



BBR Holdings posts half year net profit of S\$4.6m, up 31%; announces S\$77.7m contract to build SICC clubhouse

“The Group remains vigilant in its effort to contain costs and manage its projects and resources well so that we can continue to enjoy decent margins without compromising on service and quality. We have focused on maintaining cost and operational efficiencies and we are confident that we are on track for sustainable growth,” said Mr Andrew Tan, BBR Holdings’ Chief Executive Officer.

FINANCIAL HIGHLIGHTS						
S\$’m	2Q09	2Q08	Change	1H09	1H08	Change
Revenue	53.8	91.7	▼41%	115.0	132.9	▼13%
Gross Profit	3.5	5.4	▼36%	7.4	9.3	▼20%
Profit Before Tax	2.2	2.0	▲9%	5.2	3.5	▲50%
PATMI	1.8	2.0	▼12%	4.6	3.5	▲31%
Order Book stands at S\$292 million as at 7 August 2009						
Total Assets: S\$211.5 million; Net Tangible Assets S\$53.1 million						
EPS per share at 0.30 cents and NAV per share 3.41 cents						

SINGAPORE, 7 August 2009 – MAINBOARD-listed BBR Holdings (S) Ltd (“BBR”) has posted net profit after tax and minority interests (PATMI) of S\$4.6 million for the six months ended 30 June 2009, up 31% from the S\$3.5 million it made in the same period the previous year. The Group also announced that it has just clinched a S\$77.7 million contract to build the Singapore Island Country Club’s (“SICC”) main clubhouse at Island Club Road.

Financial highlights

For the six months ended 30 June 2009, Group revenue declined by 13.4% to S\$115.0 million due mainly to substantial completion of a few key construction projects in the second quarter of this year. Contributing to the revenue streams were the Common Services Tunnel, a S\$189.6 million contract from the URA targeted for completion in 2011 and the S\$95.3 million project from Ascendas (Tuas) Pte Ltd to build an iconic office tower block at the International Business Park in Jurong East.

Gross profit for 1st half 2009 decreased by 20%, from S\$9.3 million in 1H2008 to S\$7.4 million. Gross profit margin decreased marginally to 6.4% compared to 7.0% for 1H2008. Earnings per share stood at 0.30 cents against 0.23 cents compared to previous corresponding period.

Quarter-on-quarter, revenue declined by about 41% to S\$53.8 million in 2Q2009 compared to S\$91.7 million in the previous corresponding period, due to the completion of several key construction projects in the second quarter. Administrative and other operating costs decreased by S\$1.1 million from S\$3.9 million in 2Q2008 to S\$2.8 million in 2Q2009, mainly due to a decrease in foreign currency adjustment loss of S\$0.9 million. The Group's share of results of associates increased by S\$1.8 million, attributable to its share of profits recognised from the development project at No 8, Nassim Hill. These contributed to the Group's profit before tax increasing by 8.9% to S\$2.2 million in 2Q2009, compared with S\$2 million in the previous corresponding quarter.

BBR Group, which started in 1993 as a specialist engineering group, currently has three core business activities, namely, General Construction, Specialised Engineering and Property Development.

The Group's order book of civil engineering and building projects stands at a healthy S\$292 million to date, with projects predominantly in Singapore and Malaysia. With the healthy order book, the Group expects to remain profitable for fiscal 2009.

BBR Holdings' Chief Executive Officer, Mr Andrew Tan, was satisfied with the Group's overall performance. He said: "There have been ups and downs, but overall, we have worked hard and I'm glad that we have turned in a fairly decent set of results. Despite the challenging macroeconomic environment and market conditions, there is still work to be done. We continue to tender actively for contracts and we hope to be able to seal some deals soon.

"The Group remains vigilant in its effort to contain costs and manage its projects and resources well so that we can continue to enjoy decent margins without compromising on service and quality. We have focused on maintaining cost and operational efficiencies and we are confident that we are on track for sustainable growth," he added.

Redevelopment of SICC Clubhouse

Mr Tan expressed delight at the latest win. He said: "We will work hard to ensure high level of service delivery so that we can continue to build our reputation and track record."

The latest contract, awarded by RSP Architects Planners & Engineers (Pte) Ltd ("RSP") on behalf of SICC, is for the redevelopment of the main clubhouse at Island Club Road as well as for maintenance of drains and roads. Work on the project is scheduled to begin in end-August and will be carried out in three stages, with the final stage completion in 2012.

Financial position

The Group's financial standing is strong. As at 30 June 2009, its assets totaled S\$211.5 million, net current assets was S\$88.0 million and it has net tangible assets worth S\$53.1 million. Net asset value per share stood at 3.41 cents as at 30 June 2009. Market capitalisation was S\$115.6 million based on 7 August 2009 closing share price of 7.5 Singapore cents. The total number of shares issued to date is approximately 1.54 billion.

The Group continued to maintain a healthy liquidity position with net cash generated from operations of S\$21.3 million for the six months ended 30 June 2009. Its cash position stood at S\$42.6 million and working capital at S\$88.0 million as at 30 June 2009. The Group's healthy balance sheet is supported

by a strong capital position with equity attributable to shareholders of S\$52.6 million, an increase of 9.3% over the S\$48.1 million recorded in 31 December 2008, or 24.9% of total assets as at 30 June 2009.

Outlook

Mr Tan said activity in the construction sector has been hit in some measure by the muted economy. Indeed, data released from the Ministry of Trade and Industry showed construction output growth slowed from 24.4% in the preceding three months to 18.3% in the second quarter.

However, the fairly positive general outlook coupled with the strong pipeline of committed public sector projects indicate that the construction industry is expected to remain fairly stable for the next twelve months, he said.

The Building and Construction Authority (BCA) has estimated total construction demand in 2009 to be around S\$22 billion to S\$28 billion, driven chiefly by public sector construction demand. In 2010 to 2011, it is projected to reach S\$20 billion to S\$27 billion. In its Budget announcement, the Government had said it would spend an estimated S\$18 billion to S\$20 billion in public infrastructure projects in 2009 including the S\$1.3 billion worth of smaller projects which were originally planned to start in 2010.

Said Mr Tan: “BBR will continue to leverage its track record and capabilities in building construction and civil engineering to secure more public sector projects, exercising caution when tendering for new projects and focusing on those with reasonable returns and profit margins.” The Group’s development property segment will also contribute positively to the Group, he added.

On-going Projects

Some of the projects the Group is currently working on include:

- a S\$95.3 million turnkey design-and-build contract from Ascendas (Tuas) Pte Ltd to build an iconic office tower block at the International Business Park in Jurong East, scheduled to finish in August 2009;

- a S\$26.4 million contract from the Ministry of Education (MOE) for addition and alteration works to the existing Jun Yuan Primary School located at Tampines Street 91, planned for completion by October 2009; and
- 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 scheduled to be completed by April 2011.

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About BBR Group

The BBR Group has its roots in specialised engineering. Since its inception in 1993, the Group has grown significantly and today, it has established three core business activities, namely, General Construction, Specialised 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 Specialised Engineering arm is part of the BBR Network that spans 42 countries. Today, BBR Singapore has a strong presence in Malaysia, Philippines, Thailand and Sri Lanka. The Group is developing two upmarket condominium projects: 8 Nassim Hill comprising 16 super luxury triplex units with basement car parks and a freehold site at Holland Hill which will yield a 12-storey luxury condominium.

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