



Financial Statement for the Financial Year Ended 31 December 2018

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) 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.

	Year ended 31 December		
	2018 S\$'000	2017 S\$'000 Restated	Change %
Revenue	118,048	195,736	(39.7)
Cost of sales	(103,072)	(168,166)	(38.7)
Gross profit	14,976	27,570	(45.7)
Other operating income	2,845	2,782	2.3
Other expense	(987)	(145)	580.7
Administrative costs	(8,184)	(9,496)	(13.8)
Other operating costs	(18,852)	(21,438)	(12.1)
Finance costs	(3,182)	(1,120)	184.1
Share of results of joint ventures	8,599	4,284	100.7
Share of results of associates	127	7,383	(98.3)
(Loss)/profit before taxation	(4,658)	9,820	N.M
Income tax (expense)/credit	(516)	321	N.M
(Loss)/profit for the period	(5,174)	10,141	N.M
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation (loss)/gain	(82)	357	N.M
Other comprehensive income for the period	(82)	357	N.M
Total comprehensive income for the period	(5,256)	10,498	N.M
(Loss)/profit attributable to:			
Equity holders of the Company	(3,363)	10,412	N.M
Non-controlling interests	(1,811)	(271)	N.M
	(5,174)	10,141	N.M
Total comprehensive income attributable to:			
Equity holders of the Company	(3,446)	10,774	N.M
Non-controlling interests	(1,810)	(276)	N.M
	(5,256)	10,498	N.M

N.M. - Not meaningful

Note:

Prior year comparative figures have been restated in view of the adoption of the Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 January 2018 including new and revised standards which are effective for annual periods beginning on 1 January 2018. Please refer to Paras (4) and (5) for more information.

1(a)(ii) Notes to income statement.

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

	Year ended 31 December		
	2018 S\$'000	2017 S\$'000 Restated	Change %
Depreciation of property, plant and equipment	6,005	6,353	(5.5)
Amortisation of deferred income	(174)	(168)	3.6
Loss/(gain) on disposal of property, plant and equipment	9	(152)	N.M
(Write back)/allowance for inventory obsolescence	(46)	560	N.M
Impairment loss on property, plant and equipment	-	622	N.M
Impairment loss on properties held for sale	71	-	N.M
Impairment loss on trade receivables and contract assets	846	597	41.7
Impairment loss on goodwill	119	300	(60.3)
Interest expense	2,955	1,001	195.2
Interest arising from the discount implicit in non-current receivables	227	119	N.M
Interest income	(1,006)	(1,107)	(9.1)
Foreign exchange (gain)/loss	(55)	33	N.M
Fair value loss on derivatives	1,040	112	N.M
Fair value loss on investment securities	4	-	N.M
(Over)/under provision of current income tax in respect of prior years	(218)	(3,398)	(93.6)
Under provision of deferred income tax in respect of prior years	-	424	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-Dec-18 S\$'000	31-Dec-17 S\$'000 Restated	01-Jan-17 S\$'000 Restated	31-Dec-18 S\$'000	31-Dec-17 S\$'000
Non-current assets					
Property, plant and equipment	34,188	38,816	42,979	15,974	18,247
Intangible assets	-	119	419	-	-
Investments in subsidiaries	-	-	-	58,097	60,197
Investments in associates	2,455	17,981	10,943	260	260
Investment in joint ventures	10,840	2,491	-	-	-
Deferred tax assets	-	-	424	-	-
Contract assets	7,518	6,073	7,355	-	-
Loans to an associate	-	-	20,136	-	-
Loans to a joint venture	15,260	24,537	20,525	-	-
	<u>70,261</u>	<u>90,017</u>	<u>102,781</u>	<u>74,331</u>	<u>78,704</u>
Current assets					
Trade receivables	10,021	15,102	23,507	-	-
Loans to an associate	-	13,490	-	-	-
Amounts due from subsidiaries	-	-	-	5,027	5,608
Contract assets	30,995	38,611	32,625	-	-
Development property	105,363	104,705	-	-	-
Properties held for sale	1,058	1,057	9,463	-	-
Investment securities	8	-	-	-	-
Derivative financial instruments	-	-	76	-	-
Inventories	8,640	6,093	7,343	-	-
Other receivables	1,554	5,763	2,382	223	170
Pledged deposits	4,479	4,962	4,657	-	-
Cash and bank balances	56,680	30,435	58,730	2,234	1,559
Income tax recoverable	54	510	-	-	-
	<u>218,852</u>	<u>220,728</u>	<u>138,783</u>	<u>7,484</u>	<u>7,337</u>
Total assets	289,113	310,745	241,564	81,815	86,041
Current liabilities					
Amounts due to subsidiaries	-	-	-	6,811	4,546
Contract liabilities	16,005	15,068	29,359	-	-
Trade and other payables	27,219	42,179	44,372	195	231
Deferred income	174	168	162	-	-
Other liabilities	3,775	4,173	3,020	735	1,163
Derivative financial instruments	-	36	-	-	-
Loans and borrowings	2,754	1,607	3,201	472	396
Income tax payables	21	1,026	4,679	5	6
	<u>49,948</u>	<u>64,257</u>	<u>84,793</u>	<u>8,218</u>	<u>6,342</u>
Net current assets	168,904	156,471	53,990	(734)	995
Non-current liabilities					
Trade and other payables	3,837	3,447	5,699	-	-
Deferred income	2,858	2,929	2,992	-	-
Deferred tax liabilities	237	308	239	-	-
Derivative financial instruments	1,076	-	-	-	-
Loans and borrowings	97,971	99,428	14,710	9,241	9,729
	<u>105,979</u>	<u>106,112</u>	<u>23,640</u>	<u>9,241</u>	<u>9,729</u>
Total liabilities	155,927	170,369	108,433	17,459	16,071
Net assets	133,186	140,376	133,131	64,356	69,970
Equity attributable to equity holders of the Company					
Share capital	49,082	49,082	43,967	49,082	49,082
Treasury shares	(566)	(566)	(69)	(566)	(566)
Retained earnings	85,771	91,068	85,493	15,840	21,454
Foreign currency translation reserve	279	362	-	-	-
	<u>134,566</u>	<u>139,946</u>	<u>129,391</u>	<u>64,356</u>	<u>69,970</u>
Non-controlling interests	(1,380)	430	3,740	-	-
Total equity	133,186	140,376	133,131	64,356	69,970

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

Amount repayable in one year or less, or on demand

As at 31/12/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
S\$2,754,000	-	S\$1,607,000	-

Amount repayable after one year

As at 31/12/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
S\$82,695,000	S\$15,276,000	S\$84,152,000	S\$15,276,000

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.

The unsecured borrowings relate to loans from non-controlling interests obtained for property development purpose.

1(c)(i) A consolidated statement of cash flows, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Year ended 31 December	
	2018 S\$'000	2017 S\$'000 Restated
Cash flows from operating activities		
(Loss)/profit before taxation	(4,658)	9,820
Adjustments for:		
Depreciation of property, plant and equipment	6,005	6,353
Amortisation of deferred income	(174)	(168)
(Write back)/allowance for inventory obsolescence	(46)	560
Impairment loss on property, plant and equipment	-	622
Impairment loss on properties held for sale	71	-
Impairment loss on trade receivables and contract assets	846	597
Impairment loss on goodwill	119	300
Share of results of joint ventures	(8,599)	(4,284)
Share of results of associates	(127)	(7,383)
Interest arising from the discount implicit in non-current receivables	227	119
Fair value loss on derivatives	1,040	112
Fair value loss on investment securities	4	-
Loss/(gain) on disposal of property, plant and equipment	9	(152)
Interest income	(1,006)	(1,107)
Interest expense	2,955	1,001
Operating cash flows before working capital changes	(3,334)	6,390
<u>Changes in working capital</u>		
Development property	(658)	(104,705)
Properties held for sale	-	8,428
Contract assets	6,815	(5,895)
Trade receivables	3,205	9,342
Other receivables	4,698	(3,268)
Inventories	(2,511)	723
Trade and other payables	(14,497)	(4,539)
Contract liabilities	879	(14,487)
Other liabilities	(756)	2,648
Cash used in operations	(6,159)	(105,363)
Interest paid	(2,559)	(1,001)
Interest received	338	592
Income tax paid	(1,609)	(3,349)
Net cash used in operating activities	(9,989)	(109,121)
Cash flows from investing activities:		
Purchase of property, plant and equipment (Note A)	(894)	(2,758)
Proceeds from disposal of property, plant and equipment	106	169
Investment in associate	(200)	-
Distribution of profits from an associate	15,853	-
Distribution of profits from a joint venture	250	470
Repayment of loans from an associate	13,482	7,000
Loans to a joint venture	(2,079)	(3,498)
Repayment of loans from a joint venture	12,024	-
Purchase of investment securities	(13)	-
Net cash generated from investing activities	38,529	1,383

1(c)(i) Consolidated statement of cash flows (cont'd)

	Year ended 31 December	
	2018 S\$'000	2017 S\$'000
Cash flows from financing activities		
Bank borrowings, net	1,063	(1,500)
Dividends paid on ordinary shares to equity holders of the Company	(1,934)	(1,848)
Dividends paid to non-controlling interests of a subsidiary	-	(1,806)
Purchase of treasury shares	-	(497)
Proceeds from long term borrowings	-	71,051
Repayment of long term borrowings	(1,516)	(1,547)
Repayment of finance leases	(423)	(159)
Decrease/(increase) in pledged deposits	480	(225)
Loans from non-controlling interests	-	15,276
Capital contribution from non-controlling interests	-	898
Net cash (used in)/generated from financing activities	(2,330)	79,643
Net increase/(decrease) in cash and cash equivalents	26,210	(28,095)
Effect of exchange rate changes on cash and cash equivalents	35	48
Cash and cash equivalents at beginning of the period	30,435	58,482
Cash and cash equivalents at end of the period	56,680	30,435
<u>Comprising:</u>		
Cash and bank balances	41,314	18,359
Fixed deposits	19,845	17,038
	61,159	35,397
Less: Fixed deposits pledged with financial institutions	(4,479)	(4,962)
Cash and bank balances (including fixed deposits)	56,680	30,435

1(c)(ii) Notes to consolidated statement of cash flows.

Note A

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

	Year ended 31 December	
	2018 S\$'000	2017 S\$'000
Purchase of property, plant and equipment	1,476	2,758
Less: Acquisition costs satisfied by finance lease arrangements	(582)	-
Net exchange differences	-	-
Cash payments to acquire property, plant and equipment	894	2,758

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.

Group	Attributable to equity holders of the Company						Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Foreign currency translation reserve S\$'000	Total S\$'000	Non-controlling interests S\$'000	
Balance at 1 January 2018	49,082	(566)	91,932	(2,290)	138,158	430	138,588
Adoption of the SFRS(I) 1	-	-	(2,652)	2,652	-	-	-
Adoption of the SFRS(I) 15	-	-	1,788	-	1,788	-	1,788
Balance at 1 January 2018 (restated)	49,082	(566)	91,068	362	139,946	430	140,376
<u>Total comprehensive income</u>							
Loss for the period	-	-	(3,363)	-	(3,363)	(1,811)	(5,174)
Other comprehensive income for the period	-	-	-	(83)	(83)	1	(82)
Total comprehensive income for the period	-	-	(3,363)	(83)	(3,446)	(1,810)	(5,256)
<u>Contributions by and distribution to owners</u>							
Dividends paid on ordinary shares to equity holders of the Company	-	-	(1,934)	-	(1,934)	-	(1,934)
Total transactions with owners in their capacity as owners	-	-	(1,934)	-	(1,934)	-	(1,934)
Balance at 31 December 2018	49,082	(566)	85,771	279	134,566	(1,380)	133,186
Group	Attributable to equity holders of the Company						
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Foreign currency translation reserve S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance at 1 January 2017 (as previously reported)	43,967	(69)	89,578	(2,652)	130,824	3,831	134,655
Adoption of the SFRS(I) 1	-	-	(2,652)	2,652	-	-	-
Adoption of the SFRS(I) 15	-	-	(1,433)	-	(1,433)	(91)	(1,524)
Balance at 1 January 2017 (restated)	43,967	(69)	85,493	-	129,391	3,740	133,131
<u>Total comprehensive income</u>							
Profit for the period	-	-	10,412	-	10,412	(271)	10,141
Other comprehensive income for the period	-	-	-	362	362	(5)	357
Total comprehensive income for the period	-	-	10,412	362	10,774	(276)	10,498
<u>Contributions by and distribution to owners</u>							
Issuance of new ordinary shares	5,115	-	-	-	5,115	-	5,115
Purchase of treasury shares	-	(497)	-	-	(497)	-	(497)
Dividends paid on ordinary shares to equity holders of the Company	-	-	(1,848)	-	(1,848)	-	(1,848)
Total transactions with owners in their capacity as owners	5,115	(497)	(1,848)	-	2,770	-	2,770
<u>Changes in ownership interests in subsidiaries</u>							
Acquisition of non-controlling interests without a change in control	-	-	(2,989)	-	(2,989)	(2,126)	(5,115)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	(1,806)	(1,806)
Capital contribution from non-controlling interests	-	-	-	-	-	898	898
Total changes in ownership interest in subsidiaries	-	-	(2,989)	-	(2,989)	(3,034)	(6,023)
Balance at 31 December 2017 (restated)	49,082	(566)	91,068	362	139,946	430	140,376

1(d)(i) Statement of changes in equity (cont'd)

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 2018	49,082	(566)	21,454	69,970
<u>Total comprehensive income</u>				
Loss for the period	-	-	(3,680)	(3,680)
Total comprehensive income for the period	-	-	(3,680)	(3,680)
<u>Contributions by and distribution to owners</u>				
Dividends paid on ordinary shares to equity holders of the Company	-	-	(1,934)	(1,934)
Total transactions with owners in their capacity as owners	-	-	(1,934)	(1,934)
Balance as at 31 December 2018	49,082	(566)	15,840	64,356
<u>Company</u>				
	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
<u>Total comprehensive income</u>				
Profit for the period	-	-	4,491	4,491
Total comprehensive income for the period	-	-	4,491	4,491
<u>Contributions by and distribution to owners</u>				
Issuance of new ordinary shares	5,115	-	-	5,115
Purchase of treasury shares	-	(497)	-	(497)
Dividends paid on ordinary shares to equity holders of the Company	-	-	(1,848)	(1,848)
Total transactions with owners in their capacity as owners	5,115	(497)	(1,848)	2,770
Balance as at 31 December 2017	49,082	(566)	21,454	69,970

- 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 were no changes in the Company's share capital since the end of the previous financial year.

As at 31 December 2018, the issued share capital of the Company was S\$49,082,199 (31 December 2017: S\$49,082,199) comprising 322,388,218 (31 December 2017: 322,388,218) ordinary shares (excluding treasury shares).

Treasury shares

The Company did not acquire any ordinary shares of the Company which are to be held as treasury shares during the financial period.

The number of treasury shares held by Company and the book amount were:

	<u>No. of shares</u>	<u>S\$'000</u>
At 31 December 2018 and 31 December 2017	2,322,200	566

Employee performance share plan

As at 31 December 2018 and 31 December 2017, there were no performance shares granted and outstanding to eligible employees 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 December 2018 was 322,388,218 (31 December 2017: 322,388,218). The total number of treasury shares held as at 31 December 2018 was 2,322,200 (31 December 2017: 2,322,200).

- 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.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the financial year ended 31 December 2018.

- 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 2017, except that the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 January 2018 and all new and revised standards which are effective for annual financial periods beginning on 1 January 2018.

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.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First Time Adoption of Singapore Financial Reporting Standards (International)*. The Group's opening balance sheet under SFRS(I) has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I).

On transition to SFRS(I), the Group elected the option to deem cumulative translation differences for foreign operations to be zero on 1 January 2017, and accordingly, an amount of S\$2,652,000 of foreign currency translation reserve was transferred to the opening retained earnings as at 1 January 2017.

In addition, the Group adopted SFRS(I) 15 *Revenue from Contracts with Customers* and SFRS(I) 9 *Financial Instruments* on 1 January 2018.

The effects of the above changes in accounting standards on the financial statements are as follows:

	Year ended 31-Dec-17 S\$'000
<u>Consolidated statement of comprehensive income</u>	
Increase/(decrease) in profit arising from:	
Revenue	23,607
Cost of sales	(22,447)
Finance costs	(111)
Share of results of joint ventures	1,366
Share of results of associates	1,055
Profit before taxation	3,470
Income tax expense	(158)
Profit for the period	<u>3,312</u>
Attributable to:	
Equity holders of the Company	3,324
Non-controlling interests	(12)
	<u>3,312</u>

5. **Changes in the accounting policies and methods of computation (cont'd)**

	31-Dec-17 S\$'000	01-Jan-17 S\$'000
Statement of financial position for the Group		
Increase/(decrease) in:		
Investments in associates	1,836	781
Investment in joint ventures	488	-
Trade receivables	(32,913)	(32,359)
Contract assets	32,713	26,507
Contract liabilities	225	(4,276)
Deferred income - Current	9	3
Income tax payables	(53)	(211)
Deferred income - Non-current	155	59
Other liabilities	-	878
Non-controlling interest	-	(91)
Retained earnings	(864)	(4,085)

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.**

	Year ended	
	31 December	
	<u>2018</u>	<u>2017</u>
	Cents	Cents
		Restated
(Loss)/earnings per ordinary share of the Group attributable to equity holders		
(a) Based on the weighted average number of ordinary shares in issue	(1.04)	3.28
(b) On a fully diluted basis (detailing any adjustment made to earnings)	(1.04)	3.28

The weighted average number of shares used for basic and diluted earnings per share computation for the financial year ended 31 December 2018 was 322,388,218 (31 December 2017: 317,818,460). This takes into account the weighted average effect of changes in treasury shares transactions, if any, during the financial year.

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-Dec-18</u>	<u>31-Dec-17</u>	<u>31-Dec-18</u>	<u>31-Dec-17</u>
	Cents	Cents	Cents	Cents
		Restated		
Net asset value per ordinary share based on issued capital at the end of the period	41.74	43.41	19.96	21.70

Net asset value per ordinary share is calculated based on the issued share capital (excluding treasury shares) of 322,388,218 ordinary shares as at 31 December 2018 (31 December 2017: 322,388,218).

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 – Financial Year Ended 31 December 2018 (“FY2018”) vs Financial Year Ended 31 December 2017 (“FY2017”)

Group revenue recorded for FY2018 was S\$118.0 million as compared to S\$195.7 million in FY2017 with lower revenue from the General Construction and Specialised Engineering Segments and no revenue from the Property Development Segment. Gross profit margin for FY2018 was 12.7% as compared to 14.1% achieved in FY2017.

Other expense comprised foreign exchange differences and fair value gain or loss on derivatives amounted to a loss of S\$1.0 million in FY2018. This arose mainly from fair value loss adjustment on interest rate swap entered into by the Group to hedge against interest rate movements on a long term loan. The Group does not apply hedge accounting.

Administrative costs declined by S\$1.3 million or 13.8% due to lower depreciation cost and also there were no fees paid to real estate agents in this financial year since there was no sale of development property.

Other operating costs decreased by S\$2.6 million or 12.1% mainly due to reduction in staff cost amounting to approximately S\$1.0 million. Furthermore, an impairment loss on property, plant and equipment of S\$0.6 million was recorded in FY2017 but there was none in the current year. The Group had made allowance for inventory obsolescence of S\$0.6 million in FY2017 whereas in FY2018, there was a small writeback of S\$46,000. The cost incurred for research & development on the structural works of PPVC system was also reduced as it was substantially completed at the end of last year.

Finance costs increased by S\$2.1 million mainly due to the financing cost for Goh & Goh Building.

Share of results of joint ventures for FY2018 and FY2017 amounted to S\$8.6 million and S\$4.3 million respectively. The amount of S\$8.6 million in FY2018 comprised the fair value gain of S\$7.6 million on a commercial investment property held by the Group's joint venture, Wisteria Mall, and the progressive recognition of income from the sale of residential units at the Wisteria; whereas the income of S\$4.3 million recognised in FY2017 was derived solely from the progressive recognition of income from sale of residential units at the Wisteria. Temporary Occupancy Permit (“TOP”) has been obtained in July 2018 and the remaining income from the sale of residential units in FY2018 has been fully recognised in FY2018.

Share of results of associates for FY2018 was S\$0.1 million as compared to S\$7.4 million in FY2017 as development profits from the sale of Lakelife Executive Condominium was already substantially recognised in the previous financial years.

The Group had a loss attributable to equity holders of the Company of S\$3.4 million for FY2018.

8. A review of the performance of the group (cont'd)

Statement of Financial Position and Cash Flow Review

The Group's financial position remains strong with cash position at S\$56.7 million at 31 December 2018 compared with S\$30.4 million at 31 December 2017.

Investment in associates decreased by S\$15.5 million as profits were distributed back to the Group.

Current contract assets decreased by S\$7.6 million as contract work done was being certified, billed and settled by customers subsequent to the last financial year end. Consequently the non-current contract assets which comprise retention receivables, also increased.

With subsequent settlement of balances after the last financial year end and the lower construction activities during the period, current trade receivables and current trade and other payables decreased by S\$5.1 million and S\$15.0 million respectively.

Inventories rose S\$2.5 million due to material purchases for both new and ongoing post-tensioning projects in Singapore and Malaysia.

Other receivables decreased by S\$4.2 million as GST input tax paid for some commercial units of Goh & Goh Building acquired last year was refunded during the year.

For the financial year ended 31 December 2018, the Group used cash amounting to S\$6.2 million in operations.

Net cash of S\$38.5 million was generated from investing activities for FY2018. The Group received full repayment of loans of S\$13.5 million and distribution of profits of S\$15.9 million from an associate. Loans granted to a joint venture and the subsequent repayment to the Group during the financial year resulted in a net cash inflow of S\$9.9 million.

Net cash used in financing activities amounted to S\$2.3 million mainly due to dividend payment of S\$1.9 million declared for the financial year ended 31 December 2017 as well as repayment of bank borrowings.

The Group's cash position remains healthy at S\$56.7 million as at 31 December 2018.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group made an announcement of Profit Guidance on 19 February 2019 which states that the Group expects to report a net loss for the financial year ended 31 December 2018 based on a preliminary review of the unaudited financial results.

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 2 January 2019, 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 fourth quarter of 2018, easing slightly from the 2.3 per cent growth in the preceding quarter. For 2018 as a whole, the economy grew by 3.3 per cent. The construction sector contracted by 2.2 per cent on a year-on-year basis in the fourth quarter, extending the 2.5 per cent decline in the previous quarter. The contraction was primarily due to weakness in public sector construction activities.

The industry outlook remains challenging in the next 12 months with increasing competition, labour shortages and rising business costs. The latest round of property cooling measures announced on 5 July 2018 will dampen and postpone the anticipated recovery of the construction sector and impact the property market sentiment. The Group expects the construction demand to remain weak and coupled with intense competition, tenders will continue to be challenging in the near term and bid prices and margins will remain depressed.

On the re-development of Goh & Goh Building, the Group is still in discussions with the relevant authorities to optimise the potential of the development site.

With the challenging business and operating conditions, the Group will take a cautious stance and remain vigilant in managing costs and working capital. The profit distribution and loan repayments from the completed property development projects will provide the necessary working capital for the re-development of Goh & Goh Building as well as any new projects that the Group is bidding.

The Group will continue to focus on its core businesses 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. The Group will also explore for business opportunities both locally and in the region.

As at the date of this announcement, the Group has an order book of approximately S\$200 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

- a. First & final dividend – 0.4 cents per share
- b. Special dividend – 0.2 cents per share

(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 year.

13. If the Group has obtained a general mandate from shareholders for 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. Negative confirmation pursuant to Rule 705(5).

Not required for announcement on full year results.

15. Confirmation that the issuer had procured undertakings from all its directors and executive officers.

The Company confirms that it had procured undertakings from all its directors and executive officers under Rule 720(1).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Business information

For management purposes, the Group has four reportable segments organised based on their products and services as follows:

Specialised engineering

This segment is in the business of post-tensioning, installation of stay cable systems for structural engineering applications, piling and foundation systems, heavy lifting, bridge design and construction, maintenance, strengthening, retrofitting and prefabricated prefinished volumetric construction system ("PPVC").

General construction

This segment is in the business of design and build, general building construction and civil and structural engineering construction, and conservation and restoration of buildings.

Property development

This segment is in the business of property development, focusing on developing residential properties and mixed developments, and the provision of property management and consultancy services.

Green technology

This segment is in the business of system integration and distribution of renewable energy, and supply, installation and leasing of solar panels and grid connected systems.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Segment revenue and expenses, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Inter-segment transfers of revenue and expenses include transfers between business segments and are eliminated on consolidation. Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties.

16. Segment revenue and results (cont'd)

(a) Analysis by business segment

	<u>Specialised</u> <u>Engineering</u> \$'000	<u>General</u> <u>Construction</u> \$'000	<u>Property</u> <u>Development</u> \$'000	<u>Green</u> <u>Technology</u> \$'000	<u>Total</u> \$'000
2018					
Revenue					
External revenue	89,324	27,161	-	1,502	117,987
Inter-segment revenue	2,057	-	-	125	2,182
Total revenue	<u>91,381</u>	<u>27,161</u>	<u>-</u>	<u>1,627</u>	<u>120,169</u>
Results:					
Interest income	146	63	793	-	1,002
Interest expense	164	109	2,446	133	2,852
Depreciation of property, plant and equipment	2,351	678	-	633	3,662
Share of results of associates	98	-	29	-	127
Share of results of joint ventures	-	250	8,348	-	8,598
Other non-cash items:					
Writeback for inventories obsolescence	(46)	-	-	-	(46)
Impairment loss on properties held for sale	71	-	-	-	71
Impairment loss on goodwill	-	119	-	-	119
Amortisation of deferred income	-	-	-	(174)	(174)
Interest arising from the discount implicit in non-current receivables	118	-	-	109	227
Fair value (gain)/loss on derivatives	(36)	-	1,076	-	1,040
Fair value loss on investment securities	4	-	-	-	4
Impairment loss on trade receivables and contract assets	846	-	-	-	846
Segment (loss) /profit before taxation	(3,548)	(2,517)	5,451	(10)	(624)
Income tax expense/(credit)	617	-	(101)	-	516
Assets					
Investment in associates	882	-	1,573	-	2,455
Additions to property, plant and equipment	1,370	22	-	14	1,406
Segment assets	<u>64,809</u>	<u>29,016</u>	<u>165,485</u>	<u>11,372</u>	<u>270,682</u>
Segment liabilities					
	<u>25,807</u>	<u>27,437</u>	<u>88,786</u>	<u>3,249</u>	<u>145,279</u>

16. Segment revenue and results (cont'd)

(a) Analysis by business segment (continued)

	<u>Specialised Engineering</u> \$'000	<u>General Construction</u> \$'000	<u>Property Development</u> \$'000	<u>Green Technology</u> \$'000	<u>Total</u> \$'000
2017					
Revenue					
External revenue	114,658	70,535	9,165	1,350	195,708
Inter-segment revenue	20,686	-	-	111	20,797
	<u>135,344</u>	<u>70,535</u>	<u>9,165</u>	<u>1,461</u>	<u>216,505</u>
Results:					
Interest income	464	55	559	-	1,078
Interest expense	17	-	536	152	705
Depreciation of property, plant and equipment	2,784	726	-	626	4,136
Share of results of associates	107	-	6,221	-	6,328
Share of results of joint ventures	-	470	2,448	-	2,918
Other non-cash items:					
Allowance for inventories obsolescence	66	494	-	-	560
Impairment loss on property, plant and equipment	622	-	-	-	622
Impairment loss on goodwill	300	-	-	-	300
Amortisation of deferred income	-	-	-	(168)	(168)
Interest arising from the discount implicit in non-current receivables	8	-	-	111	119
Fair value gain on derivatives	112	-	-	-	112
Impairment loss on trade receivables and contract assets	596	1	-	-	597
Segment profit/(loss) before taxation	7,234	(2,740)	10,196	(314)	14,376
Income tax expense/(credit)	3,080	(14)	(3,387)	-	(321)
	<u>785</u>	<u>-</u>	<u>17,196</u>	<u>-</u>	<u>17,981</u>
Assets					
Investment in associates	785	-	17,196	-	17,981
Additions to property, plant and equipment	2,660	88	-	-	2,748
Segment assets	<u>69,596</u>	<u>36,834</u>	<u>172,019</u>	<u>12,321</u>	<u>290,770</u>
Segment liabilities					
	<u>35,886</u>	<u>32,127</u>	<u>87,334</u>	<u>3,498</u>	<u>158,845</u>

16. Segment revenue and results (cont'd)

(a) Analysis by business segment (continued)

	<u>2018</u>	<u>2017</u>
	\$'000	\$'000
Revenue		
Total revenue for reportable segments	120,169	216,505
Management fee from an associate	61	28
Elimination of intersegment revenue	(2,182)	(20,797)
	<u>118,048</u>	<u>195,736</u>
(Loss)/profit before tax		
Total (loss)/profit before taxation for reportable segments	(624)	14,376
Management fee from an associate	61	28
Unallocated amounts:		
Other corporate income	2,387	2,900
Other corporate expenses	(6,482)	(7,484)
	<u>(4,658)</u>	<u>9,820</u>
Assets		
Total assets for reportable segments	270,682	290,770
Other unallocated amounts	18,431	19,975
	<u>289,113</u>	<u>310,745</u>
Liabilities		
Total liabilities for reportable segments	145,279	158,845
Other unallocated amounts	10,648	11,524
	<u>155,927</u>	<u>170,369</u>

Other material items	<u>2018</u>			<u>2017</u>		
	<u>Reportable</u>	<u>Adjustments</u>	<u>Entity totals</u>	<u>Reportable</u>	<u>Adjustments</u>	<u>Entity totals</u>
	<u>segment totals</u>			<u>segment totals</u>		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	(1,002)	(4)	(1,006)	(1,078)	(29)	(1,107)
Interest expense	2,852	103	2,955	705	296	1,001
(Write back)/allowance for inventories obsolescence	(46)	-	(46)	560	-	560
Impairment of property, plant & equipment	-	-	-	622	-	622
Impairment of goodwill	119	-	119	300	-	300
Interest arising from the discount implicit in non-current trade receivables	227	-	227	119	-	119
Fair value loss on derivative	1,040	-	1,040	112	-	112
Depreciation of property, plant and equipment	3,662	2,343	6,005	4,136	2,217	6,353
Impairment loss on trade receivables and contract assets	846	-	846	597	-	597
Additions to property, plant and equipment	1,406	70	1,476	2,748	10	2,758
Income tax expense/(credit)	516	-	516	(321)	-	(321)

16. Segment revenue and results (cont'd)

(b) Analysis by geographical segments

	<u>Revenue</u>		<u>Non-current assets</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>Countries</u>				
Singapore	72,789	138,845	63,282	83,780
Malaysia	43,886	56,891	6,245	5,870
Others	1,373	-	734	367
	<u>118,048</u>	<u>195,736</u>	<u>70,261</u>	<u>90,017</u>

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

The general weakness in the local construction industry had resulted in lower construction work activities in the current financial year which led to decreased revenue in FY2018 across all business segments in Singapore.

In Malaysia, revenue from specialised engineering works such as post-tensioning works and installation of stay cable systems for structural engineering applications had decreased given that the Group had completed one of its major bridge work project in Malaysia in FY2017. The award of new projects had also slowed down in Malaysia since the change of government.

18. A breakdown of sales.

GROUP	<u>Year ended 31 December</u>		Decrease %
	<u>2018</u> <u>S\$'000</u>	<u>2017</u> <u>S\$'000</u>	
(a) Sales reported for the first half year	70,269	78,524	(10.5)
(b) Operating (loss)/profit after taxation before deducting non-controlling interest reported for the first half year	(5,877)	2,818	(308.6)
(c) Sales reported for the second half year	47,779	117,212	(59.2)
(d) Operating profit after taxation before deducting non-controlling interest reported for the second half year	703	7,323	(90.4)

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year 2018 S\$'000	Previous Full Year 2017 S\$'000
Ordinary	-	1,934
Preference	-	-
Total:	-	1,934

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Voon Chet Chie	33	Son of Mr Voon Yok Lin, a director and substantial shareholder of the Company	Appointed as Manager (Special Task) of BBR Construction Systems (M) Sdn Bhd on 1 January 2017 Appointed as the alternate director to Mr Voon Yok Lin in the Company on 21 June 2017	No change to the duties and position held during the financial year.

BY ORDER OF THE BOARD

Tan Kheng Hwee Andrew
Group Chief Executive Officer
25 February 2019