



# BBR HOLDINGS (S) LTD

Company Registration No.: 199304349M

## Financial Statement for the Second Quarter and Half Year Ended 30 June 2008

### PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-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.

	Note	2 <sup>nd</sup> Quarter Ended 30 June			Half Year Ended 30 June		
		2008 S\$'000	2007 S\$'000	Change %	2008 S\$'000	2007 S\$'000	Change %
Revenue	1	91,658	89,306	2.63	132,867	106,588	24.65
Cost of sales		(86,289)	(86,892)	(0.69)	(123,588)	(101,071)	22.28
<b>Gross Profit</b>		<u>5,369</u>	<u>2,414</u>	122.41	<u>9,279</u>	<u>5,517</u>	68.19
Other revenue	2	662	566	16.96	792	824	(3.88)
Administrative costs		(2,120)	(597)	255.11	(3,165)	(1,922)	64.67
Other operating costs		(1,799)	(1,585)	13.5	(3,284)	(2,999)	9.50
Finance costs	3	(122)	(65)	87.69	(216)	(131)	64.89
Share of results of associates		-	20	n.m.	56	50	12.00
<b>Profit before taxation</b>	4	<u>1,990</u>	<u>753</u>	164.28	<u>3,462</u>	<u>1,339</u>	158.55
Taxation		60	(209)	128.71	54	(215)	125.12
<b>Profit for the period</b>		<u>2,050</u>	<u>544</u>	276.84	<u>3,516</u>	<u>1,124</u>	212.81
<b>Attributable to :</b>							
Equity holders of the Company		2,037	447	355.70	3,472	1,065	226.01
Minority interests		13	97	(86.60)	44	59	(25.42)
		<u>2,050</u>	<u>544</u>	276.84	<u>3,516</u>	<u>1,124</u>	212.81

Note	2 <sup>nd</sup> Quarter Ended 30 June			Half Year Ended 30 June		
	2008	2007	Change	2008	2007	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>1 Revenue</b>						
Revenue from construction contracts	91,564	89,246	2.60	132,727	106,457	24.68
Sale of goods	94	60	56.67	140	131	6.87
	<u>91,658</u>	<u>89,306</u>	2.63	<u>132,867</u>	<u>106,588</u>	24.65
<b>2 Other revenue</b>						
Dividend income	-	-	n.m.	-	14	n.m.
Gain on disposal of investment securities	-	-	n.m.	-	38	n.m.
Gain on disposal of property, plant and equipment	491	-	n.m.	529	-	n.m.
Interest income from fixed deposits	30	158	(81.01)	66	229	(71.18)
Management fee	-	10	n.m.	-	16	n.m.
Rental of equipment	6	25	(76)	6	25	(76)
Rental income	122	91	34.07	166	121	37.19
Other income	13	282	(95.39)	25	381	(93.44)
	<u>662</u>	<u>566</u>	16.96	<u>792</u>	<u>824</u>	(3.88)
<b>3 Finance costs</b>						
Interest expenses :						
Loans and borrowings (including bank overdrafts)	73	36	102.78	101	74	36.49
Finance charges payable under finance leases	33	15	120.00	63	34	85.29
Others – bank charges	16	14	14.29	52	23	126.09
	<u>122</u>	<u>65</u>	87.69	<u>216</u>	<u>131</u>	64.89
<b>4 Profit before taxation</b>						
The following items have been included in arriving at profit before taxation :						
Bad debts written-off	-	6	n.m.	-	-	-
Depreciation of property, plant and equipment	706	626	12.78	1,356	1,163	16.60
Loss on disposal of property, plant and equipment	10	-	n.m.	10	1	900.00
Foreign exchange currency adjustment loss/(gain)	875	(67)	n.m.	964	1	n.m.
Allowance for doubtful receivables						
- external parties	58	36	61.11	120	101	18.81

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.

	<u>Group</u>		<u>Company</u>	
	30/06/2008 S\$'000	31/12/2007 S\$'000	30/06/2008 S\$'000	31/12/2007 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	16,701	14,427	160	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	-	-
<b>Current assets</b>				
Investment securities	13	13	13	13
Development properties	75,402	74,028	-	-
Work-in-progress	17,925	10,028	-	-
Inventories	4,965	2,678	-	-
Trade receivables	39,030	44,561	-	-
Other receivables	13,216	13,906	121	105
Amounts due from subsidiaries	-	-	4,740	4,736
Cash and fixed deposits	22,850	19,967	6,080	11,082
	<u>173,401</u>	<u>165,181</u>	<u>10,954</u>	<u>15,936</u>
<b>Current liabilities</b>				
Trade payables and accruals	48,755	57,143	857	864
Excess of progress billings over work-in-progress	14,060	7,791	-	-
Other payables	6,369	3,426	144	248
Amounts due to subsidiaries	-	-	534	5,036
Finance leases	2,461	2,273	20	20
Bank borrowings	8,312	2,894	-	-
Provision for taxation	286	259	-	-
	<u>80,243</u>	<u>73,786</u>	<u>1,555</u>	<u>6,168</u>
<b>Net current assets</b>	93,158	91,395	9,399	9,768
<b>Non-current liabilities</b>				
Finance leases	(1,418)	(1,080)	(67)	(76)
Long term borrowings	(63,540)	(63,540)	-	-
Deferred taxation	(1,334)	(1,334)	-	-
<b>Net assets</b>	<u>48,592</u>	<u>44,837</u>	<u>31,600</u>	<u>31,979</u>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	43,966	43,966	43,966	43,966
Foreign currency translation reserve	(250)	(511)	-	-
Revenue reserve/(accumulated losses)	4,327	855	(12,366)	(11,987)
	<u>48,043</u>	<u>44,310</u>	<u>31,600</u>	<u>31,979</u>
Minority interests	549	527	-	-
<b>Total equity</b>	<u>48,592</u>	<u>44,837</u>	<u>31,600</u>	<u>31,979</u>

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

Amount repayable in one year or less, or on demand

As at 30/06/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
\$10,773,000	-	\$5,167,000	-

Amount repayable after one year

As at 30/06/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
\$64,958,000	-	\$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

	2 <sup>nd</sup> Quarter Ended 30 June		Half Year Ended 30 June	
	2008 S\$'000	2007 S\$'000	2008 S\$'000	2007 S\$'000
<b>Cash flows from operating activities :</b>				
Profit before taxation and share of results of associates	1,990	733	3,406	1,289
Adjustments for :				
Depreciation of property, plant and equipment	706	626	1,356	1,163
Interest income	(30)	(158)	(66)	(229)
Interest expense	122	65	216	131
Gain/(Loss) on disposal of property, plant and equipment	(481)	-	(519)	1
<b>Operating profit before working capital changes</b>	<b>2,307</b>	<b>1,266</b>	<b>4,393</b>	<b>2,355</b>
(Increase)/decrease in development properties	(690)	5,956	(1,374)	21
(Increase)/decrease in work-in-progress	(109)	3,530	(1,628)	6,468
Decrease/(increase) in trade receivables	3,225	(7,462)	5,531	(5,786)
Decrease/(increase) in other receivables	1,687	(10,790)	690	(11,581)
Increase in inventories	(2,281)	(154)	(2,287)	(331)
(Decrease)/increase in trade payables and accruals	(3,670)	4,442	(8,388)	10,526
Increase/(decrease) in other payables	126	(1,616)	2,943	(5,656)
<b>Cash from/(used in) operations</b>	<b>595</b>	<b>(4,828)</b>	<b>(120)</b>	<b>(3,984)</b>
Interest paid	(122)	(65)	(216)	(131)
Interest received	30	158	66	229
Income tax paid	97	(221)	81	(295)
<b>Net cash from/(used in) operating activities</b>	<b>600</b>	<b>(4,956)</b>	<b>(189)</b>	<b>(4,181)</b>
<b>Cash flows from investing activities :</b>				
Proceeds from disposal of property, plant and equipment	1,315	249	1,540	259
Purchase of property, plant and equipment	(860)	(982)	(2,319)	(1,738)
Purchase of investment securities	-	(389)	-	(403)
Acquisition of additional shares in a subsidiary from a minority shareholder	-	-	-	(62)
<b>Net cash from/(used in) investing activities</b>	<b>455</b>	<b>(1,122)</b>	<b>(779)</b>	<b>(1,944)</b>
<b>Cash flows from financing activities :</b>				
Proceeds from bank borrowings, secured	971	569	5,418	868
Repayment of finance leases	(1,095)	(729)	(1,702)	(1,044)
Repayment /(placement ) of pledged deposits	1,087	(6)	432	(13)
Net proceeds from issue of shares	-	24,880	-	24,880
<b>Net cash from financing activities</b>	<b>963</b>	<b>24,714</b>	<b>4,148</b>	<b>24,691</b>
Net effect of exchange rate changes in consolidating subsidiaries	61	(287)	135	(444)
Net increase in cash and cash equivalents	2,079	18,349	3,315	18,122
Cash and cash equivalents at beginning of the period	18,995	13,844	17,759	14,071
<b>Cash and cash equivalents at end of the period (Note 6)</b>	<b>21,074</b>	<b>32,193</b>	<b>21,074</b>	<b>32,193</b>
<b>Note 6: Cash and cash equivalents at end of the period</b>				
Cash and bank balances	12,304	14,309	12,304	14,309
Fixed deposits	10,546	19,640	10,546	19,640
	22,850	33,949	22,850	33,949
Less : Pledged fixed deposits	(1,776)	(1,756)	(1,776)	(1,756)
	21,074	32,193	21,074	32,193

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**

	<b>Attributable to equity holders of the Parent</b>				
	Share capital S\$'000	Foreign currency translation reserve S\$'000	Revenue Reserve/ (accumulated losses) S\$'000	Minority interests S\$'000	Total equity S\$'000
<b>At 1 January 2008</b>	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
<b>At 31 March 2008</b>	43,966	(309)	2,290	559	46,506
Net effect of exchange differences	-	59	-	(23)	36
Net income and expenses recognised directly in equity	-	59	-	(23)	36
Profit for the period	-	-	2,037	13	2,050
Total recognised income and expenses for the period	-	59	2,037	(10)	2,086
<b>At 30 June 2008</b>	43,966	(250)	4,327	549	48,592
<b>At 1 January 2007</b>	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)
<b>At 31 March 2007</b>	19,086	(445)	(2,994)	318	15,965
Net effect of exchange differences	-	(60)	-	113	53
Net income and expenses recognised directly in equity	-	(60)	-	113	53
Profit for the period	-	-	447	97	544
Total recognised income and expenses for the period	-	(60)	447	210	597
Issuance of ordinary shares	24,880	-	-	-	24,880
<b>At 30 June 2007</b>	43,966	(505)	(2,547)	528	41,442

## Company

	Attributable to equity holders of the Company		
	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
<b>At 1 January 2008</b>	43,966	(11,987)	31,979
Loss for the period	-	(185)	(185)
Total recognised income and expenses for the period	-	(185)	(185)
<b>At 31 March 2008</b>	43,966	(12,172)	31,794
Loss for the period	-	(194)	(194)
Total recognised income and expenses for the period	-	(194)	(194)
<b>At 30 June 2008</b>	43,966	(12,366)	31,600
<b>At 1 January 2007</b>	19,086	(11,832)	7,254
Loss for the period	-	(39)	(39)
Total recognised income and expenses for the period	-	(39)	(39)
<b>At 31 March 2007</b>	19,086	(11,871)	7,215
Profit for the period	-	(86)	(86)
Total recognised income and expenses for the period	-	(86)	(86)
Issuance of ordinary shares	24,880	-	24,880
<b>At 30 June 2007</b>	43,966	(11,957)	32,009

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 has been no change to the issued share capital of the Company since the end of the previous financial period. As at 30 June 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.

The new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS that are applicable for the current financial year has no material effect on the financial statements.

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.**

	2 <sup>nd</sup> Quarter Ended 30 June		Half Year Ended 30 June	
	2008 Cents	2007 Cents	2008 Cents	2007 Cents
Earnings per ordinary share of the Company attributable to shareholders :				
(a) Based on the weighted average number of ordinary shares on issue	0.13	0.03	0.23	0.08
(b) On a fully diluted basis (detailing any adjustment made to the earnings)	0.13	0.03	0.23	0.08

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: 1,390,641,319 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:**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year**

	Group		Company	
	30/06/2008 Cents	31/12/2007 Cents	30/06/2008 Cents	31/12/2007 Cents
Net asset value per ordinary share based on issued capital at the end of the period	3.12	2.87	2.05	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:-**
- (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.**

The Group's revenue increased by approximately 25 % to \$132.9 million in the first half ended 30 June 2008 ("1H2008") from S\$106.6 million in the first half ended 30 June 2007 ("1H2007"). This was due mainly to recognition of revenue from projects of higher value in the current financial period.

Cost of sales increased by approximately 22% from S\$101 million in 1H2007 to S\$124 million in 1H2008 in tandem with the increase in revenue.

Gross profit increased by approximately 68% from S\$5.5 million in 1H2007 to S\$9.3 million in 1H2008 due largely to better profit margins registered in the general construction business segment.

Other revenue decreased by approximately S\$0.03 million from S\$0.82 million in 1H2007 to S\$0.79 million in 1H2008. This was due to a drop in interest income from fixed deposit as well as a decrease in gain on disposal on investment securities and other income totalling S\$0.60 million which was offset by an increase in gain on disposal of property, plant and equipment and rental income totalling S\$0.57 million.

Administrative and other operating costs increased by S\$1.5 million from S\$4.9 million in 1H2007 to S\$6.4 million in 1H2008. These were due mainly to an increase in foreign exchange currency adjustment losses of S\$1 million as well as an increase in depreciation of property, plant and equipment of S\$0.2 million due to additional plant and machinery purchased in 1H2008 to cope with the upsurge in construction activities.

Finance cost increased by S\$0.085 million due to an increase in bank borrowings for additional working capital, an increase in finance charges arising from additional plant and equipment acquired in the 1H2008 and an increase in bank charges relating to the setting-up of new banking credit facilities.

Profit before tax increased by 159% from S\$1.3 million in 1H2007 to S\$3.5 million in 1H2008 due mainly to an increase in revenue and profit contribution from construction projects. Overall, net profit attributable to equity shareholders of the Company increased by 226% from S\$1.1 million in 1H2007 to S\$3.5 million in 1H2008.

Trade receivables decreased from S\$44.6 million at 31 December 2007 to S\$39.0 million at 30 June 2008. The decrease was largely due to a surge in billings towards the end of 2007 on finalisation of accounts for several completed projects and those receivables were collected in first half of 2008.

Trade payables and accruals decreased from S\$57.1 million at 31 December 2007 to S\$48.8 million at 30 June 2008 due mainly to the settlement of some major trades payables and accruals due in the first half of 2008.

As at 30 June 2008, net assets value per share stood at 3.12 cents as compared to 2.98 cents in 1Q 2008, an increase of 4.7 %.

The Group continued to maintain a healthy liquidity position. As at 30 June 2008, it had a cash and cash equivalent position of approximately S\$21.1 million versus S\$18.9 million as at 31 March 2008.

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.**

According to a Ministry of Trade and Industry report (10 June 2008), Singapore's real Gross Domestic Product rose by an estimated 1.9 % on a year-on-year basis in the second quarter of 2008, but was down from 6.9% in the first quarter of 2008. Despite the dip in Gross Domestic Product, the construction sector was experienced robust growth of 15.2% in the second quarter of 2008, following a 16.9% expansion in the previous quarter. In fact, according to Building and Construction Authority ("BCA"), construction demand is projected to reach between S\$23 billion and S\$27 billion in 2008. In view of the, the Group expects the outlook for the construction industry to remain strong.

The BCA review also showed that construction demand doubled year-on-year to S\$7.7 billion in the first quarter of 2008. The increase was contributed by strong expansion in both the public and private sectors, particularly the former, which saw demand increase more than three-fold year-on-year from S\$1 billion in 1Q 2007 to S\$3.3 billion in 1Q 2008. The increase was contributed by strong expansion in the public sector which saw higher values of residential, institutional and civil engineering contracts inked during the first quarter of 2008. On a quarterly comparison, public sector construction demand also increased from S\$1.9 billion in the fourth quarter of 2007 to S\$3.3 billion in the first quarter of 2008. Private sector construction demand also increased by 46.8% year-on-year to S\$4.4 billion in the first quarter, supported by robust expansion of most developments types although it was lower than S\$6.5 billion in the fourth quarter of 2007. The slowdown was due mainly to the high base during the last quarter where a few major industrial projects were awarded.

With more than 30 years experienced in the construction industry and a solid track record, the Group will continue to leverage and build on its strength and expertise to tender for both private and public projects. The Group will remain selective in the participation of tenders, focusing only on new projects that will give us the highest returns and good profit margins.

On the cost front, prices for rebar as well as cement look set to continue on an uptrend in the months ahead. In view of higher production costs, fuel charges and freight charges and the strong global demand from the booming construction markets like the Middle East, Russia, India and China. Nonetheless, the Group will actively step up its efforts to find ways to mitigate cost pressures.

As at 30 June 2008, the Group's order book stood at approximately S\$435 million, predominantly in Singapore, Malaysia and Sri Lanka. With the healthy order book, the Group is expected to remain profitable for FY2008.

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/recommended, a statement to that effect.

No dividend has been declared/recommended 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 30 June 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