



Financial Statement for the financial year ended 31 December 2016

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement with a consolidated statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediate preceding financial year.

	Financial year ended 31 December		
	2016 S\$'000	2015 S\$'000	Change %
INCOME STATEMENT			
Revenue	276,762	425,508	(35.0)
Cost of sales	(263,365)	(400,301)	(34.2)
Gross profit	13,397	25,207	(46.9)
Other operating income	3,556	3,651	(2.6)
Other (expense)/income	(233)	31	N.M.
Administrative costs	(8,019)	(9,297)	(13.7)
Other operating costs	(15,453)	(13,153)	17.5
Finance costs	(448)	(557)	(19.6)
Share of results of associates	9,408	64	N.M.
Share of results of joint ventures	1,062	(669)	N.M.
Profit before taxation	3,270	5,277	(38.0)
Income tax expense	(1,351)	(2,666)	(49.3)
Profit for the year	1,919	2,611	(26.5)
Attributable to:			
Equity holders of the Company	1,129	2,332	(51.6)
Non-controlling interests	790	279	183.2
	1,919	2,611	(26.5)

N.M. - Not meaningful

STATEMENT OF COMPREHENSIVE INCOME

Profit for the year

Other comprehensive income:

Items that may be reclassified subsequently to profit or loss

Foreign currency translation differences

Other comprehensive income for the year

Total comprehensive income for the year

Total comprehensive income attributable to:

Equity holders of the Company

Non-controlling interests

Financial year ended 31 December		
2016	2015	Change
S\$'000	S\$'000	%
1,919	2,611	(26.5)
(477)	(1,734)	(72.5)
(477)	(1,734)	(72.5)
1,442	877	64.4
734	955	(23.1)
708	(78)	N.M
1,442	877	64.4

NOTES TO INCOME STATEMENT

The following items have been included in arriving at profit after taxation:

Depreciation of property, plant and equipment

Foreign exchange loss, net

Gain on disposal of property, plant and equipment

Loss on liquidation of an associate

Interest expense

Interest income

Write-back of allowance for doubtful receivables, net

Allowance for inventories obsolescence

Impairment loss on property, plant and equipment

Write-off of trade payables

Interest (credit)/expense arising from the discount implicit in non-current trade receivables

Fair value gain on derivative

Amortisation of deferred income

Overprovision for income tax in respect of previous years

5,661	5,335	6.1
252	26	N.M
(123)	(164)	(25.0)
-	576	N.M
448	509	(12.0)
(1,105)	(634)	74.3
(209)	(705)	(70.4)
718	73	N.M
368	-	N.M
-	(87)	N.M
(68)	48	N.M
(19)	(57)	(66.7)
(93)	-	N.M
(57)	(104)	(45.2)

N.M. - Not meaningful

1(b)(i) A statement of financial position (for the issuer and Group) together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	42,979	44,258	18,641	20,171
Intangible assets	434	419	-	-
Investments in subsidiaries	-	-	54,898	56,099
Investments in associates	10,162	1,115	260	260
Investment in joint ventures	-	-	-	-
Deferred tax assets	424	735	-	-
Trade receivables	7,355	7,520	-	-
Loans to an associate	20,136	19,257	-	-
Loans to a joint venture	20,525	17,360	-	-
Current assets				
Amounts due from subsidiaries	-	-	3,547	12,858
Development properties held for sale	8,412	8,395	-	-
Gross amount due from customers for work-in-progress	6,118	30,532	-	-
Inventories	8,394	10,156	-	-
Trade receivables	55,866	113,617	-	-
Other receivables	2,443	3,393	876	291
Pledged deposits	4,657	5,275	-	-
Cash and cash equivalents	58,730	23,935	1,047	1,226
	144,620	195,303	5,470	14,375
Current liabilities				
Amounts due to subsidiaries	-	-	4,947	12,490
Gross amount due to customers for work-in-progress	33,635	28,968	-	-
Trade and other payables	44,372	80,582	307	279
Deferred income	159	-	-	-
Other liabilities	2,142	2,661	547	677
Loans and borrowings	3,201	12,591	443	3,109
Income tax payable	4,890	640	193	-
	88,399	125,442	6,437	16,555
Net current assets/(liabilities)	56,221	69,861	(967)	(2,180)
Non-current liabilities				
Trade payables	5,699	8,180	-	-
Deferred income	2,933	-	-	-
Deferred tax liabilities	239	4,864	-	-
Loans and borrowings	14,710	12,137	10,123	10,557
	134,655	135,344	62,709	63,793
Equity attributable to equity holders of the Company				
Share capital	43,967	43,967	43,967	43,967
Treasury shares	(69)	(69)	(69)	(69)
Retained earnings	89,578	91,167	18,811	19,895
Foreign currency translation reserve	(2,652)	(2,257)	-	-
	130,824	132,808	62,709	63,793
Non-controlling interests	3,831	2,536	-	-
Total equity	134,655	135,344	62,709	63,793

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/12/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
S\$1,701,000	S\$1,500,000	S\$8,591,000	S\$4,000,000

Amount repayable after one year

As at 31/12/2016		As at 31/12/2015	
Secured	Unsecured	Secured	Unsecured
S\$14,710,000	-	S\$12,137,000	-

Details of any collateral

The secured borrowings repayable within one year and after one year comprise mainly obligations under finance leases, banker's acceptances and property loans. These are secured by charges over land and building, plant and equipment, motor vehicles, trade receivables and fixed deposits.

1(c) **A consolidated statement of cash flows, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Financial year ended	
	31 December	
	2016	2015
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before taxation	3,270	5,277
Adjustments for:		
Depreciation of property, plant and equipment	5,661	5,335
Amortisation of deferred income	(93)	-
Write-back of allowance for doubtful receivables, net	(209)	(705)
Write-off of trade payables	-	(87)
Impairment loss on inventories	718	73
Impairment loss on property, plant & equipment	368	-
Interest income	(1,105)	(634)
Interest expense	448	509
Fair value gain on derivative	(19)	(57)
Gain on disposal of property, plant and equipment	(123)	(164)
Loss on liquidation of an associate	-	576
Share of results of associates	(9,408)	(64)
Share of results of joint ventures	(1,062)	669
Interest (credit)/expense arising from the discount implicit in non-current trade receivables	(68)	48
Net effect of exchange rate changes in consolidating subsidiaries	(149)	(1,802)
Operating cash flows before working capital changes	(1,771)	8,974
Decrease in development properties	-	75,715
Increase in development properties held for sale	(17)	(8,395)
Increase/(decrease) in amount due to customers for work-in-progress, net	29,456	(4,067)
Decrease/(increase) in trade receivables	57,822	(33,711)
Decrease in other receivables	958	1,303
Decrease/(increase) in inventories	981	(6,643)
Decrease in trade and other payables	(38,675)	(8,503)
Increase in deferred income	3,346	-
Decrease in other liabilities	(413)	(2,008)
Cash from operations	51,687	22,665
Interest paid	(596)	(1,057)
Interest received	630	634
Income tax paid	(1,432)	(1,996)
Net cash generated from operating activities	50,289	20,246
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	266	329
Proceeds from liquidation of an associate	-	638
Purchase of property, plant and equipment (Note A)	(4,846)	(24,853)
Dividend income from an associate	-	4,800
Distribution of profits from a joint venture	773	315
Net cash outflow on acquisition of non-controlling interests	(899)	-
Net cash inflow on acquisition of a subsidiary (Note B)	27	-
Investment in a joint venture	-	(250)
Net cash used in investing activities	(4,679)	(19,021)
Cash flows from financing activities		
Loans to an associate	(560)	-
Repayment of loans from an associate	-	13,825
Loans to a joint venture	(2,690)	(19,865)
Repayment of loans from a joint venture	-	2,505
Dividends paid on ordinary shares	(1,232)	(2,464)
(Repayment of)/proceeds from bank borrowings, net	(3,942)	4,092
Proceeds from long term borrowings	5,257	16,448
Repayment of long term borrowings	(7,119)	(29,706)
Repayment of finance leases	(1,028)	(2,020)
Decrease in pledged deposits	554	628
Net effect of exchange rate changes in consolidating subsidiaries	80	270
Net cash used in financing activities	(10,680)	(16,287)

1(c) Consolidated statement of cash flows (continued)

	Financial year ended 31 December	
	2016 S\$'000	2015 S\$'000
Net increase/(decrease) in cash & cash equivalents	34,930	(15,062)
Net effect of exchange rate changes on cash and cash equivalents	(383)	706
Cash and cash equivalents at beginning of the year	23,935	38,002
Cash and cash equivalents at end of the year	58,482	23,646
<u>Comprising:</u>		
Cash and bank balances	18,005	18,359
Fixed deposits	45,382	10,851
	63,387	29,210
Less: Pledged fixed deposits	(4,657)	(5,275)
Statement of financial position - cash & cash equivalents	58,730	23,935
Less: Maintenance funds from owners of Bliss @Kovan received on behalf of property managing agent	(248)	(289)
	58,482	23,646

Note A

The Group acquired property, plant and equipment through the following arrangements:

	Financial year ended 31 December	
	2016 S\$'000	2015 S\$'000
Total cost of property, plant and equipment acquired	4,951	25,089
Less: Acquisition costs satisfied by finance lease arrangements	-	(203)
Interest cost paid	(105)	(33)
Cash payments	4,846	24,853

Note B

Net cash inflow on acquisition of a subsidiary:

	2016
	S\$'000
Cash & cash equivalent	55
Purchase consideration settled in cash	(28)
Net cash inflow	<u>27</u>

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Attributable to equity holders of the Company					Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Foreign currency translation reserve S\$'000	Non-controlling interests S\$'000	
Balance at 1 January 2016	43,967	(69)	91,167	(2,257)	2,536	135,344
Total comprehensive income for the year	-	-	1,129	(395)	708	1,442
Dividends paid on ordinary shares	-	-	(1,232)	-	-	(1,232)
Acquisition of non-controlling interests without a change in control	-	-	(1,486)	-	587	(899)
Balance at 31 December 2016	43,967	(69)	89,578	(2,652)	3,831	134,655
Balance at 1 January 2015	43,967	(69)	91,299	(880)	2,614	136,931
Total comprehensive income for the year	-	-	2,332	(1,377)	(78)	877
Dividends paid on ordinary shares	-	-	(2,464)	-	-	(2,464)
Balance at 31 December 2015	43,967	(69)	91,167	(2,257)	2,536	135,344

Company

	Attributable to equity holders of the Company			
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance at 1 January 2016	43,967	(69)	19,895	63,793
Total comprehensive income for the year	-	-	148	148
Dividends paid on ordinary shares	-	-	(1,232)	(1,232)
Balance at 31 December 2016	43,967	(69)	18,811	62,709
Balance at 1 January 2015	43,967	(69)	35,551	79,449
Total comprehensive income for the year	-	-	(13,192)	(13,192)
Dividends paid on ordinary shares	-	-	(2,464)	(2,464)
Balance at 31 December 2015	43,967	(69)	19,895	63,793

- 1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Share capital

There have been no changes to the issued share capital of the Company since the end of the previous financial year. As at 31 December 2016 and 31 December 2015, the issued share capital of the Company was \$43,967,199 comprising 307,999,418 ordinary shares and 211,000 treasury shares.

Treasury shares

The Company did not acquire any ordinary shares of the Company to be held as treasury shares during the year.

	<u>No. of shares</u>	<u>S\$'000</u>
At 1 January and 31 December 2016	<u>211,000</u>	<u>69</u>

Employee performance share plan

As at 31 December 2016 and 2015, there were no performance shares granted and outstanding (being contingent award) to eligible employees and directors under the BBR Share Plan.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at 31 December 2016 was 307,999,418 (31 December 2015: 307,999,418). The total number of treasury shares held as at 31 December 2016 was 211,000 (31 December 2015: 211,000).

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current period reported on.**

Same as disclosed in para 1(d)(ii), there were no sales, transfers, disposal, cancellation and/or use of treasury shares during the year.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors report (including any qualifications or emphasis of matters).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year as those adopted in the most recently audited financial statements for the financial year ended 31 December 2015.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There are no changes in accounting policies and methods of computation.

6. **Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Financial year ended 31 Dec	
	<u>2016</u>	<u>2015</u>
	Cents	Cents
Earnings per ordinary share of the Group attributable to shareholders		
(a) Based on the weighted average number of ordinary shares in issue	0.37	0.76
(b) On a fully diluted basis (detailing any adjustment made to earnings)	0.37	0.76

Weighted average number of shares of 307,999,418 (31 December 2015: 307,999,418) for basic and diluted earnings per share computation takes into account the weighted average effect of changes in treasury shares transactions during the year, of which there were none.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:**

- (a) **current financial period reported on; and**
(b) **immediately preceding financial year**

	<u>Group</u>		<u>Company</u>	
	<u>31.12.16</u>	<u>31.12.15</u>	<u>31.12.16</u>	<u>31.12.15</u>
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued capital at the end of the year	42.48	43.12	20.36	20.71

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the followings:-**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Income Statement Review – Financial year ended 31 December 2016 ('FY16') vs financial year ended 31 December 2015 ('FY15')

Group revenue decreased to \$276.8 million in FY16 from \$425.5 million in FY15 and the Group recorded a net profit attributable to equity holders of the Company of \$1.1 million in the current financial year compared to \$2.3 million in FY15.

The Group achieved higher revenue from its new businesses, namely Pre-fabricated Pre-finished Volumetric Construction ("PPVC") under the Specialised Engineering Segment and solar leasing projects under the Green Technology Segment. However, overall revenue for FY16 was lower mainly due to lesser general construction activities and revenue from property development at Bliss @Kovan having been fully recognised in FY15 for sold units after obtaining Temporary Occupancy Permit ("TOP") in that year. The Group's new property development projects are undertaken through an associate and a joint-venture and hence do not contribute to the Group's revenue. Specialised engineering revenue in Malaysia was higher at \$106.2 million in FY15 compared to \$67.2 million in FY16 because certain major projects were in their active stage of construction in FY15.

Gross profit for FY16 was \$13.4 million compared to \$25.2 million for FY15, mainly due to decrease in revenue and cost overruns incurred for certain general construction projects. Cost overruns were mainly attributable to additional costs incurred to expedite completion of projects. As such, despite an improvement in profit margins for the Specialised Engineering Segment which included PPVC, overall gross margin for FY16 was lower at 4.8% compared to 5.9% in FY15.

Other operating income for FY16 decreased to \$3.6 million from \$3.7 million in FY15, mainly attributable to lower administrative fees earned from the training and testing centres as a result of weaker demand in the construction industry.

Other expense of \$0.2 million in FY16 comprised mainly foreign exchange losses arising from USD denominated trade payables for PPVC materials.

Administrative costs in FY16 decreased to \$8.0 million compared to \$9.3 million in FY15. Higher administrative costs in FY15 were attributable to a loss on liquidation of an associate company, Tennessee Pte Ltd, and sales and marketing costs for Bliss @Kovan. However, the lower costs in FY16 were partially offset by higher depreciation expense for BBR Building and solar leasing plants in operation. Other operating costs increased to \$15.5 million in FY16 from \$13.2 million in FY15 and this was mainly due to impairment losses for inventories and equipment, and increase in maintenance costs for machinery and store.

Finance costs in FY16 decreased to \$0.4 million from \$0.6 million in FY15, mainly due to lower working capital bank borrowings and hire purchase liabilities, and partially offset by full-year interest expense in the current year from a term loan to finance the purchase of BBR building.

Share of results of associates rose to \$9.4 million in FY16 compared to \$64,000 in FY15, attributable to the Group's 35% equity interest in Lakehomes Pte Ltd ("Lakehomes"), the developer for LakeLife Executive Condominium in Jurong Lake district. TOP was obtained on 30 December 2016 and Lakehomes recognised revenue and profits for 296 sold units in FY16 based on financial accounting standards for Executive Condominium development. Revenue and profits for the remaining 249 sold units is expected to be recognised in financial year ending 31 December 2017.

The Group recorded \$1.1 million profits from share of results of joint ventures in FY16, mainly attributable to a joint construction project undertaken by Singapore Piling – Shincon JV, as well as progressive recognition of profits from a mixed residential and commercial development at Yishun ("Yishun Mixed Development"). The Group has 25% equity interest in Yishun Mixed Development which includes residential development properties known as The Wisteria. Construction for The Wisteria has reached the active stage and profits are progressively recognised for sold residential units. FY15 share of loss in joint ventures of \$0.7 million was mainly attributable to start-up expenses in Yishun Mixed Development.

Income tax expense for FY16 decreased to \$1.4 million from \$2.7 million for FY15 mainly due to lower profits and reversal of deferred tax liabilities by a subsidiary. However, the effective tax rate for the Group is high because profits from its Malaysia subsidiary cannot be offset against losses incurred by some Singapore subsidiaries for group tax relief purpose.

Statement of Financial Position Review

The carrying amount of the Group's property, plant and equipment was \$43.0 million as at 31 December 2016 compared to \$44.3 million as at 31 December 2015. Depreciation charges for property, plant and equipment of \$5.7 million for the current year was partly offset by additions for infrastructure and installation works pertaining to a 20-year solar leasing contract.

Investment in associates rose to \$10.2 million as at 31 December 2016 from \$1.1 million as at 31 December 2015, due mainly to recognition of the Group's share of profits in Lakehomes.

Deferred tax assets decreased to \$0.4 million as at 31 December 2016 from \$0.7 million as at 31 December 2015 due to reversal of deferred tax assets in a subsidiary.

Loans to an associate and a joint venture increased by \$0.8 million and \$3.1 million to \$20.1 million and \$20.5 million respectively, as at 31 December 2016 to finance construction costs and working capital for these property development companies.

As at the end of 2016, most of the Group's general construction projects were at the final stages of construction, leading to a decrease in amount due from customers for work-in-progress (which represents cost and profits in excess of billings) to \$6.1 million from \$30.5 million as at 31 December 2015. However, gross amount due to customers for work-in-progress (which represents billings in excess of costs and profits) rose to \$33.6 million as at 31 December 16 from \$29.0 million as at end of 2015, mainly due to increase in progressive claims for certain major projects in Malaysia.

Inventories decreased to \$8.4 million as at 31 December 2016 from \$10.2 million as at 31 December 2015, due to utilisation as well as provision for impairment loss.

Total current and non-current trade receivables decreased to \$63.2 million as at 31 December 2016 from \$121.1 million as at 31 December 2015, mainly due to collection of the balance 15% sales proceeds for Bliss @Kovan upon expiry of defects liability period and lower volume of general construction work carried out. Other receivables decreased to \$2.4 million as at 31 December 2016 from \$3.4 million as at 31 December 2015 with progressive settlement of sundry debtors and refunds for deposits as general construction projects are being completed.

Cash and cash equivalents and pledged deposits rose to \$63.4 million as at 31 December 2016 compared with \$29.2 million as at 31 December 2015, largely due to increase in cash generated from operating activities. Cash flow from operating activities improved mainly due to collection of trade receivables from sold units at Bliss @Kovan, increase in amount due to customers for work-in-progress (net), and partially offset by payments for trade payables. Cash generated from operating activities were partially offset by repayments for bank borrowings and capital expenditure for a solar leasing plant in the current year.

Current and non-current trade and other payables decreased to \$50.1 million as at 31 December 2016 from \$88.8 million as at 31 December 2015, due to decrease in project costs as a result of lower general construction work volume.

Current and non-current deferred income of \$3.1 million arose from payment by the lessor of a 20-year solar leasing contract upon successful commissioning of solar panels. The deferred income is to be amortised over the lease period.

Income tax payable increased to \$4.9 million as at 31 December 2016 from \$0.6 million as at 31 December 2015 mainly due to reclassification of deferred tax liabilities relating to property development to income tax payable for taxes due in 2017; and vice versa for the decrease in deferred tax liabilities to \$0.2 million as at 31 December 2016 from \$4.9 million a year ago.

Total bank loans and borrowings decreased to \$17.9 million as at 31 December 2016 from \$24.7 million as at 31 December 2015, due to repayments for term loans and finance leases.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results reported herein are in line with our previous announcement.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

On 17 February 2017, the Ministry of Trade and Industry announced that the Singapore economy grew by 2.9 per cent on a year-on-year basis in the fourth quarter of 2016, faster than the 1.2 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 12.3 per cent, a reversal from the 0.4 per cent contraction in the preceding quarter. For the whole of 2016, the economy grew by 2.0 per cent. The construction sector contracted by 2.8 per cent on a year-on-year basis in the fourth quarter, extending the 2.2 per cent decline in the previous quarter. The contraction was largely due to the decline in private sector construction activities. On a quarter-on-quarter seasonally-adjusted annualised basis, the sector expanded by 0.8 per cent, a reversal from the 12.6 per cent contraction in the preceding quarter. However, based on the 2017 Budget, the Singapore government has announced that \$700 million worth of infrastructure projects will be brought forward.

The industry outlook remains challenging in the next 12 months with increasing competition amid a weaker construction market and increase in labour cost due to short supply of foreign workers. The Group will continue to focus on its core business by leveraging its strong track record in building construction and civil engineering to secure more projects as well as enhancing cost effectiveness and efficiency optimisation in the management of on-going projects. BBR will also continue to conduct feasibility studies to undertake new property development projects.

As at the date of this announcement, the Group has an order book of approximately \$250 million in respect of construction projects, predominantly in Singapore and Malaysia.

11. Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

Yes

(b) (i) Amount per share

The Board of Directors recommends the following tax-exempt one-tier dividend for approval by shareholders at the forthcoming annual general meeting to be convened:

- a. First & final dividend – 0.4 cents per share
- b. Special dividend – 0.2 cents per share

(ii) Previous corresponding period

- a. First & final dividend – 0.4 cents per share

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived (if the dividend is not taxable in the hands of shareholders, this must be stated)

The proposed first and final dividend and the special dividend are tax exempt.

(d) The date the dividend is payable

The proposed first and final dividend and the special dividend will be paid on 23 May 2017 if approved at the Annual General Meeting to be held on 21 April 2017.

(e) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Registrable transfers received by the Company's share registrar, Boardroom Corporate and Advisory Services Pte Ltd, at 50 Raffles Place, Singapore Land Tower, #32-01, Singapore 048623, up to 5.00 pm on 3 May 2017, will be registered before entitlement to the dividends are determined.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

(a) Business segments

The Group has 4 primary business segments that are organised and managed separately: specialised engineering, general construction, property development and green technology.

Specialised engineering

This segment is in the business of post-tensioning, installation of stay cable systems for structural engineering applications, piling and foundation systems, heavy lifting, bridge design and construction, maintenance, strengthening, retrofitting and prefabricated prefinished volumetric construction system.

General construction

This segment is in the business of design and build, general building construction and civil and structural engineering construction.

Property development

This segment is in the business of property development, focusing on developing residential properties, as well as mixed commercial and residential developments.

Green technology

This segment is in the business of system integration and distribution of renewable energy, and supply, installation and leasing of solar panels and grid connected systems.

Analysis

Segment revenue and expenses, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Inter-segment transfers of revenue and expenses include transfers between business segments and are eliminated on consolidation. Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties.

<u>Business segment</u>	<u>Specialised Engineering</u> \$'000	<u>General Construction</u> \$'000	<u>Property Development</u> \$'000	<u>Green Technology</u>	<u>Total</u> \$'000
<u>2016</u>					
External revenue	132,771	142,862	-	1,101	276,734
Inter-segment revenue	9	22,436	-	3,656	26,101
Interest income	872	92	139	-	1,103
Interest expense	66	15	-	-	81
Depreciation of property, plant and equipment	2,724	1,195	-	12	3,931
Share of results of associates	89	-	9,320	(1)	9,408
Share of results of joint ventures	-	773	289	-	1,062
Other non-cash items:					
Allowance for inventories obsolescence	306	412	-	-	718
Impairment loss on property, plant & equipment	368	-	-	-	368
Amortisation of deferred income	-	-	-	(93)	(93)
Interest credit arising from the discount implicit in non-current trade receivables	(68)	-	-	-	(68)
Fair value gain on derivative	(19)	-	-	-	(19)
Write-back of allowance for doubtful receivables	(209)	-	-	-	(209)
Segment profit/(loss) before taxation	6,213	(8,916)	9,477	(63)	6,711
Income tax expense/(credit)	1,557	(299)	(133)	-	1,125
<u>Assets</u>					
Investment in associates	677	-	9,485	-	10,162
Additions to property, plant and equipment	1,561	-	-	3,390	4,951
Segment assets	68,510	80,269	64,422	12,871	226,072
Segment liabilities	32,087	59,660	4,914	3,706	100,367

<u>Business segment</u>	<u>Specialised Engineering</u> \$'000	<u>General Construction</u> \$'000	<u>Property Development</u> \$'000	<u>Green Technology</u>	<u>Total</u> \$'000
<u>2015</u>					
External revenue	151,335	215,458	58,569	118	425,480
Inter-segment revenue	299	38,959	-	7,854	47,112
Interest income	157	36	441	-	634
Interest expense	163	53	67	-	283
Depreciation of property, plant and equipment	2,777	1,023	4	18	3,822
Share of results of associates	21	-	44	(1)	64
Share of results of joint ventures	-	315	(984)	-	(669)
Other non-cash items:					
Allowance for inventories obsolescence	73	-	-	-	73
Interest expense arising from the discount implicit in non-current trade receivables	48	-	-	-	48
Fair value gain on derivative	-	(57)	-	-	(57)
Write-back of allowance for doubtful receivables	(705)	-	-	-	(705)
Segment profit/(loss) before taxation	5,212	(4,431)	7,390	(127)	8,044
Income tax expense/(credit)	1,449	(170)	1,202	-	2,481
<u>Assets</u>					
Investment in associates	588	-	484	43	1,115
Additions to property, plant and equipment	2,349	-	-	8,320	10,669
Segment assets	69,897	108,253	83,514	2,616	264,280
Segment liabilities	35,502	98,309	1,180	1,010	136,001

Reconciliations

	<u>2016</u>	<u>2015</u>
	\$'000	\$'000
Revenue		
Total revenue for reportable segments	302,835	472,592
Management fee from an associate	28	28
Elimination of intersegment revenue	<u>(26,101)</u>	<u>(47,112)</u>
	<u>276,762</u>	<u>425,508</u>
Profit before tax		
Total profit before taxation for reportable segments	6,711	8,044
Management fee from an associate	28	28
Unallocated amounts:		
Other corporate income	3,028	2,708
Other corporate expenses	<u>(6,497)</u>	<u>(5,503)</u>
	<u>3,270</u>	<u>5,277</u>
Assets		
Total assets for reportable segments	226,072	264,280
Other unallocated amounts	<u>20,563</u>	<u>21,687</u>
	<u>246,635</u>	<u>285,967</u>
Liabilities		
Total liabilities for reportable segments	100,367	136,001
Other unallocated amounts	<u>11,613</u>	<u>14,622</u>
	<u>111,980</u>	<u>150,623</u>

Other material items	2016			2015		
	Reportable	Adjustments	Entity totals	Reportable	Adjustments	Entity totals
	segment totals			segment totals		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	1,103	2	1,105	634	-	634
Interest expense	81	367	448	283	226	509
Allowance for inventories obsolescence	718	-	718	73	-	73
Impairment of property, plant & equipment	368	-	368	-	-	-
Amortisation of deferred incom	(93)	-	(93)	-	-	-
Interest (credit)/expense arising from the discount implicit in non-current trade receivables	(68)	-	(68)	48	-	48
Fair value gain on derivative	(19)	-	(19)	(57)	-	(57)
Depreciation of property, plant and equipment	3,931	1,730	5,661	3,822	1,513	5,335
Write-back of allowance for doubtful receivables, net	(209)	-	(209)	(705)	-	(705)
Income tax expense	1,125	226	1,351	2,481	185	2,666
Additions to property, plant and equipment	4,951	-	4,951	10,669	14,420	25,089

(b) Geographical segments

The Group's geographical segments are based on the location of the Group's non-current assets. Segment revenue is analysed based on the location of assets producing the revenues.

	<u>Revenue</u>		<u>Non-current assets</u>	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
<u>Countries</u>				
Singapore	209,601	319,317	94,919	83,258
Malaysia	67,161	106,191	6,746	7,125
Others	-	-	350	281
	<u>276,762</u>	<u>425,508</u>	<u>102,015</u>	<u>90,664</u>

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to Paragraph 8 above.

15. A breakdown of sales

GROUP	<u>Year ended 31 December</u>		Increase/
	2016	2015	(Decrease)
	S\$'000	S\$'000	%
(a) Sales reported for the first half year	155,337	198,679	(21.8)
(b) Operating (loss)/profit after taxation before deducting non-controlling interest reported for the first half year	(4,891)	1,110	N.M.
(c) Sales reported for the second half year	121,425	226,829	(46.5)
(d) Operating profit after taxation before deducting non-controlling interest reported for the second half year	6,810	1,501	353.7

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Latest Full Year 2016 S\$'000	Previous Full Year 2015 S\$'000
Ordinary	1,848	1,232
Preference	-	-
Total:	<u>1,848</u>	<u>1,232</u>

17. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained pursuant to Rule 920(1).

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) S\$'000
<u>Licence Fee</u> BBR VT International Ltd (A related corporation of BBR Holding Ltd., Switzerland, a controlling shareholder of the Company)	304	Nil

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Pursuant to Rule 704 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company who is related to the director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Tan Kheng Hwee, Andrew
Executive Director

21 February 2017