



HOLDINGS (S) LTD

Registration No.: 199304349M

ACQUISITION OF SHARES IN A SUBSIDIARY COMPANY

The Board of Directors of BBR Holdings (S) Ltd (the “Company” and together with its subsidiaries, the “Group”) wishes to announce that it has acquired the remaining 25% shareholding comprising 500,001 ordinary shares in Moderna Homes Pte. Ltd. (“Moderna”) from the minority shareholder of Moderna (the “Acquisition”) on 11 April 2016.

Prior to the Acquisition, Moderna was a 75% owned subsidiary of the Group after the Company subscribed to an aggregate of 1,500,000 new shares in Moderna in September 2014. Moderna is in the business of Pre-fabricated Pre-finished Volumetric Construction (“PPVC”), Pre-fabricated bathroom units and other related businesses. Moderna has become a 100% owned subsidiary of the Company after the Acquisition.

The particulars of the Acquisition are as follows:

1) Aggregate value of the consideration

The cash consideration of S\$898,500 paid was arrived at on a willing-buyer-willing-seller basis after considering the outstanding order book and net liabilities of Moderna.

The Group has funded the cash consideration from its internal working capital.

2) Value of assets acquired and financial results attributable to the assets acquired

Based on the audited financial statements of Moderna as at 31 December 2015, the book value of assets acquired amounted to a net liability value of S\$510,221 and the net loss attributable to the assets acquired amounted to S\$688,683. There was no open market valuation performed.

3) Rationale for the Acquisition

PPVC technology is slated to be the key smart technology for boosting productivity in the building & construction sector. The recent increase in construction project tenders by government agencies in Singapore specifying PPVC applications attests to the upturn of the growth cycle for the adoption of PPVC construction technology. Moderna is one of four selected companies which have been awarded In-Principle Acceptance Certificates for its PPVC design system.

The Board of Directors is of the view that the Acquisition is in the best interest of the Company and its shareholders because Moderna has good potential for growth. Since our acquisition of 75% interest in Moderna in September 2014, the Group has already secured three PPVC projects. The losses incurred by Moderna for the financial year ended 31 December 2015 were mainly attributable to teething problems in the execution of its

maiden PPVC project. The Group expects to enhance the cost and operational efficiencies of Moderna expeditiously after it has become a wholly owned subsidiary of the Group.

4) Impact on Net Tangible Asset Per Share (NTAPS) and Earnings Per Share (EPS)

The effect of the Acquisition on the NTAPS of BBR for financial year ended 31 December 2015 (FY15), assuming that the Acquisition had been effected at the end of FY15:

	Group		Company	
	<u>Before</u> <u>Acquisition</u>	<u>After</u> <u>Acquisition</u>	<u>Before</u> <u>Acquisition</u>	<u>After</u> <u>Acquisition</u>
	Cents	Cents	Cents	Cents
NTAPS as at 31 December 2015	42.98	42.53	20.71	20.71

The effect of the Acquisition on the EPS of BBR for FY15, assuming that the Acquisition had been effected at the beginning of FY15:

	Group			
	<u>Before</u> <u>Acquisition</u>	<u>After</u> <u>Acquisition</u>		
	Cents	Cents		
EPS for FY15	0.76	0.53		

5) Relative figures computed on the bases set out in Rule 1006

Rule 1006 (b)

Net loss attributable to assets acquired compared with the Group's net profits of S\$5,277,000 for the financial year ended 31 December 2015 = **-13.1%**

Please note however that "net profits" based on Rule 1002(3)(b) of the Listing Manual is defined as profit or loss before income tax, minority interests and extraordinary items. As such, the Acquisition does not have any financial impact on the Group's net profits because the results attributable to the non-controlling shareholder has already been consolidated in the Group's net profits before minority interests.

Rule 1006 (c)

The aggregate value of the consideration given, compared with the issuer's market capitalisation (as at 8 April 2016) based on the total number of issued shares excluding treasury shares = **1.7%**

Rule 1006 (a), (d) and (e) are not applicable for this Acquisition.

5) Risk profile assessment

The Board is of the view that the Acquisition does not alter the risk profile of the Company and the Group even taking into account the net liability position of Moderna based on the following:

- a. Moderna has been a subsidiary of the Group since September 2014 and its principal activities will remain unchanged; and
- b. the Acquisition is not expected to have a significant adverse impact on the Group's earnings, net tangible asset, working capital and gearing for the current financial year ending 31 December 2016.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect in the aforesaid transaction, other than through their shareholding interests in the Company.

A copy of the Sale and Purchase Agreement for the Acquisition is available for inspection between 8.30 am to 6.15 pm from Mondays to Fridays at BBR's registered office at 50 Changi South Street 1 Singapore 486126 until 11 July 2016.

This announcement is made in accordance to Mainboard Rule 1010 of the SGX-ST Listing Manual.

By Order of the Board

Andrew Tan
Chief Executive Officer

12 April 2016