



BBR Holdings posts net profit of S\$3.5m over revenue of S\$94.3m for first quarter ended 31 March 2012

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SINGAPORE, 8 May 2012 – MAINBOARD-LISTED BBR Holdings (S) Ltd (BBR控股) (‘BBR’ or ‘the Group’) has posted a net profit after tax attributable to parent of S\$3.5 million on the back of S\$94.3 million revenue for the first quarter ended 31 March 2012 (‘1Q2012’).

In the corresponding quarter in 2011, the Group turned in net profit after tax of S\$9.4 million on revenues of S\$109.4 million. The dip in revenue for the current quarter was due mainly to a slowdown in the volume of general construction projects in their active stage of construction. In addition, there was a reduction in contribution from property development in 1Q2012. Revenue from property development for the current and corresponding quarter was attributable to Lush on Holland Hill and higher revenue was recorded in 1Q2011 based on revenue recognition on progressive work done.

Gross profit was S\$9.1 million compared to S\$13.7 million in the previous corresponding period. The Group managed a gross profit margin of 9.6 per cent for 1Q2012 compared to 12.5 per cent in the corresponding quarter, due to rising manpower costs and material prices with no corresponding increase in contract revenue to offset increased project costs. In addition, recently secured projects were at very competitive prices due to active participation by local and foreign contractors. Earnings per share was 1.15 Singapore cents for the three months ended 31 March 2012.

BBR Chief Executive Officer Andrew Tan (陈庆辉) said the Group's first quarter performance was creditable given the challenging economic environment. He said: "In an intensely competitive environment, we do our best to secure sufficient contracts with respectable margins so that the Group continues to turn in a positive performance. We continue to be prudent in our cost control and remain keenly aware of the need to optimise our resources to ensure the best returns to our shareholders.

"Over the years, we have built up a credible track record and we believe that we have a set of core competencies and expertise that will hold us in good stead. Coupled with a solid management team and a strong commitment to service quality, we believe we will be able to meet whatever headwinds we face, going forward," said Mr Tan. The Group expects to remain profitable for FY2012.

To date, its order book stands at approximately S\$555 million with projects lasting up to 2015. These comprise mainly civil engineering and building contracts predominantly in Singapore and Malaysia.

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.

Balance Sheet Highlights

The value of development properties stood at S\$134.2 million as at 31 March 2012 compared to S\$138.2 million at end 2011. This is due to progressive payments received for sold units at Lush on Holland Hill and Bliss@Kovan on Simon Lane, which was partially offset by ongoing construction costs at Lush on Holland Hill and other development costs. As at 31 March 2012, cash and cash balances, including pledged deposits, was S\$38.4 million compared to \$53.6 million as at 31 December 2011, due mainly to a S\$15.0 million early settlement of term loan.

BBR financial position continues to be strong, backed by S\$101.8 million of net assets as at 31 March 2012. This translates to a 3.8 per cent increase in net asset value per share of 32.92 Singapore cents compared to 31.73 cents recorded at 31 December 2011.

Business Outlook

On 13 April 2012, the Ministry of Trade and Industry announced that based on advance estimates, the economy in the first quarter of 2012 grew by 1.6 per cent on a year-on-year basis, compared to 3.6 per cent in the previous quarter. On a seasonally-adjusted quarter-on-quarter annualised basis, the economy grew by 9.9 per cent, a reversal from the contraction of 2.5 per cent in the previous quarter. The construction sector grew by 6.2 per cent on a year-on-year basis, compared to 2.9 per cent in the preceding quarter. On a sequential basis, the construction sector surged 24.6 per cent, an improvement from the contraction of 2.2 per cent in the preceding quarter. This was primarily due to a pick-up in residential construction activities.

In view of the estimated moderate growth in the Singapore economy, increasing local and foreign competition and expected increase in labour and material costs, the outlook for the construction industry is expected to be challenging in FY 2012.

The Group 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, and continue to explore ways of enhancing cost effectiveness and optimise its efficiency in the management of potential and on-going projects. It continues to conduct feasibility studies to undertake new property development projects.

Update on projects

The Group is working on a number of civil engineering and building projects from both the public and private sectors, in Singapore as well as Malaysia. These include:

- two contracts totalling RM76.45 million to construct and complete the facilities works for the Kelana Jaya LRT Line Extension Project, Package A and B, in Kuala Lumpur, Malaysia;
- a S\$48.3 million contract secured from Yang Kee Holdings Pte Ltd to construct Phase 2 of the Yang Kee Chemical Logistics Hub at Jurong Pier Road scheduled for completion end of 2012;
- a S\$79.8 million contract secured from the Land Transport Authority to widen Keppel Viaduct targeted to be completed in the first half of 2015;

- a S\$413.8 million construction contract awarded to a joint venture, Takenaka–Singapore Piling Joint Venture by the National Heritage Board to restore two iconic heritage monuments in the heart of the Civic District, the former Supreme Court and the adjacent City Hall targeted for completion in the second half of 2014. BBR’s wholly-owned subsidiary, Singapore Piling & Civil Engineering Private Limited has a 25 per cent share in the joint venture;
- a S\$139.6 million contract from the Urban Redevelopment Authority to construct Phase 3B (MC02) of the Proposed Common Services Tunnel (CST) at Marina Bay targeted for completion in the second half of 2014;
- a Land Transport Authority contract worth S\$81.5 million to design and construct the Tai Seng Facility Building for the Downtown Line Project with completion in November 2014; and
- a S\$179 million contract from the Housing and Development Board to build 1,386 new homes in Pasir Ris Neighbourhood 5 due to be completed in second quarter 2014.

For its property development business, the Group is involved in three condominium projects. Lush on Holland Hill is a freehold development with 56 spacious units in two 12-storey blocks and is fully sold. Bliss@Kovan, another freehold site to be developed into a five-storey condominium with superior design elements consisting of about 140 units, has sold a total of 95 units to date. The Group has also jointly developed with Shing Kwan (Pte) Ltd, 8 Nassim Hill, an upmarket development comprising 16 super luxury triplex units with basement car parks.

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About BBR Group (www.bbr.com.sg)

The BBR Group (BBR控股) 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.

Its Specialised Engineering arm is part of the BBR Network that spans 50 countries. Today, BBR Singapore has a presence in Malaysia, Philippines and Thailand.

For its Property Development business, the Group is involved in three condominium projects: Lush on Holland Hill, a freehold development with 56 spacious units in two 12-storey blocks; Bliss @ Kovan, another freehold site to be developed into a five-storey condominium with superior design elements consisting of about 140 units and 8 Nassim Hill, an upmarket development comprising 16 super luxury triplex units with basement carparks completed in 2010. 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.

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