



HOLDINGS (S) LTD

Registration No.: 199304349M

Financial Statement for the Second Quarter and Half Year Ended 30 June 2014

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.

	Second quarter ended 30 June			Half Year ended 30 June		
	2014 S\$'000	2013 S\$'000	Change %	2014 S\$'000	2013 S\$'000	Change %
<u>INCOME STATEMENT</u>						
Revenue	191,573	104,307	83.7	334,387	182,509	83.2
Cost of sales	(180,974)	(97,468)	85.7	(312,454)	(168,427)	85.5
Gross profit	10,599	6,839	55.0	21,933	14,082	55.8
Other operating income	1,226	1,077	13.8	2,009	1,573	27.7
Other income/(expense)	20	(149)	N.M	24	12	100.0
Administrative costs	(2,456)	(1,891)	29.9	(4,556)	(3,410)	33.6
Other operating costs	(2,860)	(2,311)	23.8	(6,783)	(5,995)	13.1
Finance costs	(114)	(86)	32.6	(209)	(146)	43.2
Share of results of associates	(107)	23	N.M	3	(24)	N.M
Profit before taxation	6,308	3,502	80.1	12,421	6,092	103.9
Income tax expense	(1,045)	(622)	68.0	(1,985)	(1,076)	84.5
Profit for the period	<u>5,263</u>	<u>2,880</u>	82.7	<u>10,436</u>	<u>5,016</u>	108.1
Attributable to:						
Owners of the parent	5,121	2,779	84.3	10,163	4,838	110.1
Non-controlling interests	142	101	40.6	273	178	53.4
	<u>5,263</u>	<u>2,880</u>	82.7	<u>10,436</u>	<u>5,016</u>	108.1

N.M. - Not meaningful

	Second Quarter Ended 30 June			Half Year ended 30 June		
	2014 S\$'000	2013 S\$'000	Change %	2014 S\$'000	2013 S\$'000	Change %
STATEMENT OF COMPREHENSIVE INCOME						
Profit for the period	5,263	2,880	82.7	10,436	5,016	108.1
Other comprehensive income:						
Foreign currency translation differences	103	269	(61.7)	111	95	16.8
Other comprehensive income for the period	103	269	(61.7)	111	95	16.8
Total comprehensive income for the period	5,366	3,149	70.4	10,547	5,111	106.4
Total comprehensive income attributable to:						
Owners of the parent	5,204	3,012	72.8	10,251	4,899	109.2
Non-controlling interests	162	137	18.2	296	212	39.6
	<u>5,366</u>	<u>3,149</u>	70.4	<u>10,547</u>	<u>5,111</u>	106.4

NOTES TO INCOME STATEMENT

The following items have been included in arriving at profit for the period:

Depreciation of property, plant and equipment	1,613	1,189	35.7	3,120	2,306	35.3
Foreign exchange (gain)/loss	(20)	149	N.M	(24)	(12)	100.0
(Gain)/loss on disposal of property, plant and equipment	(1)	102	N.M	(93)	102	N.M
Interest expense	114	86	32.6	209	146	43.2
Interest income	(20)	(70)	(71.4)	(41)	(125)	(67.2)
Allowance/(write-back of allowance) for doubtful receivables (net)	57	20	185.0	(220)	55	N.M
Allowance for inventories obsolescence	90	-	N.M	90	-	N.M
Share based compensation expense	52	32	62.5	143	86	66.3
Under/(over) provision of income tax in respect of previous years	38	(50)	N.M	5	(50)	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	
	30-Jun-14 S\$'000	31-Dec-13 S\$'000	30-Jun-14 S\$'000	31-Dec-13 S\$'000
Non-current assets				
Property, plant & equipment	27,710	28,152	7,915	8,576
Intangible assets	119	119	-	-
Investments in subsidiaries	-	-	53,695	53,695
Investments in associates	8,920	9,166	260	92
Investment in a joint venture	-	-	-	-
Deferred tax assets	1,318	1,318	-	-
Trade receivables	19,942	11,580	-	-
Loans to an associate	31,585	31,286	-	-
Current assets				
Amounts due from subsidiaries	-	-	15,386	18,685
Development properties	70,046	71,101	-	-
Gross amount due from customers for work-in-progress	34,528	42,882	-	-
Inventories	2,833	3,242	-	-
Trade receivables	113,504	84,771	-	-
Other receivables	3,286	3,633	237	610
Tax recoverable	2	1,388	-	27
Pledged deposits	3,633	3,552	-	-
Cash and cash equivalents	26,772	20,192	539	804
	254,604	230,761	16,162	20,126
Current liabilities				
Amounts due to subsidiaries	-	-	10,467	10,287
Gross amount due to customers for work-in-progress	46,501	25,274	-	-
Trade and other payables	87,767	82,776	161	89
Other liabilities	5,811	5,911	414	2,236
Loans and borrowings	43,640	50,868	1,640	1,640
Income tax payable	3,284	3,010	23	46
	187,003	167,839	12,705	14,298
Net current assets	67,601	62,922	3,457	5,828
Non-current liabilities				
Trade payables	14,395	9,494	-	-
Deferred tax liabilities	2,557	2,557	-	-
Loans and borrowings	4,529	5,010	2,460	3,280
	135,714	127,482	62,867	64,911
Equity attributable to equity holders of the Company				
Share capital	43,967	43,967	43,967	43,967
Treasury shares	(260)	(450)	(260)	(450)
Share plan reserve	125	172	125	172
Retained earnings	90,232	82,527	19,035	21,222
Foreign currency translation reserve	(489)	(577)	-	-
	133,575	125,639	62,867	64,911
Non-controlling interests	2,139	1,843	-	-
Total equity	135,714	127,482	62,867	64,911

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

Amount repayable in one year or less, or on demand

As at 30/06/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
S\$40,840,000	S\$2,800,000	S\$50,868,000	-

Amount repayable after one year

As at 30/06/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
S\$4,529,000	-	S\$5,010,000	-

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 the property held for sale at Bliss@Kovan, Singapore, leasehold land and building, plant and equipment, and motor vehicles and fixed deposits from a subsidiary.

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

	Second quarter ended 30 June		Half Year ended 30 June	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Cash flows from operating activities				
Profit before taxation	6,308	3,502	12,421	6,092
Adjustments for:				
Depreciation of property, plant and equipment	1,613	1,189	3,120	2,306
Allowance/(write-back of allowance) for doubtful receivables (net)	57	20	(220)	55
Bad debts written-off/(recovered)	-	1	(1)	1
Allowance for inventories obsolescence	90	-	90	-
Interest income	(20)	(70)	(41)	(125)
Interest expense	114	86	209	146
(Gain)/loss on disposal of property, plant and equipment	(1)	102	(93)	102
Share of results of associates	107	(23)	(3)	24
Share based compensation expense	52	32	143	86
Operating profit before working capital changes	8,320	4,839	15,625	8,687
Decrease/(increase) in development properties	1,266	15	1,409	(1,728)
Increase in amount due to customers for work-in-progress (net)	22,463	5,840	29,581	10,525
Increase in trade receivables	(29,409)	(6,991)	(36,874)	(19,624)
(Increase)/decrease in other receivables	(124)	(244)	347	(792)
Decrease/(increase) in inventories	122	(1,071)	319	(601)
Increase in trade and other payables	8,956	6,792	9,892	6,759
(Decrease)/increase in other liabilities	(2,097)	(1,555)	(100)	198
Cash from operations	9,497	7,625	20,199	3,424
Interest paid	(281)	(306)	(563)	(586)
Interest received	20	70	41	125
Income tax paid	(1,713)	(927)	(325)	(1,210)
Net cash from operating activities	7,523	6,462	19,352	1,753
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	1	225	93	225
Purchase of property, plant and equipment (Note A)	(709)	(260)	(1,292)	(625)
Dividend income from an associate	-	-	168	-
Investments in associates	(50)	-	(218)	-
Net cash used in investing activities	(758)	(35)	(1,249)	(400)
Cash flows from financing activities				
Dividends paid on ordinary shares	(2,458)	(3,684)	(2,458)	(3,684)
Purchase of treasury shares	-	(219)	-	(219)
Proceeds from/(repayment of) bank borrowings, net	3,647	(1,750)	2,124	928
Repayment of long term borrowings	(5,710)	(2,000)	(10,820)	(2,500)
Repayment of finance leases	(43)	(950)	(372)	(1,729)
Net cash used in financing activities	(4,564)	(8,603)	(11,526)	(7,204)
Net increase/(decrease) in cash & cash equivalents	2,201	(2,176)	6,577	(5,851)
Net effect of exchange rate changes in consolidating subsidiaries	1	180	3	14
Cash and cash equivalents at beginning of the period	24,570	43,994	20,192	47,835
Cash and cash equivalents at end of the period	26,772	41,998	26,772	41,998
<u>Comprising:</u>				
Cash and bank balances	22,777	35,329	22,777	35,329
Fixed deposits	7,628	10,157	7,628	10,157
	30,405	45,486	30,405	45,486
Less: Pledged fixed deposits	(3,633)	(3,488)	(3,633)	(3,488)
	26,772	41,998	26,772	41,998

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

Note A

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

	Second quarter ended 30 June		Half Year ended 30 June	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Total cost of property, plant and equipment acquired	1,143	842	2,638	1,242
Less: Finance lease arrangements	(436)	(582)	(1,348)	(617)
Net exchange differences	2	-	2	-
Cash payments	709	260	1,292	625

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 Parent						Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Foreign	Share plan reserve S\$'000	Non-controlling interests S\$'000	
				currency translation reserve S\$'000			
Balance at 1 Jan 2014	43,967	(450)	82,527	(577)	172	1,843	127,482
Share based compensation expense	-	-	-	-	91	-	91
Total comprehensive income for the period	-	-	5,042	5	-	134	5,181
Balance at 31 Mar and 1 Apr 2014	43,967	(450)	87,569	(572)	263	1,977	132,754
Treasury shares reissued pursuant to employee share plan	-	190	-	-	(190)	-	-
Share based compensation expense	-	-	-	-	52	-	52
Dividends paid on ordinary shares	-	-	(2,458)	-	-	-	(2,458)
Total comprehensive income for the period	-	-	5,121	83	-	162	5,366
Balance at 30 Jun 2014	43,967	(260)	90,232	(489)	125	2,139	135,714
Balance at 1 Jan 2013	43,967	(416)	64,372	(513)	135	1,691	109,236
Share based compensation expense	-	-	-	-	16	-	16
Total comprehensive income for the period	-	-	2,059	(172)	-	75	1,962
Balance at 31 Mar and 1 Apr 2013	43,967	(416)	66,431	(685)	151	1,766	111,214
Treasury shares reissued pursuant to employee share plan	-	131	-	-	(131)	-	-
Purchase of treasury shares	-	(219)	-	-	-	-	(219)
Share based compensation expense	-	-	-	-	9	-	9
Dividends paid on ordinary shares	-	-	(3,684)	-	-	-	(3,684)
Total comprehensive income for the period	-	-	2,779	233	-	137	3,149
Balance at 30 Jun 2013	43,967	(504)	65,526	(452)	29	1,903	110,469

Company

	Attributable to equity holders of the Company				
	Share capital S\$'000	Treasury shares S\$'000	Share plan reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
	Balance at 1 Jan 2014	43,967	(450)	172	21,222
Share based compensation expense	-	-	91	-	91
Total comprehensive income for the period	-	-	-	201	201
Balance at 31 Mar and 1 Apr 2014	43,967	(450)	263	21,423	65,203
Treasury shares reissued pursuant to employee share plan	-	190	(190)	-	-
Share based compensation expense	-	-	52	-	52
Dividends paid on ordinary shares	-	-	-	(2,458)	(2,458)
Total comprehensive income for the period	-	-	-	70	70
Balance at 30 Jun 2014	43,967	(260)	125	19,035	62,867
Balance at 1 Jan 2013	43,967	(416)	135	18,924	62,610
Share based compensation expense	-	-	16	-	16
Total comprehensive income for the period	-	-	-	164	164
Balance at 31 Mar and 1 Apr 2013	43,967	(416)	151	19,088	62,790
Treasury shares reissued pursuant to employee share plan	-	131	(131)	-	-
Purchase of treasury shares	-	(219)	-	-	(219)
Share based compensation expense	-	-	9	-	9
Dividends paid on ordinary shares	-	-	-	(3,684)	(3,684)
Total comprehensive income for the period	-	-	-	125	125
Balance at 30 Jun 2013	43,967	(504)	29	15,529	59,021

- 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 30 June 2014, the issued share capital of the Company was \$43,967,199 (as at 31 December 2013: \$43,967,199) comprising 307,294,418 (as at 31 December 2013: 306,589,418) ordinary shares and 916,000 (as at 31 December 2013: 1,621,000) treasury shares.

Treasury shares

During 2Q14, the Company acquired Nil (2Q13: 800,000) ordinary shares of the Company by way of market purchases on the Singapore Exchange and held as treasury shares. Pursuant to the Employee performance share plan, 705,000 (2Q13: 640,000) performance shares granted in 2013 were vested in 2Q14 and were transferred from treasury shares to ordinary shares. The number of treasury shares held as at 30 June 2014 was 916,000 (as at 30 June 2013: 1,972,000).

	<u>No. of shares</u>	<u>S\$'000</u>
At 1 January 2014	1,621,000	450
Less: Performance shares vested in 2Q14	(705,000)	(190)
At 30 June 2014	<u>916,000</u>	<u>260</u>

Employee performance share plan

As at 30 June 2014, there were 705,000 (as at 30 June 2013: 640,000) performance shares granted and outstanding (being contingent award) to eligible employees and directors under the BBR Share Plan.

	<u>No. of performance shares</u>
At 1 January 2014	1,410,000
Less: Performance shares vested in 2Q14	(705,000)
At 30 June 2014	<u>705,000</u>

- 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 30 June 2014 was 307,294,418 (as at 31 December 2013: 306,589,418). The total number of treasury shares held as at 30 June 2014 was 916,000 (as at 31 December 2013: 1,621,000).

- 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.**

Movement of treasury shares during the six months ended 30 June 2014 is as follows:

	<u>No. of shares</u>
At 1 January 2014	1,621,000
Less: Performance shares vested in 2Q14	(705,000)
At 30 June 2014	<u>916,000</u>

- 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 2013 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 2014.

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.

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.**

	Note	Second Quarter Ended 30 June		Half year Ended 30 June		
		2014 Cents	2013 Cents	2014 Cents	2013 Cents	
Earnings per ordinary share of the Group attributable to shareholders						
(a)	Based on the weighted average number of ordinary shares in issue	(1)	1.67	0.91	3.31	1.58
(b)	On a fully diluted basis (detailing any adjustment made to earnings)	(2)	1.66	0.90	3.30	1.57

Note

(1) Weighted average number of shares of 306,943,866 (30 June 2013: 306,481,727) takes into account the weighted average effect of changes in treasury shares transactions during the period.

(2)

	Half year Ended 30 June	
	2014	2013
Weighted average number of ordinary shares for basic earnings per share computation	306,943,866	306,481,727
Effect of dilution – performance shares	705,000	640,000
Weighted average number of ordinary shares for diluted earnings per share computation	307,648,866	307,121,727

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>30.6.14</u>	<u>31.12.13</u>	<u>30.6.14</u>	<u>31.12.13</u>
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued capital at the end of the period	43.47	40.98	20.46	21.17

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 – Second Quarter 2014 ('2Q14') vs Second Quarter 2013 ('2Q13')

Group revenue increased to \$191.6 million in 2Q14 from \$104.3 million in 2Q13 and net profit attributable to equity holders of the Company jumped to \$5.1 million in 2Q14 from \$2.8 million in 2Q13.

The higher revenue for 2Q14 as compared with 2Q13 was due mainly to increased revenue from the general construction and property development segments, which was partially offset by lower revenue from the specialised engineering segment. Since the beginning of FY2014, most of the group's general construction projects are in their active stage of construction and continue to be so in 2Q14. The increase in property development revenue is attributable to higher percentage of construction work done in 2Q14 compared to the same quarter last year for Bliss @Kovan.

Gross profit for 2Q14 increased by 55.0% to \$10.6 million from \$6.8 million for 2Q13, mainly attributable to profits from the property development segment. As at the end of 30 June 2013, the Group has not recognised any profit from Bliss @Kovan as construction progress has not reached the active stage then. Gross profit contribution from the general construction segment has also increased due to higher turnover. The Group's gross margin for 2Q14 decreased to 5.5% as compared to 6.6% in 2Q13, mainly due to difference in project mix.

Other expense of \$149,000 recorded in 2Q13 comprised foreign exchange losses related to currency revaluation for SGD denominated loans to a subsidiary in Thailand. There was no major foreign exchange fluctuation during the current quarter.

Administrative costs increased to \$2.5 million in 2Q14 from \$1.9 million in 2Q13 due largely to depreciation for the group's new storage cum engineering facility at Sungei Kadut (the "Facility") acquired in December 2013. Other operating cost increased to \$2.9 million in 2Q14 from \$2.3 million in 2Q13 due mainly to higher remuneration and employee related expenses, and rental charges for the Facility. Interest expense from a term loan to finance the Facility led to higher finance costs at \$114,000 in 2Q14 from \$86,000 in 2Q13.

The Group recorded a \$107,000 loss for its share of results of associates in 2Q14 due mainly to rectification costs incurred at the condominium development on Nassim Hill by an associated company, Tennessee Pte Ltd.

Income tax expense for 2Q14 increased to \$1.0 million from \$0.6 million for 2Q13 due to higher profits recorded in the current quarter.

Income Statement Review – 6 months 2014 ('6M14') vs 6 months 2013 ('6M13')

Group revenue grew by 83.2% to \$334.4 million for 6M14 from \$182.5 million for 6M13 and net profit attributable to equity holders more than doubled to \$10.2 million in the current period from \$4.8 million in the previous corresponding period.

The strong growth achieved in 6M14 was largely attributable to higher revenue recognised from general construction and property development projects, and partially offset by lower specialised engineering revenue. The general construction segment kept the Group very busy during 6M14, with many projects in their active stage of construction and contributing significantly to revenue. Likewise, construction activity at Bliss @Kovan has increased in 6M14, which has led to higher revenue recognised as compared to 6M13.

Gross profit for 6M14 increased to \$21.9 million from \$14.1 million in 6M13, mainly due to high profit contribution by the property development segment. In contrast, there was no profit recognised in 6M13 for Bliss @Kovan as construction progress has not reached the active stage then. Gross profit contribution from the general construction segment had also increased due to higher turnover. However, the group recorded a lower gross margin of 6.6% in 6M14 compared with 7.7% in 6M13 mainly due to difference in project mix and partly due to tighter margins from general construction projects which were generally affected by higher manpower costs because of labour shortage in the industry.

Other operating income rose to \$2.0 million in 6M14 from \$1.6 million in 6M13, mainly due to sales of scrap materials and training and testing fees, and partially offset by lower project management fees.

Administrative costs increased to \$4.6 million in 6M14 from \$3.4 million in 6M13 largely due to depreciation expense for the Facility which commenced in December 2013 and commissions incurred for units sold at Bliss @Kovan in 6M14. Other operating cost increased to \$6.8 million in 6M14 from \$6.0 million in 6M13 due mainly to higher remuneration and employee related expenses, maintenance costs for a growing fleet of in-house plant and vehicles at project sites, store rental costs, and partially offset by higher write back of allowance for doubtful receivables in the current period.

Finance costs increased to \$209,000 in 6M14 from \$146,000 in 6M13 because of interest expense for term loan to finance the purchase of the Facility in December 2013.

Income tax expense rose to \$2.0 million for 6M14 from \$1.1 million in 6M13 due to higher profits recorded in the current period.

Statement of Financial Position Review

The Group's property, plant and equipment decreased to \$27.7 million as at 30 June 2014 from \$28.2 million as at 31 December 2013 mainly due to depreciation charges which was partially offset by acquisition of plant and equipment in the current period.

Development properties decreased to \$70.0 million as at 30 June 2014 compared with \$71.1 million as at 31 December 2013, because progress billings for units sold at Bliss @Kovan exceeded cost of construction in 6M14.

Gross amount due from customers for work-in-progress (which represents costs and profits in excess of billings) decreased to \$34.5 million as at 30 June 2014 from \$42.9 million as at end of 2013. Since the beginning of FY2014, many of the Group's general construction projects were in their active stage of construction and progressive billings have exceeded construction costs and profits recognised for some major projects. Accordingly, work-in-progress for these projects have been reclassified as gross amount due to customers for work-in-progress under current liabilities. This explains why the latter item has increased to \$46.5 million as at 30 June 14 from \$25.3 million as at end of 2013.

Inventories declined to \$2.8 million as at 30 June 2014 from \$3.2 million as at 31 December 2013 mainly due to faster inventory turnover. Total current and non-current trade receivables rose by 38.5% to \$133.4 million as at 30 June 2014 from \$96.4 million as at 31 December 2013 mainly due to a significant increase in value of work progressively completed for general construction projects in their active stage of construction. Total current other receivables and tax recoverable decreased to \$3.3 million as at 30 June 2014 from \$5.0 million as at 31 December 2013 because corporate taxes were recovered from the tax authorities and input tax for the purchase of the Facility refunded during the period.

Cash and cash equivalents, and pledged deposits increased to \$30.4 million as at 30 June 2014 from \$23.7 million as at 31 December 2013, due mainly to cash received from operations and partially offset by term loan repayments in the six months ended 30 June 2014.

Current and non-current trade and other payables as at 30 June 2014 rose to \$102.2 million from \$92.3 million as at 31 December 2013, which is consistent with higher payables relative to more general construction projects in their active stage of construction.

Total bank loans and borrowings reduced by \$7.7 million to \$48.2 million as at 30 June 2014 from \$55.9 million as at 31 December 2013, mainly from term loan repayments for Bliss @Kovan.

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 announcement in the previous quarter.

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 14 July 2014, the Ministry of Trade and Industry announced that based on advance estimates, the Singapore economy grew by 2.1 per cent on a year-on-year basis in the second quarter of 2014, slower than the 4.7 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 0.8 per cent, a reversal from the 1.6 per cent growth in the preceding quarter. The construction sector grew by 5.0 per cent on a year-on-year basis, compared to 6.4 per cent in the preceding quarter. The lower rate of growth was due to a slowdown in private sector construction activities. On a quarter-on-quarter basis, the sector expanded at an annualised rate of 2.6 per cent, an improvement from the 0.5 per cent contraction recorded in the previous quarter.

The industry outlook remains challenging in the next 12 months with increasing competition and expected increase in labour cost due to higher foreign worker levies and a 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 \$850 million, predominantly in Singapore and Malaysia. The Group expects to remain profitable for FY 2014.

On 15 July 2014, the Group completed the divestment of its 25% equity interest in an associated company, FOSTA Pte. Ltd. ("Fosta") to an existing shareholder of Fosta. Accordingly, Fosta ceased to be an associated company of the Group with effect from 15 July 2014. Please refer to the full announcement posted on the SGX on 15 July 2014 for more details.

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 – Not applicable

(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 period.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions "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).

CONFIRMATION BY THE BOARD

We, Tan Kheng Hwee Andrew and Carrie Luk Ka Lai, being two of the Directors of the Company, do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 30 June 2014 to be false or misleading.

On behalf of the Board of Directors



TAN KHENG HWEE ANDREW
Group Chief Executive Officer



CARRIE LUK KA LAI
Non-Executive Director

Singapore