



BBR Holdings posts 33% higher net profit of S\$10.7 million for nine months ended 30 September 2010

“Our strong third quarter performance, coupled with a positive liquidity position and an increasing domestic market presence in civil engineering and building construction, form a solid foundation for the continued growth of the Group,” said Mr Andrew Tan, BBR Holdings’ Chief Executive Officer.

FINANCIAL HIGHLIGHTS						
S\$m	3Q10	3Q09	Change	9M10	9M09	Change
Revenue	77.4	51.7	▲50%	146.2	166.7	▼12%
Gross Profit (GP)	7.1	6.3	▲14%	20.3	13.6	▲49%
GP Margin	9%	12%	▼25%	14%	8%	▲75%
Profit Before Tax	4.3	3.7	▲16%	12.6	9.4	▲34%
Profit attributable to owners of parent	3.5	3.0	▲19%	10.7	8.0	▲33%
EPS (cents)	1.14	0.95	▲20%	3.47	2.60	▲33%
Order book was approximately S\$520 million as at 9 November 2010						
Net Assets was S\$71.7 million and NAV per share was 23.31 cents as at 30 September 2010						

SINGAPORE, 9 November 2010 – MAINBOARD-LISTED BBR Holdings (S) Ltd (BBR控股) (“BBR” or “the Group”) today announced results for its nine months ended 30 September 2010. Profit after tax attributable to equity holders of BBR went up to S\$10.7 million against S\$8.0 million recorded a year ago, exceeding last year’s performance by 33%.

Group revenue was S\$146.2 million for the period compared to S\$166.7 million previously. Although revenue was lower, gross profit expanded 49% or S\$6.7 million to S\$20.3 million from S\$13.7 million a year ago. This was due to higher contribution from Specialised Engineering and General Construction. Also, there was additional revenue recognition from finalisation of billings for various projects completed in 2009, of which costs were already accounted for in 2009.

Along with higher gross profit for the period, margins increased to 14% from 8% previously. Earnings per share for the nine months ended 30 September 2010 was 3.47 Singapore cents against 2.60 Singapore cents a year ago.

Revenue contracted due to lower revenue contribution from general construction projects during the period under review. Although work had commenced for a number of general construction projects since 2Q10, these have not reached the minimum percentage of completion required for revenue recognition in accordance to the Group's accounting policy.

Share of results of associates was S\$4.9 million for the period under review compared to S\$5.7 million in the previous corresponding period as the development at 8 Nassim Hill has achieved temporary occupation permit status and is in the finalisation stage compared to a year before when it was in an active stage of construction.

Other operating costs reached S\$9.1 million for the nine months ended 30 September 2010 against S\$6.6 million in the previous corresponding period, mainly due to higher staff salaries and benefits and a fair value loss for an interest rate swap derivative.

On a quarterly basis, Group revenue exceeded last year's figure by 50% to reach S\$77.4 million compared to S\$51.7 million. This was due to higher revenue being recognised from construction activities for both general and specialised engineering projects during the quarter. Accordingly, gross profit grew by S\$0.8 million or 14% to S\$7.1 million. Gross profit margin was 9% compared to 12% previously as a result of lower margins from certain specialised engineering projects. Profit after tax attributable to shareholders grew 19% during the quarter to S\$3.5 million.

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

Financial position

With solid earnings growth for the period, BBR maintained its strong financial position backed by total assets of S\$225.3 million. Equity attributable to equity holders of the company was S\$70.8 million, growing 15% over the S\$61.7 million registered on 31 December 2009. Net asset value per share was 23.31 Singapore

cents as at 30 September 2010. Market capitalisation came to approximately S\$76.9 million based on the 8 November 2010 closing share price of 25.0 Singapore cents.

The Group has net cash generated from operating activities of S\$2.8 million for the nine months ended 30 September 2010. Net current assets were S\$90.6 million with cash and fixed deposits of S\$44.1 million at 30 September 2010.

BBR Chief Executive Officer Andrew Tan (陈庆辉) was pleased with the overall results. He said: "Our strong third quarter performance, coupled with a positive liquidity position and an increasing domestic market presence in civil engineering and building construction, form a solid foundation for the continued growth of the Group."

"Our results also serve to show that a steady base of projects, a proven track record, a sound financial base and a strong commitment to service delivery provide the company with an edge in a highly competitive market," added Mr Tan.

The Group's order book was a good S\$520 million to date with projects going until 2014, comprising mainly civil engineering and building contracts in Singapore and Malaysia. With this order book and strong financials, the Group expects to remain profitable for financial year 2010.

Outlook

Quoting the Ministry of Trade and Industry's estimates, Mr Tan said construction outlook for the next 12 months looks optimistic, particularly with Singapore's Gross Domestic Product forecasted to grow at 13% to 15% in 2010 and an ongoing flow of government projects.

Furthermore, the Building and Construction Authority has projected total construction demand in 2010 to reach S\$21.0–S\$27.0 billion with the greater part - about 65% - coming from the public sector. This will mainly be made up of building construction and civil engineering projects from the Land Transport Authority such as the MRT projects for Downtown Line Stage 3 and other large-scale road projects.

In the months ahead, Mr Tan said the Group will remain focused on its core building construction and civil engineering business as it rides on the economic recovery wave and takes advantage of the pipeline of projects coming on stream, while at the same time manage its cost structure and enhance operational efficiencies in all ongoing and upcoming projects. On the property front, the Group will continue to conduct feasibility studies on new property development projects.

Update on projects and corporate activities

In July 2010, the Group acquired a plot of freehold land on the site of the current Goodrich Park Condominium for S\$86 million to develop a low-rise condominium project. This development project is targeted to be launched sometime at the end of next year.

Its teams are hard at work on various ongoing civil engineering and construction projects, from both the public and private sectors, and these include:

- two Common Services Tunnel projects from the Urban Redevelopment Authority, for Phase 3A and Phase 3B, worth S\$189.6 million and S\$139.6 million targeted to be finished in the second half of 2011 and 2014 respectively;
- a S\$81.5 million contract to design and construct the Tai Seng Facility Building in connection with the Downtown Line Project with completion in November 2014;
- a S\$4.9 million piling works project for The Vision condominium development at West Coast Crescent scheduled to be completed by early 2011;
- a S\$77.7 million contract to build the Singapore Island Country Club's main clubhouse with completion date in 2011;
- a S\$104.2 million Housing & Development Board project to build seven blocks of flats in Yishun Neighbourhood 4 planned for completion in 2012; and
- a 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 scheduled to be finished in the first half of next year.

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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 40-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 presence in Malaysia, Philippines, Thailand and Sri Lanka.

For its Property Development business, the Group is developing two upmarket condominium projects: 8 Nassim Hill comprising 16 super luxury triplex units with basement car parks and Lush at Holland Hill, a freehold development with 56 spacious units in two 12-storey blocks. Expanding its presence in the residential property market, the Group is developing another condominium project at 2A/B/C/D Simon Lane, a low-rise development with superior design elements consisting of about 120 units.

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