



Financial Statement for the Financial Period Ended 30 September 2019

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

1(a)(i) An income statement with a consolidated statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediate preceding financial year.

	Third quarter ended 30 September			9 months ended 30 September		
	2019 S\$'000	2018 S\$'000	Change %	2019 S\$'000	2018 S\$'000	Change %
Revenue	36,598	19,946	83.5	84,661	90,215	(6.2)
Cost of sales	(32,895)	(17,271)	90.5	(74,952)	(80,886)	(7.3)
Gross profit	3,703	2,675	38.4	9,709	9,329	4.1
Other operating income	556	695	(20.0)	1,675	2,014	(16.8)
Other income/(expense)	93	111	(16.2)	216	(313)	N.M
Administrative costs	(1,917)	(1,958)	(2.1)	(5,850)	(6,156)	(5.0)
Other operating costs	(4,447)	(4,630)	(4.0)	(13,408)	(13,755)	(2.5)
Finance costs	(984)	(909)	8.3	(2,800)	(2,175)	28.7
Share of results of joint ventures	41	7,463	(99.5)	65	8,489	(99.2)
Share of results of associates	62	27	129.6	66	198	(66.7)
(Loss)/profit before taxation	(2,893)	3,474	N.M	(10,327)	(2,369)	335.9
Income tax expense	-	(48)	N.M.	(214)	(82)	161.0
(Loss)/profit for the period	(2,893)	3,426	N.M	(10,541)	(2,451)	330.1
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation gain/(loss)	74	(465)	N.M	(137)	13	N.M
Other comprehensive income for the period	74	(465)	N.M	(137)	13	N.M
Total comprehensive income for the period	(2,819)	2,961	N.M	(10,678)	(2,438)	338.0
(Loss)/profit attributable to:						
Equity holders of the Company	(2,548)	3,829	N.M	(9,439)	(1,270)	643.2
Non-controlling interests	(345)	(403)	(14.4)	(1,102)	(1,181)	(6.7)
	(2,893)	3,426	N.M	(10,541)	(2,451)	330.1
Total comprehensive income attributable to:						
Equity holders of the Company	(2,472)	3,365	N.M	(9,566)	(1,258)	660.4
Non-controlling interests	(347)	(404)	(14.1)	(1,112)	(1,180)	(5.8)
	(2,819)	2,961	N.M	(10,678)	(2,438)	338.0

N.M. - Not meaningful

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

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

	Third quarter ended 30 September			9 months ended 30 September		
	2019 S\$'000	2018 S\$'000	Change %	2019 S\$'000	2018 S\$'000	Change %
Depreciation of property, plant and equipment	1,287	1,504	(14.4)	4,148	4,459	(7.0)
Amortisation of deferred income	(45)	(44)	2.3	(135)	(131)	3.1
Amortisation of right-of-use assets	248	-	N.M	548	-	N.M
(Gain)/loss on disposal of property, plant and equipment	(39)	(2)	N.M	(52)	9	N.M
Write back of allowance for inventory obsolescence	-	(24)	N.M	(3)	(62)	(95.2)
Impairment loss on trade receivables and contract assets	74	50	48.0	222	151	47.0
Interest expense	957	909	5.3	2,720	2,175	25.1
Accreted interest	26	-	N.M	80	-	N.M
Interest income	(169)	(256)	(34.0)	(585)	(678)	(13.7)
Rental income	(57)	(197)	(71.1)	(143)	(685)	(79.1)
Foreign exchange gain	(80)	(38)	110.5	(241)	(93)	159.1
Fair value (gain)/loss on derivatives	(13)	(73)	(82.2)	26	405	(93.6)
Under provision of current income tax in respect of prior years	-	-	N.M	133	34	291.2
Under provision of deferred income tax in respect of prior years	-	-	N.M	79	-	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-19 S\$'000	31-Dec-18 S\$'000	30-Sep-19 S\$'000	31-Dec-18 S\$'000
Non-current assets				
Property, plant and equipment	30,837	34,188	14,220	15,974
Right-of-use assets	3,015	-	2,253	-
Investments in subsidiaries	-	-	58,364	58,114
Investments in associates	2,521	2,455	260	260
Investment in joint ventures	10,661	10,840	-	-
Contract assets	7,308	7,518	-	-
Loans to a joint venture	8,483	15,260	-	-
	62,825	70,261	75,097	74,348
Current assets				
Trade receivables	13,548	10,021	-	-
Amounts due from subsidiaries	-	-	7,099	5,027
Contract assets	39,276	30,995	-	-
Development property	119,787	105,363	-	-
Properties held for sale	1,076	1,058	-	-
Investment securities	8	8	-	-
Inventories	7,875	8,640	-	-
Other receivables	1,889	1,554	83	223
Pledged deposits	4,487	4,479	-	-
Cash and bank balances	55,230	56,680	761	2,217
Income tax recoverable	228	54	-	-
	243,404	218,852	7,943	7,467
Total assets	306,229	289,113	83,040	81,815
Current liabilities				
Amounts due to subsidiaries	-	-	6,392	6,811
Contract liabilities	22,323	16,005	-	-
Trade and other payables	31,301	27,219	170	195
Deferred income	179	174	-	-
Other liabilities	5,164	3,775	535	735
Lease liabilities	694	-	342	-
Loans and borrowings	4,813	2,754	472	472
Income tax payables	40	21	5	5
	64,514	49,948	7,916	8,218
Net current assets/(liabilities)	178,890	168,904	27	(751)
Non-current liabilities				
Trade payables	2,965	3,837	-	-
Derivatives	1,102	1,076	-	-
Deferred income	2,799	2,858	-	-
Deferred tax liabilities	316	237	-	-
Lease liabilities	2,557	-	2,072	-
Loans and borrowings	109,699	97,971	8,889	9,241
	119,438	105,979	10,961	9,241
Total liabilities	183,952	155,927	18,877	17,459
Net assets	122,277	133,186	64,163	64,356
Equity attributable to equity holders of the Company				
Share capital	49,082	49,082	49,082	49,082
Treasury shares	(566)	(566)	(566)	(566)
Retained earnings	76,102	85,771	15,649	15,840
Foreign currency translation reserve	152	279	-	-
	124,770	134,566	64,165	64,356
Non-controlling interests	(2,493)	(1,380)	-	-
Total equity	122,277	133,186	64,165	64,356

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

Amount repayable in one year or less, or on demand

As at 30/9/2019		As at 31/12/2018	
Secured	Unsecured	Secured	Unsecured
S\$4,813,000	-	S\$2,754,000	-

Amount repayable after one year

As at 30/9/2019		As at 31/12/2018	
Secured	Unsecured	Secured	Unsecured
S\$91,193,000	S\$18,506,000	S\$82,695,000	S\$15,276,000

Details of any collateral

The secured borrowings repayable within one year and after one year comprise mainly obligations under finance leases, banker's acceptances, invoice financing and property loans. These are secured by charges over land and building, plant and equipment, motor vehicles, fixed deposits and corporate guarantee provided by the Company.

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

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

	Third quarter ended 30 September		9 months ended 30 September	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Cash flows from operating activities				
(Loss)/profit before taxation	(2,893)	3,474	(10,327)	(2,369)
Adjustments for:				
Depreciation of property, plant and equipment	1,287	1,504	4,148	4,459
Amortisation of deferred income	(45)	(44)	(135)	(131)
Amortisation of right-of-use assets	248	-	548	-
Write back of allowance for inventory obsolescence	-	(24)	(3)	(62)
Impairment loss on trade receivables and contract assets	74	50	222	151
Share of results of joint ventures	(41)	(7,463)	(65)	(8,489)
Share of results of associates	(62)	(27)	(66)	(198)
Accreted interest	26	-	80	-
Fair value (gain)/loss on derivatives	(13)	(73)	26	405
(Gain)/loss on disposal of property, plant and equipment	(39)	(2)	(52)	9
Interest income	(169)	(256)	(585)	(678)
Interest expense	957	909	2,720	2,175
Operating cash flows before working capital changes	(670)	(1,952)	(3,489)	(4,728)
<u>Changes in working capital</u>				
Development property	(13,984)	(656)	(14,424)	(732)
Properties held for sale	9	-	9	(66)
Contract assets	(5,064)	1,140	(8,116)	10,059
Trade receivables	3,291	1,140	(3,702)	5,263
Other receivables	(284)	1,980	(503)	2,958
Inventories	1,168	(629)	762	(2,074)
Trade and other payables	5,594	701	2,955	(15,391)
Contract liabilities	(2,388)	(4,521)	6,276	1,175
Other liabilities	1,162	363	1,118	246
Cash used in operations	(11,166)	(2,434)	(19,114)	(3,290)
Interest paid	(794)	(681)	(2,081)	(1,807)
Interest received	747	59	1,014	137
Income tax paid	1	(135)	(116)	(1,065)
Net cash used in operating activities	(11,212)	(3,191)	(20,297)	(6,025)
Cash flows from investing activities				
Purchase of property, plant and equipment (Note A)	(256)	(84)	(765)	(266)
Proceeds from disposal of property, plant and equipment	44	19	57	94
Investment in associate	-	-	-	(200)
Distribution of profits from a joint venture	29	85	244	141
Repayment of loans from an associate	-	-	-	13,482
Loans to a joint venture	-	(501)	-	(2,079)
Repayment of loans from a joint venture	1,339	-	6,349	-
Purchase of investment securities	-	-	-	(13)
Net cash generated from/(used in) investing activities	1,156	(481)	5,885	11,159

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

	Third quarter ended 30 September		9 months ended 30 September	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Cash flows from financing activities				
Bank borrowings, net	623	1,077	1,991	1,077
Dividends paid on ordinary shares to equity holders of the Company	-	-	-	(1,934)
Proceeds from long term borrowings	9,612	-	9,612	-
Repayment of long term borrowings	(394)	(350)	(1,179)	(1,124)
Repayment of lease liabilities	(244)	-	(544)	-
Repayment of finance leases	(50)	(39)	(167)	(121)
(Increase)/decrease in pledged deposits	-	(520)	-	480
Loans from non-controlling interests	-	-	3,230	-
Net cash generated from/(used in) financing activities	9,547	168	12,943	(1,622)
Net (decrease)/increase in cash and cash equivalents	(509)	(3,504)	(1,469)	3,512
Effect of exchange rate changes on cash and cash equivalents	15	(46)	20	64
Cash and cash equivalents at beginning of the period	55,725	37,561	56,680	30,435
Cash and cash equivalents at end of the period	55,231	34,011	55,231	34,011
<u>Comprising:</u>				
Cash and bank balances	35,530	13,832	35,530	13,832
Fixed deposits	24,187	24,675	24,187	24,675
	59,717	38,507	59,717	38,507
Less: Fixed deposits pledged with financial institutions	(4,487)	(4,496)	(4,487)	(4,496)
Cash and bank balances (including fixed deposits), representing cash and cash equivalents in consolidated statement of cash flows	55,230	34,011	55,230	34,011

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

Note A

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

	Third quarter ended 30 September		9 months ended 30 September	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Purchase of property, plant and equipment	256	84	765	565
Less: Acquisition costs satisfied by finance lease arrangements	-	-	-	(299)
Cash payments to acquire property, plant and equipment	256	84	765	266

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.

<u>Group</u>	Attributable to equity holders of the Company						Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Foreign currency translation reserve S\$'000	Total S\$'000	Non-controlling interests S\$'000	
Balance at 1 January 2019	49,082	(566)	85,771	279	134,566	(1,380)	133,186
Adoption of the SFRS(I) 16	-	-	(230)	-	(230)	(1)	(231)
Balance at 1 January 2019 (restated)	49,082	(566)	85,541	279	134,336	(1,381)	132,955
<u>Total comprehensive income</u>							
Loss for the period	-	-	(4,021)	-	(4,021)	(295)	(4,316)
Other comprehensive income for the period	-	-	-	156	156	(3)	153
Total comprehensive income for the period	-	-	(4,021)	156	(3,865)	(298)	(4,163)
Balance at 31 March 2019	49,082	(566)	81,520	435	130,471	(1,679)	128,792
Balance at 1 April 2019	49,082	(566)	81,520	435	130,471	(1,679)	128,792
<u>Total comprehensive income</u>							
Loss for the period	-	-	(2,870)	-	(2,870)	(462)	(3,332)
Other comprehensive income for the period	-	-	-	(359)	(359)	(5)	(364)
Total comprehensive income for the period	-	-	(2,870)	(359)	(3,229)	(467)	(3,696)
Balance at 30 June 2019	49,082	(566)	78,650	76	127,242	(2,146)	125,096
Balance at 1 July 2019	49,082	(566)	78,650	76	127,242	(2,146)	125,096
<u>Total comprehensive income</u>							
Loss for the period	-	-	(2,548)	-	(2,548)	(345)	(2,893)
Other comprehensive income for the period	-	-	-	76	76	(2)	74
Total comprehensive income for the period	-	-	(2,548)	76	(2,472)	(347)	(2,819)
Balance at 30 September 2019	49,082	(566)	76,102	152	124,770	(2,493)	122,277
<u>Group</u>	Attributable to equity holders of the Company						Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Foreign currency translation reserve S\$'000	Total S\$'000	Non-controlling interests S\$'000	
Balance at 1 January 2018 (as previously reported)	49,082	(566)	91,932	(2,290)	138,158	430	138,588
Adoption of the SFRS(I) 1	-	-	(2,652)	2,652	-	-	-
Adoption of the SFRS(I) 15	-	-	1,788	-	1,788	-	1,788
Balance at 1 January 2018 (restated)	49,082	(566)	91,068	362	139,946	430	140,376
<u>Total comprehensive income</u>							
Loss for the period	-	-	(1,598)	-	(1,598)	(267)	(1,865)
Other comprehensive income for the period	-	-	-	514	514	(1)	513
Total comprehensive income for the period	-	-	(1,598)	514	(1,084)	(268)	(1,352)
Balance at 31 March 2018	49,082	(566)	89,470	876	138,862	162	139,024
Balance at 1 April 2018	49,082	(566)	89,470	876	138,862	162	139,024
<u>Total comprehensive income</u>							
Loss for the period	-	-	(3,501)	-	(3,501)	(511)	(4,012)
Other comprehensive income for the period	-	-	-	(38)	(38)	3	(35)
Total comprehensive income for the period	-	-	(3,501)	(38)	(3,539)	(508)	(4,047)
<u>Distribution to owners</u>							
Dividends paid on ordinary shares to equity holders of the Company	-	-	(1,934)	-	(1,934)	-	(1,934)
Total transactions with owners in their capacity as owners	-	-	(1,934)	-	(1,934)	-	(1,934)
Balance at 30 June 2018	49,082	(566)	84,035	838	133,389	(346)	133,043
Balance at 1 July 2018	49,082	(566)	84,035	838	133,389	(346)	133,043
<u>Total comprehensive income</u>							
Profit/(loss) for the period	-	-	3,829	-	3,829	(403)	3,426
Other comprehensive income for the period	-	-	-	(464)	(464)	(1)	(465)
Total comprehensive income for the period	-	-	3,829	(464)	3,365	(404)	2,961
Balance at 30 September 2018	49,082	(566)	87,864	374	136,754	(750)	136,004

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share capital

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

As at 30 September 2019, the issued share capital of the Company was S\$49,082,199 (31 December 2018: S\$49,082,199) comprising 322,388,218 (31 December 2018: 322,388,218) ordinary shares (excluding treasury shares).

Treasury shares

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

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

	<u>No. of shares</u>	<u>S\$'000</u>
At 30 September 2019 and 31 December 2018	<u>2,322,200</u>	<u>566</u>

Employee performance share plan

As at 30 September 2019 and 31 December 2018, there were no performance shares granted and outstanding to eligible employees under the BBR Share Plan.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at 30 September 2019 was 322,388,218 (31 December 2018: 322,388,218). The total number of treasury shares held as at 30 September 2019 was 2,322,200 (31 December 2018: 2,322,200).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the financial period ended 30 September 2019.

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 2018, except that the Group has adopted all new and revised standards of Singapore Financial Reporting Standards (International) (“SFRS(I)”) which are effective for annual financial periods beginning on 1 January 2019 as shown in paragraph 5 below.

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 Group adopted the new/revised SFRS(I)s that are effective for annual periods beginning on or after 1 January 2019. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS(I) interpretations and amendments to SFRS(I)s.

The following are the new or amended SFRS(I)s, and SFRS(I) Interpretations that are relevant to the Group:

Description	Effective for annual periods beginning on or after
SFRS(I) 16 <i>Leases</i>	1 January 2019
SFRS(I) INT 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to SFRS(I) 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to SFRS(I) 1-28 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019

The adoption of the above SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I) did not have any significant impact on the financial statements of the Group except for the following:

Adoption of SFRS(I) 16 *Leases*

SFRS(I) 16 requires lessees to recognise most leases on the statement of financial position. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group adopts SFRS(I) 16 using the modified retrospective approach with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

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. (cont'd)**

In addition, the Group elects the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

On the adoption of SFRS(I) 16, the Group recognised right-of-use assets, lease liabilities and its related tax impact arising primarily from its non-cancellable operating lease commitments with adjustments made to the statement of financial position of the Group as at 1 January 2019. The differences from the statement of financial position of the Group and the Company as previously reported are as follow:

	Group 01-Jan-19 S\$'000	Company 01-Jan-19 S\$'000
<u>Statement of financial position</u>		
Increase/(decrease) in:		
Right-of-use assets	3,094	2,611
Lease liabilities	3,325	2,779
Net assets	<u>(231)</u>	<u>(168)</u>
Retained earnings	(230)	(168)
Non-controlling interests	(1)	-
Total equity	<u>(231)</u>	<u>(168)</u>

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		9 months ended	
	30 September		30 September	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	Cents	Cents	Cents	Cents
(Loss)/earnings per ordinary share of the Group attributable to equity holders				
(a) Based on the weighted average number of ordinary shares in issue	-0.79	1.19	-2.93	-0.39
(b) On a fully diluted basis (detailing any adjustment made to earnings)	-0.79	1.19	-2.93	-0.39

The weighted average number of shares used for basic and diluted earnings per share computation for the financial period ended 30 September 2019 was 322,388,218 (30 September 2018: 322,388,218). This takes into account the weighted average effect of changes in treasury shares transactions, if any, during the financial period.

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-Sep-19</u>	<u>31-Dec-18</u>	<u>30-Sep-19</u>	<u>31-Dec-18</u>
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued capital at the end of the period	38.70	41.74	19.90	19.96

Net asset value per ordinary share is calculated based on the issued share capital (excluding treasury shares) of 322,388,218 ordinary shares as at 30 September 2019 (31 December 2018: 322,388,218).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the followings:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Income Statement Review – Third Quarter Ended 30 September 2019 (“3Q2019”) vs Third Quarter Ended 30 September 2018 (“3Q2018”)

The Group recorded revenue of S\$36.6 million in 3Q2019 that represented an increase of 83.5% from S\$19.9 million achieved in 3Q2018. As construction activities increased during the quarter, revenue for the General Construction, Specialised Engineering and Green Technology business segments improved. Gross profit margin for the current quarter was 10.1% as compared to 13.4% achieved in 3Q2018 as the projects were at lower margins. However, gross profit increased 38.4% from S\$2.7 million to S\$3.7 million with the higher revenue.

Other operating income decreased 20.0% due to lower rental income earned by the Group. Other income/(expense) comprised foreign exchange differences and fair value gain or loss on derivatives amounted to a gain of S\$0.1 million for both the current quarter and 3Q2018. The fair value adjustment on derivatives was for the interest rate swaps entered into by the Group to hedge against interest rate movements on a long term loan. The Group does not apply hedge accounting.

Operating expenses remain relatively constant with administrative and other operating costs declining by 2.1% and 4.0% respectively.

Finance costs increased by 8.3% with more borrowings for the current quarter.

Share of results of joint ventures for 3Q2019 was S\$41,000. This is in contrast to S\$7.5 million reported in 3Q2018 which comprised substantially a fair value gain on an investment property, Wisteria Mall, owned by the Group's joint venture. The fair value gain was based on an independent valuation done after Wisteria Mall obtained Temporary Occupancy Permit in July 2018.

The Group had a loss attributable to equity holders of the Company of S\$2.5 million for 3Q2019.

Income Statement Review – Nine Months Ended 30 September 2019 (“9M2019”) vs Nine Months Ended 30 September 2018 (“9M2018”)

Group revenue recorded for 9M2019 was S\$84.7 million as compared to S\$90.2 million in 9M2018 as lower revenue was recorded for the Specialised Engineering business segments. However, gross profit increased by 4.1% to S\$9.7 from S\$9.3 million as gross profit margin was slightly better at 11.5% compared with 10.3% achieved in 9M2018 with better margins from specialised engineering projects.

Other operating income decreased by 16.8% due to lower rental income.

Operating expenses remain relatively constant with administrative costs and other operating costs declining by 5.0% and 2.5% respectively.

Finance costs increased by 28.7% or S\$0.6 million with more borrowings and higher interest rates.

Share of results of joint ventures for 9M2019 was S\$65,000 as compared to S\$8.5 million in 9M2018 due to the fair value gain recognised on its investment property, Wisteria Mall, as explained above.

Income tax expense of S\$0.2 million was due to under provision of current and deferred taxes in respect of prior years.

The Group had a loss attributable to equity holders of the Company of S\$9.4 million for 9M2019.

Statement of Financial Position and Cash Flow Review

Pursuant to the adoption of SFRS(I) 16 Leases, the Group recognised right-of-use assets presented under non-current assets for its leases previously classified as operating leases (excluding short-term leases and leases for which the underlying assets are of low value) of S\$3.0 million as at 30 September 2019. Correspondingly, lease liabilities (current and non-current) of S\$3.3 million were recognised as at 30 September 2019. Please refer to paragraph 5 for more details.

Loans to a joint venture decreased by S\$6.8 million as the Group received partial repayment of principal and interest from its joint venture.

Contract assets increased by S\$8.1 million as construction work done has yet to be certified and billed. The progress billing done at the end of the period which remained outstanding from customers resulted in an increase in trade receivables increased by S\$3.5 million.

Current trade and other payables increased by S\$4.1 million as amount owing to suppliers and subcontractors increased with more construction activities. Contract liabilities increased by S\$6.3 million as there were excess of progress billings over revenue recognised for some projects.

Current loans and borrowings increased by S\$2.1 million due to an increase in trade finance facilities utilised to pay suppliers. Non-current borrowings increased as additional loans of S\$9.6 million and S\$3.2 million were obtained from the bank and non-controlling interests respectively for the Group's property development project. After offsetting against repayment of the existing borrowings, there was an increase of S\$11.7 million in non-current borrowings.

For the financial period ended 30 September 2019, the Group used cash amounting to S\$19.1 million in operations. This is mainly due to the payment of development expenses for the Group's property development project that has yet to be launched and also the difference in timing in collection of construction revenue and payment of construction costs.

Net cash of S\$5.9 million was generated from investing activities for the current period with the cash inflow arising mainly from the loan repayment and distribution of profits from joint ventures.

Net cash generated from financing activities of S\$12.9 million was mainly due to additional loans of S\$9.6 million and S\$3.2 million from the bank and the non-controlling interests respectively to finance the Group's property development project. Additional bank borrowings of S\$2.0 million were obtained for working capital purposes and this was offset by repayment of S\$1.9 million for long term borrowings, finance leases and lease liabilities.

The Group's cash position remains healthy at S\$55.2 million as at 30 September 2019.

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

The Group made an announcement of Profit Guidance on 1 November 2019 which states that the Group expects to report a net loss for the third quarter ended 30 September 2019 based on a preliminary review of the unaudited financial results.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

On 14 October 2019, the Ministry of Trade and Industry announced that based on advance estimates, the Singapore economy grew by 0.1 per cent on a year-on-year basis in the third quarter of 2019, the same pace of growth as in the previous quarter. The construction sector grew by 2.7 per cent on a year-on-year basis in the third quarter, extending the 2.8 per cent expansion in the previous quarter. Growth in the sector was supported by a pickup in both public and private sector construction activities¹.

According to the media release published by the Building and Construction Authority of Singapore's on 14 January 2019, the projected total construction demand in 2019 should range between S\$27 billion and S\$32 billion, supported by infrastructure projects and the redevelopment of past en-bloc sales sites and new industrial developments².

Although construction demand is expected to increase, local construction firms also see increased competition from overseas players from countries such as People's Republic of China, Japan and South Korea. Besides, the construction sector is expected to face headwinds from uncertainties in the global economy which may dampen construction demand in the buildings sector as well as rising material and labour costs. As such, the Group expects the business to remain challenging and competition to be stiff among the industry players.

The Group's subsidiary, BBR Greentech Pte Ltd, has been awarded two contracts for the construction of solar PV systems. The first contract award is from PUB for the construction of two 1.5 megawatt-peak (MWp) floating solar PV systems on Bedok and Lower Seletar Reservoirs. The other contract is from the private sector for the construction of solar panels on the rooftop of two industrial buildings. Construction works are in progress and the systems are expected to be operational by the second quarter of 2020. These contracts are not expected to have any material financial impact on the earnings of the Group for the financial year ending 31 December 2019.

Energy Market Authority has in its media release published on 29 October 2019 announced that Singapore is ramping up its solar capacity and is working towards achieving a new solar target of at least 2 gigawatt-peak (GWp) by 2030³. Singapore will deploy and maximise solar panels over available spaces like rooftops, reservoirs and offshore spaces. This augurs well for the business growth of the Group's Green Technology business segment.

The Group will continue to focus on its core businesses by leveraging its strong track record to secure more projects, as well as enhancing cost effectiveness and efficiency optimisation in the management of on-going projects. The Group will also explore business opportunities both locally and in the region to maintain and sustain its long term growth.

As at 30 September 2019, the Group has an order book of approximately S\$220 million in respect of construction projects, predominantly in Singapore and Malaysia.

References:

1. Ministry of Trade and Industry Singapore Press Release "Singapore's GDP Grew by 0.1 Per Cent in the Third Quarter of 2019", 14 October 2019
2. Building and Construction Authority Media Release "Singapore's Total Construction Demand to Remain Strong This Year", 14 January 2019
3. Energy Market Authority Media Release "The Future of Singapore's Energy Story", 29 October 2019

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/recommendeded for the current financial period.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained pursuant to Rule 920(1).

14. Negative confirmation pursuant to Rule 705(5).

Please refer to the attached negative confirmation by the Board of Directors.

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

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

BY ORDER OF THE BOARD

Tan Kheng Hwee Andrew
Group Chief Executive Officer
11 November 2019

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

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 2019 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

11 November 2019