



BBR HOLDINGS (S) LTD

Company Registration No.: 199304349M

Financial Statement for the Third Quarter and Nine Months Ended 30 September 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.

		GROUP					
		Third Quarter Ended			Nine Months Ended		
Notes	30/09/2008	30/09/2007	Change	30/09/2008	30/09/2007	Change	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Revenue	1	47,367	41,169	15.06	180,234	147,757	21.98
Cost of sales		(44,745)	(38,862)	15.14	(168,333)	(139,577)	20.60
Gross Profit		2,622	2,307	13.65	11,901	8,180	45.49
Other revenue	2	258	596	(56.71)	1,060	1,063	(0.28)
Administrative costs		(778)	(1,088)	(28.49)	(3,953)	(3,009)	31.37
Other operating costs		(1,582)	(704)	124.72	(4,867)	(3,703)	31.43
Finance costs	3	(104)	(90)	15.56	(320)	(221)	44.80
Share of results of associates		14	-	n.m.	70	50	40.00
Profit before taxation	4	430	1,021	(57.88)	3,891	2,360	64.87
Taxation		25	(196)	112.76	79	(411)	119.22
Profit for the period		455	825	(44.85)	3,970	1,949	103.69
Attributable to :							
Equity holders of the Company		363	807	(55.02)	3,834	1,872	104.81
Minority interests		92	18	411.11	136	77	76.62
		455	825	(44.85)	3,970	1,949	103.69

GROUP

Notes	GROUP					
	Third Quarter Ended			Nine Months Ended		
	30/09/2008	30/09/2007	Change	30/09/2008	30/09/2007	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
1 Revenue						
Revenue from construction contracts	47,307	41,087	15.14	180,035	147,544	22.02
Sale of goods	60	82	(26.83)	199	213	(6.57)
	<u>47,367</u>	<u>41,169</u>	15.06	<u>180,234</u>	<u>147,757</u>	21.98
2 Other revenue						
Dividend income	-	14	n.m.	-	14	n.m.
Gain on disposal of investment securities	-	-	-	-	38	n.m.
Gain on disposal of property, plant and equipment	156	243	(35.80)	695	242	187.19
Interest income from fixed deposits	25	120	(79.17)	91	349	(73.93)
Management fee	-	-	-	-	16	n.m.
Rental of equipment	-	19	n.m.	6	44	(86.36)
Rental income	47	67	(29.85)	213	189	12.70
Other income	30	133	(77.44)	55	171	(67.84)
	<u>258</u>	<u>596</u>	(56.71)	<u>1,060</u>	<u>1,063</u>	(0.28)
3 Finance Costs						
Interest expenses :						
Loans and borrowings (including bank overdrafts)	39	41	(4.88)	139	115	20.87
Finance charges payable under finance leases	41	28	46.43	103	61	68.85
Others – bank charges	24	21	14.29	78	45	73.33
	<u>104</u>	<u>90</u>	15.56	<u>320</u>	<u>221</u>	44.80
4 Profit before taxation						
The following items have been included in arriving at profit before taxation :						
Bad debts written-off	-	303	n.m.	-	310	n.m.
Depreciation of property, plant and equipment	622	715	(13.01)	1,978	1,878	5.32
Foreign exchange currency adjustment loss/(gain)	(288)	(8)	n.m.	676	(7)	n.m.
Allowance for doubtful receivables - external parties	59	(938)	106.29	179	(837)	121.39

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	
	As at		As at	
	30/09/2008	31/12/2007	30/09/2008	31/12/2007
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	16,321	14,427	151	179
Intangible assets	119	119	-	-
Investment securities	2,575	2,575	-	-
Investment in subsidiaries	-	-	22,016	22,016
Investment in associates	2,145	2,075	92	92
Deferred tax assets	200	200	-	-
Current assets				
Investment securities	13	13	13	13
Development properties	75,983	74,028	-	-
Work-in-progress	10,025	10,028	-	-
Inventories	8,431	2,678	-	-
Trade receivables	45,762	44,561	-	-
Other receivables	12,396	13,906	109	105
Amounts due from subsidiaries	-	-	15,120	4,736
Cash and fixed deposits	27,395	19,967	6,022	11,082
	180,005	165,181	21,264	15,936
Current liabilities				
Trade payables and accruals	62,639	57,143	856	864
Excess of progress billings over work-in-progress	14,098	7,791	-	-
Other payables	3,341	3,426	192	248
Amounts due to subsidiaries	-	-	11,037	5,036
Finance leases	1,986	2,273	20	20
Bank borrowings	3,993	2,894	-	-
Provision for taxation	281	259	-	-
	86,338	73,786	12,105	6,168
Net current assets	93,667	91,395	9,159	9,768
Non-current liabilities				
Finance leases	(1,188)	(1,080)	(62)	(76)
Long term borrowings	(63,540)	(63,540)	-	-
Deferred taxation	(1,331)	(1,334)	-	-
Net assets	48,968	44,837	31,356	31,979
Equity attributable to equity holders of the Company				
Share capital	43,966	43,966	43,966	43,966
Foreign currency translation reserve	(326)	(511)	-	-
Revenue reserve/(accumulated losses)	4,690	855	(12,610)	(11,987)
	48,330	44,310	31,356	31,979
Minority interests	638	527	-	-
Total equity	48,968	44,837	31,356	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 30/09/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
\$5,979,000	-	\$5,167,000	-

Amount repayable after one year

As at 30/09/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
\$64,728,000	-	\$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

	GROUP			
	Third Quarter Ended		Nine Months Ended	
	30/09/2008 S\$'000	30/09/2007 S\$'000	30/09/2008 S\$'000	30/09/2007 S\$'000
Cash flows from operating activities :				
Profit before taxation and share of results of associates	416	1,021	3,821	2,310
Adjustments for :				
Depreciation of property, plant and equipment	622	715	1,978	1,878
Interest income	(25)	(120)	(91)	(349)
Interest expense	104	90	320	221
Gain on disposal of property, plant and equipment	(156)	(243)	(695)	(242)
Operating profit before working capital changes	961	1,463	5,333	3,818
Increase in development properties	(581)	(3,908)	(1,955)	(3,887)
Decrease/(increase) in work-in-progress	7,938	(2,348)	6,310	4,120
(Increase)/decrease in trade receivables	(6,732)	3,946	(1,201)	(1,839)
Decrease/(increase) in other receivables	821	945	1,510	(10,636)
Increase in inventories	(3,466)	(655)	(5,753)	(986)
Increase/(decrease) in trade payables and accruals	13,884	(10,747)	5,496	(221)
(Decrease)/increase in other payables	(3,028)	565	(85)	(5,091)
Cash from/(used in) operations	9,797	(10,739)	9,655	(14,722)
Interest paid	(104)	(90)	(320)	(221)
Interest received	25	120	91	349
Income tax received/(paid)	21	(254)	102	(548)
Net cash from/(used in) operating activities	9,739	(10,963)	9,528	(15,142)
Cash flows from investing activities :				
Proceeds from disposal of property, plant and equipment	-	1,035	1,510	1,294
Purchase of property, plant and equipment	(116)	(758)	(2,386)	(2,497)
Purchase of investment securities	-	(94)	-	(403)
Acquisition of additional shares in a subsidiary from a minority shareholder	-	-	-	(156)
Net cash (used in)/from investing activities	(116)	183	(876)	(1,762)
Cash flows from financing activities :				
(Repayment of)/proceeds from bank borrowings, secured	(4,319)	453	1,099	1,321
Repayment of finance leases	(705)	(1,338)	(2,407)	(2,382)
(Placement)/repayment of pledged deposits	(442)	15	(10)	2
Net proceeds from issue of shares	-	-	-	24,880
Net cash (used in)/from financing activities	(5,466)	(870)	(1,318)	23,821
Net effect of exchange rate changes in consolidating subsidiaries	(54)	13	84	(432)
Net increase/(decrease) in cash and cash equivalents	4,103	(11,637)	7,418	6,485
Cash and cash equivalents at beginning of the period	21,074	32,193	17,759	14,071
Cash and cash equivalents at end of the period (Note 5)	25,177	20,556	25,177	20,556
Note 5: Cash and cash equivalents at end of the period				
Cash and bank balances	8,951	2,916	8,951	2,916
Fixed deposits	18,444	19,383	18,444	19,383
	27,395	22,299	27,395	22,299
Less : Pledged fixed deposits	(2,218)	(1,743)	(2,218)	(1,743)
	25,177	20,556	25,177	20,556

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 Parent				
	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	-	261	-	(22)	239
Net income and expenses recognised directly in equity	-	261	-	(22)	239
Profit for the period	-	-	3,472	44	3,516
Total recognised income and expenses for the period	-	261	3,472	22	3,755
At 30 June 2008	43,966	(250)	4,327	549	48,592
Net effect of exchange differences	-	(76)	-	(3)	(79)
Net income and expenses recognised directly in equity	-	(76)	-	(3)	(79)
Profit for the period	-	-	363	92	455
Total recognised income and expenses for the period	-	(76)	363	89	376
At 30 September 2008	43,966	(326)	4,690	638	48,968
At 1 January 2007	19,086	(303)	(3,612)	525	15,696
Net effect of exchange differences	-	(202)	-	100	(102)
Net income and expenses recognised directly in equity	-	(202)	-	100	(102)
Profit for the period	-	-	1,065	59	1,124
Total recognised income and expenses for the period	-	(202)	1,065	159	1,022
Issuance of ordinary shares	24,880	-	-	-	24,880
Purchase of a minority interests shares	-	-	-	(156)	(156)
At 30 June 2007	43,966	(505)	(2,547)	528	41,442
Net effect of exchange differences	-	69	-	(118)	(49)
Net income and expenses recognised directly in equity	-	69	-	(118)	(49)
Profit for the period	-	-	807	18	825
Total recognised income and expenses for the period	-	69	807	(100)	776
At 30 September 2007	43,966	(436)	(1,740)	428	42,218

Company

	Attributable to equity holders of the Company		
	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	-	(379)	(379)
Total recognised income and expenses for the period	-	(379)	(379)
At 30 June 2008	43,966	(12,366)	31,600
Loss for the period	-	(244)	(244)
Total recognised income and expenses for the period	-	(244)	(244)
At 30 September 2008	43,966	(12,610)	31,356
At 1 January 2007	19,086	(11,832)	7,254
Loss for the period	-	(125)	(125)
Total recognised income and expenses for the period	-	(125)	(125)
Issuance of ordinary shares	24,880	-	24,880
At 30 June 2007	43,966	(11,957)	32,009
Loss for the period	-	(14)	(14)
Total recognised income and expenses for the period	-	(14)	(14)
At 30 September 2007	43,966	(11,971)	31,995

- 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 30 September 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.**

	GROUP			
	Third Quarter Ended		Nine Months Ended	
	30/09/2008 Cents	30/09/2007 Cents	30/09/2008 Cents	30/09/2007 Cents
Earnings per ordinary share of the Company attributable to shareholders :				
(a) Based on the weighted average number of ordinary shares on issue	0.02	0.06	0.25	0.13
(b) On a fully diluted basis (detailing any adjustment made to the earnings)	0.02	0.06	0.25	0.13

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: 1,436,011,182 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	
	30/09/2008 Cents	31/12/2007 Cents	31/09/2008 Cents	31/12/2007 Cents
	Net asset value per ordinary share based on issued capital at the end of the period	3.14	2.87	2.03

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.

Third Quarter 2008 (3Q2008) vs Third Quarter 2007(3Q2007)

The Group's revenue increased by approximately 15% to S\$47 million in 3Q2008 as compared to S\$41 million in 3Q2007. The increase was mainly due to recognition of revenue from projects of higher value in the 3Q2008.

In tandem with the increase in revenue, cost of sales increased by approximately 15% to S\$45 million in 3Q2008 as compared S\$39 million in 3Q2007.

Gross profit increased by approximately 13% to S\$2.6 million in 3Q2008 as compared to S\$2.3 million in 3Q2007 due mainly to increase in revenue.

Other revenue decreased by approximately 57% to S\$0.3 million in 3Q2008 as compared to S\$0.6 million in 3Q2007. This was mainly due to the decrease in gain on disposal of property, plant and equipment of S\$0.1 million, interest income from fixed deposits of S\$0.1 million and other income of S\$0.1 million.

Administrative and other operating costs increased by S\$0.6 million from S\$1.8 million in 3Q2007 to S\$2.4 million in 3Q2008. These were due mainly to an increase in foreign exchange currency losses of S\$0.3 million, an allowance for doubtful receivables from external parties of S\$0.1 million as compared to a write-back of doubtful debts of S\$0.9 million in 3Q2007.

Finance costs remained fairly constant at S\$0.1 million.

Profit before tax decreased by approximately 58% to S\$0.4 million in 3Q2008 from S\$1 million in 3Q2007 which was mainly due to the increase in administrative and other operating costs of S\$0.6 million.

Nine months ended 30 September 2008 (YTD Sept 2008) vs Nine months ended 30 September 2007 (YTD Sept 2007)

The Group's revenue increased by approximately 22% to S\$180 million in YTD Sept 2008 from S\$148 million in YTD Sept 2007. This was due mainly to recognition of revenue from projects of higher value in the current financial period.

In tandem with the increase in revenue, cost of sales increased by approximately 21% to S\$168 million from S\$140 million in the previous corresponding period.

Gross profit increased by approximately 45% to S\$11.9 million from S\$8.2 million in the previous corresponding period. Gross profit margin rose to 6.6% for YTD Sept 2008 as compared to 5.5 % for YTD Sept 2007. This was due mainly to the growth in demand for construction services in Singapore and Malaysia which resulted in an improved gross profit margin.

Other revenue remained fairly constant at S\$1.1 million.

Administrative and other operating costs increased by S\$2.1 million to S\$8.8 million in YTD Sept 2008 from S\$6.7 million in the previous corresponding period. These were due mainly to an increase in foreign exchange currency losses of S\$0.7 million, an allowance for doubtful receivables from external parties of S\$0.2 million as compared to a write-back of doubtful debts of S\$0.8 million in YTD Sept 2007 as well as an increase in depreciation of property, plant and equipment of S\$0.1 million due to additional plant and machinery purchased in 2008 to cope with the upsurge in the construction activities.

Finance costs increased by S\$0.1 million due to an increase in bank borrowings for additional working capital, an increase in finance charges arising from additional plant and machinery acquired in 2008 and a rise in bank charges relating to the setting up of new banking credit facilities.

Profit before tax increased by 65% to S\$3.9 million in YTD Sept 2008 from S\$2.4 million in the previous corresponding period. This was due mainly to an increase in revenue and profit contributions from construction projects. Overall, net profit attributable to equity shareholders of the Company amounted S\$3.8 million in YTD Sept 2008 representing an increase of 105% from S\$1.9 million in the previous corresponding period.

Balance Sheet Review

The increase of S\$1.9 million in non-current assets was due mainly to an addition of new plant and equipment which was partially offset by the depreciation and disposal of some plant and equipment in the nine months ended 30 September 2008.

Current assets increased by S\$15 million from S\$165 million as at 31 December 2007 to S\$180 million as at 30 September 2008. The increase was largely attributable to an increase in inventories of S\$6 million as a result of strong demand in specialised engineering works, an increase in development properties of S\$2 million mainly relating to interest on land loan as well as an increase S\$7 million in cash & fixed deposits.

Current liabilities increased by S\$12 million to S\$86 million as at 30 September 2008 from S\$74 million as at 31 December 2007. This was due mainly to an increase in trade payables and accruals of S\$5 million relating to a surge in construction activities; an increase in excess of progress billings over work-in-progress of S\$6 million mainly due to more progress billings in relation to projects which are in the active stage of construction; and an increase of short term-bank borrowings of S\$1 million as working capital.

The equity attributable to equity holders of the Company as at 30 September 2008 has been further strengthened to S\$48.3 million as compared to S\$44.3 million as at 31 December 2007. The improvement is largely attributable to the increase in profit generated from operations for the nine months ended 30 September 2008.

As at 30 September 2008, net assets value per share stood at 3.14 cents as compared to 2.87 cents as at 31 December 2007.

The Group continues to maintain a healthy liquidity position. As at 30 September 2008, its cash and cash equivalents amounted to approximately S\$25.2 million versus S\$21.1 million as at 30 June 2008.

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

The result is in line with 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.

According to the Ministry of the Trade and Industry (MTI) report of 10 October 2008, Singapore's Gross Domestic Product (GDP) is estimated to contract by 0.5% in the third quarter of 2008 compared to the same period of last year. On a seasonally adjusted annualised quarter-on-quarter basis, real GDP declined by 6.3%, following a 5.7% decline in the previous quarter. Taking into consideration the slowdown in the global economy, MTI has revised the 2008 GDP forecast to around 3%. Despite the dip in GDP, the construction sector grew by 7.8% in third quarter of 2008, albeit lower than the 18.3% growth it enjoyed in the first quarter of 2008. Though the construction sector had a strong pipeline of construction projects, a shortage of contractors, tight labour market, and longer waiting times for equipment have delayed the realisation of these projects.

According to the recent forecast by the Building and Construction Authority (BCA), the total construction demand could reach the peak of \$32 billion in 2008. However, the current turbulent financial climate that is expected to continue has put this growth in check. Nevertheless, public tenders for Government projects are expected to remain significant. For example, under the Land Transport Master Plan, the Land Transport Authority has called for tenders to widen another 4 stretches of the Central Expressway to improve the traffic flow. Recently, the Government has also said that it would consider injecting some \$4.7 billion worth of public projects that had been deferred earlier. As such, the construction demand for civil engineering projects is expected to remain strong over the next few years.

In view of the volatile prices of imported construction materials, the Government agencies in Singapore are required to incorporate a full price fluctuation clause on reinforcement bars and concrete for construction projects with contract value of more than \$5 million from 25 July 2008 onwards. This measure was aimed to mitigate the impact of the rising construction cost as tenderers are encouraged to put in more realistic bids for public sector projects. This measure will be advantageous to the Group as it participates mostly in public sector projects.

With more than 30 years of experience in the construction industry and a solid track record, the Group will continue to leverage on our strength to focus on our traditional core business of construction activities to tender for both public and private projects. The Group will continue to be cautious, prudent and selective in the participation of tenders for projects that yield reasonable returns, adopting stringent cost control measures and improving our project management processes so to stay competitive. In addition, the Group will continue to explore suitable opportunities in Singapore and Malaysia.

As at the date of this announcement, the Group's order book stands at approximately S\$380 million to be executed in the next 3 years, predominantly in Singapore and Malaysia. 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 September 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