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**BBR Holdings posts FY2008 net profit of S\$3.6m
on turnover of S\$253.9m, up 24%**

**Group remains cautiously optimistic, citing a strong
management team with sound experience and good business
fundamentals that will enable it to face the challenges ahead**

HIGHLIGHTS OF FY2008 RESULTS

- Revenue rose by 24.4% to S\$253.9m
- Gross profit grew by 7.8% to S\$15.5m
- Net profit after tax and minority interest down 19.9% to S\$3.6m
- EPS: 0.23 cents; NAV per share: 3.12 cents
- Current Order Book stands at S\$321m with contracts lasting up till FY2011

SINGAPORE, 24 February 2009 – MAINBOARD-LISTED BBR Holdings (S) Ltd (“BBR” or “The Group”) today announced a net profit after tax and minority interests of S\$3.6 million for the full year to 31 December 2008, a decrease of 19.9% from S\$4.5 million in the preceding year mainly due to provision for impairment losses of S\$5.1 million.

Group turnover for the period was noticeably higher at S\$253.9 million, a visible increase of 24.4% from S\$204.1 million the preceding year, driven largely by growth in its General Construction arm, which recorded a turnover of S\$212.6 million or 83.7% of total revenue compared to S\$162.5 million or 79.6% of turnover in FY2007. Contributing to its revenue were projects such

as the Common Services Tunnel, a S\$189.6 million contract from the URA slated for completion in FY2011, as well as the S\$95.3 million contract from Ascendas (Tuas) Pte Ltd to build an iconic office tower block at the International Business Park in Jurong East.

The Group's Specialised Engineering segment brought in S\$41.3 million, accounting for 16.3% of Group turnover.

Commenting on the performance for the year to 31 December 2008, Chief Executive Officer Mr Andrew Tan said: "It is gratifying to deliver yet another set of encouraging results. This is especially so in the context of an increasingly competitive and difficult market.

"Despite the challenges of weaker market conditions, keener competition in the industry landscape particularly from foreign players and an increasing squeeze on margins, we are confident that our resilience and good business fundamentals will enable us to ride out the storm, deal with the more difficult times ahead and quickly flex up when the market improves," he added.

BBR, which began operations in 1993 as a specialist engineering group, currently has three core business activities, namely, General Construction, Specialist Engineering and Property Development.

The Group reported a gross profit of S\$15.5 million, up 7.8%, in FY2008 compared to S\$14.4 million in the preceding year largely attributable to an increase in revenue. Gross profit margin went down to 6.1% compared to 7.1% in the corresponding period a year ago due mainly to an increase in the costs of construction materials. Its PATMI (profit after tax and minority interest) margin of 1.4% is also marginally lower than the 2.2% it registered in the preceding year. Earnings per share stood at 0.23 cents for the period ended 31 December 2008.

The Group's balance sheet remained healthy with total assets of S\$203 million and net tangible assets of S\$48.6 million against S\$184.6 million and

S\$44.7 million recorded at year-end FY2007 respectively. Total shareholders' funds expanded by S\$3.7 million to S\$48.1 million as at 31 December 2008, an increase of 8.5% over the prior year. Its net working capital remained stable and stood at S\$91.4 million. The Group turned over its working capital an average of 2.8 times for the period, a visible improvement over the 2.2 times in FY2007. Net asset value per share stood at 3.12 cents or 8.7% higher than at 31 December 2007. Asset turnover also improved slightly from 1.0 to 1.3 in the 12 months ended 31 December 2008.

The Group continued to maintain a strong liquidity position with cash and cash equivalents of S\$26.8 million against S\$17.8 million in FY2007. During FY 2008, the Group generated cash flow surplus of S\$15.4 million from operating activities in FY2008. Considering the Group's strong cash position, it anticipates that it will maintain sufficient working capital and have the ability to pursue future growth opportunities.

From a geographical market perspective, projects on home ground remained the key market contributor making up the lion's share or 90% of Group revenue at S\$228.5 million compared to S\$157.6 million in the previous financial year. Singapore's performance was followed by Malaysia, its next most active market, which contributed S\$19.9 million or 7.8% to total revenue. Its other markets, Sri Lanka and Thailand, contributed S\$4.3 million and S\$1.2 million respectively.

Robust outlook

Quoting statistics released by the Building and Construction Authority (BCA), Mr Tan said the outlook for Singapore's construction sector in the next few years appears fairly robust.

Total construction demand is forecasted to reach between S\$22 billion and S\$28 billion in 2009. Public sector construction demand will be the main demand driver for 2009 as private sector construction demand is expected to soften significantly due to a slowdown in the growth momentum in the

domestic economy coupled with mounting uncertainties in the global economy. It is expected that the value of public sector construction contracts that will be awarded will reach a record high of between S\$17 and S\$19 billion in 2009. In its recent Budget announcement, the Government said that it would spend an estimated S\$18 billion to S\$20 billion in public infrastructure projects in 2009 including the S\$1.3 billion worth of smaller contracts which were originally lined up to start in 2010.

Total institutional and other building projects worth between S\$3.5 billion and S\$5.7 billion will likely be awarded in 2009. These include the Ministry of Education's (MOE) upgrading of schools and institutions, National University of Singapore's student hostels, a Research Campus for National Research Foundation, Jurong Town Corporation's (JTC) International School Campus at Tampines, redevelopment of Singapore General Hospital's Pathology Education Research Building, redevelopment of the National Heart Centre and construction of conservatories, supertrees and support facilities for phase 1 Gardens-by-the Bay at Marina South.

A number of projects are scheduled to proceed in 2009, including Mass Rapid Transit (MRT) contracts for the Downtown Line Stage 2, the North-South Line Extension and Jurong East Connection, and other infrastructure projects such as the Public Utilities Board's (PUB) sewerage and drainage contracts, Singapore Power's utility and cabling projects and a new yard involving the construction of dry docks wharves, quays and piers.

With over 30 years of experience in the construction industry and a solid track record, Mr Tan is optimistic that BBR will stand to gain from this strong pipeline of large public infrastructure projects.

"We have a strong management team fortified by many years of experience. Looking forward, we will remain focused on our core construction business, always alert to market opportunities," he said.

“We will continue to participate actively in tenders, keeping an eye on our margins to ensure decent returns. At the same time, we are mindful of the need to keep costs down and we will do so by exercising prudent financial management at all levels and to increase productivity at the same time,” Mr Tan added.

The domestic market will continue to be the Group’s key focus although it will selectively consider overseas opportunities with strategic value as they arise.

Looking ahead, the Group remains optimistic as it starts the New Year with a healthy order book of civil engineering and building projects estimated at S\$321 million as at 24 February 2009.

Some of the projects it is currently working on include:

- a S\$26.4 million contract from the Ministry of Education (MOE) to carry out addition and alteration works to the existing Jun Yuan Primary School located at Tampines Street 91, scheduled to be completed by October 2009.
- a S\$95.3 million turnkey design-and-build contract from Ascendas (Tuas) Pte Ltd for an iconic office tower block at the International Business Park in Jurong East, scheduled for completion in August 2009
- a S\$6 million contract from the Land Transport Authority to upgrade its vehicular bridges at seven locations in Singapore; the works are expected to complete by end-March 2009.
- a S\$189.6 million contract awarded by the Urban Redevelopment Authority for the construction of the proposed common services tunnel phase 3A at downtown core. This project is expected to be completed by April 2011

Apart from general construction, BBR also has a specialist engineering arm which takes on projects that require more complex technology and know-how, and which has built a strong regional presence over the past several years.

About BBR Group

The BBR Group has its roots in specialist engineering. Since its inception in 1993, the Group has grown significantly and today, it has established three core business activities, namely, General Construction, Specialist Engineering and Property Development.

Its General Construction activities are mainly undertaken through its wholly-owned subsidiary, Singapore Piling & Civil Engineering Private Limited (Singapore Piling), a company it acquired in 2001. Singapore Piling has a 37-year history and has been registered with the Building & Construction Authority of Singapore under the "A1" classification since 1984. The company is active in Singapore as well as overseas, having undertaken projects in Korea as well as Sri Lanka. Its Specialist Engineering arm is part of the BBR Network that spans 42 countries. Today, BBR Singapore has a strong presence in Malaysia, Philippines, Thailand and Sri Lanka. The Group is developing two upmarket condominium projects: 8 Nassim Hill comprising 16 super luxury triplex units with basement car parks and a freehold site at Holland Hill which will yield a 12-storey luxury condominium.

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