



MEDIA RELEASE
For Immediate Release

BBR Holdings reports revenue of S\$118 million for FY2018

- Lower revenue from General Construction and Specialised Engineering Segments
- Financial position remains healthy with a stronger cash position
- Order book stands at S\$200 million, comprising construction projects in Singapore and Malaysia

SINGAPORE, 25 February 2019 – MAINBOARD-LISTED BBR Holdings (S) Ltd (BBR 控股) (“**BBR**” or “**the Group**”) announced today that it had recorded a net loss attributable to shareholders of S\$3.4 million for the financial year ending 31 December 2018 (“**FY2018**”). In FY2018, the Group achieved revenue of S\$118.0 million, compared to S\$195.7 million a year ago (“**FY2017**”), due to lower revenue from the General Construction and Specialised Engineering Segments, and a lack of revenue from the Property Development Segment during the year.

Gross profit margin declined slightly to 12.7% in FY2018, compared with 14.1% achieved in FY2017.

Commenting on the results, BBR’s Chief Executive Officer, Mr Andrew Tan (陈庆辉) said, *“It is a very trying time for the construction industry, weighed down by keen competition, labour shortages and rising business costs. Nonetheless, the Group will continue to press on and focus on its core businesses, leveraging on its expertise in PPVC and strong track record.”*

As the Group had fully recognised the revenue from its previous property development project, it did not record revenue from the segment this year. The team continues to work hard with its plans for the re-development of Goh & Goh Building.”

Administrative costs declined by 13.8% due to lower depreciation costs and no real estate agent fees were paid for the sale of condominium units as the Group had sold

all its development units in the previous year. Other operating expenses decreased by 12.1% mainly due to reduction in staff cost and other costs including impairment loss on fixed assets, allowance for inventories obsolescence, research and development cost. Finance costs increased by S\$2.1 million mainly attributable to the financing for the acquisition of Goh & Goh Building.

Share of results of joint ventures was higher at S\$8.6 million in FY2018, compared with S\$4.3 million in FY2017. In FY2018, this comprised fair value gain recognised on Wisteria Mall and progressive recognition of income from the sale of residential units at The Wisteria. In FY2017, share of results of joint ventures was solely derived from the progressive recognition of income from the sale of residential units at The Wisteria. The Wisteria, BBR's first residential project to adopt Prefabricated Prefinished Volumetric Construction ("PPVC") technology, had obtained the Temporary Occupancy Permit in July 2018.

Share of results of associates was S\$127,000 in FY2018 compared with S\$7.4 million in FY2017, as development profits from the sale of Lakelife Executive Condominium have been substantially recognised in the previous financial years.

Consequently, the Group recorded a loss attributable to equity holders of the Company of S\$3.4 million.

Financial Position

The Group's net assets stood at S\$133.2 million as at 31 December 2018 and net assets per share was 41.74 cents.

Cash position remained strong at S\$56.7 million as at 31 December 2018, compared with S\$30.4 million as at 31 December 2017.

Business Outlook

On 2 January 2019, the Ministry of Trade and Industry announced that based on advance estimates, the Singapore economy grew by 2.2% on a year-on-year basis in the fourth quarter of 2018, easing slightly from the 2.3% growth in the preceding quarter. The construction sector contracted by 2.2% on a year-on-year basis in the fourth quarter, extending the 2.5% decline in the previous quarter. The contraction was mainly due to weakness in public sector construction activities.

The industry outlook remains challenging for the next 12 months with increasing competition, labour shortages and rising business costs. The latest round of property cooling measures announced on 5 July 2018 will dampen and further postpone the anticipated recovery of the construction sector and impact the property market sentiment. Construction demand is expected to remain weak and coupled with intense competition, tenders will continue to be challenging in the near term and bid prices will remain depressed.

The Group is still in discussions with the relevant authorities regarding the re-development of Goh & Goh Building to optimise the potential of the development site. The Group will continue its cautious stance and remain vigilant in managing costs and working capital. The profit distribution and loan repayments from the completed property development projects will provide the necessary working capital for the re-development of Goh & Goh Building, as well as any new projects that BBR is bidding for.

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. The Group will also explore business opportunities both locally and in the region, particularly in Thailand and Hong Kong SAR, to maintain and sustain its long term growth.

As at 31 December 2018, the Group has an order book of approximately S\$200 million in respect of construction projects, predominantly in Singapore and Malaysia.

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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. It currently comprises four core business segments spanning across General Construction, Specialised Engineering, Property Development and Green Technology.

Established in 1993, the BBR Group is well-positioned to meet the urbanisation challenge in Asia with its proven track record and good combination of innovative engineering with specialist know-how in construction methods. It has business presence in key markets such as Singapore, Malaysia, and the Philippines.

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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