



HOLDINGS (S) LTD

Registration No.: 199304349M

Financial Statement for the Third Quarter and Nine Months Ended 30 September 2016

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.

	Third quarter ended 30 September			9 months ended 30 September		
	2016 S\$'000	2015 S\$'000	Change %	2016 S\$'000	2015 S\$'000	Change %
<u>INCOME STATEMENT</u>						
Revenue	57,040	102,978	(44.6)	212,377	301,657	(29.6)
Cost of sales	(56,184)	(96,560)	(41.8)	(204,724)	(283,625)	(27.8)
Gross profit	856	6,418	(86.7)	7,653	18,032	(57.6)
Other operating income	955	706	35.3	2,315	2,502	(7.5)
Other income/(expense)	70	(29)	N.M	(288)	15	N.M
Administrative costs	(2,042)	(2,398)	(14.8)	(5,965)	(6,350)	(6.1)
Other operating costs	(3,471)	(2,921)	18.8	(11,410)	(10,482)	8.9
Finance costs	(110)	(133)	(17.3)	(374)	(274)	36.5
Share of results of joint ventures	803	(88)	N.M	711	(403)	N.M
Share of results of associates	(7)	8	N.M	113	66	71.2
(Loss)/profit before taxation	(2,946)	1,563	N.M	(7,245)	3,106	N.M
Income tax expense	(332)	(399)	(16.8)	(924)	(832)	11.1
(Loss)/profit for the period	(3,278)	1,164	N.M	(8,169)	2,274	N.M
Attributable to:						
Equity holders of the Company	(3,504)	1,081	N.M	(8,497)	1,969	N.M
Non-controlling interests	226	83	172.3	328	305	7.5
	(3,278)	1,164	N.M	(8,169)	2,274	N.M

N.M. - Not meaningful

	Third quarter ended 30 September			9 months ended 30 September		
	2016 S\$'000	2015 S\$'000	Change %	2016 S\$'000	2015 S\$'000	Change %
STATEMENT OF COMPREHENSIVE INCOME						
(Loss)/profit for the period	(3,278)	1,164	N.M	(8,169)	2,274	N.M
<u>Other comprehensive income:</u>						
Foreign currency translation differences	(248)	(1,330)	(81.4)	42	(2,006)	N.M
Other comprehensive income for the period	(248)	(1,330)	(81.4)	42	(2,006)	N.M
Total comprehensive income for the period	(3,526)	(166)	N.M	(8,127)	268	N.M
Total comprehensive income attributable to:						
Equity holders of the Company	(3,713)	28	N.M	(8,464)	374	N.M
Non-controlling interests	187	(194)	N.M	337	(106)	N.M
	<u>(3,526)</u>	<u>(166)</u>	N.M	<u>(8,127)</u>	<u>268</u>	N.M

NOTES TO INCOME STATEMENT

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

Depreciation of property, plant and equipment	1,443	1,277	13.0	4,167	3,984	4.6
Foreign exchange (gain)/loss	(21)	(29)	(27.6)	231	15	N.M
Gain on disposal of property, plant and equipment	(50)	(17)	194.1	(124)	(69)	79.7
Loss on liquidation of an associate	-	576	(100.0)	-	576	N.M
Interest expense	110	133	(17.3)	374	274	36.5
Interest income	(276)	(93)	196.8	(741)	(157)	372.0
Allowance/(write-back of allowance) for doubtful receivables (net)	85	(497)	N.M	134	(486)	N.M
Fair value (gain)/loss on derivative	(49)	-	N.M	57	-	N.M
Impairment loss for inventories	-	-	N.M	371	-	N.M
Write-off of trade payables	-	-	N.M	-	(87)	(100.0)
(Over)/underprovision of income tax in respect of previous years	(102)	53	N.M	(4)	53	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-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	44,409	44,258	18,873	20,171
Intangible assets	434	419	-	-
Investments in subsidiaries	-	-	57,197	56,099
Investments in associates	952	1,115	260	260
Investment in joint ventures	-	-	-	-
Deferred tax assets	735	735	-	-
Trade receivables	4,906	7,520	-	-
Loans to an associate	20,050	19,257	-	-
Loans to a joint venture	19,261	17,360	-	-
Current assets				
Amounts due from subsidiaries	-	-	12,234	12,858
Properties held for sale	8,395	8,395	-	-
Gross amount due from customers for work-in-progress	15,253	30,532	-	-
Inventories	8,078	10,156	-	-
Trade receivables	87,561	113,617	-	-
Other receivables	1,387	3,393	975	291
Pledged deposits	4,750	5,275	-	-
Cash and cash equivalents	33,819	23,935	688	1,226
	159,243	195,303	13,897	14,375
Current liabilities				
Amounts due to subsidiaries	-	-	16,352	12,490
Gross amount due to customers for work-in-progress	49,022	28,968	-	-
Trade and other payables	38,713	80,542	232	279
Deferred income	159	40	-	-
Other liabilities	2,480	2,661	583	677
Loans and borrowings	3,817	12,591	888	3,109
Income tax payable	320	640	163	-
	94,511	125,442	18,218	16,555
Net current assets/(liabilities)	64,732	69,861	(4,321)	(2,180)
Non-current liabilities				
Trade payables	7,366	8,180	-	-
Deferred income	2,973	-	-	-
Deferred tax liabilities	4,957	4,864	-	-
Loans and borrowings	15,097	12,137	10,198	10,557
	125,086	135,344	61,811	63,793
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	79,952	91,167	17,913	19,895
Foreign currency translation reserve	(2,224)	(2,257)	-	-
	121,626	132,808	61,811	63,793
Non-controlling interests	3,460	2,536	-	-
Total equity	125,086	135,344	61,811	63,793

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

Amount repayable in one year or less, or on demand

As at 30/09/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
S\$2,317,000	S\$1,500,000	S\$8,591,000	S\$4,000,000

Amount repayable after one year

As at 30/09/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
S\$15,097,000	-	S\$12,137,000	-

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, trade receivables and fixed deposits.

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.

	Third quarter ended 30 September		9 months ended 30 September	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Cash flows from operating activities				
(Loss)/profit before taxation	(2,946)	1,563	(7,245)	3,106
Adjustments for:				
Depreciation of property, plant and equipment	1,443	1,277	4,167	3,984
Amortisation of deferred income	53	-	53	-
Allowance/(write-back of allowance) for doubtful receivables (net)	85	(497)	134	(486)
Write-off of trade payables	-	-	-	(87)
Interest income	(276)	(93)	(741)	(157)
Interest expense	110	133	374	274
Fair value (gain)/loss on derivative	(49)	-	57	-
Impairment loss for inventories	-	-	371	-
Gain on disposal of property, plant and equipment	(50)	(17)	(124)	(69)
Loss on liquidation/disposal of an associate	-	576	-	576
Share of results of a joint venture	(803)	88	(711)	403
Share of results of associates	7	(8)	(113)	(66)
Net effect of exchange rate changes in consolidating subsidiaries	(281)	(1,307)	44	(2,100)
Operating cash flows before working capital changes	(2,707)	1,715	(3,734)	5,378
Increase in development properties	-	(7,583)	-	(12,437)
(Decrease)/increase in amount due to customers for work-in-progress (net)	(1,452)	(7,946)	35,277	(9,209)
Decrease/(increase) in trade receivables	14,254	(5,364)	28,437	18,560
Decrease/(increase) in other receivables	897	453	2,025	(2,798)
Decrease/(increase) in inventories	98	245	1,723	(687)
(Decrease)/increase in trade and other payables	(10,993)	7,794	(42,703)	(18,862)
Increase in deferred income	3,240	-	3,240	-
Increase/(decrease) in other liabilities	30	(437)	(282)	622
Cash from/(used in) operations	3,367	(11,123)	23,983	(19,433)
Interest paid	(153)	(266)	(522)	(619)
Interest received	161	93	378	157
Income tax (paid)/refund	(556)	(128)	(1,167)	104
Net cash from/(used in) operating activities	2,819	(11,424)	22,672	(19,791)
Cash flows from investing activities:				
Proceeds from disposal of property, plant and equipment	110	17	269	89
Proceeds from liquidation/disposal of an associate	-	638	-	638
Purchase of property, plant and equipment (Note A)	(310)	(16,428)	(4,313)	(19,331)
Dividend income from an associate	-	-	-	4,800
Distribution of profits from a joint venture	172	-	567	-
Net cash outflow on acquisition of non-controlling interests	-	-	(899)	-
Net cash outflow on acquisition of a subsidiary (Note B)	-	-	27	-
Investment in a joint venture	-	-	-	(250)
Net cash used in investing activities	(28)	(15,773)	(4,349)	(14,054)
Cash flows from financing activities				
Loans to an associate	-	-	(560)	-
Repayment of loans from an associate	-	13,825	-	13,825
Loans to a joint venture	(952)	(691)	(1,538)	(19,142)
Repayment from a joint venture	-	2,505	-	2,505
Dividends paid on ordinary shares	-	-	(1,232)	(2,464)
(Repayment)/proceeds from bank borrowings, net	(484)	(1,547)	(3,933)	8,976
Proceeds from long term borrowings	-	13,043	5,257	13,043
Repayment of long term borrowings	(904)	(410)	(6,322)	(4,630)
Repayment of finance leases	(238)	(419)	(827)	(1,602)
Decrease in pledged deposits	-	1,161	557	530
Net effect of exchange rate changes in consolidating subsidiaries	16	109	(19)	318
Net cash (used in)/from financing activities	(2,562)	27,576	(8,617)	11,359

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

	Third quarter ended 30 September		9 months ended 30 September	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Net increase/(decrease) in cash & cash equivalents	229	379	9,706	(22,486)
Net effect of exchange rate changes on cash and cash equivalents	89	543	(52)	832
Cash and cash equivalents at beginning of the period	33,271	15,426	23,935	38,002
Cash and cash equivalents at end of the period	33,589	16,348	33,589	16,348
<u>Comprising:</u>				
Cash and bank balances	18,775	12,337	18,775	12,337
Fixed deposits	19,794	9,254	19,794	9,254
	38,569	21,591	38,569	21,591
Less: Pledged fixed deposits	(4,750)	(5,243)	(4,750)	(5,243)
Statement of financial position - cash & cash equivalents	33,819	16,348	33,819	16,348
Less: Maintenance funds from owners of Bliss@Kovan received on behalf of property managing agent	(230)	-	(230)	-
	33,589	16,348	33,589	16,348

Note A

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

	Third quarter ended 30 September		9 months ended 30 September	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Total cost of property, plant and equipment acquired	312	16,452	4,420	19,572
Less: Finance leases	-	-	-	(215)
Interest cost paid	-	-	(105)	-
Net exchange differences	(2)	(24)	(2)	(26)
Cash payments	310	16,428	4,313	19,331

Note B

Net cash inflow on acquisition of a subsidiary:

	S\$'000
Cash & cash equivalent	55
Purchase consideration settled in cash	(28)
Net cash inflow	<u>27</u>

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	Non-controlling interests S\$'000	
Balance at 1 Jan 2016	43,967	(69)	91,167	(2,257)	2,536	135,344
Total comprehensive income for the period	-	-	(1,682)	570	90	(1,022)
Balance at 31 Mar and 1 Apr 2016	43,967	(69)	89,485	(1,687)	2,626	134,322
Dividends paid on ordinary shares	-	-	(1,232)	-	-	(1,232)
Total comprehensive income for the period	-	-	(3,311)	(328)	60	(3,579)
Acquisition of non-controlling interests without a change in control	-	-	(1,486)	-	587	(899)
Balance at 30 Jun and 1 Jul 2016	43,967	(69)	83,456	(2,015)	3,273	128,612
Total comprehensive income for the period	-	-	(3,504)	(209)	187	(3,526)
Balance at 30 Sep 2016	43,967	(69)	79,952	(2,224)	3,460	125,086
Balance at 1 Jan 2015	43,967	(69)	91,299	(880)	2,614	136,931
Total comprehensive income for the period	-	-	848	(336)	78	590
Balance at 31 Mar and 1 Apr 2015	43,967	(69)	92,147	(1,216)	2,692	137,521
Dividends paid on ordinary shares	-	-	(2,464)	-	-	(2,464)
Total comprehensive income for the period	-	-	40	(206)	10	(156)
Balance at 30 Jun and 1 Jul 2015	43,967	(69)	89,723	(1,422)	2,702	134,901
Total comprehensive income for the period	-	-	1,081	(1,053)	(194)	(166)
Balance at 30 Sep 2015	43,967	(69)	90,804	(2,475)	2,508	134,735

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 Jan 2016	43,967	(69)	19,895	63,793
Total comprehensive income for the period	-	-	(305)	(305)
Balance at 31 Mar and 1 Apr 2016	43,967	(69)	19,590	63,488
Dividends paid on ordinary shares	-	-	(1,232)	(1,232)
Total comprehensive income for the period	-	-	(251)	(251)
Balance at 30 Jun and 1 Jul 2016	43,967	(69)	18,107	62,005
Total comprehensive income for the period	-	-	(194)	(194)
Balance at 30 Sep 2016	43,967	(69)	17,913	61,811
Balance at 1 Jan 2015	43,967	(69)	35,551	79,449
Total comprehensive income for the period	-	-	9	9
Balance at 31 Mar and 1 Apr 2015	43,967	(69)	35,560	79,458
Dividends paid on ordinary shares	-	-	(2,464)	(2,464)
Total comprehensive income for the period	-	-	(219)	(219)
Balance at 30 Jun and 1 Jul 2015	43,967	(69)	32,877	76,775
Total comprehensive income for the period	-	-	142	142
Balance at 30 Sep 2015	43,967	(69)	33,019	76,917

- 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 September 2016 and 31 December 2015, 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 30 September 2016	<u>211,000</u>	<u>69</u>

Employee performance share plan

As at 30 September 2016 and 2015, there were no 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 30 September 2016 was 307,999,418 (as at 31 December 2015: 307,999,418). The total number of treasury shares held as at 30 September 2016 was 211,000 (as at 31 December 2015: 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 nine months ended 30 September 2016.

- 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 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.**

There are no changes in accounting policies and methods of computation.

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.**

	Third Quarter Ended 30 September		9 months Ended 30 September	
	<u>2016</u> Cents	<u>2015</u> Cents	<u>2016</u> Cents	<u>2015</u> Cents
(Loss)/earnings per ordinary share of the Group attributable to shareholders				
(a) Based on the weighted average number of ordinary shares in issue	(1.14)	0.35	(2.76)	0.64
(b) On a fully diluted basis (detailing any adjustment made to earnings)	(1.14)	0.35	(2.76)	0.64

Weighted average number of shares of 307,999,418 (30 September 2015: 307,999,418) for basic and diluted earnings per share computation takes into account the weighted average effect of changes in treasury shares transactions during the period, of which there were none.

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>30.9.16</u> Cents	<u>31.12.15</u> Cents	<u>30.9.16</u> Cents	<u>31.12.15</u> Cents
Net asset value per ordinary share based on issued capital at the end of the period	39.49	43.12	20.07	20.71

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 – Third Quarter 2016 ('3Q16') vs Third Quarter 2015 ('3Q15')

Group revenue fell to \$57.0 million in 3Q16 from \$103.0 million in 3Q15 and the Group recorded a net loss attributable to equity holders of the Company of \$3.5 million in 3Q16 compared to \$1.1 million net profit in 3Q15.

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

Gross profit for 3Q16 was \$0.9 million compared to \$6.4 million for 3Q15, mainly due to decrease in revenue and cost overruns incurred for certain general construction projects. Cost overruns were mainly attributable to additional

costs incurred to expedite completion of some projects. Despite an improvement in profit margins achieved for the Specialised Engineering Segment, overall gross margin for the current quarter was 1.5% compared to 6.2% in 3Q15.

Other operating income for 3Q16 increased to \$1.0 million from \$0.7 million in 3Q15, mainly attributable to interest income from loans to a joint venture.

Administrative costs in 3Q16 was \$2.0 million, compared to \$2.4 million for 3Q15 which included a loss on liquidation of Tennessee Pte Ltd, an associate. Other operating cost increased to \$3.5 million in 3Q16 from \$2.9 million in 3Q15 mainly due to substantially lower doubtful debts written back in 3Q16 compared to 3Q15.

The Group recorded \$0.8 million profits from share of results of joint ventures in 3Q16. This is attributable to a joint construction project undertaken by Singapore Piling – Shincon JV, as well as progressive recognition of profits from a mixed residential and commercial development at Yishun (“Yishun Mixed Development”). The Group has 25% equity interest in Yishun Mixed Development which includes residential development properties known as The Wisteria. Construction for The Wisteria has reached the active stage as at 30 September 2016 and profits are progressively recognised for the sold units.

Although the Group recorded losses, income tax expense for 3Q16 was \$0.3 million as tax losses incurred by certain Singapore entities cannot be offset against the profits of overseas subsidiaries.

Income Statement Review – 9 months 2016 ('9M16') vs 9 months 2015 ('9M15')

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

Revenue for 9M15 decreased due mainly to lower revenue recorded for the general construction and property development segments due to similar reasons explained for 3Q16's results.. Gross profit for 9M16 decreased to \$7.7 million from \$18.0 million for 9M15, due to lower revenue and losses incurred by the general construction segment. As a result, gross margin for 9M16 decreased to 3.6% compared to 6.0% in 9M15.

Other operating income decreased to \$2.3 million for 9M16 from \$2.5 million for 9M15, due to lower equipment rental income and administrative fee income from the training and test centres, and partially offset by higher interest income for loans to a joint venture. Other expense of \$0.3 million for 9M16 relates to foreign exchange loss for the Group's financial assets and forward currency purchases denominated in USD.

Administrative costs for 9M16 decreased to \$6.0 million from \$6.4 million in 9M15 because the Group recorded a loss on liquidation of an associate in 9M15. The lower cost for 9M16 was partially offset by higher depreciation for BBR building and solar leasing plants in operation.

Other operating cost increased to \$11.4 million in 9M16 from \$10.5 million in 9M15 due mainly to substantially lower doubtful debts written back in the current period, and impairment losses for construction materials inventory. Finance costs for 9M16 increased by \$0.1 million to \$374,000 from 9M15, attributable to interest expense from a new term loan to finance the purchase of BBR building.

The Group recorded \$0.7 million profits from share of results of joint ventures, namely Singapore Piling – Shincon JV and Yishun Mixed Development. For 9M15, share of loss in joint ventures of \$0.4 million was attributable to start-up expenses in Yishun Mixed Development.

Contribution from associates for 9M16 was \$113,000 compared to \$66,000 for 9M15. Associates comprised the Group's 35% equity interest in Lakehomes Pte Ltd (“Lakehomes”), the developer for LakeLife Executive Condominium in Jurong Lake district. Construction at the development is approximately 96% completed with almost all units sold as at 30 September 2016. However, Lakehomes is unable to progressively recognise revenue and profits from the sales until the development achieves TOP, in accordance to the financial accounting standards for Executive Condominium development. TOP is expected to be obtained in the fourth quarter of 2016 or latest by January 2017.

Income tax expense for 9M16 increased to \$0.9 million from \$0.8 million for 9M15 due to tax provision for higher profits recorded by the Malaysia subsidiary which cannot utilise the tax losses by Singapore entities.

Statement of Financial Position Review

The carrying amount of the Group's property, plant and equipment increased to \$44.4 million as at 30 September 2016 from \$44.3 million as at 31 December 2015. The additional cost of construction for infrastructure and installation works for a 20-year solar leasing contract with Ang Mo Kio Town Council was offset by depreciation charges in the current period.

Loans to an associate and loans to a joint venture increased by \$0.8 million and \$1.9 million to \$20.1 million and \$19.3 million, respectively, as at 30 September 2016 to finance construction costs and working capital.

As at 30 September 2016, most of the Group's general construction projects were at the final stages of construction leading to a decrease in amount due from customers for work-in-progress (which represents cost and profits in excess of billings) to \$15.3 million from \$30.5 million as at 31 December 2015. The increase in gross amount due to customers for work-in-progress (which represents billings in excess of costs and profits) to \$49.0 million as at 30 September 16 from \$29.0 million as at end of 2015 was mainly due to billings for preliminary works and increase in progressive claims for projects in Malaysia.

Inventories decreased to \$8.1 million as at 30 September 2016 from \$10.2 million as at 31 December 2015, due to utilisation as well as impairment loss of construction materials.

Total current and non-current trade receivables decreased to \$92.5 million as at 30 September 2016 from \$121.1 million as at 31 December 2015, due to lower volume of general construction work carried out. Other receivables decreased to \$1.4 million as at 30 September 2016 from \$3.4 million as at 31 December 2015 with progressive settlement of sundry debtors and deposits as general construction projects are being completed.

Cash and cash equivalents and pledged deposits rose to \$38.6 million as at 30 September 2016 compared with \$29.2 million as at 31 December 2015, largely due to increase in cash generated from operating activities, namely amount due to customers for work-in-progress (net) and trade receivables, offset partially by payments for trade payables, bank borrowings and capital expenditure in the current period.

Current and non-current trade and other payables decreased to \$46.1 million as at 30 September 2016 from \$88.7 million as at 31 December 2015, due to decrease in project costs as a result of lower general construction work volume.

Current and non-current deferred income of \$3.1 million arose from a lump sum payment by the lessor for a 20-year solar leasing contract upon successful commissioning of solar panels installed on rooftops of HDB flats. The deferred income is to be amortised over the lease period.

Income tax payable halved to \$0.3 million as at 30 September 2016 from \$0.6 million as at 31 December 2015 due to tax paid and partially offset by tax provision.

Total bank loans and borrowings decreased to \$18.9 million as at 30 September 2016 from \$24.7 million as at 31 December 2015, due to repayments for term loans and finance leases.

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

Not applicable because there was no forecast or prospect statement on financial performance disclosed previously.

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

The industry outlook remains challenging in the next 12 months with increasing competition and increase in labour cost due to short supply of foreign workers. The Group will continue to focus on its core business by leveraging its strong track record in building construction and civil engineering to secure more projects as well as enhancing cost effectiveness and efficiency optimisation in the management of on-going projects. BBR will also continue to conduct feasibility studies to undertake new property development projects.

As at the date of this announcement, the Group has an order book of approximately \$306 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 – 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).

14. If the Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

Yes.

CONFIRMATION BY THE BOARD

We, Tan Kheng Hwee Andrew and Carrie Luk Kai 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 September 2016 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