



BBR Holdings posts 41% increase in net profit to S\$7.2m for half year ended 30 June 2010

“Our results for first half 2010 were in line with expectations. With a healthy order book, net profit going up by 41% for the half year and 17% for the quarter, the Group has once again demonstrated its ability to create value for its shareholders,” said Mr Andrew Tan, BBR Holdings’ Chief Executive Officer.

FINANCIAL HIGHLIGHTS						
S\$'m	2Q10	2Q09	Change	1H10	1H09	Change
Revenue	36.5	53.8	▼32%	68.7	115.0	▼40%
Gross Profit	6.8	3.5	▲96%	13.2	7.4	▲78%
Profit Before Tax	3.3	2.7	▲24%	8.3	5.7	▲45%
PATMI	2.7	2.3	▲17%	7.2	5.1	▲41%
EPS (cents)	0.87	0.75	▲16%	2.33	1.65	▲41%
Order Book stands at approximately S\$576 million as at 11 August 2010						
Net Assets S\$67.8 million and NAV per share 22.02 cents as at 30 June 2010						

SINGAPORE, 12 August 2009 – **MAINBOARD-listed** BBR Holdings (S) Ltd (BBR) has posted net profit after tax and minority interests of S\$7.2 million for the six months ended 30 June 2010, an improvement of 41% from the S\$5.1 million it made in the same preceding corresponding period.

For half-year ended 30 June 2010, Group revenue was S\$68.7 million compared to S\$115.0 million previously. A key factor contributing to this was the fact that revenue had not been recognised for several large construction projects as they have not achieved the minimum percentage of completion required for revenue recognition in keeping with the Group’s accounting policy.

Gross profit for half-year 2010 expanded by 78% from S\$7.4 million in 1H2009 to S\$13.2 million because of higher contributions from both specialised engineering and general construction projects. The Group's tight project cost monitoring measures over the past six months have also resulted in an improved overall gross profit margin. Gross profit margin was also partly boosted by additional revenue from finalisation of billings for various projects completed in 2009, for which costs were already taken up last year. Compared with the same period last year, gross profit margin increased to 19% from 6%. Earnings per share stood at 2.33 cents against 1.65 cents in the previous corresponding period.

On a quarterly basis, revenue was S\$36.5 million in 2Q10 against S\$53.8 million previously due to lower revenue being recognised from general construction projects during the quarter. Despite lower revenues, gross profit almost doubled to S\$6.8 million in the second quarter compared to S\$3.5 million in the preceding corresponding quarter as a result of higher profit contributions from the Group's specialised engineering and general construction projects. The increase in gross profit was also due to additional revenue received from finalisation of billings for various projects that were completed in 2009, for which costs were already accounted for last year. Quarter-on-quarter, its gross profit margin saw a marked increase of 19% in the second quarter from 6% in 2Q09.

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

With a healthy order book of approximately S\$576 million as at 12 August 2010, comprising mainly civil engineering and building projects in Singapore and Malaysia, the Group anticipates that it will remain profitable for financial year 2010.

BBR Holdings' Chief Executive Officer, Mr Andrew Tan said: "Our results for first half 2010 were in line with expectations. With a healthy order book, net profit going up by 41% for the half year and 17% for the quarter, the Group has once again demonstrated its ability to create value for its shareholders."

“We are pleased to have turned in a creditable performance but continue to be mindful of the need to work hard to convert bids into contracts, to contain costs and to grow our profitability,” he added.

Financial base

BBR continued to maintain a healthy liquidity position with net cash generated from operating activities of S\$5.7 million for second quarter ended 30 June 2010 with cash and cash equivalents position at S\$45.6 million.

The Group’s financial base remained in good shape with assets totalling S\$218.6 million at 30 June 2010. Its healthy balance sheet was backed by a sound capital position with equity attributable to shareholders of S\$66.8 million, strengthening by 8% over the S\$61.7 million registered in 31 December 2009.

Net asset value per share was 22.02 cents as at 30 June 2010, a 9% increase compared to 31 December 2009.

The total number of shares issued to date is approximately 307.71 million, reduced from approximately 1.54 billion shares as at 31 December 2009 due to a share consolidation exercise completed on 26 February 2010, as well as 500,000 shares being purchased by the Company on 25 and 26 March 2010 and held as treasury shares.

As at 11 August, its market capitalisation stood at S\$67.7 million based on the closing share price of 22 cents.

Outlook

The outlook for the construction industry for the next 12 months appears positive, driven by a GDP growth forecast of 13% to 15% in 2010 and a steady stream of public sector projects.

The Building and Construction Authority has forecasted total construction demand in 2010 to reach S\$21.0–S\$27.0 billion with the bulk - about 65% of total demand - coming from the public sector. This will largely comprise building construction and

civil engineering projects from the Land Transport Authority such as the MRT projects for Downtown Line Stage 3 and major road projects. Other forthcoming projects include schools, public housing, industrial facilities at Seletar Aerospace Park and new healthcare facilities.

Private sector construction demand is also expected to be higher compared to 2009, totalling S\$7.0–S\$9.1 billion, with more private residential projects coming on-stream due to better market outlook. Construction demand for commercial and institutional developments is also predicted to go up.

“For the rest of 2010, we hope to benefit from the strong pipeline of public sector projects, which continues to be sustained by considerable Government spending in large infrastructure projects. As such, we expect our increasing market presence in this space to help drive further growth in revenues and profits,” explained Mr Tan.

Corporate developments

BBR’s four new contracts which it won from both the public and private sectors since the start of this year are keeping the Group very busy, apart from other ongoing civil engineering and building projects secured in the past. Among others, these ongoing projects consist of:

- two Common Services Tunnel projects from the Urban Redevelopment Authority, for Phase 3A and Phase 3B, valued at S\$189.6 million and S\$139.6 million due for completion in the second half of 2011 and the second half of 2014 respectively;
- a S\$81.5 million project for the design and construction of the Tai Seng Facility Building relating to the Downtown Line Project which is scheduled for completion in November 2014;
- a S\$4.9 million contract for piling works for The Vision condominium development at West Coast Crescent targeted for completion by the end of the year;
- a S\$77.7 million contract to build the Singapore Island Country Club’s main clubhouse scheduled to be finished in 2011; and
- a S\$104.2 million contract from the Housing & Development Board to build seven blocks of flats in Yishun Neighbourhood 4 with completion date in 2012.

Just last month, sustaining its high activity level for first half 2010, the Group announced that it had acquired the 9,076.9 sq m–Goodrich Park site for S\$86 million, which it intends to develop into a low-rise condominium.

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About BBR Group

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 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 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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