



## **BBR Holdings posts 46% higher net profit to S\$19.6 million for FY2010; proposes first & final dividend of 0.6 Singapore cent per share**

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<b>FINANCIAL HIGHLIGHTS</b>			
<b>S\$'million</b>	<b>FY2010</b>	<b>FY2009</b>	<b>Change</b>
Revenue	205.8	205.4	▲0.2%
Gross Profit	31.6	20.6	▲53%
GP Margin	15%	10%	▲50%
Profit After Tax	20.0	13.7	▲46%
Profit After Tax attributable to parent	19.6	13.4	▲46%
EPS (cents)	6.36	4.35	▲46%
Current order book stands at S\$620 million with projects lasting up till FY2015 As at 31 December 2010 Net Assets: S\$80.6 million or 26.25 Singapore cents per share			

**SINGAPORE, 23 February 2011 – MAINBOARD-listed BBR Holdings (S) Ltd** (BBR or the Group) today announced a net profit after tax attributable to owners of the parent of S\$19.6 million for the full year ended 31 December 2010, a significant increase of 46% from S\$13.4 million in the preceding year.

The Board has proposed a first and final dividend of 0.6 Singapore cent per share.

Group revenue for the period was S\$205.8 million, largely unchanged as compared to S\$205.4 million in the preceding year. Despite this, it achieved higher profitability, attributable partly to stronger gross profit margins from Specialised Engineering and

General Construction projects as well as profits from finalisation of billings for certain projects which were completed in FY2009.

Revenue from the Specialised Engineering segment rose substantially by 57% to S\$61.6 million compared to S\$39.1 million in FY2009. However, the better performance from Specialised Engineering arm was offset by lower revenue contribution from the General Construction segment as a number of General Construction projects secured since 2010 second quarter had not reached the minimum percentage of completion required for revenue recognition in accordance to the Group's accounting policy.

Contributing to its revenue were projects such as S\$77.7 million contract to build the Singapore Island Country Club's main clubhouse with completion date in 2011; S\$104.2 million Housing & Development Board project to build seven blocks of flats in Yishun Neighbourhood 4 planned for completion in 2012; and the Common Services Tunnel, a S\$189.6 million contract from the URA slated for completion in FY2011.

BBR Chief Executive Officer Andrew Tan said: "It has been a busy year for us, and we are pleased that our numbers tell a positive story. Our order book remains strong. Our financials are healthy. We hope to continue to maintain steady growth, going forward, and the fairly buoyant outlook for the construction sector in Singapore will likely contribute to this."

To date, the Group's order book stands at S\$620 million with projects lasting up to 2015. These comprise mainly civil engineering and building contracts predominantly in Singapore and Malaysia.

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

For the year ended 31 December 2010, gross profit for the Group was S\$31.6 million, an increase of 53% in fiscal 2010 compared to S\$20.7 million in the preceding year. Gross profit margin rose to 15% against 10% previously.

Earnings per share for the 12 months ended 31 December 2010 stood at 6.36 Singapore cents, up 46% from 4.35 Singapore cents previously.

Share of results from associates was S\$7.6 million for the period compared to S\$10.0 million previously, arising from the recognition of profits for sold units at No. 8 Nassim Hill property development undertaken by its associate company, Tennessee Pte Ltd.

For the 12 months ended 31 December 2010, administrative costs were up by S\$0.8 million to S\$5.3 million due to higher depreciation arising from additional capital expenditure during the year and foreign exchange loss. Other operating costs rose by 8.3% from S\$11.7 million to S\$12.7 million due mainly to increases in staff salaries and benefits, partially offset by lesser bad debts written off during the year.

### **Stronger Financials**

As at 31 December 2010, the Group's balance sheet was stronger with total assets of S\$248.6 million and net assets of S\$80.6 million compared to S\$210.2 million and S\$62.5 million, respectively as at FY2009 year-end. Total equity increased by S\$18.1 million to S\$80.6 million as at 31 December 2010, representing an increment of 29% over the prior year's S\$62.5 million. Net asset value per share stood at 26.25 Singapore cents or 29% higher than at 31 December 2009.

Cash and cash equivalents as at 31 December 2010 decreased to S\$44.9 million compared to S\$49.5 million in fiscal 2009, due mainly to increase in trade receivables, progressive payments to acquire a plot of freehold land at 2A/B/C/D Simon Lane, lump sum payments for early settlement of term loan, purchase of plant and equipment and dividends paid to shareholders. 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.

In terms of geography, Singapore continues to be BBR's dominant market, accounting for S\$180.7 million or 87.8% of total revenue. Outside Singapore, Malaysia is BBR's next most active market, contributing S\$25.0 million or the remaining 12.2% of the total revenue.

## **Outlook**

The Building and Construction Authority (BCA) has forecasted that total construction demand in 2011 is likely to reach between S\$22 billion and S\$28 billion and the Ministry of Trade and Industry (MTI) forecasting a Gross Domestic Product growth of 4 per cent to 6 per cent in 2011.

In view of this, Mr Tan is upbeat about the prospects of the construction sector and said the Group was well-positioned to benefit from Singapore's continued growth in public sector construction demand. "Even so, we need to remain watchful in order to sustain performance. We will continue to optimise our financial and operational performance, closely aligning our resources with demand, exercising strict cost controls and cash flow management." he 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.

## **On-going projects**

Just last week, the Group announced a S\$79.8 million contract it secured from the Land Transport Authority to widen Keppel Viaduct. Work is scheduled to start on 18 February 2011 and is targeted to be completed in the first half of 2015.

The Group has been kept busy with numerous other civil engineering and building projects from both the public and private sectors. These include:

- a S\$413.8 million construction contract awarded to a joint venture, Takenaka–Singapore Piling Joint Venture ("JV") by the National Heritage Board to restore two iconic heritage monuments in the heart of the Civic District, the former Supreme Court and the adjacent City Hall targeted for completion in the second half of 2014. BBR's wholly-owned subsidiary, Singapore Piling & Civil Engineering Private Limited has a 25% share in the JV;

- a S\$139.6 million contract from the Urban Redevelopment Authority to construct Phase 3B (MC02) of the Proposed Common Services Tunnel (CST) at Marina Bay targeted for completion in the second half of 2014;
- a S\$189.6 million contract from the Urban Redevelopment Authority (URA) for Phase 3A of the Common Services Tunnel (CST-3A) due to be completed in the second half of 2011;
- a Land Transport Authority contract worth S\$81.495 million to design and construct the Tai Seng Facility Building for the Downtown Line Project with completion in November 2014;
- a S\$42 million contract from Yang Kee Holdings Pte Ltd. to construct Phase 1 of the Yang Kee Logistics Chemical Hub at Jurong Pier scheduled for completion in 2011;
- a S\$4.9 million contract to undertake piling works for The Vision condominium at West Coast Crescent scheduled for completion in 2011;
- a S\$77.7 million contract to build the Singapore Island Country Club's main clubhouse with completion date in 2011; and
- a S\$104.2 million contract from the Housing & Development Board to build seven blocks of flats in Yishun Neighbourhood 4 to be delivered in 2012.

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## **About BBR Group ([www.bbr.com.sg](http://www.bbr.com.sg))**

The BBR Group has its roots in specialised engineering. Since its inception in 1993, the Group has grown significantly and today, it has established three core business activities, namely, General Construction, Specialised 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 40-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 Specialised Engineering arm is part of the BBR Network that spans 42 countries. Today, BBR Singapore has a presence in Malaysia, Philippines, Thailand and Sri Lanka.

For its Property Development business, the Group is developing two upmarket condominium projects: 8 Nassim Hill comprising 16 super luxury triplex units with basement car parks and Lush at Holland Hill, a freehold development with 56 spacious units in two 12-storey blocks. Expanding its presence in the residential property market, the Group is developing another condominium project at 2A/B/C/D Simon Lane, a low-rise development with superior design elements consisting of about 120 units.

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Issued on behalf of BBR Holdings (S) Ltd by Waterbrooks Consultants Pte Ltd

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