



MEDIA RELEASE

For Immediate Release

**BBR Holdings reported S\$114.6 million revenue
for its first nine months ended 30 September 2017**

Highlights:

- Earning per share improved at 1.07 cents
- Net Asset Value per share stood at 41.54 cents
- Acquisition of Goh & Goh completed with developmental plans on track

SINGAPORE, 6 November 2017 – MAINBOARD-LISTED BBR Holdings (S) Ltd (BBR 控股) (“BBR” or “the Group”) announced today that the Group has recorded revenue of S\$114.6 million in the first nine months of FY2017 (9M2017) compared to S\$212.4 million in the first nine months of FY2016 (9M2016). Net profit attributable to equity holders of the Company rose to S\$3.4 million in 9M2017 compared to a net loss of S\$8.5 million in 9M2016, mainly from improved results of associates’ and joint ventures’ profits.

Group revenue decreased by 46.1% from S\$212.4 million in 9M2016 to S\$114.6 million in 9M2017. The decline in revenue in both the General Construction Segment and Specialist Engineering Segment were due to lower project work activities in the current financial year. However, gross profit increased by S\$8.1 million with an improvement in the gross profit margin from 3.6% to 13.8% over the two periods in comparison.

Share of results of joint ventures jumped 219.4% from S\$0.7 million in 9M2016 to S\$2.3 million in 9M2017. This was largely due to 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\$6.3 million for 9M2017 from the recognition of sales of 243 units of Lake Life Executive Condominium in accordance with financial accounting standards for Executive Condominium development.

The collective sale of the Goh & Goh Building at Upper Bukit Timah for S\$101.5 million was successfully completed in September.

Mr Andrew Tan, BBR's Chief Executive Officer, said, "In spite of the challenging business environment, the Group has steered a tight course in maintaining our competitive edge. With a revitalised en-bloc market, we are energised by the acquisition of Goh and Goh Building which 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.

We are constantly exploring business opportunities both locally and in the region to sustain the momentum of our long term growth."

Financial Performance for Third Quarter 2017

Group revenue decreased by 20.3% from S\$57.0 million in the third quarter of 2016 (3Q2016) to S\$45.5 million in the third quarter of 2017 (3Q2017). Revenue increased from Specialised Engineering Segment and the Property Development Segment arising from the sale of condominium units at Bliss@Kovan were offset by lower sales from the General Construction Segment as a result of the completion of a number of projects at the end of the last financial year.

Despite the drop in revenue, gross profit improved significantly from S\$0.9 million in 3Q2016 to S\$6.9million in 3Q2017 with better project mix this year after the completion of those projects. Net profit attributable to equity holders rose to S\$0.2 million in 3Q2017 from a loss position of S\$3.5 million in 3Q2016.

Financial Position

The financial position of the Group continues to be stable. Net assets stood at S\$135.0 million as at 30 September 2017, as compared to S\$134.7 million as at 31 December 2016. Based on 323,303,018 ordinary shares in issuance as at 30 September 2017, the Group's net asset value per share was 41.54 cents.

The Group's cash position remained healthy at S\$39.1 million as at 30 September 2017 as compared with S\$33.6 million as at 30 September 2016.

Business Outlook

On 13 October 2017, the Ministry of Trade and Industry announced that based on advance estimates, the Singapore economy grew by 4.6 per cent on a year-on-year basis in the third quarter of 2017, higher than the 2.9 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 6.3 per cent, an improvement from the 2.4 per cent growth in the second quarter. The construction sector contracted by 6.3 per cent on a year-on-year basis in the third quarter, extending the 6.8 per cent decline in the previous quarter. The sector was weighed down primarily by continued weakness in private sector construction activities. On a quarter-on-quarter seasonally-adjusted annualized basis, the sector contracted by 9.2 per cent, a reversal from the 2.4 per cent growth 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.

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 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 was completed in the third 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 2018;
- 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 were 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.