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BBR Holdings posts net profit of S\$3.8 million for nine months ended 30 September 2008, up 105% from previous period

“The construction demand for civil engineering projects is expected to remain strong over the next few years.” says CEO Andrew Tan

HIGHLIGHTS OF GROUP RESULTS

- Revenue: 3Q08: S\$47.4m (Up 15%), 9M08: S\$180.2m (Up 22%)
- Gross profit: 3Q08: S\$2.6m (Up 14%), 9M08: S\$11.9m (Up 45%)
- Profit after tax & MI: 3Q08: S\$0.4m (Down: 55%), 9M08: S\$3.8m (Up 105%)
- Total assets: S\$201.4 million; Net tangible assets: S\$ 49.0 million
- EPS: 3Q08: 0.02 cent, 9M08: 0.25cents
- Net asset per share at 3.14 cents
- Current book order stands at S\$380 million.

SINGAPORE, 11 November 2008 – MAINBOARD-listed **BBR Holdings (S) Ltd (BBR)** today announced a net profit after tax and minority interests of S\$3.8 million for the nine months ended 30 September 2008. This is a 105% increase over the S\$1.9 million it made in the same period the previous year

The Group registered a revenue of S\$180.2 million, up by 22%, in the period under review driven by a higher recognition of income from projects of higher values. Gross profit increased by 45% to S\$11.9 million from S\$8.2 million previously, due mainly to the growth in demand for construction services. The Group also saw an improved gross profit margin.

Quarter-on-quarter, its revenue was up by 15% to S\$47.4 million but net profit after tax and minority interest saw a dip of 55% to S\$0.4 million. The drop in net profit in the third quarter of FY2008 was due mainly to the increase in administrative and other operating costs amounting to S\$0.6 million.

Earnings per share for the nine months ended 30 September 2008 stood at 0.25 cents compared to 0.13 cents it registered in the corresponding period.

The Group's financial standing is strong. As at 30 September 2008, its assets totalled S\$201.4 million, net current assets at S\$93.7 million and it has net tangible assets worth S\$49.0 million. Equity attributable to shareholders amounted to S\$48.3 million with net asset value per share at 3.14 cents.

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.

BBR Holdings' Chief Executive Officer Mr Andrew Tan was satisfied with the Group's performance. He said: "It has been a reasonably good year for us thus far. Our nine-month performance is fairly strong, as we have benefited from the construction spending in both the private and public sectors.

"Going forward, we will increasingly begin to feel the effects of a slowing global economy. Notwithstanding, the construction scene in Singapore is expected to remain positive for the next 12 to 18 months. Even as we prepare to face the challenges ahead, we will continue to be alert to the opportunities in the marketplace," he added.

The Group's order book currently stands at S\$380 million to be executed in the next three years, predominantly for projects secured in Singapore and Malaysia.

Outlook

Citing government statistics, Mr Tan said that although there was a dip in Singapore's Gross Domestic Product (GDP) by 0.5% in the third quarter of 2008, the construction sector grew by 7.8% in third quarter of 2008, albeit lower than the 18.3% growth it enjoyed in the first quarter of 2008. A Building and Construction Authority (BCA) review had also said that construction demand could reach a peak of \$32 billion in 2008, although the current turbulent financial climate that is expected to continue appears to have put this growth in check.

"Even so, we still see tenders being called for public sector projects. For example, under the Land Transport Master Plan, the Land transport Authority has called for tenders to widen another four stretches of the Central Expressway to improve the traffic flow. Recently, the Government has also said that it would consider injecting some \$4.7 billion worth of public projects that it had deferred earlier. As such, the construction demand for civil engineering projects is expected to remain strong over the next few years," he said.

"We are always cautious, prudent and selective in our participation of project tenders, going for those that yield reasonable returns. Also, we will continue to adopt stringent cost control measures and improve our project management processes so as to stay competitive," he added. Mr Tan said the Group will continue to explore suitable opportunities in Singapore and Malaysia.

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

- An 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 Holland Hill site 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.

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