



## **BBR Holdings posts 64% increase in net profit to S\$4.6 m for first quarter ended 31 March 2010; affirms profitability on track for the year**

**“Our first quarter results were in line with expectations. We have been witnessing tangible signs of improving market sentiments with increasing order activities contrasting with a year ago. Current positive market trends have increased our confidence for the rest of fiscal 2010’s operating environment. We remain confident in the long term outlook for our business and the construction sector, and we are focused on achieving continued positive earnings per share performance,” said CEO Mr Andrew Tan**

<b>S\$’m</b>	<b>1Q2010</b>	<b>1Q2009</b>	<b>%</b>
Revenue	32.3	61.2	▼47%
Gross Profit	6.4	4.0	▲62%
Profit before tax	4.9	3.0	▲63%
Profit attributable to owners of the parent	4.5	2.8	▲62%
<ul style="list-style-type: none"><li>▪ Order Book stands at S\$520 million as at 11 May 2010</li><li>▪ Total Assets: S\$207.1 million; Net Assets S\$67.1 million</li><li>▪ EPS per share at 1.46 cents and NAV per share 21.81 cents</li></ul>			

**SINGAPORE, 11 May 2010 – MAINBOARD-listed BBR Holdings (S) Ltd (BBR)** today announced a Net Profit After Tax attributable to owners of the parent of S\$4.5 million for the first quarter ended 31 March 2010, up 62% from the previous corresponding quarter.

Group revenue was S\$32.3 million compared to S\$61.2 million in the previous corresponding quarter. The difference was largely due to lower revenue recognition from general construction projects during the period. Although the Group was actively involved in the execution of general construction projects in 1Q10, revenue had not

been recognised for certain projects for work done because these projects have not achieved the minimum percentage of completion required for revenue recognition in accordance with the Group's accounting policy.

For the period under review, gross profit increased significantly by 62% to S\$6.4 million from S\$4.0 million in 1Q09, largely attributable to improved margins from both specialist engineering and general construction projects. Furthermore, we have higher revenue contributions from specialist engineering projects which generally contribute higher profit margins.

Other income fell by 12% to S\$477,000 in 1Q10 from \$541,000 in 1Q09, mainly due to a decrease in rental income, which was partially offset by a gain in disposal of property, plant and equipment. In 1Q09, the property at Lush on Holland Hill was temporarily rented out pending commencement of construction. Since construction had commenced at the end of financial year 2009, this property is no longer being leased out to generate rental income. The Group's share of results from associates increased to S\$3.1 million from S\$1.8 million in 1Q09 due to higher contribution from the development at 8 Nassim Hill. Progress of construction at 8 Nassim Hill has accelerated and the property development project is nearing completion.

Earnings per share for 1Q10 was 1.46 cents compared to 0.9 cents for the period ended 31 March 2009.

BBR Holdings' Chief Executive Officer, Mr Andrew Tan, said he was pleased on the whole with the Group's first quarter financial performance. He said: "Our first quarter results were in line with expectations. We have been witnessing tangible signs of improving market sentiments with increasing order activities contrasting with a year ago. Current positive market trends have increased our confidence for the rest of fiscal 2010's operating environment. We remain confident in the long term outlook for our business and the construction sector, and we are focused on achieving continued positive earnings per share performance. We are also very encouraged by the rising number of projects currently out to bid, and we continue to anticipate growing our order book in 2010."

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.

### **Sturdy financials**

The Group's financial position remained in very good form. As at 31 March 2010, its assets totaled S\$207.1 million and net asset value was S\$67.1 million. Net asset value per share was at 21.81 cents or 8% higher than at 31 December 2009. Market capitalisation was S\$73.9 million based on 10 May 2010 closing share price of 24.0 cents. The total number of ordinary shares issued to date is approximately 307.71 million after the 5 to 1 share consolidation exercise in February 2010, and after 500,000 shares were purchased and held as treasury shares in March 2010.

The Group continued to maintain a healthy liquidity position with cash and cash equivalents of S\$43.2 million and net current assets of S\$87.7 million as at 31 March 2010. The Group's healthy balance sheet is backed by a strong capital position with equity attributable to shareholders of S\$66.2 million, an increase of 7% over the S\$61.7 million recorded in 31 December 2009.

The Group's order book is S\$520 million as at the date of this release with projects lasting up to 2014. These comprise mainly civil engineering and building contracts predominantly in Singapore and Malaysia.

Mr Tan said: "Based on our strong order book, coupled with our balance sheet strength and projected steady income streams, our profitability remains on track for fiscal 2010."

### **Outlook**

Looking ahead to the next 12 months, Mr Tan said prospects in the construction industry look positive based on Government forecasts. The Ministry of Trade and Industry announced in April 2010 that it expects the Singapore economy to grow by 7.0% to 9.0% in 2010. The construction sector grew by 11.3% on a year-on-year basis

in 1Q10, supported by sustained public sector civil engineering activities and an increase in the number of residential construction projects.

According to the Building and Construction Authority, construction demand for 2010 is expected to be between S\$21 billion and S\$27 billion, carried over from a sustained workload from last year's S\$21 billion worth of contracts awarded. The majority will come from the public sector, which is projected to account for 65% of total demand and is projected to range between S\$14.0 billion and S\$17.9 billion. It will largely be fuelled by higher growths in nearly all categories of building construction demand and strong civil engineering projects led by Land Transport Authority (LTA)'s MRT projects for Downtown Line Stage 3 and major road projects. Other upcoming projects in the pipeline include the LNG Terminal, Fusionopolis 2A, industrial facilities at Seletar Aerospace Park, campus expansion of Institutes of Higher Learning (IHLs) and new healthcare facilities.

Private sector construction demand is anticipated to be slightly more buoyant than the preceding year totaling S\$7.0-S\$9.1 billion. Private residential projects are also estimated to increase progressively, together with better market sentiments. The projected higher construction demand for commercial and institutional developments compared to 2009 will also boost further overall private sector construction demand.

The average annual construction demand for the next two years, 2011 and 2012, is estimated to reach S\$18-S\$25 billion. Public sector construction demand is expected to be between S\$10 billion and S\$14 billion a year in 2011 to 2012, with 45% of it originating from building projects while the rest is driven by civil engineering projects.

The series of Government infrastructure projects and private sector construction activities signify numerous opportunities and bright prospects for BBR. "We are convinced that our established track record, in both public and private sector projects, will place us in a good position to bid for new contracts," said Mr Tan.

The Singapore market will continue to be the Group's central focus although it will selectively consider overseas opportunities with strategic value as they arise. It will continue to focus on its core business by leveraging its strong track record and

competency in building construction and civil engineering to secure more public sector projects. At the same time, the Group will explore ways to enhance cost effectiveness, optimise efficiency in managing potential and on-going projects as well as conduct feasibility studies to undertake new property development projects.

### **Ongoing projects**

Just last week, the Group announced that it has secured a second contract worth S\$139.6 million from the Urban Redevelopment Authority for the construction of the Proposed Common Services Tunnel Phase 3B (MC02) at Downtown Marina Bay. Work on the project has just begun and is scheduled for completion by the second half of 2014. The first contract for Common Services Tunnel Phase 3A, valued at \$189.6 million, is targeted to end in the second half of next year.

Apart from the Common Services Tunnel projects, the other jobs that BBR is currently undertaking include:

- S\$42.0 million project from Yang Kee Holdings Pte. Ltd. to construct Phase 1 of the Yang Kee Logistics Chemical Hub at Jurong Pier targeted for completion in early 2011;
- S\$77.7 million contract to build the Singapore Island Country Club's main clubhouse at Island Club Road scheduled for completion in 2011; and
- S\$104.2 million deal from the Housing & Development Board to build seven blocks of flats in Yishun Neighbourhood 4 planned for completion in 2012.

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## **About BBR Group ([www.bbr.com.sg](http://www.bbr.com.sg))**

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

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