



Financial Statement for the financial year ended 31 December 2015

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

- 1(a) 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.

| | Financial year ended 31 December | | |
|-------------------------------------|----------------------------------|-----------------|-------------|
| | 2015 S\$'000 | 2014 S\$'000 | Change % |
| <u>INCOME STATEMENT</u> | | | |
| Revenue | 425,508 | 671,572 | (36.6) |
| Cost of sales | (400,301) | (642,917) | (37.7) |
| Gross profit | 25,207 | 28,655 | (12.0) |
| Other operating income | 3,966 | 9,299 | (57.4) |
| Other (expense)/income | (26) | 135 | N.M. |
| Administrative costs | (9,297) | (9,151) | 1.6 |
| Other operating costs | (13,153) | (13,810) | (4.8) |
| Finance costs | (500) | (592) | (15.5) |
| Share of results of associates | 64 | 269 | (76.2) |
| Share of results of a joint venture | (984) | - | N.M. |
| Profit before taxation | 5,277 | 14,805 | (64.4) |
| Income tax expense | (2,666) | (3,006) | (11.3) |
| Profit for the year | <u>2,611</u> | <u>11,799</u> | (77.9) |
| Attributable to: | | | |
| Equity holders of the Company | 2,332 | 11,230 | (79.2) |
| Non-controlling interests | 279 | 569 | (51.0) |
| | <u>2,611</u> | <u>11,799</u> | (77.9) |

N.M. - Not meaningful

STATEMENT OF COMPREHENSIVE INCOME

Profit for the year

Other comprehensive income:

Items that may be reclassified subsequently to profit or loss

Foreign currency translation differences

Other comprehensive income for the year

Total comprehensive income for the year

Total comprehensive income attributable to:

Equity holders of the Company

Non-controlling interests

| Financial year ended 31 December | | |
|----------------------------------|---------------|--------|
| 2015 | 2014 | Change |
| S\$'000 | S\$'000 | % |
| 2,611 | 11,799 | (77.9) |
| (1,734) | (351) | 394.0 |
| (1,734) | (351) | 394.0 |
| 877 | 11,448 | (92.3) |
| 955 | 10,927 | (91.3) |
| (78) | 521 | N.M |
| 877 | 11,448 | (92.3) |

NOTES TO INCOME STATEMENT

The following items have been included in arriving at profit after taxation:

Depreciation of property, plant and equipment

Foreign exchange loss/(gain), net

Gain on disposal of property, plant and equipment

Loss/(gain) on liquidation/disposal of an associate

Interest expense

Interest income

Write-back of allowance for doubtful receivables, net

Allowance for inventories obsolescence

Write-off of trade payables

Interest expense arising from the discount implicit in

non-current trade receivables

Fair value gain on derivative

Share based compensation expense

(Over)/under provision for income tax in respect of previous years

| | | |
|-------|---------|--------|
| 5,335 | 6,368 | (16.2) |
| 26 | (135) | N.M. |
| (164) | (2,980) | (94.5) |
| 576 | (1,518) | N.M. |
| 509 | 407 | 25.1 |
| (634) | (188) | 237.2 |
| (705) | (1,280) | (44.9) |
| 73 | 156 | (53.2) |
| (87) | - | N.M |
| 48 | 185 | (74.1) |
| (57) | - | N.M |
| - | 209 | N.M. |
| (105) | 139 | N.M. |

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-15 | 31-Dec-14 | 31-Dec-15 | 31-Dec-14 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 44,258 | 25,222 | 20,171 | 7,264 |
| Intangible assets | 419 | 419 | - | - |
| Investments in subsidiaries | - | - | 56,099 | 68,549 |
| Investments in associates | 1,115 | 8,195 | 260 | 260 |
| Investment in a joint venture | - | - | - | - |
| Deferred tax assets | 735 | 1,085 | - | - |
| Trade receivables | 7,520 | 13,698 | - | - |
| Loans to an associate | 19,257 | 31,952 | - | - |
| Loans to a joint venture | 17,360 | - | - | - |
| Current assets | | | | |
| Amounts due from subsidiaries | - | - | 12,858 | 18,805 |
| Development properties | - | 75,200 | - | - |
| Properties held for sale | 8,395 | - | - | - |
| Gross amount due from customers for work-in-progress | 30,532 | 31,890 | - | - |
| Inventories | 10,156 | 3,944 | - | - |
| Trade receivables | 113,617 | 75,706 | - | - |
| Other receivables | 3,393 | 4,741 | 291 | 122 |
| Pledged deposits | 5,275 | 6,638 | - | - |
| Cash and cash equivalents | 23,935 | 38,002 | 1,226 | 729 |
| | 195,303 | 236,121 | 14,375 | 19,656 |
| Current liabilities | | | | |
| Amounts due to subsidiaries | - | - | 12,490 | 11,161 |
| Gross amount due to customers for work-in-progress | 28,968 | 35,171 | - | - |
| Trade and other payables | 80,582 | 88,653 | 279 | 165 |
| Other liabilities | 2,661 | 3,656 | 677 | 1,461 |
| Loans and borrowings | 12,591 | 33,139 | 3,109 | 1,640 |
| Income tax payable | 640 | 1,139 | - | 213 |
| | 125,442 | 161,758 | 16,555 | 14,640 |
| Net current assets/(liabilities) | 69,861 | 74,363 | (2,180) | 5,016 |
| Non-current liabilities | | | | |
| Trade payables | 8,180 | 10,923 | - | - |
| Deferred tax liabilities | 4,864 | 4,045 | - | - |
| Loans and borrowings | 12,137 | 3,035 | 10,557 | 1,640 |
| | 135,344 | 136,931 | 63,793 | 79,449 |
| Equity attributable to equity holders of the Company | | | | |
| Share capital | 43,967 | 43,967 | 43,967 | 43,967 |
| Treasury shares | (69) | (69) | (69) | (69) |
| Retained earnings | 91,167 | 91,299 | 19,895 | 35,551 |
| Foreign currency translation reserve | (2,257) | (880) | - | - |
| | 132,808 | 134,317 | 63,793 | 79,449 |
| Non-controlling interests | 2,536 | 2,614 | - | - |
| Total equity | 135,344 | 136,931 | 63,793 | 79,449 |

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

Amount repayable in one year or less, or on demand

| As at 31/12/2015 | | As at 31/12/2014 | |
|------------------|--------------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$8,591,000 | S\$4,000,000 | S\$33,139,000 | - |

Amount repayable after one year

| As at 31/12/2015 | | As at 31/12/2014 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$12,137,000 | - | S\$3,035,000 | - |

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 from a subsidiary.

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

| | Financial year ended | |
|--|----------------------|-----------------|
| | 31 December | |
| | 2015 | 2014 |
| | S\$'000 | S\$'000 |
| Cash flows from operating activities | | |
| Profit before taxation | 5,277 | 14,805 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 5,335 | 6,368 |
| Write-back of allowance for doubtful receivables, net | (705) | (1,280) |
| Write-off of trade payables | (87) | - |
| Allowance for inventories obsolescence | 73 | 156 |
| Interest income | (634) | (188) |
| Interest expense | 509 | 407 |
| Gain on disposal of property, plant and equipment | (164) | (2,980) |
| Loss/(gain) on liquidation/disposal of an associate | 576 | (1,518) |
| Share of results of associates | (64) | (269) |
| Share of results of a joint venture | 984 | - |
| Interest expense arising from the discount implicit in non-current trade receivables | 48 | 185 |
| Fair value adjustment on derivative | (57) | - |
| Share based compensation expense | - | 209 |
| Net effect of exchange rate changes in consolidating subsidiaries | (1,802) | (441) |
| Operating profit before working capital changes | 9,289 | 15,454 |
| Decrease/(increase) in development properties | 75,715 | (3,463) |
| Increase in properties held for sale | (8,395) | - |
| (Increase)/decrease in amount due from customers for work-in-progress, net | (4,067) | 20,890 |
| (Increase)/decrease in trade receivables | (33,711) | 8,360 |
| Decrease/(increase) in other receivables | 1,303 | (1,083) |
| Increase in inventories | (6,643) | (818) |
| (Decrease)/increase in trade and other payables | (8,503) | 7,110 |
| Decrease in other liabilities | (2,008) | (2,278) |
| Cash from operations | 22,980 | 44,172 |
| Interest paid | (1,057) | (1,043) |
| Interest received | 634 | 188 |
| Income tax paid | (1,996) | (1,770) |
| Net cash from operating activities | 20,561 | 41,547 |
| Cash flows from investing activities | | |
| Proceeds from disposal of property, plant and equipment | 329 | 4,300 |
| Proceeds from liquidation/disposal of an associate | 638 | 2,380 |
| Purchase of property, plant and equipment (Note A) | (24,853) | (3,081) |
| Net cash outflow on acquisition of a subsidiary | - | (50) |
| Dividends received from an associate | 4,800 | - |
| Investment in an associate | - | (218) |
| Investment in a joint venture | (250) | - |
| Net cash (used in)/from investing activities | (19,336) | 3,331 |
| Cash flows from financing activities | | |
| Loans to an associate | - | (3,220) |
| Repayment from an associate | 13,825 | 3,150 |
| Loans to a joint venture | (19,865) | - |
| Repayment from a joint venture | 2,505 | - |
| Dividends paid on ordinary shares | (2,464) | (2,458) |
| Proceeds from/(repayment of) bank borrowings, net | 4,092 | (1,390) |
| Proceeds from long term borrowings | 16,448 | - |
| Repayment of long term borrowings | (29,706) | (18,140) |
| Repayment of finance leases | (2,020) | (1,950) |
| Decrease/(increase) in pledged deposits | 628 | (3,038) |
| Net effect of exchange rate changes in consolidating subsidiaries | 270 | - |
| Net cash used in financing activities | (16,287) | (27,046) |
| Net (decrease)/increase in cash & cash equivalents | (15,062) | 17,832 |
| Net effect of exchange rate changes on cash and cash equivalents | 706 | (22) |
| Cash and cash equivalents at beginning of the year | 38,002 | 20,192 |
| Cash and cash equivalents at end of the year | 23,646 | 38,002 |

1(c) Consolidated statement of cash flows (continued)

| | Financial year ended 31 December | |
|--|-------------------------------------|-----------------|
| | 2015 S\$'000 | 2014 S\$'000 |
| Comprising: | | |
| Cash and bank balances | 18,359 | 26,170 |
| Fixed deposits | 10,851 | 18,470 |
| | 29,210 | 44,640 |
| Less: Pledged fixed deposits | (5,275) | (6,638) |
| Statement of financial position - cash & cash equivalents | 23,935 | 38,002 |
| Less: Maintenance funds from owners of Bliss @Kovan received on behalf of property managing agent | (289) | - |
| | 23,646 | 38,002 |

Note A

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

| | Financial year ended 31 December | |
|---|-------------------------------------|-----------------|
| | 2015 S\$'000 | 2014 S\$'000 |
| Total cost of property, plant and equipment acquired | 25,089 | 4,781 |
| Less: Acquisition costs satisfied by finance lease arrangements | (203) | (1,700) |
| Interest cost paid | (33) | - |
| Cash payments | 24,853 | 3,081 |

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 | Share plan reserve S\$'000 | Non-controlling interests S\$'000 | |
| Balance at 1 January 2015 | 43,967 | (69) | 91,299 | (880) | - | 2,614 | 136,931 |
| Total comprehensive income for the year | - | - | 2,332 | (1,377) | - | (78) | 877 |
| Dividends paid on ordinary shares | - | - | (2,464) | - | - | - | (2,464) |
| Balance at 31 December 2015 | 43,967 | (69) | 91,167 | (2,257) | - | 2,536 | 135,344 |
| Balance at 1 January 2014 | 43,967 | (450) | 82,527 | (577) | 172 | 1,843 | 127,482 |
| Treasury shares reissued pursuant to employee share plan | - | 381 | - | - | (381) | - | - |
| Acquisition of a subsidiary | - | - | - | - | - | 250 | 250 |
| Total comprehensive income for the year | - | - | 11,230 | (303) | - | 521 | 11,448 |
| Share based compensation expense | - | - | - | - | 209 | - | 209 |
| Dividends paid on ordinary shares | - | - | (2,458) | - | - | - | (2,458) |
| Balance at 31 December 2014 | 43,967 | (69) | 91,299 | (880) | - | 2,614 | 136,931 |

Company

| | Attributable to equity holders of the Company | | | | Total equity S\$'000 |
|--|---|----------------------------|-------------------------------|------------------------------|-------------------------|
| | Share capital S\$'000 | Treasury shares S\$'000 | Share plan reserve S\$'000 | Retained earnings S\$'000 | |
| Balance at 1 January 2015 | 43,967 | (69) | - | 35,551 | 79,449 |
| Total comprehensive income for the year | - | - | - | (13,192) | (13,192) |
| Dividends paid on ordinary shares | - | - | - | (2,464) | (2,464) |
| Balance at 31 December 2015 | 43,967 | (69) | - | 19,895 | 63,793 |
| Balance at 1 January 2014 | 43,967 | (450) | 172 | 21,222 | 64,911 |
| Treasury shares reissued pursuant to employee share plan | - | 381 | (381) | - | - |
| Total comprehensive income for the year | - | - | - | 16,787 | 16,787 |
| Share based compensation expense | - | - | 209 | - | 209 |
| Dividends paid on ordinary shares | - | - | - | (2,458) | (2,458) |
| Balance at 31 December 2014 | 43,967 | (69) | - | 35,551 | 79,449 |

- 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 have been no changes to the issued share capital of the Company since the end of the previous financial year. As at 31 December 2015 and 31 December 2014, the issued share capital of the Company was \$43,967,199 comprising 307,999,418 ordinary shares and 211,000 treasury shares.

Treasury shares

The Company did not acquire any ordinary shares of the Company to be held as treasury shares during the year.

| | <u>No. of shares</u> | <u>S\$'000</u> |
|-----------------------------------|----------------------|----------------|
| At 1 January and 31 December 2015 | <u>211,000</u> | <u>69</u> |

Employee performance share plan

As at 31 December 2015, there were Nil (31 December 2014: Nil) performance shares granted and outstanding (being contingent award) to eligible employees and directors 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 2015 was 307,999,418 (31 December 2014: 307,999,418). The total number of treasury shares held as at 31 December 2015 was 211,000 (31 December 2014: 211,000).

- 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.**

Same as disclosed in para 1(d)(ii), there were no sales, transfers, disposal, cancellation and/or use of treasury shares during the year.

- 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 2014 except that the Group has adopted all the new and revised standards and interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2015.

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.

The adoption of the standards and interpretations highlighted in paragraph 4 above did not have any effect on the financial performance or position of the Group presented in this announcement, except that the Group had revised the estimated useful lives of certain machinery. This change in accounting estimates was accounted for prospectively from 1 January 2015, and the effect of this change was a decrease in depreciation charge of \$839,000 for the year ended 31 December 2015.

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.

| | | Financial year ended 31 Dec | |
|--|-------------|--|----------------------|
| | <u>Note</u> | <u>2015</u> Cents | <u>2014</u> Cents |
| Earnings per ordinary share of the Group attributable to shareholders | | | |
| (a) Based on the weighted average number of ordinary shares in issue | (1) | 0.76 | 3.66 |
| (b) On a fully diluted basis (detailing any adjustment made to earnings) | (2) | 0.76 | 3.66 |

Note

(1) Weighted average number of shares of 307,999,418 (2014: 307,122,514) takes into account the weighted average effect of changes in treasury shares transactions, if any, during the period.

(2)

| | Financial year ended 31 Dec | |
|---|------------------------------------|-------------|
| | <u>2015</u> | <u>2014</u> |
| Weighted average number of ordinary shares for basic earnings per share computation | 307,999,418 | 307,122,514 |
| Effect of dilution – performance shares | - | - |
| Weighted average number of ordinary shares for diluted earnings per share computation | 307,999,418 | 307,122,514 |

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>31.12.15</u> Cents | <u>31.12.14</u> Cents | <u>31.12.15</u> Cents | <u>31.12.14</u> Cents |
| Net asset value per ordinary share based on issued capital at the end of the year | 43.12 | 43.61 | 20.71 | 25.80 |

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 2015 ('FY15') vs financial year ended 31 December 2014 ('FY14')

Group revenue decreased to \$425.5 million for FY15 from \$671.6 million for FY14 and net profit attributable to equity holders of the Company fell to \$2.3 million in the current year from \$11.2 million in FY14.

The decrease in revenue for FY15 was due to lower revenue recorded for the general construction and property development segments, offset by higher specialised engineering revenue, coming mainly from Malaysia. With the completion of a few major general construction projects at the end of 2014, the remaining projects under construction contributed lower construction activities and revenue recognition in the current year. Construction at Bliss @Kovan was very active in FY14 which accounted for higher property development revenue contribution in FY14 compared to FY15. Bliss @Kovan attained temporary occupation permit ("TOP") in November 2015 and recognised remaining revenue for sold units.

Gross profit for FY15 declined to \$25.2 million from \$28.7 million in FY14, largely weighed down by lower profit contributions from specialised engineering and property development segments, and partially offset by improved returns for general construction activities in FY15. While gross profit for its property development in Singapore fell due to lower revenue, contribution from specialised engineering was affected by the Group's new business, i.e. prefabricated prefinished volumetric construction. Overall Group's gross margin grew to 5.9% for FY15 from 4.3% in FY14, due mainly to improved performance by the general construction segment.

Other operating income was \$4.0 million in FY15 compared to \$9.3 million in the previous corresponding year. The high income for FY14 was largely from recognition of gains for disposal of a leasehold property at 18 Sungei Kadut and investment in associated company FOSTA Pte Ltd. FY15's other operating income was lower, due also to decreases in office rental income and administrative fees earned from the training and testing centres.

Other expense of \$26,000 in FY15 comprised foreign exchange losses as a result of the Malaysian Ringgit depreciating against other currencies, offset partially by gains attributable to the strengthening of USD relating to the Group's financial assets denominated in USD.

Administrative costs increased marginally to \$9.3 million in FY15 from \$9.2 million in the previous corresponding year arising from higher sales and marketing expense for property development as well as loss on liquidation of an associate, Tennessee Pte Ltd ("Tennessee"), and partially offset by lower depreciation expense. The latter is partly due to revision of useful lives of certain machinery which led to a decrease in depreciation charge as explained in paragraph 5.

Other operating cost decreased to \$13.2 million in FY15 from \$13.8 million in FY14 due mainly to lower office rental expense after BBR re-purchased its office at 50 Changi South, reductions in plant and equipment maintenance and upkeep costs in Malaysia, and lower bonus expense in the year.

Finance costs in FY15 decreased to \$0.5 million compared to \$0.6 million in FY14, mainly due to lower imputed interest expense relating to non-current trade receivables in FY15, offset partially by higher interest expense from term loans in the current year.

The Group's share of associates' profits for FY14 of \$0.3 million was attributable to its 48% share of profits in Tennessee, which was liquidated in FY15. There was no significant contribution from its other associates in FY15. 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 53% completed with 97% of the units sold as at 31 December 2015. 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 by end of 2016.

The Group recorded a share of joint venture loss of \$1.0 million in its 25% joint venture, NorthernOne Development Pte Ltd and its group of companies, for start-up costs and interest expense for bank borrowings and shareholders' loans at a mixed residential and commercial development along Yishun Avenue 4 ("Yishun Mixed Development").

Income tax expenses decreased to \$2.7 million in FY15 from \$3.0 million in FY14 due to lower profits reported.

The Group recorded foreign currency translation loss of \$1.7 million for FY15 under other comprehensive income due to translation loss of its Malaysia subsidiary from the weakening of Malaysian ringgit against the Singapore dollar over the period.

Statement of Financial Position Review

The carrying amount of the Group's property, plant and equipment ("PPE") rose to \$44.3 million as at 31 December 2015 from \$25.2 million as at 31 December 2014. In FY15, the Group re-purchased its office building at 50 Changi South ("BBR Building") from A-Reits and incurred additional construction costs for an ongoing project relating to infrastructure and installation works for a 20-year solar leasing contract with Ang Mo Kio Town Council. Additions to fixed assets also included a piece of freehold land purchased by its subsidiary in Malaysia for storage and logistics purposes. The additions in PPE were offset by depreciation charges in the current year.

Investments in associates decreased to \$1.1 million as at 31 December 2015 from \$8.2 million as at 31 December 2014 after Tennessee, which developed 8 Nassim Hill was dissolved voluntarily in September 2015.

Deferred tax assets decreased to \$0.7 million as at 31 December 2015 from \$1.1 million a year ago due to reversal of deferred tax assets in a subsidiary.

Loans to an associate, Lakehomes decreased to \$19.3 million as at 31 December 2015 from \$32.0 million as at 31 December 2014 after the loan was partially repaid in the year.

Loans of \$17.4 million to a joint venture, NorthernOne Development Pte Ltd arose from advances to partially finance the acquisition of land and other development costs for Yishun Mixed Development in the current year.

Development properties of \$75.2 million as at 31 December 2014 pertains to Bliss @Kovan which attained TOP in November 2015. Upon TOP, the cost of the remaining unsold units amounting to \$8.4 million was reclassified as "Properties held for sale".

Inventories rose to \$10.2 million as at 31 December 2015 from \$3.9 million as at 31 December 2014, mainly attributable to steel structures recovered from a recently completed project which will be deployed for other general construction projects.

Total current and non-current trade receivables increased to \$121.1 million as at 31 December 2015 from \$89.4 million as at 31 December 2014. Bliss @Kovan attained TOP in November 2015 and recognised remaining revenue for sold units that resulted in the high trade receivables as at 31 December 2015, which shall be collectable upon expiry of defects period in 2016. Other receivables decreased to \$3.4 million as at 31 December 2015 from \$4.7 million as at 31 December 2014 due mainly to settlement of sundry debtors and deposits as projects were completed in the year.

Cash and cash equivalents and pledged deposits decreased to \$29.2 million as at 31 December 2015 from \$44.6 million as at 31 December 2014, mainly attributable to repayment of property development land loan, purchase of land and buildings, construction costs of solar leasing infrastructure atop HDB flats and loans to a joint venture to partially finance Yishun Mixed Development. The disbursements were partially offset by net cash from operations, long-term loans to finance PPE purchases and loan repayments by Lakehomes. Cash received from operations was \$23.0 million, attributable to cash inflows from sold units at Bliss @Kovan upon TOP and partially offset by reductions in cash arising from higher trade receivables.

Current and non-current trade and other payables decreased to \$88.8 million as at 31 December 2015 from \$99.6 million as at 31 December 2014, mainly due to decreased project costs as a result of lower general construction work volume.

With completion of construction projects during the year, amount due to customers for work-in-progress (which represents billings in excess of costs and profits) decreased to \$29.0 million as at 31 December 2015 from \$35.2 million as at end of 2014.

Income tax payable decreased to \$0.6 million as at 31 December 2015 compared to \$1.1 million as at 31 December 2014 due to lower profits in FY15. However, deferred tax liability rose to \$4.9 million as at 31 December 2015 from \$4.0 million as at 31 December 2014, attributable to tax payable for balance of proceeds receivable for sold units at Bliss @Kovan.

Total bank loans and borrowings decreased to \$24.7 million as at 31 December 2015 from \$36.2 million as at 31 December 2014, mainly attributable to repayment of development loan for Bliss @Kovan from collections upon TOP, and partially offset by a new term loan to finance the purchase of BBR Building.

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

The results reported herein are in line with our previous announcement.

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 4 January 2016, the Ministry of Trade and Industry announced that based on advance estimates, the Singapore economy grew by 2.0 per cent on a year-on-year basis in the fourth quarter of 2015, slightly faster than the 1.8 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a faster pace of 5.7 per cent compared to the 1.7 per cent growth in the preceding quarter. For the whole of 2015, the economy grew by 2.1 per cent. The construction sector expanded by 2.2 per cent on a year-on-year basis in the fourth quarter, an improvement from the 1.1 per cent growth recorded in the previous quarter. Growth was supported by a pick-up in public sector construction activities. On a quarter-on-quarter seasonally-adjusted annualised basis, the sector expanded by 7.0 per cent, a reversal from the 4.9 per cent contraction in the preceding quarter.

The industry outlook in Singapore remains challenging in the next 12 months with increasing competition and manpower shortages. 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.

Over in Malaysia, our ongoing projects are progressing well and current order book is healthy. However, the local government has been reviewing future expenditures on infrastructure, and the spending budget is expected to decrease, in line with a slowdown in global economy, as well as sharp falls in state revenue as a result of depressed oil prices. The construction outlook in Malaysia is expected to also encounter challenging times.

As at the date of this announcement, the Group has an order book of approximately \$415 million in respect of construction projects, predominantly in Singapore and Malaysia.

11. Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

Yes

(b) (i) Amount per share

The Board of Directors recommends a first and final (tax-exempt one-tier) dividend of 0.4 cents per share for approval by shareholders at the forthcoming annual general meeting to be convened

(ii) Previous corresponding period

a. First & final dividend – 0.8 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)

The proposed first and final dividends are tax exempt.

(d) The date the dividend is payable

The proposed first and final dividends will be paid on 20 May 2016 if approved at the Annual General Meeting to be held on 25 April 2016.

(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

Registrable transfers received by the Company's share registrar, Boardroom Corporate and Advisory Services Pte Ltd, at 50 Raffles Place, Singapore Land Tower, #32-01, Singapore 048623, up to 5.00 pm on 4 May 2016, will be registered before entitlement to the dividend are determined.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable

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

13. 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

(a) Business segments

The Group has 4 primary business segments that are organised and managed separately: specialised engineering, general construction, property development and green technology.

Specialised engineering

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

General construction

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

Property development

This segment is in the business of property development, focusing on developing residential properties, as well as mixed commercial and residential developments.

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.

Analysis

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.

| <u>Business segment</u> | <u>Specialised Engineering</u> \$'000 | <u>General Construction</u> \$'000 | <u>Property Development</u> \$'000 | <u>Green Technology</u> | <u>Total</u> \$'000 |
|--|---|--|--|------------------------------------|-------------------------------|
| <u>2015</u> | | | | | |
| External revenue | 151,335 | 215,458 | 58,569 | 118 | 425,480 |
| Inter-segment revenue | 299 | 38,959 | - | 7,854 | 47,112 |
| Interest income | 157 | 36 | 441 | - | 634 |
| Interest expense | 163 | 53 | 67 | - | 283 |
| Depreciation of property, plant and equipment | 2,777 | 1,023 | 4 | 18 | 3,822 |
| Share of results of associates | 21 | - | 44 | (1) | 64 |
| Share of results of a joint venture | - | - | (984) | - | (984) |
| Other non-cash items: | | | | | |
| Allowance for inventories obsolescence | 73 | - | - | - | 73 |
| Interest expense arising from the discount implicit in non-current trade receivables | 48 | - | - | - | 48 |
| Fair value gain on derivative | - | (57) | - | - | (57) |
| Write-back of allowance for doubtful receivables | (705) | - | - | - | (705) |
| Write-off of trade payables | - | 87 | - | - | 87 |
| Segment profit/(loss) before tax | 5,212 | (4,431) | 7,390 | (127) | 8,044 |
| Income tax expense/(credit) | 1,449 | (170) | 1,202 | - | 2,481 |
| <u>Assets</u> | | | | | |
| Investment in associates | 588 | - | 484 | 43 | 1,115 |
| Additions to property, plant and equipment | 2,349 | - | - | 8,321 | 10,670 |
| Segment assets | 69,897 | 108,253 | 83,514 | 2,616 | 264,280 |
| Segment liabilities | 35,502 | 98,309 | 1,180 | 1,010 | 136,001 |
| <u>2014</u> | | | | | |
| External revenue | 134,626 | 458,326 | 78,592 | - | 671,544 |
| Inter-segment revenue | 328 | 36,907 | - | - | 37,235 |
| Interest income | 145 | 37 | 6 | - | 188 |
| Interest expense | 292 | 38 | - | - | 330 |
| Depreciation of property, plant and equipment | 3,883 | 1,085 | 6 | - | 4,974 |
| Share of results of associates | 148 | - | 127 | (6) | 269 |
| Other non-cash items: | | | | | |
| Allowance for inventories obsolescence | 156 | - | - | - | 156 |
| Interest expense arising from the discount implicit in non-current trade receivables | 185 | - | - | - | 185 |
| Write-back of allowance for doubtful receivables | (1,280) | - | - | - | (1,280) |
| Share based compensation expense | 56 | 94 | 7 | - | 157 |
| Segment profit/(loss) before tax | 11,332 | (5,828) | 10,019 | (275) | 15,248 |
| Income tax expense | 658 | 410 | 1,741 | - | 2,809 |
| <u>Assets</u> | | | | | |
| Investment in associates | 567 | - | 7,584 | 44 | 8,195 |
| Additions to property, plant and equipment | 3,565 | 303 | 8 | 824 | 4,700 |
| Segment assets | 73,691 | 111,749 | 121,729 | 1,409 | 308,578 |
| Segment liabilities | 45,613 | 98,176 | 30,752 | 100 | 174,641 |

Reconciliations

| | <u>2015</u> | <u>2014</u> |
|---|----------------|----------------|
| | \$'000 | \$'000 |
| Revenue | | |
| Total revenue for reportable segments | 472,592 | 708,779 |
| Management fee from an associate | 28 | 28 |
| Elimination of intersegment revenue | (47,112) | (37,235) |
| | <u>425,508</u> | <u>671,572</u> |
| Profit before tax | | |
| Total profit before tax for reportable segments | 8,044 | 15,248 |
| Management fee from an associate | 28 | 28 |
| Unallocated amounts: | | |
| Other corporate income | 2,708 | 5,458 |
| Other corporate expenses | (5,503) | (5,929) |
| | <u>5,277</u> | <u>14,805</u> |
| Assets | | |
| Total assets for reportable segments | 264,280 | 308,578 |
| Other unallocated amounts | 21,687 | 8,114 |
| | <u>285,967</u> | <u>316,692</u> |
| Liabilities | | |
| Total liabilities for reportable segments | 136,001 | 174,641 |
| Other unallocated amounts | 14,622 | 5,120 |
| | <u>150,623</u> | <u>179,761</u> |

| Other material items | 2015 | | | 2014 | | |
|--|----------------|-------------|---------------|----------------|-------------|---------------|
| | Reportable | Adjustments | Entity totals | Reportable | Adjustments | Entity totals |
| | segment totals | | | segment totals | | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Interest income | 634 | - | 634 | 188 | - | 188 |
| Interest expense | 283 | 226 | 509 | 330 | 77 | 407 |
| Allowance for inventories obsolescence | 73 | - | 73 | 156 | - | 156 |
| Interest expense arising from the discount implicit in non-current trade receivables | 48 | - | 48 | 185 | - | 185 |
| Fair value gain on derivative | (57) | - | (57) | - | - | - |
| Depreciation of property, plant and equipment | 3,822 | 1,513 | 5,335 | 4,974 | 1,394 | 6,368 |
| Write-back of allowance for doubtful receivables, net | (705) | - | (705) | (1,280) | - | (1,280) |
| Share based compensation expense | - | - | - | 157 | 52 | 209 |
| Income tax expense | 2,481 | 185 | 2,666 | 2,809 | 197 | 3,006 |
| Additions to property, plant and equipment | 10,670 | 14,419 | 25,089 | 4,700 | 81 | 4,781 |

(b) Geographical segments

The Group's geographical segments are based on the location of the Group's non-current assets. Segment revenue is analysed based on the location of assets producing the revenues.

| | <u>Revenue</u> | | <u>Non-current assets</u> | |
|------------------|----------------|----------------|---------------------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>Countries</u> | | | | |
| Singapore | 319,317 | 570,999 | 83,258 | 72,023 |
| Malaysia | 106,191 | 100,573 | 7,125 | 8,182 |
| Others | - | - | 281 | 366 |
| | <u>425,508</u> | <u>671,572</u> | <u>90,664</u> | <u>80,571</u> |

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

Please refer to Paragraph 8 above.

15. A breakdown of sales

| GROUP | <u>Year ended 31 December</u> | | Increase/ |
|--|-------------------------------|----------------|-------------------|
| | 2015 | 2014 | (Decrease) |
| | S\$'000 | S\$'000 | % |
| (a) Sales reported for the first half year | 198,679 | 334,387 | (40.6) |
| (b) Operating profit after tax before deducting non-controlling interest reported for the first half year | 1,110 | 10,436 | (89.4) |
| (c) Sales reported for the second half year | 226,829 | 337,185 | (32.7) |
| (d) Operating profit after tax before deducting non-controlling interest reported for the second half year | 1,501 | 1,363 | 10.1 |

16. 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 2015 S\$'000 | Previous Full Year 2014 S\$'000 |
|------------|-------------------------------------|---------------------------------------|
| Ordinary | 1,232 | 2,464 |
| Preference | - | - |
| Total: | <u>1,232</u> | <u>2,464</u> |

17. 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).

| Name of interested person | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000 | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) S\$'000 |
|--|--|--|
| <u>Licence Fee</u> BBR VT International Ltd (A related corporation of BBR Holding Ltd., Switzerland, a controlling shareholder of the Company) | 297 | Nil |

18. 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).

Pursuant to Rule 704 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company who is related to the director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Tan Kheng Hwee, Andrew
Executive Director

23 February 2016