



MEDIA RELEASE
For Immediate Release

BBR Holdings recorded S\$73.2 million revenue in second quarter ended 30 June 2016

SINGAPORE, 2 August 2016 – MAINBOARD-LISTED BBR Holdings (S) Ltd (BBR控股) (“BBR” or “the Group”) announced today that the Group has registered revenue of \$73.2 million in the second quarter of 2016 (“2Q16”), as compared with \$106.9 million for second quarter of 2015 (“2Q15”).

Group revenue decreased to \$73.2 million in 2Q16 from \$106.9 million in 2Q15. A net loss attributable to equity holders of the Company of \$3.3 million in the current quarter was reported as compared to a marginal \$40,000 profit in 2Q15.

Revenue fell in 2Q16 due mainly to lower revenue from the general construction and property development segments. Revenue from general construction segment declined in 2Q16 due to lower construction activities while revenue from property development segment for sold units was already fully recognised in financial year 2015 after obtaining Temporary Occupancy Permit (“TOP”).

Gross profit for 2Q16 declined to \$1.9 million from \$5.1 million for 2Q15, due mainly to absence of the profits from property development segment in 2Q16 and losses from certain general construction projects. This led to lower gross margin of 2.6% for the current quarter from 4.8% in 2Q15.

There was no significant contribution from associates in 2Q16. Lakehomes Pte Ltd (“Lakehomes”), an associate 35% owned by the Group, is the developer for Lake Life Executive Condominium in Jurong Lake district. Construction at the development is approximately 88% completed with 99% of the units sold as at 30 June 2016. However, Lakehomes is unable to progressively recognise revenue and profits from the sales until the development achieves TOP, in accordance to the financial accounting standards for

Executive Condominium development. TOP is expected to be obtained in the last quarter of the current financial year.

Financial Position

The financial position of the Group continues to be stable. Net assets stood at \$125.3 million as at 30 June 2016, as compared to \$132.8 million as at 31 December 2015. Net asset value per share stands at 40.69 cents.

Cash and cash equivalents and pledged deposits rose to \$38.2 million as at 30 June 2016 compared with \$29.2 million as at 31 December 2015, largely due to increase in cash generated from operating activities, namely amount due to customers for work-in-progress (net) and trade receivables, offset partially by payments for trade payables in the current period.

Business Outlook

On 14 July 2016, the Ministry of Trade and Industry announced that based on advance estimates, the Singapore economy grew by 2.2 per cent on a year-on-year basis in the second quarter of 2016, marginally higher than the 2.1 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualized basis, the economy expanded by 0.8 per cent, faster than the 0.2 per cent growth in the preceding quarter. The construction sector grew by 2.7 per cent on a year-on-year basis in the second quarter, easing from the 4.5 per cent growth recorded in the previous quarter. The moderation in growth was largely due to a slowdown in private sector construction activities. On a quarter-on-quarter seasonally-adjusted basis, the sector expanded at an annualized rate of 0.6 per cent, lower than the 3.5 per cent expansion in the preceding quarter.

The industry outlook remains challenging in the next 12 months with increasing competition and 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 \$355 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 Piling & Civil Engineering Private Limited (Singapore Piling), a company it acquired in 2001. Singapore Piling 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 proposed development for 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

Media and Analysts Contact

BBR Holdings (S) Ltd

Ms Maria Low

Tel: (+65) 6235 5613

Email: maria@bbr.com.sg

Waterbrooks Consultants Pte Ltd

Tel: (+65) 6100 2228

Mr Wayne Koo

Mobile: (+65) 9338 8166

Email: wayne.koo@waterbrooks.com.sg

Ms Jean Yang

Mobile: (+65) 93636369

Email: jean@waterbrooks.com.sg

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;
- two contracts worth approximately RM335 million for specialised engineering projects in Terengganu. The first is the design and construction of the Gawi Marine Base and the bridge connecting to Pulau Poh in Kenyir Lake in Terengganu. The second project comprises the design and construction of a 362 metre long girder bridge to connect the village of Dusun to the village of Dura in Terengganu;
- a S\$196 million contract to construct green Halls of Residence at Nanyang Technological University using PPVC, scheduled for completion in the second half of 2016;
- 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 Piling & Civil Engineering Private Limited has a 51% share in the joint venture;
- a S\$102.8 million contract to build 755 HDB flats at Kallang Whampoa C28B due to be completed by the second half of 2016;
- two contracts worth RM286 million to build two bridges in Terengganu and Sarawak in Malaysia, which are due to be completed at the end of 2016; 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

For its property development business, BBR is currently involved in two projects:

- **Lake Life**, a 99-years leasehold executive condominium consisting of 546 units which will offer modern and lifestyle design features at Yuan Ching Road/Tao Ching Road, Jurong, Singapore. BBR has a 35% interest in this development; and
- **The Wisteria** and **Wisteria Mall**, 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.

3) Green Technology Segment

BBR is a participant in the floating photovoltaic testbed project at Tengeh reservoir to develop, test and evaluate the economic and technical feasibility of installing floating solar systems on water. The project will be completed in the last quarter of 2016.