reported \$0.6 million profits from share of results of joint ventures in 1Q17, mainly attributable to progressive recognition of profits from sales of condominium units at a mixed residential and commercial development at Yishun ("Yishun Mixed Development"). Share of joint venture losses reported in 1Q16 was mainly attributable to fair value loss adjustment on derivative and interest expense accruing to bank borrowings and shareholders' loans to finance the development. The Group has 25% equity interest in Yishun Mixed Development.

Income tax expense for 1Q17 decreased to \$30,000 from \$237,000 for 1Q16 mainly due to adjustment for overprovision of prior year income tax by the Malaysia subsidiary.

Statement of Financial Position Review

The carrying amount of the Group's property, plant and equipment was unchanged at approximately \$43.0 million as at 31 March 2017 and 31 December 2016. Depreciation charges for property, plant and equipment for 1Q17 was offset by construction and equipment installation costs for a PPVC holding yard at the Group's logistics and storage premises in Sungei Kadut.

Investment in associates rose to \$15.9 million as at 31 March 2017 from \$10.2 million as at 31 December 2016, due mainly to additional recognition of the Group's share of profits in Lakehomes in 1Q17.

Changes to work-in-progress in the current quarter are not material. Gross amount due to customers for contract work-in-progress increased marginally from \$33.6 million as at 31 December 2016 to \$35.5 million as at 31 March 2017 mainly due to increase in progressive claims in excess of costs incurred for certain major projects in Malaysia.

Properties held for sale decreased by \$1.5 million to \$8.0 million as at 31 March 2017 from 31 December 2016 due to the sale of one condominium unit at Bliss @Kovan. Inventories decreased to \$6.7 million as at 31 March 2017 from \$7.3 million as at 31 December 2016, due to disposals as well as provision for obsolescence.

Total current and non-current trade receivables decreased to \$56.0 million as at 31 March 2017 from \$63.2 million as at 31 December 2016, mainly due to lower volume of general construction work carried out.

Cash and bank balances and pledged deposits stood at \$61.6 million as at 31 March 2017 compared to \$63.4 million as at 31 December 2016. The decrease was mainly due to payments for renovation and equipment purchases at BBR's storage yard for PPVC works and loans to a joint venture for working capital requirements.

Current and non-current trade and other payables decreased to \$38.0 million as at 31 March 2017 from \$50.1 million as at 31 December 2016, due to reduced project costs expenditure as a result of lower general construction work volume.

Income tax payable decreased to \$4.6 million as at 31 March 2017 from \$4.9 million as at 31 December 2016 mainly due to adjustments for overprovision of prior year income tax by the Malaysia subsidiary.

Total bank loans and borrowings decreased by \$0.4 million to \$17.5 million as at 31 March 2017, due to repayments for term loans and finance leases.

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 13 April 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 first quarter of 2017, easing from the 2.9 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualized basis, the economy contracted by 1.9 per cent after posting a strong rebound of 12.3 per cent in the preceding quarter. The construction sector contracted by 1.1 per cent on a year-on-year basis in the first quarter, extending the 2.8 per cent decline in the previous quarter, weighed down by a slowdown in private sector construction activities. On a quarter-on-quarter seasonally-adjusted annualized basis, the sector grew by 5.4 per cent, accelerating from 0.8 per cent growth in the preceding 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 constantly looks for new property development opportunities and will continue to conduct feasibility studies to undertake property development projects.

As an early adopter of the PPVC method of construction, BBR expects to achieve marked improvement in construction productivity. BBR is on track to realise the Singapore Government's push for more efficient building techniques.

As at the date of this announcement, the Group has an order book of approximately \$215 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/recommended 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).

14. If the Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

Yes.

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 2017 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