



MEDIA RELEASE
For Immediate Release

BBR Holdings recorded S\$212.4 million revenue for nine months ended 30 September 2016

SINGAPORE, 8 November 2016 – MAINBOARD-LISTED BBR Holdings (S) Ltd (BBR控股) (“BBR” or “the Group”) announced today that the Group has registered revenue of S\$212.4 million for nine months ended 30 September 2016 (“9M16”), as compared with S\$301.7 million for nine months ended 30 September 2015 (“9M15”).

Group revenue fell to S\$57.0 million in the third quarter of 2016 (“3Q16”) from S\$103.0 million in the third quarter of 2015 (“3Q15”) and the Group recorded a net loss attributable to equity holders of the Company of S\$3.5 million in 3Q16 compared to S\$1.1 million net profit in 3Q15.

The Group recorded higher income from their new businesses, namely solar leasing projects under the Green Technology Segment and Pre-fabricated Pre-finished Volumetric Construction (PPVC) under the Specialised Engineering Segment. However, overall revenue achieved for the current period was lower due to lesser general construction activities and revenue from property development for sold units was already fully recognised in financial year 2015 after obtaining Temporary Occupancy Permit (“TOP”). The Group’s new property development projects are undertaken either by associates or joint-ventures and hence do not contribute to the top line.

Gross profit for 3Q16 was S\$0.9 million compared to S\$6.4 million for 3Q15, due mainly to decrease in revenue and cost overruns incurred for certain general construction projects. Despite an improvement in profit margins achieved for the

Specialised Engineering Segment, overall gross margin was 1.5% for the current quarter compared to 6.2% in 3Q15.

Mr Andrew Tan, BBR's Chief Executive Officer, said, "In spite of the challenging business environment, we remain focused on cost optimisation and raising productivity to maintain our competitive edge. We look forward to achieving TOP for LakeLife Executive Condominium and recognising our share of development profits in fourth quarter of 2016. At the same time, we are well geared for the growing demand in PPVC modular system technology in Singapore with our upfront investments in PPVC technology.

Going forward, we plan to actively review and embark on new construction projects selectively by leveraging on our strong track record. Key measures to enhance both project and cost management for new projects so as to improve project profitability include strengthening our project management team expertise and implementing effective cost optimisation measures."

9 Months ended 30 September 2016

Group revenue decreased to S\$212.4 million for 9M16 from S\$301.7 million for 9M15 and net loss attributable to equity holders of the Company was S\$8.5 million in the current period as compared to a net profit of S\$2.0 million in 9M15.

Revenue for 9M16 decreased due mainly to lower revenue recorded for the general construction and property development segments which mirrored the factors for 3Q16's revenue decline. Gross profit for 9M16 decreased to S\$7.7 million from S\$18.0 million for 9M15, due to lower revenue and losses incurred by the general construction segment in the current period. Gross margin for 9M16 decreased to 3.6% compared to 6.0% in 9M15.

Lakehomes Pte Ltd ("Lakehomes"), an associate 35% owned by the Group, is the developer for LakeLife Executive Condominium in Jurong Lake district. Construction at the development is approximately 96% completed with 99.6% of units sold as at 30 September 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 fourth quarter of 2016 or latest by January 2017.

Financial Position

The financial position of the Group continues to be stable. Net assets stood at S\$121.6 million as at 30 September 2016. Net asset value per share stands at 39.49 cents.

Cash and cash equivalents and pledged deposits rose to S\$38.6 million as at 30 September 2016 compared with S\$29.2 million as at 31 December 2015, largely due to increase in cash generated from operating activities.

Business Outlook

On 14 October 2016, the Ministry of Trade and Industry announced that based on advance estimates, the Singapore economy grew by 0.6 per cent on a year-on-year basis in the third quarter of 2016, easing from the 2.0 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 4.1 per cent, a reversal from the 0.2 per cent growth in the preceding quarter. Growth in the construction sector slowed marginally to 2.5 per cent on a year-on-year basis in the third quarter, moderating from the 2.6 per cent in the previous quarter. The slowdown was mainly due to a sharper decline in private sector construction activities. On a quarter-on-quarter seasonally-adjusted basis, the sector expanded at an annualized rate of 0.5 per cent, moderating from the 1.1 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 S\$306 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; **LakeLife**, 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

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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;
- 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 metre 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;
- 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:

- **LakeLife**, 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.