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## **BBR Holdings posts net profit of S\$6.4m over revenue of S\$153.4 m for first half ended 30 June 2012**

**“Despite the uncertainty in the global economy and competitive environment, we were able to leverage on our strong track record in building and infrastructure to secure more projects,” said Mr Andrew Tan, BBR Holdings’ Chief Executive Officer**

**SINGAPORE, 2 August 2012 – MAINBOARD-LISTED** BBR Holdings (S) Ltd (BBR控股) (‘BBR’ or ‘the Group’) has posted a net profit after tax attributable to owners of the parent of S\$6.4 million over revenue of S\$153.4 million for the first half ended 30 June 2012 (‘1H2012’).

This compares with S\$14.1 million it achieved in the corresponding period in 2011, with S\$236.2 million revenue for that period. The dip in its topline was due mainly to lower revenues recognised from general construction projects, after two major projects were completed in early 2012. In contrast, the first half of 2011 saw general construction projects in their active stage of construction accounting for the strong topline numbers.

Gross profit was S\$17.7 million compared to S\$24.5 million in the previous corresponding period. Its gross profit margin of 11.6 per cent was an improvement over the 10.4 per cent it registered in the previous corresponding period, due mainly to difference in project mix.

Earnings per share was 2.1 Singapore cents for the six months ended 30 June 2012.

BBR’s Chief Executive Officer Mr Andrew Tan (陈庆辉) said the Group’s numbers were reasonable considering that the business environment continues to be challenging.

“Despite the uncertainty in the global economy and competitive environment, we were able to leverage on our strong track record in building and infrastructure to secure more projects. At the same time, we strive to keep our costs down and work as efficiently as possible to ensure good returns to shareholders,” he said.

Mr Tan said the Group has a good track record and enjoys a sound reputation in the marketplace. He added: “While these qualities are not quantifiable, in difficult times, they help set us apart from the competition. Our solid business model, our dedicated management team and our commitment to service quality will also help us to ride out any potential storms ahead.” The Group expects to remain profitable for FY2012.

To date, its order book stands at S\$773 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.

### **Financial Position**

The value of development properties stood at S\$123.6 million as at 30 June 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 30 June 2012, cash and cash equivalents was S\$40.5 million compared to \$51.9 million as at 31 December 2011, due mainly to S\$28.3 million repayment of term loan, offset partially by progressive receipts from sold units at Lush On Holland Hill and Bliss@Kovan, and trade collections.

BBR’s financial position continues to be strong, backed by S\$102.4 million of net assets as at 30 June 2012. This translates to a 9.8 per cent increase in net asset value per share of 32.99 Singapore cents compared to 30.05 cents recorded at 31 December 2011.

## **Business Outlook**

On 13 July 2012, the Ministry of Trade and Industry announced that based on advanced estimates, the economy in the second quarter of 2012 grew at a modest pace of 1.9 per cent on a year-on-year basis, following from the 1.4 per cent growth in the previous quarter. On a seasonally-adjusted quarter-on-quarter annualised basis, the economy contracted by 1.1 per cent, compared to the 9.4 per cent expansion in the previous quarter. The construction sector grew by 5.1 per cent on a year-on-year basis in the second quarter of 2011, following growth of 6.9 per cent in the preceding quarter. The sector is also expected to post a marginal annualised growth rate of 0.3 per cent on a sequential basis, supported by ongoing public civil engineering works. In view of the estimated moderate growth of the Singapore economy and the construction sector in 2Q12, coupled with increasing competition and expected increases in labour and material costs, the outlook for the construction industry is expected to be challenging in the next 12 months.

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 as well as to explore ways of enhancing cost effectiveness and optimise its efficiency in the management of potential and on-going projects. The Group 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:

- a S\$153.1 million contract to design and construct a mixed-use development at Fusionopolis Place in Singapore scheduled for completion in August 2014;
- a S\$102.7 million contract to construct housing and sports facilities (Phase 1) for The Singapore University of Technology and Design at Changi, Singapore scheduled for completion in June 2014;
- 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, which are expected to be completed in end-2012 and July 2013 respectively;

- a S\$48.3 million contract secured from Yang Kee Holdings Pte Ltd to design and construct Phase 2 of the Yang Kee Chemical Logistics Hub at Jurong Pier Road, Singapore 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 construct 17 blocks of 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. It is fully sold and has recently obtained the Temporary Occupation Permit. Bliss @Kovan, another freehold site, is to be developed into a five-storey condominium with superior design elements consisting of 140 units. The Group has also jointly developed with Shing Kwan (Pte) Ltd an upmarket development comprising 16 super luxury triplex units with basement car parks at 8 Nassim Hill.

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## **About BBR Group ([www.bbr.com.sg](http://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 140 units and 8 Nassim Hill, an upmarket development comprising 16 super luxury triplex units with basement carpark completed in 2010.

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

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