



MEDIA RELEASE
For Immediate Release

BBR Holdings reported more than 500% rise in net profit to S\$7.1 million on the back of S\$172.1 million revenue for the financial year ended 31 December 2017

Highlights:

- **Net Profit attributable to equity holders rose by 528%**
- **Gross profit margin improved by 10.5%**
- **Earnings per share appreciated to 2.23 cents**

SINGAPORE, 1 March 2018 – MAINBOARD-LISTED BBR Holdings (S) Ltd (BBR 控股) (“BBR” or “the Group”) announced today that the Group has recorded revenue of S\$172.1 million in the financial year ended 31 December 2017 (FY2017). Despite a lower revenue, gross profit increased by 97.1% to S\$26.4 million in FY2017 compared to S\$13.4 million in the financial year ended 31 December 2016 (FY2016). Net profit attributable to equity holders of the Company rose by 528% to S\$7.1 million in FY2017 compared to S\$1.1 million in FY2016.

Group revenue decreased 37.8% from S\$276.8 million in FY2016 to S\$172.1 million in FY2017 with the decline in revenue arising from both the General Construction Segment and Specialised Engineering Segment. General Construction Segment registered lower sales due to lower construction activities in the current financial year as a number of projects were completed since the end of the last financial year. On the other hand, revenue from the Property Development Segment increased as revenue was recorded for the sale of all remaining condominium units at Bliss @ Kovan.

Although overall revenue had dipped, the Group managed to improve on its gross profit margin from 4.8% to 15.3%. This was achieved with a better project mix of construction projects in FY2017 and better profit margin for a number of specialized engineering projects in Malaysia that were completed in the current financial year.

The share of results of joint ventures and associates arising from the recognition of profits from property development projects, namely Lakelife and The Wisteria, amounted to approximately S\$9 million for FY2017.

Mr Andrew Tan, BBR's Chief Executive Officer, said, "Despite the challenging business environment, BBR still performed commendably in FY2017. Our property development segment had reaped good returns for the existing projects like Lakelife and The Wisteria. Moving forward, the acquisition of Goh and Goh Building which is situated at Upper Bukit Timah Road will provide the new impetus for our property development business. We are progressing on track to re-develop the 2,868.3 sqm freehold property into a mixed commercial and residential development project."

Financial Position

The financial position of the Group continues to be stable. Net assets stood at S\$138.2 million as at 31 December 2017, as compared to S\$130.8 million as at 31 December 2016. Net asset value per share stands at 42.85 cents as at 31 December 2017. Earnings per share appreciated to 2.23 cents from 0.37 cents in the previous financial year.

The Group's cash position remained healthy at S\$30.4 million as at 31 December 2017 as compared with S\$58.7 million as at 31 December 2016.

Dividends

In view of the Group's performance, the Board of Directors is pleased to recommend a first and final dividend of 0.4 cents per share and a special dividend of 0.2 cents per share for the year, subject to approval by shareholders at the forthcoming Annual General Meeting to be convened. This translates to a payout of approximately 27% of its profits while maintaining sufficient cash reserve to invest in strategic opportunities.

Business Outlook

On 14 February 2018, the Ministry of Trade and Industry announced that the Singapore economy grew by 3.6 per cent on a year-on-year basis in the fourth quarter of 2017, easing from the 5.5 per cent growth in the third quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 2.1 per cent, a moderation from the 11.2 per cent growth in the preceding quarter. The construction sector contracted by 5.0 per cent year-on-year in the fourth quarter, following the 9.3 per cent contraction in the third quarter, primarily due to weakness in private sector construction works. On a quarter-on-quarter seasonally-adjusted annualised basis, the sector contracted by 0.2 per cent, after posting a decline of 2.4 per cent decline in the third quarter.

For the whole of 2017, the economy grew by 3.6 per cent. The construction sector contracted by 8.4 per cent in 2017, a reversal of the 1.9 per cent growth in 2016. Output in the sector was primarily weighed down by the weakness in private sector construction works, which contracted by 29.1 per cent on the back of a decline in private residential and private industrial works. The performance of the construction sector is likely to remain lacklustre in 2018 as the earlier weakness in construction demand, particularly from the private sector, continues to weigh on construction activities in the sector.

The industry outlook remains challenging in the next 12 months with rising business costs, labour shortages and stiffer regulatory controls. Although the construction demand is expected to improve due to the anticipated increase in public sector projects, the construction sector remains weak. The Group is faced with intense competition and more construction firms are bidding on projects at thin margins and some at below cost to sustain their business. This may in turn drive down the overall profit margins for the construction industry.

The Group will continue to focus on its core businesses 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.

After the completion of the purchase of Goh & Goh Building, the Group was engaged in discussions with the relevant authorities so as to optimise the potential of the development site. The Wisteria, a mixed development project under joint venture arrangement, is expected to obtain its Temporary Occupancy Permit ("TOP") in 2018 and the joint venture will operate and manage the The Wisteria Mall after TOP. Besides the Group will through a newly set up associated company, Trendsteq Pte Ltd, explore into the business of property management and consultancy.

The Group will continue to explore for business opportunities both locally and in the region to maintain and sustain its long term growth.

As at the date of this announcement, the Group has an order book of approximately S\$199 million in respect of construction projects, predominantly in Singapore and Malaysia.

Please refer to ANNEX 1 for projects update.

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About BBR Group (www.bbr.com.sg)

The BBR Group (BBR控股) is one of Singapore's leading construction groups with more than 20 years of industry experience and businesses spanning across General Construction, Specialised Engineering, Property Development and Green Technology.

Established in 1993, the Group today has a presence in Singapore, Malaysia and Thailand. Its General Construction activities are mainly undertaken through its wholly-owned subsidiary, Singapore Engineering & Construction Pte. Ltd., (formerly known as Singapore Piling & Civil Engineering Private Limited) (SEC), a company it acquired in 2001. SEC has a 40-year history and has been registered with the Building and Construction Authority of Singapore under the "A1" classification since 1984. Its Specialised Engineering arm is part of the BBR Network that spans 50 countries.

BBR's Property Development projects are as follows: **Lush on Holland Hill**, a freehold development with 56 spacious units in two 12-storey blocks completed in 2012; **Bliss @Kovan**, another freehold site which has been developed into a five-storey condominium with superior design elements consisting of 140 units and completed in November 2015; **8 Nassim Hill**, an upmarket development comprising 16 super luxury triplex units with basement carparks completed in 2010; **Lake Life**, a development completed on 30 December 2016 with 546 units of executive condominium on a 99-year leasehold HDB land site at Yuan Ching Road/Tao Ching Road, Jurong and **The Wisteria** and **Wisteria Mall**, a proposed mixed residential and commercial property development on a 99-year leasehold land parcel at Yishun Ave 4.

The Group was listed on the Singapore Exchange Sesdaq in 1997 and was subsequently upgraded to the Mainboard in September 2006.

Issued on behalf of BBR Holdings (S) Ltd by Waterbrooks Consultants Pte Ltd

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ANNEX 1: Projects Update

1) Specialised Engineering & General Construction Segments

Currently, BBR is working on a number of civil engineering and building projects from both the public and private sectors in Singapore as well as Malaysia. These include:

- a S\$57.6 million contract to design, fabricate and install four blocks of housing at Upper Aljunied Road using Pre-fabricated, Pre-finished Volumetric Construction (PPVC) modular system, due to be completed in the first half of 2018;
- supply and install modular hostel units at Nanyang Crescent, Nanyang Technological University (Western Water Catchment) using PPVC. The project was completed in the third quarter of 2017;
- the design and construction of the Gawi Marine Base and bridge connecting to Pulau Poh in Kenyir Lake in Terengganu, which is expected to be completed in the second half of 2018;
- a S\$80.3 million Walk2Ride programme awarded to a joint venture, Singapore Piling – Shincon JV by the Land Transport Authority to design and construct covered linkways within 400 m radius of MRT stations, expected to be completed in 2018. BBR's wholly-owned subsidiary, Singapore Engineering & Construction Pte. Ltd. (formerly known as Singapore Piling & Civil Engineering Private Limited) has a 51% share in the joint venture;
- two contracts worth RM286 million to build two bridges in Terengganu and Sarawak in Malaysia, which were completed in the first half of 2017; and
- design and build contract for the construction of Wisteria Mall and The Wisteria (apartments) in Yishun Ave 4 for S\$116 million, expected to be completed in the second half of 2018. BBR has an effective equity interest of 25% in this development via a joint venture with a consortium of partners.

2) Property Development Segment

- The **Goh & Goh Building** is a freehold building situated at the intersection of Jalan Jurong Kechil and Upper Bukit Timah Road which was acquired in September 2017 by the Group for re-development purpose. The Group is progressing on track to re-develop the 2,868.3 sqm freehold property with a plot ratio of 3.0. into a mixed commercial and residential development project.
- **The Wisteria and Wisteria Mall** is a proposed mixed residential and commercial development, respectively, on a 99-years leasehold site at Yishun Avenue 4. There are 216 units of apartments and the mall will provide convenience and amenities such as shops, restaurants, a supermarket and food court to residents in the development. BBR has a 25% effective interest in this development.
- **Lake Life** is a 99-years leasehold executive condominium which has achieved TOP on 30 December 2016. The development consists of 546 units which offers modern and lifestyle design features at Yuan Ching Road/Tao Ching Road, Jurong, Singapore. BBR has a 35% interest in this development.