



BBR HOLDINGS (S) LTD

Company Registration No.: 199304349M

Financial Statement for the First Quarter Ended 31 March 2008

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

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

	Notes	First Quarter ended 31 March		
		2008	2007	Change
		S\$'000	S\$'000	%
Revenue	1	41,208	17,282	138.44
Cost of sales		(37,299)	(14,179)	163.06
Gross Profit		3,909	3,103	25.97
Other revenue	2	130	258	(49.61)
Administrative costs	3	(1,045)	(1,324)	(21.07)
Other operating costs	3	(1,485)	(1,414)	5.02
Finance costs	4	(93)	(65)	43.08
Share of results of associates		56	30	86.67
Profit before taxation		1,472	588	150.34
Taxation	5	(6)	(5)	20.00
Profit for the period		1,466	583	151.46
Attributable to :				
Equity holders of the Company		1,435	618	132.20
Minority interests		31	(35)	188.57
		1,466	583	151.46

Notes	First Quarter ended 31 March		
	2008 S\$'000	2007 S\$'000	Change %
1 Revenue			
Revenue from construction contracts	41,162	17,211	139.16
Sale of goods	46	71	(35.21)
	<u>41,208</u>	<u>17,282</u>	138.44
2 Other revenue			
Dividend income	-	14	N.M
Gain on disposal of investment securities	-	38	N.M
Gain on disposal of property, plant and equipment	39	-	N.M
Interest income from fixed deposits	36	71	(49.30)
Management fee	-	6	N.M
Rental income	44	31	41.94
Other income	11	98	(88.78)
	<u>130</u>	<u>258</u>	(49.61)
3 Administrative and other operating costs			
The following items have been included in arriving at administrative and other operating costs :			
Salaries and employees' benefits	635	738	(13.96)
Depreciation of property, plant and equipment	650	537	21.04
Foreign exchange currency adjustment loss	89	68	30.88
Office repairs and maintenance	31	53	(41.51)
Upkeep of motor vehicles	54	58	(6.90)
Office rent	233	200	16.50
Allowance for doubtful receivables			
- external parties	61	66	(7.58)

Notes	First Quarter ended 31 March		
	2008 S\$'000	2007 S\$'000	Change %
4 Finance Costs			
Interest expenses :			
Loans and borrowings (including bank overdrafts)	27	38	(28.95)
Finance charges payable under finance leases	29	18	61.11
Others – bank charges	37	9	311.11
	<u>93</u>	<u>65</u>	43.08
5 Taxation			
Current taxation			
- Singapore	-	4	N.M
- Foreign	6	2	200.00
Overprovision in respect of prior years	-	(4)	N.M
Taxation on dividends received	-	3	N.M
	<u>6</u>	<u>5</u>	20.00

N.M = Not Meaningful

1(b)(i) A balance sheet (for the issuer and group) together with a comparative statements as at the end of the immediately preceding financial year.

	Group		Company	
	31/03/2008 S\$'000	31/12/2007 S\$'000	31/03/2008 S\$'000	31/12/2007 S\$'000
Non-current assets				
Property, plant and equipment	15,348	14,427	170	179
Intangible assets	119	119	-	-
Investment securities	2,575	2,575	-	-
Investment in subsidiaries	-	-	22,016	22,016
Investment in associates	2,131	2,075	92	92
Deferred tax assets	200	200	-	-
Current assets				
Investment securities	13	13	13	13
Development properties	74,712	74,028	-	-
Work-in-progress	20,238	10,028	-	-
Inventories	2,684	2,678	-	-
Trade receivables	42,254	44,561	-	-
Other receivables	14,902	13,906	106	105
Amounts due from subsidiaries	-	-	14,814	4,736
Cash and fixed deposits	21,858	19,967	6,747	11,082
	176,661	165,181	21,680	15,936
Current Liabilities				
Trade payables and accruals	52,425	57,143	884	864
Excess of progress billings over work-in-progress	16,482	7,791	-	-
Other payables	6,243	3,426	274	248
Amounts due to subsidiaries	-	-	10,914	5,036
Finance leases	2,176	2,273	20	20
Bank borrowings	7,342	2,894	-	-
Provision for taxation	248	259	-	-
	84,916	73,786	12,092	6,168
Net current assets	91,745	91,395	9,588	9,768
Non-current liabilities				
Finance leases	(738)	(1,080)	(72)	(76)
Long term borrowings	(63,540)	(63,540)	-	-
Deferred taxation	(1,334)	(1,334)	-	-
Net assets	46,506	44,837	31,794	31,979
Equity attributable to equity holders of the Company				
Share capital	43,966	43,966	43,966	43,966
Foreign currency translation reserve	(309)	(511)	-	-
Revenue reserve/(accumulated losses)	2,290	855	(12,172)	(11,987)
	45,947	44,310	31,794	31,979
Minority interests	559	527	-	-
Total equity	46,506	44,837	31,794	31,979

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

Amount repayable in one year or less, or on demand

As at 31/03/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
\$9,518,000	-	\$5,167,000	-

Amount repayable after one year

As at 31/03/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
\$64,278,000	-	\$64,620,000	-

Details of any collateral

The secured borrowings repayable within one year and after one year comprise mainly of land loan, bank overdrafts and banker's acceptance which are secured by a charge over the fixed deposits from a subsidiary and corporate guarantee from the Company and over the properties held for sale at No. 19 & 21 Holland Hill, Singapore.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	First Quarter ended 31 March	
	2008 S\$'000	2007 S\$'000
Cash flows from operating activities :		
Profit before taxation and share of results of associates	1,416	558
Adjustments for :		
Depreciation of property, plant and equipment	650	537
Interest income	(36)	(71)
Interest expense	93	65
(Gain)/loss on disposal of property, plant and equipment	(39)	1
Operating profit before working capital changes	2,084	1,090
Increase in development properties	(684)	(5,935)
(Decrease)/increase in work-in-progress	(1,518)	2,938
Decrease in trade receivables	2,307	1,676
Increase in other receivables	(998)	(792)
Increase in inventories	(6)	(177)
(Decrease)/increase in trade payables and accruals	(4,718)	6,084
Increase/(decrease) in other payables	2,817	(4,040)
Cash (used in)/from operations	(716)	844
Interest paid	(93)	(65)
Interest received	36	71
Income tax paid	(16)	(74)
Net cash (used in)/from operating activities	(789)	776
Cash flows from investing activities :		
Proceeds from disposal of property, plant and equipment	226	10
Purchase of property, plant and equipment	(1,459)	(756)
Sale of investment securities	-	79
Acquisition of additional shares in a subsidiary from a minority shareholder	-	(156)
Net cash used in investing activities	(1,233)	(823)
Cash flows from financing activities :		
Proceeds from bank borrowings, secured	4,448	299
Repayment of finance leases	(607)	(315)
Placement of pledged deposits	(655)	(7)
Net cash from/(used in) financing activities	3,186	(23)
Net effect of exchange rate changes in consolidating subsidiaries	72	(157)
Net increase in cash and cash equivalents	1,236	(227)
Cash and cash equivalents at beginning of the period	17,759	14,071
Cash and cash equivalents at end of the period (Note 6)	18,995	13,844
Note 6: Cash and cash equivalents at end of the period		
Cash and bank balances	6,269	2,752
Fixed deposits	15,589	12,842
	21,858	15,594
Less : Pledged fixed deposits	(2,863)	(1,750)
	18,995	13,844

- 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

	<u>Attributable to equity holders of the Parent</u>				
	Share capital S\$'000	Foreign currency translation reserve S\$'000	Revenue Reserve/ (accumulated losses) S\$'000	Minority interests S\$'000	Total equity S\$'000
At 1 January 2008	43,966	(511)	855	527	44,837
Net effect of exchange differences	-	202	-	1	203
Net income and expenses recognised directly in equity	-	202	-	1	203
Profit for the period	-	-	1,435	31	1,466
Total recognised income and expenses for the period	-	202	1,435	32	1,669
At 31 March 2008	43,966	(309)	2,290	559	46,506
At 1 January 2007	19,086	(303)	(3,612)	525	15,696
Net effect of exchange differences	-	(142)	-	(16)	(158)
Net income and expenses recognised directly in equity	-	(142)	-	(16)	(158)
Profit/(loss) for the period	-	-	618	(35)	583
Total recognised income and expenses for the period	-	(142)	618	(51)	425
Purchase of a minority interest's shares	-	-	-	(156)	(156)
At 31 March 2007	19,086	(445)	(2,994)	318	15,965

Company

	<u>Attributable to equity holders of the Company</u>		
	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 January 2008	43,966	(11,987)	31,979
Loss for the period	-	(185)	(185)
Total recognised income and expenses for the period	-	(185)	(185)
At 31 March 2008	43,966	(12,172)	31,794
At 1 January 2007	19,086	(11,832)	7,254
Loss for the period	-	(39)	(39)
Total recognised income and expenses for the period	-	(39)	(39)
At 31 March 2007	19,086	(11,871)	7,215

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.

There have been no changes to the issued share capital of the Company since the end of the previous financial period. As at 31 March 2008, the issued share capital of the Company was S\$43,967,199 comprising 1,541,052,278 ordinary shares.

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 financial period as those adopted in the most recently audited financial statements for the financial year ended 31 December 2007.

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.

Not applicable.

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.

	First Quarter ended	
	31/03/2008	31/03/2007
	Cents	Cents
Earnings per ordinary share of the Company attributable to shareholders :		
(a) Based on the weighted average number of ordinary shares on issue	0.09	0.05
(b) On a fully diluted basis (detailing any adjustment made to the earnings)	0.09	0.05

The computation of earnings per ordinary share on the weighted average number of shares and fully diluted basis is based on 1,541,052,278 shares (2007: 1,361,052,278 shares).

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:
- current financial period reported on; and
 - immediately preceding financial year

	<u>Group</u>		<u>Company</u>	
	31/03/2008	31/12/2007	31/03/2008	31/12/2007
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued capital at the end of the period	2.98	2.87	2.06	2.08

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:-
- 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
 - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group continued to register robust growth in Q1 2008 supported by a buoyant order book. Revenue for the Group increased by 138% from S\$17.3 million in Q1 2007 to S\$41.2 million in Q1 2008 driven by contributions from new contracts secured from Q2 2007. The increase in revenue of 80% was attributed to the Group's general construction business and the balance 20% increase came from the specialist engineering business.

Cost of sales increased by 163% from S\$14.2 million in Q1 2007 to S\$37.3 million in Q1 2008 in tandem with the boost in revenue as well as the increase in labour and material costs.

Gross profit was up 26% from S\$3.1 million in Q1 2007 to S\$3.9 million in Q1 2008 as a result of higher revenue. However, gross profit margin declined from 17% in Q1 2007 to 9% in Q1 2008 mainly due to rising cost of basic construction materials and labour, and also higher revenue contribution from the general construction business. The Group's specialised engineering arm generally enjoys higher profit margins than its general construction business.

Other revenue saw a decrease of approximately S\$0.13 million mainly due to decrease in dividend income, gain on disposal of investment securities, interest income from fixed deposits and other income totalling S\$0.17 million. Such decrease was partly offset by an increase in gain on disposal of property, plant and equipment and rental income.

Administrative and other operating costs decreased by approximately S\$0.2 million mainly due to reduction in salaries and wages as more manpower costs were allocated to project costs in line with the increase in construction activities.

Finance cost increased by S\$0.03 million mainly due to increases in bank charges relating to setting up of new banking credit facilities.

Profit before tax increased by 151% from S\$0.6 million in Q1 2007 to S\$1.5 million in Q1 2008 mainly as a result of increase in revenue and profit contribution from construction projects. Overall, net profit attributable to equity holders of the Company increased by 132% from S\$0.62 million in Q1 2007 to S\$1.4 million in Q1 2008.

As at 31 March 2008, net asset value per share stood at 2.98 cents or 3.8 % higher than the value at 31 December 2007.

The Group maintained a healthy liquidity position. As at 31 March 2008, it had a cash and cash equivalent position of approximately S\$19 million compared to S\$14 million as at 31 March 2007. As at 12 May 2008, the Group has a healthy year-to-date order book of S\$487 million, predominantly in Singapore, Malaysia and Sri Lanka.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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.

There continues to be much activity in the Singapore construction industry. However, the overall increase in costs of raw materials, freight and fuel, coupled with a simultaneous global rise in construction demand, particularly in China, India and the Middle East, have placed tremendous pressure on manpower, materials and equipment resources. On a worldwide basis, demand currently outstrips supply. It is expected that the Singapore construction market will continue to be subject to prevailing rising market prices as most of its construction resources are imported.

To help ease the pressure on construction costs and building capacity, the Government has taken a number of measures to mitigate rising construction costs as a result of the demand on construction resources and capacity crunch. Such measures include deferring some public sector projects to after the year 2009.

The bulk of construction activities and resources in 2008 and 2009 are anticipated to be concentrated on mega projects such as the two Integrated Resorts, the Marina Bay Financial Centre, Marina Coastal Expressway and the Downtown MRT Line. It is expected that more construction resources and capacity will only be freed up for other new projects beyond 2009 once these projects are completed.

In an already tight and competitive market environment, the Group will be selective in tendering for new projects and will focus on projects that will generate higher returns and better profit margins. In addition, the Group will continue to explore ways to mitigate cost pressures, for example, by managing its operational costs more efficiently, particularly labour and material costs.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared/recommended for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommendeded for the current financial period.

CONFIRMATION BY THE BOARD

We, Tan Kheng Hwee Andrew and Carrie Luk Kai Lai, being two of the Directors of the Company, do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 31 March 2008 to be false or misleading.

On behalf of the Board of Directors



TAN KHENG HWEE ANDREW
Group Chief Executive Officer



CARRIE LUK KA LAI
Non-Executive Director

Singapore
13 May 2008