



# HOLDINGS (S) LTD

Registration No.: 199304349M

## Financial Statement for the Third Quarter and Nine Months Ended 30 September 2015

### PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement with a consolidated statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediate preceding financial year.

	Third quarter ended 30 September			9 months ended 30 September		
	2015 S\$'000	2014 S\$'000	Change %	2015 S\$'000	2014 S\$'000	Change %
<b><u>INCOME STATEMENT</u></b>						
Revenue	102,978	171,550	(40.0)	301,657	505,937	(40.4)
Cost of sales	(96,560)	(169,107)	(42.9)	(283,625)	(481,561)	(41.1)
<b>Gross profit</b>	<b>6,418</b>	<b>2,443</b>	<b>162.7</b>	<b>18,032</b>	<b>24,376</b>	<b>(26.0)</b>
Other operating income	706	5,407	(86.9)	2,502	7,584	(67.0)
Other (expense)/income	(29)	70	N.M	15	94	(84.0)
Administrative costs	(2,398)	(2,479)	(3.3)	(6,350)	(7,035)	(9.7)
Other operating costs	(2,921)	(3,869)	(24.5)	(10,482)	(10,652)	(1.6)
Finance costs	(133)	(130)	2.3	(274)	(339)	(19.2)
Share of results of associates	8	(193)	N.M	66	(358)	N.M
Share of results of a joint venture	(88)	-	N.M	(403)	-	N.M
<b>Profit before taxation</b>	<b>1,563</b>	<b>1,249</b>	<b>25.1</b>	<b>3,106</b>	<b>13,670</b>	<b>(77.3)</b>
Income tax (expense)/credit	(399)	332	N.M	(832)	(1,653)	(49.7)
<b>Profit for the period</b>	<b>1,164</b>	<b>1,581</b>	<b>(26.4)</b>	<b>2,274</b>	<b>12,017</b>	<b>(81.1)</b>
<b>Attributable to:</b>						
Equity holders of the Company	1,081	1,428	(24.3)	1,969	11,591	(83.0)
Non-controlling interests	83	153	(45.8)	305	426	(28.4)
	<b>1,164</b>	<b>1,581</b>	<b>(26.4)</b>	<b>2,274</b>	<b>12,017</b>	<b>(81.1)</b>
N.M. - Not meaningful						

	Third quarter ended 30 September			9 months ended 30 September		
	2015 S\$'000	2014 S\$'000	Change %	2015 S\$'000	2014 S\$'000	Change %
<b>STATEMENT OF COMPREHENSIVE INCOME</b>						
Profit for the period	1,164	1,581	(26.4)	2,274	12,017	(81.1)
<u>Other comprehensive income:</u> <u>Items that may be reclassified subsequently to profit or loss</u>						
Foreign currency translation differences	(1,330)	(70)	N.M	(2,006)	41	N.M
Other comprehensive income for the period	(1,330)	(70)	N.M	(2,006)	41	N.M
<b>Total comprehensive income for the period</b>	<b>(166)</b>	<b>1,511</b>	N.M	<b>268</b>	<b>12,058</b>	(97.8)
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	28	1,363	(97.9)	374	11,614	(96.8)
Non-controlling interests	(194)	148	N.M	(106)	444	N.M
	(166)	1,511	N.M	268	12,058	(97.8)

#### **NOTES TO INCOME STATEMENT**

The following items have been included in arriving at profit for the period:

Depreciation of property, plant and equipment	1,277	1,649	(22.6)	3,984	4,769	(16.5)
Foreign exchange (gain)/loss	(29)	(70)	(58.6)	15	(94)	N.M
Gain on disposal of property, plant and equipment	(17)	(2,880)	N.M	(69)	(2,973)	N.M
Loss/(gain) on liquidation/disposal of an associate	576	(1,518)	N.M	576	(1,518)	N.M
Interest expense	133	130	2.3	274	339	(19.2)
Interest income	(93)	(20)	365.0	(157)	(61)	157.4
Write-back of allowance for doubtful receivables (net)	(497)	(117)	324.8	(486)	(337)	44.2
Allowance for inventories obsolescence	-	-	N.M	-	90	N.M
Write-off of trade payables	-	-	N.M	(87)	-	N.M
Share based compensation expense	-	33	N.M	-	176	N.M
Underprovision of income tax in respect of previous years	53	5	960.0	53	10	430.0

**1(b)(i) A statement of financial position (for the issuer and Group) together with a comparative statement as at the end of the immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-15</b>	<b>31-Dec-14</b>	<b>30-Sep-15</b>	<b>31-Dec-14</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	40,111	25,222	20,603	7,264
Intangible assets	419	419	-	-
Investments in subsidiaries	-	-	68,549	68,549
Investments in associates	1,201	8,195	260	260
Investment in a joint venture	-	-	-	-
Deferred tax assets	1,085	1,085	-	-
Trade receivables	7,433	13,698	-	-
Loans to an associate	19,174	31,952	-	-
Loans to a joint venture	16,637	-	-	-
<b>Current assets</b>				
Amounts due from subsidiaries	-	-	13,351	18,805
Development properties	88,025	75,200	-	-
Gross amount due from customers for work-in-progress	43,723	31,890	-	-
Inventories	4,210	3,944	-	-
Trade receivables	60,791	75,706	-	-
Other receivables	7,419	4,741	1,045	122
Pledged deposits	5,243	6,638	-	-
Cash and cash equivalents	16,348	38,002	710	729
	<b>225,759</b>	<b>236,121</b>	<b>15,106</b>	<b>19,656</b>
<b>Current liabilities</b>				
Amounts due to subsidiaries	-	-	13,507	11,161
Gross amount due to customers for work-in-progress	36,879	35,171	-	-
Trade and other payables	66,729	88,653	103	165
Other liabilities	4,463	3,656	516	1,461
Loans and borrowings	38,153	33,139	2,238	1,640
Income tax payable	781	1,139	263	213
	<b>147,005</b>	<b>161,758</b>	<b>16,627</b>	<b>14,640</b>
<b>Net current assets/(liabilities)</b>	<b>78,754</b>	<b>74,363</b>	<b>(1,521)</b>	<b>5,016</b>
<b>Non-current liabilities</b>				
Trade payables	11,279	10,923	-	-
Deferred tax liabilities	5,339	4,045	-	-
Loans and borrowings	13,461	3,035	10,974	1,640
	<b>134,735</b>	<b>136,931</b>	<b>76,917</b>	<b>79,449</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	43,967	43,967	43,967	43,967
Treasury shares	(69)	(69)	(69)	(69)
Retained earnings	90,804	91,299	33,019	35,551
Foreign currency translation reserve	(2,475)	(880)	-	-
	132,227	134,317	76,917	79,449
Non-controlling interests	2,508	2,614	-	-
<b>Total equity</b>	<b>134,735</b>	<b>136,931</b>	<b>76,917</b>	<b>79,449</b>

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

**Amount repayable in one year or less, or on demand**

As at 30/09/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$34,153,000	S\$4,000,000	S\$33,139,000	-

**Amount repayable after one year**

As at 30/09/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$13,461,000	-	S\$3,035,000	-

**Details of any collateral**

The secured borrowings repayable within one year and after one year comprise mainly obligations under finance leases, banker's acceptances and property and working capital loans. These are secured by charges over the property held for sale at Bliss@Kovan, Singapore, leasehold land and buildings, plant and equipment, and motor vehicles and fixed deposits from a subsidiary.

1(c) A consolidated statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Third quarter ended 30 September		9 months ended 30 September	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
<b>Cash flows from operating activities</b>				
Profit before taxation	1,563	1,249	3,106	13,670
Adjustments for:				
Depreciation of property, plant and equipment	1,277	1,649	3,984	4,769
Write-back of allowance for doubtful receivables (net)	(497)	(117)	(486)	(337)
Write-off of trade payables	-	-	(87)	-
Allowance for inventories obsolescence	-	-	-	90
Interest income	(93)	(20)	(157)	(61)
Interest expense	133	130	274	339
Gain on disposal of property, plant and equipment	(17)	(2,880)	(69)	(2,973)
Loss/(gain) on liquidation/disposal of an associate	576	(1,518)	576	(1,518)
Share of results of a joint venture	88	-	403	-
Share of results of associates	(8)	193	(66)	358
Share based compensation expense	-	33	-	176
Net effect of exchange rate changes in consolidating subsidiaries	(1,307)	20	(2,100)	(108)
<b>Operating profit/(loss) before working capital changes</b>	<b>1,715</b>	<b>(1,261)</b>	<b>5,378</b>	<b>14,405</b>
Increase in development properties	(7,583)	(2,343)	(12,437)	(934)
(Increase)/decrease in amount due from customers for work-in-progress (net)	(7,946)	17,115	(9,209)	46,696
(Increase)/decrease in trade receivables	(5,364)	16,212	18,560	(20,459)
Decrease/(increase) in other receivables	453	(799)	(2,798)	(447)
Decrease/(increase) in inventories	245	(1,005)	(687)	(660)
Increase/(decrease) in trade and other payables	7,794	(8,555)	(18,862)	1,214
(Decrease)/increase in other liabilities	(437)	2,206	622	2,100
<b>Cash (used in)/from operations</b>	<b>(11,123)</b>	<b>21,570</b>	<b>(19,433)</b>	<b>41,915</b>
Interest paid	(266)	(277)	(619)	(840)
Interest received	93	20	157	61
Income tax (paid)/refund	(128)	(1,221)	104	(1,546)
<b>Net cash (used in)/from operating activities</b>	<b>(11,424)</b>	<b>20,092</b>	<b>(19,791)</b>	<b>39,590</b>
<b>Cash flows from investing activities:</b>				
Proceeds from disposal of property, plant and equipment	17	4,200	89	4,293
Proceeds from liquidation/disposal of an associate	638	2,380	638	2,380
Purchase of property, plant and equipment (Note A)	(16,428)	(937)	(19,331)	(2,229)
Net cash outflow on acquisition of a subsidiary	-	(50)	-	(50)
Dividend income from an associate	-	-	4,800	-
Investment in associates	-	-	-	(218)
Investment in a joint venture	-	-	(250)	-
<b>Net cash (used in)/from investing activities</b>	<b>(15,773)</b>	<b>5,593</b>	<b>(14,054)</b>	<b>4,176</b>
<b>Cash flows from financing activities</b>				
Loans to an associate	-	(1,829)	-	(1,829)
Repayment from an associate	13,825	-	13,825	-
Loans to a joint venture	(691)	-	(19,142)	-
Repayment from a joint venture	2,505	-	2,505	-
Dividends paid on ordinary shares	-	-	(2,464)	(2,458)
(Repayment)/proceeds from bank borrowings, net	(1,547)	(1,254)	8,976	837
Proceeds from long term borrowings	13,043	-	13,043	-
Repayment of long term borrowings	(410)	(3,190)	(4,630)	(14,010)
Repayment of finance leases	(419)	(801)	(1,602)	(1,187)
Decrease/(increase) in pledged deposits	1,161	-	530	(51)
Net effect of exchange rate changes in consolidating subsidiaries	109	-	318	-
<b>Net cash from/(used in) financing activities</b>	<b>27,576</b>	<b>(7,074)</b>	<b>11,359</b>	<b>(18,698)</b>

1(c) Consolidated statement of cash flows (continued)

	Third quarter ended 30 September		9 months ended 30 September	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Net increase/(decrease) in cash & cash equivalents	379	18,611	(22,486)	25,068
Net effect of exchange rate changes in consolidating subsidiaries	543	(68)	832	55
Cash and cash equivalents at beginning of the period	15,426	26,772	38,002	20,192
<b>Cash and cash equivalents at end of the period</b>	<b>16,348</b>	<b>45,315</b>	<b>16,348</b>	<b>45,315</b>
<u>Comprising:</u>				
Cash and bank balances	12,337	31,830	12,337	31,830
Fixed deposits	9,254	17,113	9,254	17,113
	21,591	48,943	21,591	48,943
Less: Pledged fixed deposits	(5,243)	(3,628)	(5,243)	(3,628)
	<b>16,348</b>	<b>45,315</b>	<b>16,348</b>	<b>45,315</b>

Note A

The Group acquired property, plant and equipment through the following arrangements:

	Third quarter ended 30 September		9 months ended 30 September	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Total cost of property, plant and equipment acquired	16,452	1,179	19,572	3,817
Less: Hire purchase arrangements	-	(238)	(215)	(1,586)
Net exchange differences	(24)	(4)	(26)	(2)
Cash payments	16,428	937	19,331	2,229

**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 Company						Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Foreign	Share plan reserve S\$'000	Non- controlling interests S\$'000	
				currency translation reserve S\$'000			
Balance at 1 Jan 2015	43,967	(69)	91,299	(880)	-	2,614	136,931
Total comprehensive income for the period	-	-	848	(336)	-	78	590
Balance at 31 Mar and 1 Apr 2015	43,967	(69)	92,147	(1,216)	-	2,692	137,521
Dividends paid on ordinary shares	-	-	(2,464)	-	-	-	(2,464)
Total comprehensive income for the period	-	-	40	(206)	-	10	(156)
Balance at 30 Jun and 1 Jul 2015	43,967	(69)	89,723	(1,422)	-	2,702	134,901
Total comprehensive income for the period	-	-	1,081	(1,053)	-	(194)	(166)
<b>Balance at 30 Sep 2015</b>	<b>43,967</b>	<b>(69)</b>	<b>90,804</b>	<b>(2,475)</b>	<b>-</b>	<b>2,508</b>	<b>134,735</b>
Balance at 1 Jan 2014	43,967	(450)	82,527	(577)	172	1,843	127,482
Share based compensation expense	-	-	-	-	91	-	91
Total comprehensive income for the period	-	-	5,042	5	-	134	5,181
Balance at 31 Mar and 1 Apr 2014	43,967	(450)	87,569	(572)	263	1,977	132,754
Treasury shares reissued pursuant to employee share plan	-	190	-	-	(190)	-	-
Share based compensation expense	-	-	-	-	52	-	52
Dividends paid on ordinary shares	-	-	(2,458)	-	-	-	(2,458)
Total comprehensive income for the period	-	-	5,121	83	-	162	5,366
Balance at 30 Jun and 1 Jul 2014	43,967	(260)	90,232	(489)	125	2,139	135,714
Share based compensation expense	-	-	-	-	33	-	33
Acquisition of a subsidiary	-	-	-	-	-	250	250
Total comprehensive income for the period	-	-	1,428	(65)	-	148	1,511
<b>Balance at 30 Sep 2014</b>	<b>43,967</b>	<b>(260)</b>	<b>91,660</b>	<b>(554)</b>	<b>158</b>	<b>2,537</b>	<b>137,508</b>

## 1(d)(i) A statement of changes in equity (continued)

Company	Attributable to equity holders of the Company				
	Share capital S\$'000	Treasury shares S\$'000	Share plan reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance at 1 Jan 2015	43,967	(69)	-	35,551	79,449
Total comprehensive income for the period	-	-	-	9	9
Balance at 31 Mar and 1 Apr 2015	43,967	(69)	-	35,560	79,458
Dividends paid on ordinary shares	-	-	-	(2,464)	(2,464)
Total comprehensive income for the period	-	-	-	(219)	(219)
Balance at 30 Jun and 1 Jul 2015	43,967	(69)	-	32,877	76,775
Total comprehensive income for the period	-	-	-	142	142
<b>Balance at 30 Sep 2015</b>	<b>43,967</b>	<b>(69)</b>	<b>-</b>	<b>33,019</b>	<b>76,917</b>
Balance at 1 Jan 2014	43,967	(450)	172	21,222	64,911
Share based compensation expense	-	-	91	-	91
Total comprehensive income for the period	-	-	-	201	201
Balance at 31 Mar and 1 Apr 2014	43,967	(450)	263	21,423	65,203
Treasury shares reissued pursuant to employee share plan	-	190	(190)	-	-
Share based compensation expense	-	-	52	-	52
Dividends paid on ordinary shares	-	-	-	(2,458)	(2,458)
Total comprehensive income for the period	-	-	-	70	70
Balance at 30 Jun and 1 Jul 2014	43,967	(260)	125	19,035	62,867
Share based compensation expense	-	-	33	-	33
Total comprehensive income for the period	-	-	-	130	130
<b>Balance at 30 Sep 2014</b>	<b>43,967</b>	<b>(260)</b>	<b>158</b>	<b>19,165</b>	<b>63,030</b>

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.

### Share capital

There have been no changes to the issued share capital of the Company since the end of the previous financial year. As at 30 September 2015 and 31 December 2014, the issued share capital of the Company was \$43,967,199 comprising 307,999,418 ordinary shares and 211,000 treasury shares.

### Treasury shares

The Company did not acquire any ordinary shares of the Company to be held as treasury shares during 3Q15 and 3Q14. The number of treasury shares held as at 30 September 2015 was 211,000 (as at 30 September 2014: 916,000).

	<u>No. of shares</u>	<u>S\$'000</u>
At 1 January and 30 September 2015	211,000	69

### Employee performance share plan

As at 30 September 2015, there were Nil (as at 30 September 2014: 705,000) performance shares granted and outstanding (being contingent award) to eligible employees and directors under the BBR Share Plan.



**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at 30 September 2015 was 307,999,418 (as at 31 December 2014: 307,999,418). The total number of treasury shares held as at 30 September 2015 was 211,000 (as at 31 December 2014: 211,000).

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current period reported on.**

Same as disclosed in para 1(d)(ii), there were no sales, transfers, disposal, cancellation and/or use of treasury shares during the nine months ended 30 September 2015.

**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 reporting period as those adopted in the most recently audited financial statements for the financial year ended 31 December 2014 except that the Group has adopted all the new and revised standards and interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2015.

**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.**

The adoption of the standards and interpretations highlighted in paragraph 4 above did not have any effect on the financial performance or position of the Group presented in this announcement, except that the Group had revised the estimated useful lives of certain machinery. This change in accounting estimates was accounted for prospectively from 1 January 2015, and the effect of this change was a decrease in depreciation charge of \$629,000 for the 9 months ended 30 September 2015.

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.**

	Note	Third Quarter Ended 30 September		9 months Ended 30 September		
		2015 Cents	2014 Cents	2015 Cents	2014 Cents	
Earnings per ordinary share of the Group attributable to shareholders						
(a)	Based on the weighted average number of ordinary shares in issue	(1)	0.35	0.47	0.64	3.77
(b)	On a fully diluted basis (detailing any adjustment made to earnings)	(2)	0.35	0.46	0.64	3.77

Note

(1) Weighted average number of shares of 307,999,418 (30 September 2014: 307,062,000) takes into account the weighted average effect of changes in treasury shares transactions during the period.

(2)

	9 months Ended 30 September	
	2015	2014
Weighted average number of ordinary shares for basic earnings per share computation	307,999,418	307,062,000
Effect of dilution – performance shares	-	705,000
Weighted average number of ordinary shares for diluted earnings per share computation	307,999,418	307,767,000

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	
	30.9.15 Cents	31.12.14 Cents	30.9.15 Cents	31.12.14 Cents
Net asset value per ordinary share based on issued capital at the end of the period	42.93	43.61	24.97	25.80

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.**

Income Statement Review – Third Quarter 2015 ('3Q15') vs Third Quarter 2014 ('3Q14')

Group revenue decreased to \$103.0 million in 3Q15 from \$171.6 million in 3Q14 and net profit attributable to equity holders of the Company fell to \$1.1 million in 3Q15 compared to \$1.4 million in 3Q14.

The decline in 3Q15 revenue was due mainly to lower revenue from the general construction segment. A few major general construction projects were completed at the end of 2014, which contributed to lower revenue recognition for the remaining ongoing projects from the start of 2015, including 3Q15. The decrease was partially offset by higher revenue contribution from our property development project, Bliss @Kovan, which was at its active stage of construction with Temporary Occupation Permit ("TOP") targeted in November 2015.

Gross profit for 3Q15 rose to \$6.4 million compared to \$2.4 million for 3Q14. The higher gross profit for 3Q15 was mainly attributable to increased profit contribution from Bliss @Kovan development project, which was at its active stage of construction. Additionally, project losses recognised in 3Q14 for general construction projects as a result of cost overruns for some key construction materials and manpower costs led to lower gross profit achieved in 3Q14. The Group's gross margin for 3Q15 increased to 6.2% from a low of 1.4% in 3Q14.

The Group's other operating income in 3Q15 and 3Q14 were \$0.7 million and \$5.4 million, respectively. The higher income derived in 3Q14 included gains on disposal of a leasehold property in Sungei Kadut and gains on disposal of investment in an associate, FOSTA Pte Ltd. Other income for 3Q15 comprised rental and administrative fee income from the training and test centres.

Administrative costs decreased to \$2.4 million in 3Q15 from \$2.5 million in 3Q14 mainly due to lower depreciation charge and sales and marketing expense and offset partially by a loss on liquidation of Tennessee Pte Ltd ("Tennessee"), an associate in the current period. Other operating cost decreased to \$2.9 million in 3Q15 from \$3.9 million due to doubtful debts written back for overdue debts collected by our Malaysia subsidiary, and lower remuneration and employee related expenses in the current quarter.

The Group recorded \$8,000 for share of results of associates in 3Q15, compared to \$193,000 loss in 3Q14. The loss in 3Q14 was mainly due to rectification and maintenance costs for 8 Nassim Hill development project by Tennessee, which was voluntarily dissolved in September 2015.

Losses of \$88,000 from share of results of a joint venture in 3Q15 comprised mainly interest from a development loan for the new mixed residential and commercial development at Yishun ("Yishun Mixed Development") where the Group holds a 25% equity interest.

Income tax expense for 3Q15 was \$0.4 million compared to a tax credit of \$0.3 million in the previous corresponding quarter, the latter due to recognition of deferred tax assets arising from losses in a subsidiary.

The Group recorded foreign currency translation loss of \$1.3 million for 3Q15 under other comprehensive income due to translation loss of its Malaysia subsidiary from the weakening of the Malaysian ringgit against the Singapore dollar over the period.

#### Income Statement Review – 9 months 2015 ('9M15') vs 9 months 2014 ('9M14')

Group revenue decreased to \$301.7 million for 9M15 from \$505.9 million for 9M14 and net profit attributable to equity holders fell to \$2.0 million in the current period from \$11.6 million in the previous corresponding period.

The decline in revenue for 9M15 was due mainly to lower revenue recorded for the general construction and property development segments. With the completion of a few major general construction projects at the end of 2014, the remaining projects under construction contributed to lower construction activities and revenue recognition for 9M15. Construction at Bliss @Kovan was very active in 9M14 which accounted for higher property development revenue contribution in the corresponding period.

Gross profit for 9M15 decreased to \$18.0 million from \$24.4 million in 9M14, mainly due to lower revenue. However, gross margin rose to 6.0% in 9M15 as compared to 4.8% in 9M14, mainly due to difference in project mix. In 9M15, the Group's green technology segment achieved a healthy gross profit margin from its maiden revenue and gross profit contribution, although these were not yet material to the Group.

Other operating income decreased to \$2.5 million in 9M15 from \$7.6 million in 9M14. Other income in 9M14 included recognition of gains for disposal of a leasehold property in Sungei Kadut and gains on disposal of investment in an associate, FOSTA Pte Ltd. Rental and administrative fee income from the training and test centres were also lower in 9M15 compared to 9M14.

Administrative costs in 9M15 decreased to \$6.3 million from \$7.0 million in 9M14 largely due to lower depreciation and sales and marketing expense and offset partially by a loss on liquidation of Tennessee. Other operating cost decreased marginally to \$10.5 million from \$10.7 million in 9M14 due mainly to a higher write back of allowance for doubtful receivables in the current period.

Finance costs decreased to \$274,000 in 9M15 from \$339,000 in 9M14 due to lower interest expense from remaining outstanding finance leases.

Associates of the Group contributed \$66,000 to share of results of associates in 9M15. In the same period last year, share of associates' loss of \$0.2 million pertains mainly to rectification costs for a development project by Tennessee. The Group has another on-going property development project through Lakehomes Pte. Ltd. ('Lakehomes') which is 35% owned by the Group. Lakehomes is the developer for Lake Life Executive Condominium in Jurong Lake district and construction at the development is 39% completed with approximately 97% of the units sold as at 30 September 2015. However, Lakehomes is unable to progressively recognise revenue and profits from the sales until the development achieves TOP, in accordance to the financial accounting standards for executive condominium development. TOP is expected to be obtained by end of 2016.

Share of losses in a joint venture for \$0.4 million is attributable to the Group's 25% share of start-up expense and interest for development loan for Yishun Mixed Development.

Income tax expense for 9M15 decreased to \$0.8 million from \$1.7 million for 9M14 due to lower profits in the current period.

Other comprehensive income comprising foreign currency translation loss of \$2.0 million for 9M15 was due to translation loss of its Malaysia subsidiary from the weakening of the Malaysian ringgit against the Singapore dollar since January 2015 to September 2015.

#### Statement of Financial Position Review

The carrying amount of the Group's property, plant and equipment ("PPE") rose to \$40.1 million as at 30 September 2015 from \$25.2 million as at 31 December 2014. In the current period, the Group re-purchased its office building at 50 Changi South ("BBR Building") from A-Reits and incurred additional construction costs for an ongoing project relating to infrastructure and installation works for a 20-year solar leasing contract with Ang Mo Kio Town Council. The additions in PPE were offset by depreciation charges in the current period.

Investments in associates decreased to \$1.2 million as at 30 September 2015 from \$8.2 million as at 31 December 2014 after Tennessee, which developed 8 Nassim Hill was dissolved voluntarily in September 2015.

Loans to an associate, Lakehomes decreased to \$19.2 million as at 30 September 2015 from \$32.0 million as at 31 December 2014 after the loan was partially repaid in 3Q15.

Loans of \$16.6 million to a joint venture, NorthernOne Development Pte Ltd was attributable to cash advance to partially finance the acquisition of land and other development costs for Yishun Mixed Development in the current period.

Development property increased to \$88.0 million as at 30 September 2015 from \$75.2 million as at 31 December 2014 due mainly to higher cumulative construction costs to-date and progressive profits recognised at Bliss @Kovan and partially offset by progress claims billed for sold units.

Amount due from customers for work-in-progress (which represents costs and profits in excess of billings taken up) increased to \$43.7 million as at 30 September 2015 from \$31.9 million as at end of 2014. The increase was mainly due to higher cost increments compared to progress billings for general construction projects in their active stage of construction during the period.

Total current and non-current trade receivables decreased to \$68.2 million as at 30 September 2015 from \$89.4 million as at 31 December 2014, in tandem with revenue declines. Other receivables rose to \$7.4 million as at 30 September 2015 from \$4.7 million as at 31 December 2014 due mainly to advance payment to a subcontractor for commencement of production for a prefabricated prefinished volumetric construction project.

Cash and cash equivalents and pledged deposits decreased to \$21.6 million as at 30 September 2015 from \$44.6 million as at 31 December 2014, mainly attributable to purchase of PPE, loans to a joint venture to partially finance Yishun Mixed Development and net cash outflows from operations. The disbursements were partially offset by funds from long-term loans, working capital loans and loan repayments by an associate. Net cash used in operations amounting to \$19.1 million resulted mainly from cash outflows arising from increases in development properties and work-in-progress, a decrease in trade and other payables, and partially offset by cash inflow from trade receivables.

Current and non-current trade and other payables decreased to \$78.0 million as at 30 September 2015 from \$99.6 million as at 31 December 2014, mainly due to decreased project costs as a result of lower general construction work volume.

Other liabilities increased to \$4.5 million as at 30 September 2015 from \$3.7 million as at 31 December 2014, attributable to provisions for operating expenses for the current period.

Deferred tax liability rose to \$5.3 million as at 30 September 2015 from \$4.0 million as at 31 December 2014 attributable to tax provision for BBR Kovan Pte Ltd. Income tax expenses for development profits at Bliss @Kovan is due next year after TOP in the last quarter of 2015.

Total bank loans and borrowings increased to \$51.6 million as at 30 September 2015 from \$36.2 million as at 31 December 2014 mainly attributable to a new term loan to partially finance the purchase of BBR Building and a working capital loan drawn down to partially fund the Group's investment in Yishun Mixed Development.

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

The results reported herein are in line with our announcement in the previous quarter.

**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.**

On 14 October 2015, the Ministry of Trade and Industry announced that based on advance estimates, the Singapore economy grew by 1.4 per cent on a year-on-year basis in the third quarter of 2015, easing from the 2.0 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 0.1 per cent, a reversal from the 2.5 per cent contraction in the preceding quarter. The construction sector expanded by 1.6 per cent on a year-on-year basis in the third quarter, moderating from the 2.0 per cent growth recorded in the previous quarter. The slowdown was mainly due to weaker private sector construction activities. On a quarter-on-quarter seasonally-adjusted basis, the sector contracted by 0.8 per cent, a reversal from the 12.4 per cent expansion in the preceding quarter.

The industry outlook remains challenging in the next 12 months with increasing competition and manpower shortages. The Group will continue to focus on its core business by leveraging its strong track record in building construction and civil engineering to secure more projects as well as enhancing cost effectiveness and efficiency optimisation in the management of on-going projects. BBR will also continue to conduct feasibility studies to undertake new property development projects.

As at the date of this announcement, the Group has an order book of approximately \$515 million in respect of construction projects, predominantly in Singapore and Malaysia.

**11. Dividend**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended)**

No.

(b) (i) *Amount per share* – Not applicable

(ii) *Previous corresponding period* – Not applicable

(c) *Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived (if the dividend is not taxable in the hands of shareholders, this must be stated)*

Not applicable

(d) *The date the dividend is payable*

Not applicable

(e) *The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined*

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.

**13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions “IPTs”, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained pursuant to Rule 920(1).

## **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 2015 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