



## **BBR Holdings reports net profit of S\$20m with revenue doubling to S\$413m for financial year ended 31 December 2011**

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<b>FINANCIAL HIGHLIGHTS</b>			
<b>S\$’m</b>	<b>FY2011</b>	<b>FY2010</b>	<b>Change ▲ ▼</b>
Revenue	413.3	205.8	▲101%
Gross Profit (GP)	41.7	31.6	▲32%
GP Margin (GPM)	10%	15%	▼5 pts
Profit Before Tax (PBT)	23.1	22.2	▲4%
Profit after tax & MI (PATMI)	20.1	19.6	▲3%
EPS (cents)	6.57	6.36	▲3%

Order book: ~S\$590 million as at 28 Feb 2012

As at 31 Dec 2011: Net Assets: S\$98.3 million; NAV per share: 31.7 cents

**SINGAPORE, 28 February 2012 – MAINBOARD-LISTED** BBR Holdings (S) Ltd (BBR控股) (‘BBR’ or ‘the Group’) today announced results for its financial year ended 31 December 2011 with its net profit attributable to shareholders rising to S\$20.1 million and revenue doubling to S\$413.3 million, compared to the previous financial year. Net profit went up 3 per cent compared to S\$19.6 million recorded a year ago.

Earnings per share for the 12 months ended 31 December 2011 was 3 per cent higher at 6.57 Singapore cents against 6.36 Singapore cents a year ago.

The Board of Directors has proposed a one-tier tax-exempt first and final dividend of 0.8 cent per share. This works out to a dividend yield of approximately 4% based on yesterday’s closing share price of 22.5 cents and a dividend payout ratio of 12

per cent for FY2011. If approved, the dividends of approximately S\$2.4 million will be paid to shareholders in May 2012.

The higher revenue achieved was mainly attributable to revenue contribution from various general construction projects, which were in their active stage of construction, and from revenue progressively recognised since first quarter of 2011 from Lush on Holland Hill, a property development project. Revenue from general construction and specialised engineering in FY2011 grew 69 per cent and 28 per cent respectively, from FY2010.

Gross profit increased by 32 per cent to S\$41.7 million compared to S\$31.6 million in the previous year. However, gross profit margin of 10 per cent for the financial year was lower than the gross profit margin of 15 per cent recorded previously mainly due to different project mix. Project margins in FY2011 had also been affected by rising cost of construction components such as concrete and steel, and workers' salaries.

The Group's share of results from its associates decreased to S\$1.9 million from S\$7.6 million in the previous corresponding year. Profits from associates relate mainly to the Group's share of profit from properties held for sale at 8 Nassim Hill.

BBR Chief Executive Officer Andrew Tan (陈庆辉) was delighted with the overall results. He said: "Despite a challenging economic climate last year, we have done well with doubling revenue and increasing net profits, compared to the previous financial year. The revenue from our building construction went up by almost 70 per cent due to the numerous public and private project wins last year while our specialised engineering held steady with its increased revenue contribution. We are pleased that our diversification into the property development has borne fruit, making a welcomed contribution to our total revenue.

"Our strong financial performance shows that with a steady base of projects, a proven track record and expertise, and a strong commitment to service quality, the Group is able to have a winning formula in a highly competitive market."

Among the Group's three business segments, general construction continued to be the main revenue generator with S\$243.2 million and 59 per cent of total revenue.

Property development has started making a contribution to total revenue over the past year, with S\$91.3 million and 22 per cent of the total revenue earned. The remaining S\$78.9 million and 19 per cent came from specialised engineering. In the previous financial year, general construction contributed 70 per cent and specialised engineering 30 per cent of total revenue.

Singapore and Malaysia continued to be the main revenue contributors, with revenue from Singapore jumping 114 percent to S\$386.3 million, and Malaysia up 8 per cent to S\$27.0 million compared to the previous year.

The Group has an order book of approximately S\$590 million to date with projects going until 2015, comprising mainly civil engineering and building contracts in Singapore and Malaysia.

### **Balance Sheet Highlights**

Investments in associates decreased to S\$15.0 million as at 31 December 2011 from the previous S\$22.7 million, after Tennessee Pte Ltd distributed dividends in the first half of 2011. The value of development properties rose to S\$138.2 million as at 31 December 2011 from S\$77.0 million a year ago. This was due largely to acquisition of land for development of Bliss@Kovan at Simon Lane, and costs for ongoing construction at Lush on Holland Hill, which were partially offset by progressive payments received for sold units at the two development properties.

With solid earnings growth for the financial year, BBR maintained its strong financial position backed by net assets of S\$98.3 million, which grew 22% over the S\$80.6 million registered on 31 December 2010. Net asset value per share was 31.7 Singapore cents as at 31 December 2011. Market capitalisation came to approximately S\$69.3 million based on the 27 February 2012 closing share price of 22.5 Singapore cents.

### **Business Outlook**

On 16 February 2012, the Ministry of Trade and Industry (MTI) announced that in the fourth quarter of 2011, the economy grew by 3.6 per cent on a year-on-year basis, compared to the 6.0 per cent growth in the third quarter. On a seasonally-adjusted quarter-on-quarter annualised basis, the economy contracted by 2.5 per cent,

following the 2.0 per cent gain in the previous quarter. Overall, the economy expanded by 4.9 per cent for the whole of 2011.

The construction sector grew by 2.9 per cent on a year-on-year basis, up from 2.4 per cent in the preceding quarter. On a sequential basis, the construction sector contracted by an annualised rate of 2.2 per cent, mainly due to a decline in residential building activities.

According to the Building and Construction Authority (BCA), total construction demand in Singapore was S\$32.3 billion for 2011, with 46.1 per cent of contribution from the public sector. Civil engineering projects for both public and private sectors accounted for 20.1 per cent of the total demand. BCA is forecasting the overall construction demand of between S\$21.0 billion and S\$27.0 billion for 2012. Public sector construction orders are expected to contribute between S\$13.0 billion and S\$15.0 billion, with civil engineering works accounting for between S\$4.6 billion and S\$5.7 billion. The support is likely to come from the continued strong public housing development demand as well as construction demand for institutional buildings and civil engineering projects.

While construction demand in Singapore appears to be healthy, the global economic outlook is expected to remain subdued with major Asian economies also likely to see slower growth, according to the MTI. It is maintaining its 2012 economic growth forecast at between 1.0 and 3.0 per cent. In view of the estimated moderate growth in the Singapore economy, increasing local and foreign competition and expected increase in labour and material costs, the outlook for the construction industry is expected to be challenging in the next 12 months.

The Group will continue to focus on its core business by leveraging on its strong track record and competency in building construction and civil engineering to secure more public sector projects. It will also as explore ways of enhancing cost effectiveness and optimise its efficiency in the management of potential and on-going projects. The Group continues to conduct feasibility studies to undertake new property development projects.

## Update on projects

To date, the Group has won several civil engineering and building projects from both the public and private sectors. These include:

- two contracts totaling RM76.45 million to construct and complete the facilities works for the Kelana Jaya LRT Line Extension Project, Package A and B, in Kuala Lumpur, Malaysia;
- a S\$48.3 million contract secured from Yang Kee Holdings Pte Ltd to construct Phase 2 of the Yang Kee Chemical Logistics Hub at Jurong Pier Road scheduled for completion in the second quarter of 2012;
- a S\$79.8 million contract secured from the Land Transport Authority to widen Keppel Viaduct targeted to be completed in the first half of 2015;
- a S\$413.8 million construction contract awarded to a joint venture, Takenaka–Singapore Piling Joint Venture 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 per cent share in the joint venture;
- 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 for Phase 3A of the Common Services Tunnel (CST-3A) due to be completed in first quarter of 2012;
- a Land Transport Authority contract worth S\$81.5 million to design and construct the Tai Seng Facility Building for the Downtown Line Project with completion in November 2014;
- 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;
- a S\$77.7 million contract to build the Singapore Island Country Club's main clubhouse with completion date in early 2012; and

- a S\$179 million contract from the Housing and Development Board to build 1,386 new homes in Pasir Ris Neighbourhood 5 due to be completed in second quarter 2014.

For its property development business, the Group is involved in three condominium projects: 8 Nassim Hill, an upmarket development comprising 16 super luxury triplex units with basement car parks completed in 2010; Lush at Holland Hill, a freehold development with 56 spacious units in two 12-storey blocks; and Bliss@Kovan, another freehold site to be developed into a five-storey condominium with superior design elements consisting of about 140 units.

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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.

Its Specialised Engineering arm is part of the BBR Network that spans 42 countries. Today, BBR Singapore has a presence in Malaysia, Philippines and Thailand.

For its Property Development business, the Group is involved in three condominium projects: 8 Nassim Hill, an upmarket development comprising 16 super luxury triplex units with basement carparks completed in 2010; Lush at Holland Hill, a freehold development with 56 spacious units in two 12-storey blocks and Bliss @ Kovan, another freehold site to be developed into a five-storey condominium with superior design elements consisting of about 140 units. 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.

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

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