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BBR Holdings posts half year net profit of S\$3.5 million, up 226% from previous year

“Construction outlook continues to be positive and BBR is well-positioned to tap on the numerous business opportunities,” says CEO Andrew Tan

HIGHLIGHTS OF 1H2008 GROUP RESULTS

- Net profit after tax and minority interest up 226% to S\$3.5 million
- Total revenue up 25% to S\$132.9 million
- Total assets: S\$195 million; Net tangible assets: S\$48.5 million
- EPS at 0.23 cents and Net asset per share at 3.12 cents
- Current book order stands at S\$435 million.

SINGAPORE, 11 August 2008 – MAINBOARD-listed BBR Holdings (S) Ltd (“BBR”) today announced a net profit after tax and minority interests of S\$3.5 million for the first half ended 30 June 2008. This is a 226% increase over the S\$1.1 million it made in the same period the previous year

Group revenue was up 25% to S\$132.9 million as a result of more recognition of income from projects of higher values in the period under review.

Quarter-on-quarter, the increase in net profit after tax and minority interest was significantly higher at S\$2.04 million or 356% higher than the S\$0.45 million it registered in the previous corresponding quarter.

The higher revenue lifted group pre-tax profit to S\$3.46 million in the period under review, up 159% from S\$1.33 million in the previous corresponding period.

Earnings per share stood at 0.23 cents compared to 0.08 cents as at 30 June 2007.

The BBR Group, which started in 1993 as a specialist engineering group, currently has three core business activities, namely, General Construction, Specialist Engineering and Property Development. The Group's order book currently stands at S\$435 million spread across projects secured in Singapore, Malaysia and Sri Lanka. With the healthy order book, the Group expects to remain profitable for FY2008.

BBR Holdings' Chief Executive Officer Mr Andrew Tan was pleased with the Group's performance. He said: "It has been a fairly strong half-year and this is due to increase in construction spending in both the private and public sector. Going forward, construction outlook continues to be positive and BBR is well-positioned to tap on the numerous business opportunities in the marketplace."

Mr Tan cautioned, however, that rising costs of raw materials such as rebar as well as cement, higher fuel and freight charges and a squeeze on manpower will be some areas in which the Group will continue to face considerable challenge. "There is strong global demand from booming construction markets such as the Middle East, Russia, India and China. Nonetheless, we are confident that with a prudent approach and by tapping on our experience and expertise, we will be able to continue on a growth path."

The company has managed its costs well, and saw overall improvement in its margins.

The Group's financial standing is strong. As at 30 June 2008, its assets totalled S\$195.1 million, net current assets at S\$93.2 million and it has net tangible assets worth S\$48.6 million. Equity attributable to shareholders amounted to S\$48.0 million with Net asset value per share at 3.12 cents 30 June 2008.

Outlook

Citing government statistics, Mr Tan said activity in the construction sector, going forward, is expected to be fairly robust. According to a Building and Construction Authority (BCA) detailed review, construction demand had doubled year-on-year to S\$7.7 billion in the first quarter of 2008, fuelled by strong growth in both public and private sectors. Public sector demand saw a tripling year-on-year, from S\$1 billion in 1Q2007 to S\$3.3 billion in 1Q2008 while private sector construction demand also increased by 46.8% year-on-year to S\$4.4 billion in the first quarter of 2008, supported by robust expansion of most development types. However it was lower than the S\$6.5 billion in the fourth quarter of 2007. This slowdown can be attributed to the high base during the last quarter when a few major industrial projects were awarded.

Mr Tan said the Group will continue to be selective in its participation of project tenders. "We remain focused and alert, looking to secure deals that will give us decent margins and good returns, constantly aware of the need to be responsive to customers. At the same time, we pay attentive to our staff members and their needs in order to achieve a higher level of efficiency and productivity," he said.

The Group continued to be busy with various projects, from both the public as well as the private sector. These include:

- a S\$26.4 million contract from the Ministry of Education (MOE) to carry out addition and alteration works to the existing Jun Yuan Primary School located at Tampines Street 91, scheduled to be completed by October 2009.
- a S\$95.3 million turnkey design-and-build contract from Ascendas (Tuas) Pte Ltd for an iconic office tower block at the International Business Park in Jurong East, scheduled for completion in August 2009

- a S\$6 million contract from the Land Transport Authority to upgrade its vehicular bridges at seven locations in Singapore; the works are expected to complete by end-March 2009.
- a S\$189.6 million contract awarded by the Urban Redevelopment Authority for the construction of the proposed common services tunnel phase 3A at downtown core. This project is expected to be completed by April 2011

Apart from general construction, BBR also has a specialist engineering arm which takes on projects that require more complex technology and know-how, and which has built a strong regional presence over the past several years.

The Group had ventured into property development and is developing two upmarket condominium projects, one at Nassim Hill and the other at Holland Hill. Mr Tan said 7 of the 16 units of 8 Nassim Hill have been sold. BBR is undertaking this development, comprising 16 super luxury triplex units with basement car parks, with a joint venture partner. The Group expects to launch the Holland Hill project, called Lush on Holland Hill, later this year. This development stands on a 4,899.9 sq metre freehold site at No. 19 and 21 Holland Hill and will yield a 12-storey luxury condominium.

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About BBR Group

The BBR Group has its roots in specialist engineering. Since its inception in 1993, the Group has grown significantly and today, it has established three core business activities, namely, General Construction, Specialist Engineering and Property Development.

Its General Construction activities are mainly undertaken through its wholly-owned subsidiary, Singapore Piling & Civil Engineering Private Limited ("Singapore Piling"), a company it acquired in 2001. Singapore Piling has a 37-year history and has been registered with the Building & Construction Authority of Singapore under the "A1" classification since 1984. The company is active in Singapore as well as overseas, having undertaken projects in Korea as well as Sri Lanka. Its Specialist Engineering arm is part of the BBR Network that spans 46 countries. Today, BBR Singapore has a strong presence in Malaysia, Philippines, Thailand and Sri Lanka. The Group recently ventured into property development and is developing two upmarket condominium projects: 8 Nassim Hill comprising 16 super luxury triplex units with basement carpark and a freehold site at Holland Hill which will yield a 12-storey luxury condominium.

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

Media and Analysts Contact

BBR Holdings (S) Ltd

Ms Merina Chua

Tel: (+65) 6546-5291

Email: merina@bbr.com.sg

Waterbrooks Consultants Pte Ltd

Ms Judy Kan

Tel: (+65) 6100-2228

Mobile: (+65) 96315053

Email: judy.kan@waterbrooks.com.sg

Mr Wayne Koo

Tel: (+65) 6100-2228

Mobile: (+65) 93388-166

Email: wayne.koo@waterbrooks.com.sg