



MEDIA RELEASE
For Immediate Release

BBR Holdings reported S\$33.1 million revenue for its first quarter ended 31 March 2017

SINGAPORE, 12 May 2017 – MAINBOARD-LISTED BBR Holdings (S) Ltd (BBR 控股) (“BBR” or “the Group”) announced today that the Group has recorded revenue of S\$33.1 million in the first quarter of FY2017 (1Q2017) compared to S\$82.1 million in the first quarter of FY2016 (1Q2016). Net profit attributable to equity holders of the Company rose to S\$5.4 million in the current quarter compared to a net loss of S\$1.7 million in 1Q2016, mainly from improved operating performance and share of associates’ profits.

The decrease in Group revenue for 1Q2017 compared to 1Q2016 was mainly due to lower revenue from the General Construction Segment, and was 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 1Q2017 rose to S\$5.4 million from S\$4.9 million in 1Q2016, 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 1Q2017 improved to 16.3% from 5.9% in 1Q2016 as a result of difference in project mix.

Share of results of associates rose to S\$5.8 million in 1Q2017 compared to S\$79,000 in 1Q2016, attributable to the Group's 35% equity interest in Lakehomes Pte Ltd ("Lakehomes"), the developer for LakeLife Executive Condominium ("LakeLife EC") 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 1Q2017.

The Group reported S\$0.6 million profits from share of results of joint ventures in 1Q2017, mainly attributable to progressive recognition of profits from a mixed residential and commercial development at Yishun ("Yishun Mixed Development") and a joint construction project undertaken by Singapore Piling – Shincon JV. The Group has 25% equity interest in Yishun Mixed Development which includes residential development properties known as The Wisteria.

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. As an early adopter of the PPVC method of construction, BBR expects to achieve marked improvement in construction productivity. Productivity and cost optimisation will remain our priority to steer BBR ahead in Singapore and the region.

With completion of Lakelife EC in December 2016, we are actively seeking acquisitions of land parcels and evaluating enbloc opportunities for new residential as well as mixed commercial and residential developments."

Financial Position

The financial position of the Group continues to be stable. Net assets stood at S\$135.9 million as at 31 March 2017, as compared to S\$130.8 million as at 31 December 2016. Net asset value per share stands at 44.12 cents as at 31 March 2017.

Cash and bank balances and pledged deposits stood at S\$61.6 million as at 31 March 2017 compared to S\$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.

Business Outlook

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 at the date of this announcement, the Group has an order book of approximately S\$215 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 car parks 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.