

23 April 2007

Initiate Coverage

Current S\$0.15
 Target S\$0.20

MAIN ACTIVITIES

BBR Holdings three core businesses are in general construction, specialised engineering and property development with operations in Singapore, Malaysia, Philippines, Thailand, Sri Lanka, India and South Korea.

ISSUE STATISTICS

No of shares: 1,361.1m
 Market cap: S\$204.2m
 Year Hi/Lo: S\$0.18/S\$0.03
 Listing Bourse: SGX-Sesdaq, later transferred to SGX-Mainboard
 Listing Date: 8 Sept 1997, transferred on 20 Sept 2006

BBR SHARE PRICE vs. STI



Source: SIAS Research

ANALYST

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BBR Holdings

Riding on construction, property boom

BUY

BBR Holdings, a Singapore-based, Swiss-backed construction company with annual sales of just over S\$100m, is repositioning itself for more business.

Recent acquisitions and geographical diversifications come at a time when the construction industry's outlook has brightened up greatly with billions of dollars of contracts expected to flow out of a number of mega projects in Singapore and a buoyant property market.

With its 2005 acquisition of Singapore Piling & Civil Engineering, BBR can lean on the goodwill and track record of a company which has been in business for 30 years.

At the same time, it can also leverage on the goodwill and expertise of top shareholder, BBR of Switzerland. The Swiss parent has been providing specialist construction services worldwide for over 60 years.

The earnings outlook is bright, with significant potential for earnings surprises given the uptrend in the construction industry and property market. For FY07, we are projecting a five times jump in earnings to S\$12.3m as revenue doubled up to S\$207m.

Based on absolute and relative valuations, the stock has an upside potential of 21-33% from current share price. The target price is S\$0.18-0.20.

We are initiating coverage with a **BUY** recommendation

Financial Summary

Year End Mar	2005	2006	2007F	2008F
Turnover (S\$m)	123.2	101.1	207.3	205.6
EBIT (S\$m)	3.1	2.9	18.6	18.3
Earnings (S\$m)	2.2	2.4	12.3	13.2
EPS Growth (%)	21.4%	5.3%	344.6%	7.5%
P/E (x)	88.2	83.8	18.8	17.5
P/BV (x)	15.3	13.0	4.0	5.9
ROE (%)	16.7%	15.5%	38.2%	28.8%
Current ratio (x)	1.0	1.3	2.1	1.7
Net Gearing (%)	-86.0%	-4.9%	59.1%	22.3%

Source: Company, SIAS Research

Refer to last page for important disclaimer

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Extending capabilities, expanding regionally

Venturing into boutique developments.

COMPANY

From general construction to specialised engineering: BBR Holdings was incorporated in 1993 as a construction and specialist engineering company. It was part of the Swiss-based BBR Group's global network of companies providing engineering and construction services in Asia. The Group was listed on SGX-Sesdaq in September 1997, and was transferred to SGX-Mainboard in September 2006. In 2001, BBR expanded its general construction business by acquiring one of the most established local foundation construction companies - Singapore Piling & Civil Engineering Private Limited. Thereafter, BBR expanded its specialised engineering services to countries such as Malaysia, Philippines and Thailand while its general construction division has been active in Singapore, Korea and Sri Lanka.

Venturing into boutique developments: Against a backdrop of a buoyant property market in Singapore, with prices scaling unprecedented levels in premium locations, BBR has ventured into a few small but high-end property redevelopment projects.

The Group has a 48:52 joint-venture with Shing Kwan Pte Ltd to develop 16 "super luxury" homes, averaging 4,000 sq ft each, at St. Martin's Drive in the prestigious Nassim Hill area. This project is expected to be launched in 2H07.

In March 2007, BBR acquired a property in the Holland Hill area with plans to develop a 70-unit condominium. This project is expected to be launched by end-2007 or at the beginning of 2008.

BBR is current engaged in the following business activities:

General Construction

(In Singapore, Korea, Sri Lanka)

- design and build
- general building construction
- civil and structural engineering
- piling and foundation systems

Specialised Engineering

(In Singapore, Malaysia, Philippines, Thailand)

- pre-stressing
- bridge design and construction
- stay-cable system
- heavy lifting
- maintenance repair and retrofitting

Property Development

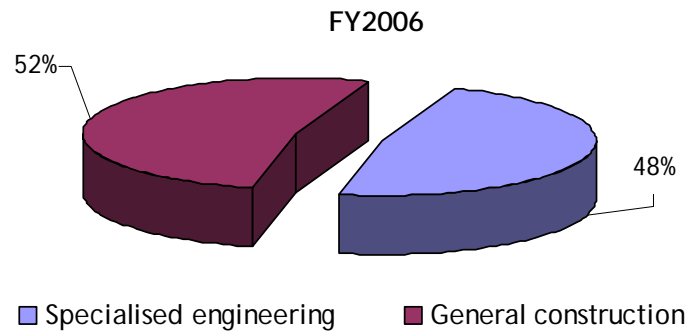
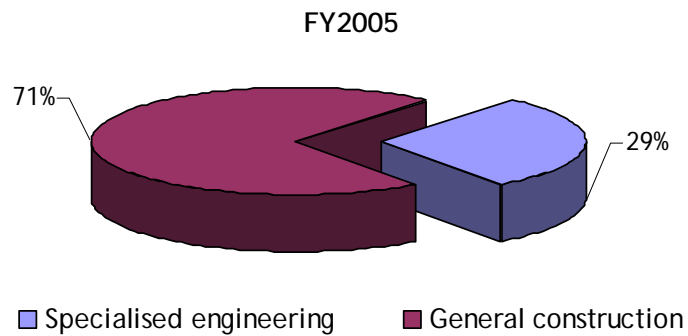
(Singapore)

FY06 Sales was 52% general construction 48% specialised engineering.

- high-end private residential development

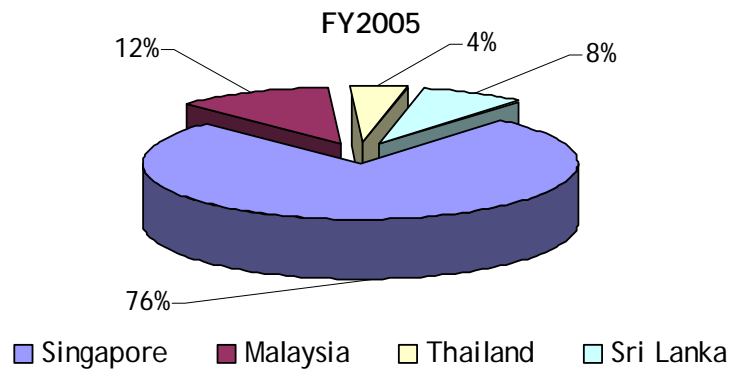
Revenue breakdown: In FY06, BBR derived 52% of its S\$101.1m of revenue from general construction and 48% from specialised engineering operations. Property development, being new, has yet to contribute to revenue.

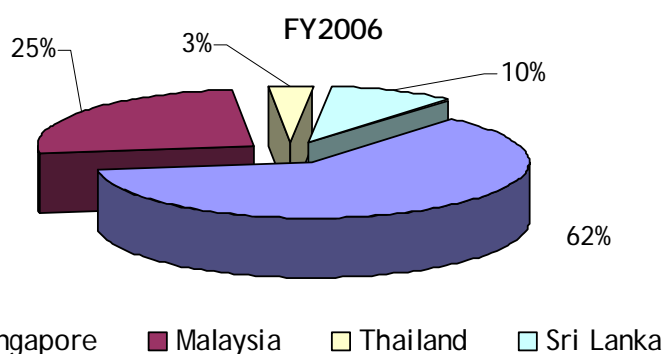
Figure 1: Revenue contribution



Source: Company, SIAS Research

Figure 2: Geographical contribution





Source: Company, SIAS Research

Part of Swiss-based BBR Network: BBR is part of the Switzerland-based BBR Network which has operations in over 40 countries. The Swiss group, which was founded by three Swiss construction engineers in 1944, owns 20% of BBR Holdings' shares. Its global network provides specialist engineering and construction services and has been associated with prestigious projects around the world, such as the Railway Station Refurbishment in New Zealand, the RAMA VIII Bridge in Thailand, the Washem Fly-over Bridge in Saudi Arabia, the Centrepoint Tower in Australia, etc. The BBR Network will allow BBR to get access to the latest technical expertise, resources and exchange information with a wide range of international partnering alliances from different parts of the world.

Table 1: BBR Holdings' major shareholders

No	Substantial Shareholder	Direct Interest (%)	Deemed Interest (%)
1	BBR Holdings Ltd, Switzerland	20.0	-
2	Singapore Warehouse Co. Ltd.	10.7	-
3	Tan Kheng Hwee Andrew	6.0	0.01
4	S T Piling Pte Ltd	4.8	-
6	Public	58.6	-

Source: Company, Bloomberg

Economic growth is expected to slow down in 2007.

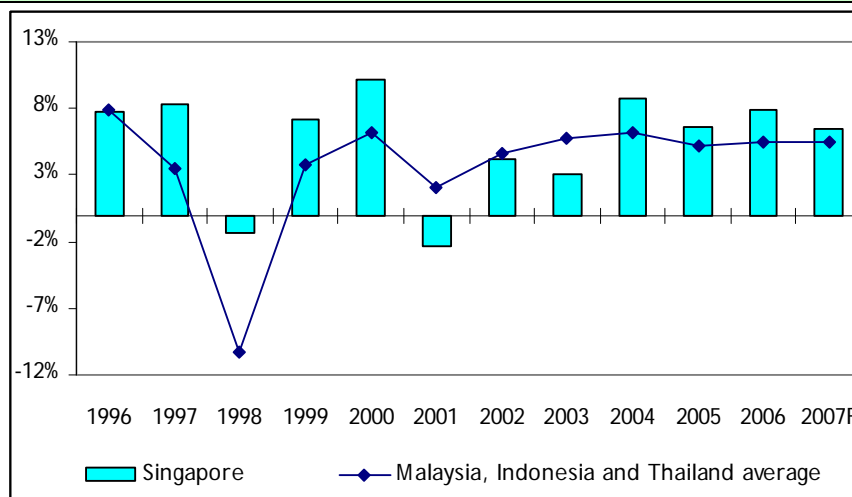
INDUSTRY ANALYSIS AND OUTLOOK

Singapore's economy continues to lead region: Singapore's economy has rebounded quickly and strongly from two waves of economic downturn - the 1997-98 Asian currency crisis and the 2000-2001 bust of the global dot.com bubble. Since 2004, Singapore's GDP growth has averaged 7.8% compared with the 5.6% average for neighbouring countries Malaysia, Indonesia and Thailand.

In 2006, Singapore continued to grow strongly, achieving a 7.9% economic growth - a 1.3 percentage points increase over that of 2005.

With the global economy expected to slow down due to persistently high oil prices and the cumulative build-up of inflationary pressures, Singapore GDP growth is expected to moderate to a range of 4.5-6.5% in 2007, according to government estimates. At this projected rates, Singapore's growth will continue to outpace neighbouring countries where economic growth is expected to average 5.5%.

Figure 3: GDP growth vs ASEAN neighbours (1996 to 2007F)



Source: Statistics Singapore, Statistics Indonesia, Statistics Malaysia, Bank of Thailand, SIAS Research

Demand for construction services in 2007 is expected grow by 2-4% YoY.

Mega projects to sustain construction industry's growth momentum: According to the Building and Construction Authority (BCA), total construction contracts reached S\$16.1b in 2006 - 40% higher than in 2005. In 2007, total construction contracts are expected to grow by 2-4% to reach between S\$19b to S\$22b. Healthy economic fundamentals have been driving the construction industry. With mega projects such as the two integrated resorts and the Marina Business Financial Centre taking off, and buoyant residential property market, the

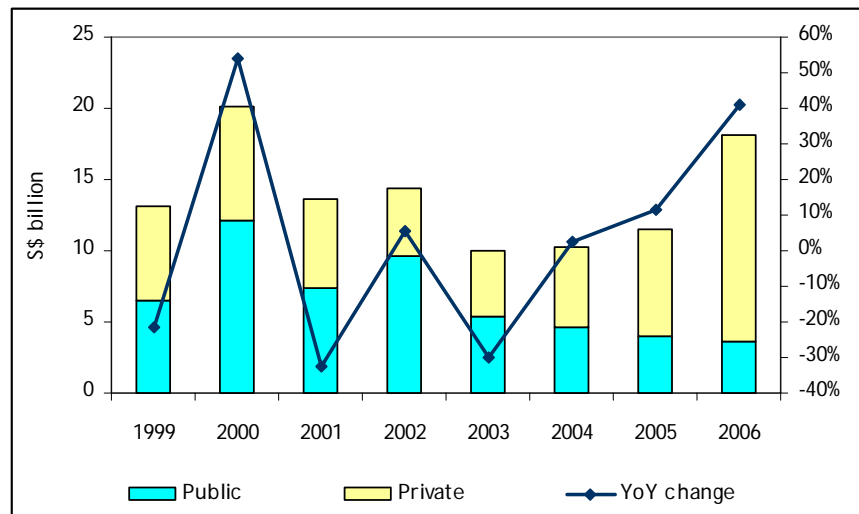
Mega projects to produce S\$5.5b of construction jobs

growth momentum in the construction industry will likely be sustained.

Based on an aggregate estimated development cost of about S\$11b for the three projects, total construction contracts could amount to S\$5.5b. That assumes 50% of development cost will be spent on construction.

Phase One of the Marina Bay development plan also include the construction of a new Botanic Gardens, The Sail @ Marina Bay (a twin-tower residential projects with 1,111 units), the Marina Barrage (a multi-purpose dam designed to turn the Marina basin into a reservoir) and the Singapore Flyer (a giant 45-storey Ferris wheel). Together with this, the proposed revamp of Orchard Road (estimated to cost about S\$1.3b) and construction of the MRT Downtown Line and MRT Circle Line (estimated to cost about S\$17b) will propel demand in the construction industry.

Figure 4: Construction demand from public and private sectors and year-on-year change



Source: Statistics Singapore, SIAS Research

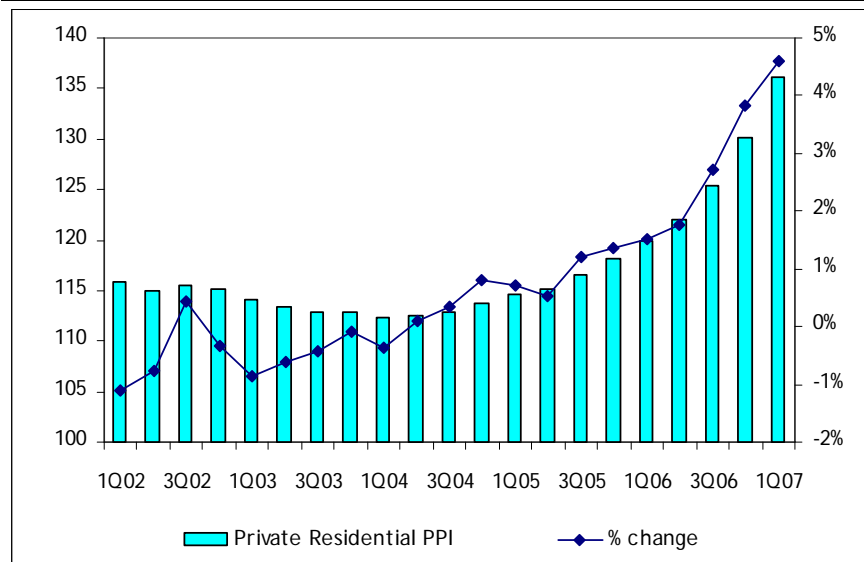
Rise in property price index means uptrend for construction industry

Rising property prices bode well for construction: The trend in property prices serves as a good indicator of construction demand because construction companies get more contracts when developers step up new launches to capitalise from a property upswing. After languishing for four years, most segments of the Singapore property market started to regain momentum in late 2004. This is particularly true for the residential segment. In 1Q07, private residential property price index (PPI) increased by 4.6% quarter-on-quarter to reach 136.2 points. This is just 3.8 points shy from the previous cyclical high of 140 points achieved in 2Q00, but still way below the historical peak of 180 points recorded in 2Q96.

Broadening of property market uptrend to mass market will sustain construction demand

Likely broadening of property market uptrend will boost construction demand: Much of the growth in the residential property market in the past two years has been concentrated in the high-end private residential segment. Growing demand from foreign investors has been pushing up prices of luxury residential developments. The uptrend is expected to filter down to the mass market eventually for a few reasons: rising salary levels against a backdrop of low unemployment; the introduction of deferred payment schemes which increases affordability; and the government's long-term plans to provide for a target population of 6.5 million, revised up from 5.5million. A build-up in demand for public housing and private properties in the mass market categories will lead to a boost in construction demand.

Figure 5: Private Residential Property Price Index



Source: URA, Bloomberg

INVESTMENT MERITS

Regional expansion beefs up earnings

Regional expansion strengthens earnings base: BBR, which derives the bulk of revenue from Singapore, is diversifying geographically and expanding regionally. Between FY05 and FY06, revenue derived from Singapore dropped from 76% to 62%. In the same period, revenue from Malaysia more than doubled to 25%. Geographical diversification, if well managed, can widen a company's earnings base, reduce earnings volatility and limit the earnings impact of negative developments in any one market. Results from the group's efforts so far show that diversification has improved overall profit margins.

Sound track record and established reputation.

Track record of parent and subsidiary lends weight to BBR name: When bidding for large-scale or technically-demanding construction jobs, or negotiating for opportunities, BBR can lean on the established name, track record and expertise of its Swiss-based parent as well as that of recently-acquired subsidiary, Singapore Piling & Civil Engineering Pte Ltd. BBR of Switzerland has a track record in providing specialist engineering and construction services worldwide for more than 60 years. Singapore Piling is a long-established name too, with 30 years of experience in the Singapore market.

Few competitors

The barrier of entry helps to keep out the new comers: As with many industries nowadays, the highly-competitive low-margin construction industry is consolidating around a smaller number of major players. BBR is participating in this trend through its acquisitions and expansion plans. Increasingly, the companies which control a wider array of expertise and a larger inventory of equipment or heavy machineries will have the edge over smaller competitors. The barriers to entry will rise, reducing the intensity of competition that has so far depressed profit margins.

Recent move into property developments will boost earnings: With land for two projects in hand – one in Nassim Hill area and the other in Holland Hill, and given certain assumptions about costing and selling prices, BBR can look forward to an additional S\$60-72m of earnings to be recognised over a few years starting from FY07. Our forecast for FY07 takes into account the earnings impact from the recent moves into boutique property developments.

RISKS

Increasing costs of building material.

Exposure to spikes in building material costs and supply disruptions: Recent disruptions in the supply of sand and granite from Indonesia showed up the vulnerability of Singapore's construction industry, which depends heavily on foreign supplies of building materials. A ban on sand exports to Singapore in January 2007 sent sand prices shooting from S\$15 per ton to S\$60 per ton. Likewise, the price of granite has shot up from S\$20 per ton to S\$70 per ton. The increase in building material cost is expected to increase the average construction cost by 3-5%.

Economic downturn could lower construction demand

Dependence on foreign labour: Not unlike its dependence on foreign building material supplies, Singapore's construction companies are also highly dependent on foreign workers. Currently, the major sources of foreign workers are Malaysia, China and India. Given Singapore Government's perennial concerns about the foreign workers' impact on security and social stability, this dependence on foreign workers exposes the construction industry to periodic policy reviews - some of which may have a negative impact on costs and profitability. For now, the authorities are sympathetic, mindful of the urgent demands on manpower from the many mega projects. Quotas limiting the number of foreign workers in the construction and processing industries will be eased from June 2007.

The sizzling property market could attract more foreign competitors.

Entry of foreign competitors: While presenting new opportunities and an abundance of contracts, the rapid growth of the local property market and expected contracting spin-offs from a number of mega projects have attracted many foreign construction companies to set up operations in Singapore. The Japanese and Koreans have been joined by big players from China. This means renewed international competition for BBR.

Intensive labour requirement.

Revenue up and down with value of construction projects

Profit margins up with costs well controlled

FINANCIALS

Income Statement

Revenue down in FY06: After a 15% increase to S\$123.2m in FY05, total revenue fell by 18% to S\$101.1m in FY06. The fall reflects the contributions from projects of lower value than in the previous year.

Construction contracts continued to account for practically all (i.e. 99.5%) of the group's revenue, the same as in FY04 and FY05.

Table 2: Revenue for FY06

	FY04	FY05	FY06
	S\$ million	S\$ million	S\$ million
Revenue from construction contracts	106.6	122.5	100.7
Revenue from property development	0.0	0.0	0.0
Sale of goods	0.2	0.7	0.3
Total revenue	106.8	123.2	101.1

Source: Company

Profit margins up: While revenues went up and then down in the FY05-06 period, earnings continued to firm up, growing by 9.7% to S\$2.4m in FY06 albeit lower than the 15% growth in FY05.

The higher earnings in FY06 reflect a recovery in profit margins which in turn is due to lower cost of sales and a reduction in finance costs.

Profit margin at the after-tax level improved to 2.5% in FY06, compared with 1.7% in FY05 and 1.8% in FY04. Gross profit margin improved to 10.5% from 6.7-6.9% in the two previous years. (See Table 3)

Table 3: Profit Margin

	FY04	FY05	FY06
Gross Profit Margin	6.93%	6.71%	10.52%
EBIT Margin	3.65%	2.55%	2.90%
Net Profit Margin	1.84%	1.65%	2.53%

Source: Company

Finance cost dropped by 46% because of the full repayment of a loan (in the form of interest-bearing promissory notes) from Hwa Hong Corp used to fund the 2005 acquisition of Singapore Piling & Civil Engineering.

Going from net cash to 60% gearing in FY07

Cost of sales fell by 21% as revenue declined.

Administrative and other operating costs went up though, by an aggregate of S\$1.2m, because of foreign exchange loss, higher office rentals, provisions for doubtful receivables and loss on an asset disposal.

Balance Sheet

Gearing up for property projects: At the end of FY06, BBR was in a net cash position. By end-FY07, we expect a gearing of around 60% as BBR gears up to go into property development.

The group plans to finance through bank borrowings roughly 66% of the acquisition price for the two sites that it has bought so far.

As the property projects are roll out between FY07 and FY09, we expect the group to return to a net cash position by FY09.

Cash Flow

Healthy cash balance: BBR has been maintaining a healthy cash balance for the past three years. In FY06, its cash balance increased by 13.8% to S\$14m. However, due to the acquisition of the St Martin's Drive site, operating cash flow in FY06 turned negative.

Cash flow from financing activities improved from -S\$9.03m to -S\$0.71m as substantial amounts of bank borrowings was repaid in FY05.

Table 4: Cash flow

	FY04	FY05	FY06
	<i>S\$ million</i>	<i>S\$ million</i>	<i>S\$ million</i>
Operating CF	3.4	1.3	-4.5
Investing CF	0.7	8.2	6.9
Financing CF	2.2	-9.0	-0.7
Ending Balance	11.8	12.3	14.0

Source: Company

VALUATIONS

Based on DCF valuation, stock is valued at S\$0.20 after taking into account dilution from April 19 placement

Discounted Cash Flow Model (DCF): During the construction and marketing phases of the Group's two property developments, we expect the cash flow to be negative. The property business will start to generate positive cash flow only in FY10.

By applying a conservative long-term growth rate of 1.0%, a terminal growth rate of 0.5% and a Beta of 0.84x, we determined that a fair value for BBR shares would be S\$0.23 each.

On 19 April 2007, BBR proposed a private placement of 180 million shares at an issue price of S\$0.146. The price was at a discount of approximately 9.9% against the weighted average price of S\$0.1621 on 17 and 18 April 2007.

Taking into account the dilution effect of the additional shares, the fair value should be adjusted to S\$0.20 per share. This presents a 33.3% upside potential over current share price of S\$0.15.

On the placement, BBR said S\$16.67m of the S\$24.67m placement proceeds will be used as working capital while the remaining S\$8m will be used to finance the purchase of the land and property located at 19 and 21 Holland Hill.

Table 5: Cost of Equity

Beta	0.84x
Risk Free rate	3.75%
Market Returns	11%
Cost of Equity	9.59%

Source: SIAS Research

Peer comparison.

Relative Valuation: BBR shares are trading at a hefty 83.8x FY06 earnings, and 13.0x book NTA (PBR). On both counts, BBR stock is trading at a significant premium over comparable peers. With no dividends to speak of, the high valuation cannot be justified on dividend yields. All these make BBR one of the most expensive construction counters on the list of comparable stocks. See table 6.

However, with earnings from property development and the likelihood of securing more construction contracts in the future, the forward PER is projected to be a less lofty 18.8x. The market capitalization weighted average trailing PER is 22.7x. Applying this higher multiple against projected EPS of 0.8 cents in FY07, the fair value can be said to be S\$0.18. That gives the stock a potential upside of 21%.

Table 6: Comparables

Company	Price (local)	Mkt Cap million	PE (x)	Fwd PE (x)	PB (x)	Div Yld (%)	ROC E (%)	ROA (%)
BBR HOLDINGS	0.150	204.2	83.8	18.8	13.0	0.0	15.5	2.7
CSC HOLDINGS YONGNAM HOLDINGS	0.295	328.2	77.3	29.7	5.7	0.0	7.6	3.5
LOW KENG HUAT HIAP SENG ENGINEERING	0.285	298.2	39.9	17.8	116.9	0.0	36.9	0.5
HIAP SENG ENGINEERING	2.150	267.2	20.3	15.7	1.4	2.8	7.1	5.1
HIAP HOE	0.795	241.5	36.7	16.6	4.6	9.5	13.2	8.9
HIAP HOE	1.130	278.0	20.4	28.3	3.8	0.6	20.0	9.8
KOH BROTHERS GROUP	0.410	196.6	48.2	31.5	3.6	0.2	7.5	1.0
Average			46.6	22.6	21.3	1.9	15.4	4.5
Mkt Cap Weighted Average			46.2	22.7	23.5	1.8	15.9	4.6

Source: Company, Bloomberg

Recommendation: The earnings outlook is bright, with significant potential for earnings surprises given the billions of dollars of construction spin-offs flowing out from a number of mega projects in the immediate to long term. The move into property adds to the excitement. Based on absolute and relative valuations, the stock has an upside potential of 21-33% from current share price. We are initiating coverage with a **BUY** recommendation (**SIAS Research**).

FINANCIAL TABLES AND RATIOS

Year End December	FY05	FY06	FY07F	FY08F
Profit & Loss (\$m)				
Turnover	123.2	101.1	207.3	205.6
EBIT	3.1	2.9	18.6	18.3
PBT	2.6	2.7	16.6	16.5
Earnings	2.2	2.4	12.3	13.2
Earnings per share (Scts)	0.2	0.2	0.8	0.9
Balance Sheet (\$m)				
Long Term Assets	13.1	11.9	27.7	22.1
Current Assets	58.3	79.4	119.7	100.0
Current Liabilities	56.6	62.1	57.5	57.2
Long Term Liabilities	1.4	13.5	32.7	25.4
Total Equity	13.3	15.7	57.1	39.5
Net Gearing	-86.0%	-4.9%	59.1%	22.3%
Cash Flow (\$m)				
Operating Cash Flow	1.3	(4.5)	(20.4)	5.2
Investing Cash Flow	8.2	6.9	(17.2)	(0.3)
Financing Cash Flow	(9.0)	(0.7)	3.5	0.2
Net cash increase/(decrease)	0.5	1.7	(34.1)	5.2
Cash at year end	12.3	14.0	(20.0)	(14.9)
Financial Ratios				
	FY05	FY06	FY07F	FY08F
Revenue Growth (%)	15.4%	-18.0%	105.1%	-0.8%
Operating Profit Growth (%)	-19.3%	-6.8%	535.1%	-1.9%
Earnings Growth (%)	14.9%	9.7%	403.4%	7.5%
Operating Margin (%)	2.6%	2.9%	9.0%	8.9%
Net Margin (%)	1.8%	2.4%	5.9%	6.4%
Current Ratio (x)	1.0	1.3	2.1	1.7
Book value per share (Scts)	1.0	1.2	3.7	2.6
Return on Equity (%)	16.7%	15.5%	38.2%	28.8%
Return on Asset (%)	3.1%	2.7%	8.3%	10.8%
Valuations				
	FY05	FY06	FY07F	FY08F
PER (x)	88.2	83.8	18.8	17.5
Price to book (x)	15.3	13.0	4.0	5.9
Dividend Yield (%)	0.0	0.0	0.0	0.0

Source: SIAS Research

Appendix I – Board of Directors

Board of Directors	
Independent Non-Executive Director and Chairman	Huang Yuan Chiang
Executive Director and CEO	Tan Kheng Hwee Andrew
Non-Executive Director	Bruno Sergio Valsangiacomo
Non-Executive Director	Fritz Ernst Speck
Non-Executive Director	Ong Choo Eng
Independent Non-Executive Director and Chairperson of the Audit Committee	Carrie Luk Ka Lai
Independent Non-Executive Director and Chairman of the Remuneration Committee	Yong Kwet Yew

Source: Company

Mr. Huang Yuan Chiang (*Independent Non-Executive Director and Chairman of the Board*) was appointed a Director on 26 March 2002 and subsequently as the Chairman of the Board. He is also the Chairman of the Nomination Committee of the Company and a member of the Audit Committee.

Mr. Huang is a lawyer by training and he has had a career in Investment Banking spanning 12 years. His areas of specialization were in the areas of mergers and acquisitions and equity capital markets. Mr. Huang holds board directorships in other listed companies including Jurong Cement Limited, MTQ Corporation Limited and Broadway Industrial Group Limited in Singapore. He is also a director of Malaysian listed companies, Kuchai Development Berhad, Sungei Bagan Rubber Company (Malaysia) Berhad and Kluang Rubber Company (Malaya) Berhad. Mr. Huang has degrees in law and economics.

Mr. Tan Kheng Hwee Andrew (*Executive Director and Chief Executive Officer*) was a founding member and appointed as the Managing Director of the Company since 1 April 1994. Mr. Tan is responsible for the management as well as the business development of the Group. Mr. Tan holds a Bachelor of Engineering (Honours) degree from the University of Singapore and a Master of Science degree from the National University of Singapore. He is also a registered Professional Engineer and a member of the Institution of Engineers (Singapore).

Mr. Bruno Sergio Valsangiacomo (*Non-Executive Director*) was appointed a Director of the Company on 11 February 1997. He is a member of the Remuneration Committee of the Company. Mr. Valsangiacomo is the Chairman of BBR Holding Ltd, Switzerland and Chairman/Board member of Stahlton AG, Proceq S.A. and Mageba S.A., member companies of the Tectus S.A. Group. Mr. Bruno Sergio Valsangiacomo is the Founder and Chairman of FFC Fincoord Finance Coordinators Ltd., an advisory firm based in Zurich, Switzerland.

He is also a Founding member and Executive Vice Chairman of ITI Holdings S.A., a company listed on the Luxembourg Stock Exchange. ITI Group is the largest media group in Poland which business activities involve television, internet and entertainment. Mr. Valsangiacomo is also a member of the Supervisory Board of TVN Group of Poland, a company listed on the Warsaw Stock Exchange, and other ITI Group companies. Mr. Valsangiacomo graduated with a Bachelor of Business Administration.

Mr. Fritz Ernst Speck (*Non-Executive Director*) was a founding member and appointed a Director of the Company on 1 September 1993. Mr. Speck has more than forty years of experience in structural engineering projects all around the world, particularly in relation to pre-stressing applications. He was for more than a decade, the Chief Executive Officer of BBR Holding Ltd, Switzerland before handed over the task in 1999. Mr. Speck holds a Diploma in Engineering (Civil Engineering) degree from the Swiss Federal Institute of Technology in Zurich.

Mr. Ong Choo Eng (*Non-Executive Director*) was appointed a Director on 26 March 2002. He is a member of the Remuneration Committee. Mr. Ong has more than thirty years of experience in corporate management. He is the Managing Director of Hwa Hong Corporation Limited. Mr. Ong is also a director, a member of the audit committee and a member of the remuneration committee of MTQ Corporation Limited. In addition, he is a director, a member of the Executive Committee and a member of Investment Committee of Singapore Reinsurance Corporation Limited.

Mr. Ong holds a Bachelor of Science (Honors) degree in Civil Engineering and a Master of Science Degree in Advanced Structural Engineering from Queen Mary College, University of London. He is a Fellow of Queen Mary College, University of London since 1990. Mr. Ong is a member of the Institution of Civil Engineers (UK) and Institution of Engineers (Singapore).

Ms. Carrie Luk Ka Lai (Mrs Carrie Cheong) (*Independent Non-Executive Director and Chairperson of the Audit Committee*) was appointed a Director on 24 September 1997. She is the Chairperson of the Audit Committee and a member of the Nomination Committee of the Company. Ms. Luk is a Director and Chief Executive Officer of Carrie Cheong & Ethel Low Consulting Pte. Ltd., which provides business advisory services, financial management and corporate services. She has extensive experience relating to corporate planning and financial exercises including corporate restructuring, initial public offers, acquisitions and mergers.

Ms. Luk is also a practicing chartered secretary. Ms. Luk holds a Master of Business Administration from the University of Brunel, United Kingdom and is a Chartered Certified Accountant (ACCA) and an Associate member of The Institute of Chartered Secretaries and Administrators (ACIS).

Prof. Yong Kwet Yew (*Independent Non-Executive Director and Chairman of the Remuneration Committee*) was appointed a Director of the Company on 19 August 1997. He is the Chairman of the Remuneration Committee, a member of the Audit Committee and a member of the Nomination Committee. Prof. Yong is a Professor of Civil Engineering and Vice President of the National University of Singapore. He has conducted extensive research in the field of deep excavation, deep foundation, ground improvement and land reclamation techniques and has published more than 200 technical papers.

Prof. Yong has also served as a consultant to several major construction projects in the region. He is a registered Professional Engineer, a Fellow of Institution of Engineers (Singapore) and an Accredited Adjudicator. Prof. Yong is also a Board Member and Executive Committee Member of the Land Transport Authority of Singapore, and a Director and member of the Audit Committee of SembCorp Engineers and Constructors Pte Ltd, a subsidiary of SembCorp Industries Ltd up to June 2006.

Appendix II – Key Management

Key Management	
CEO	Tan Kheng Hwee Andrew
Chief Financial Officer	Lee Kim Huat
Managing Director of Singapore Piling	Teng Boon Kwee
Managing Director of BBR Construction Systems Pte Ltd	John Mo Kuan Sheng
Managing Director of BBR Construction Systems (M) Sdn. Bhd.	Voo Yok Lin

Source: Company

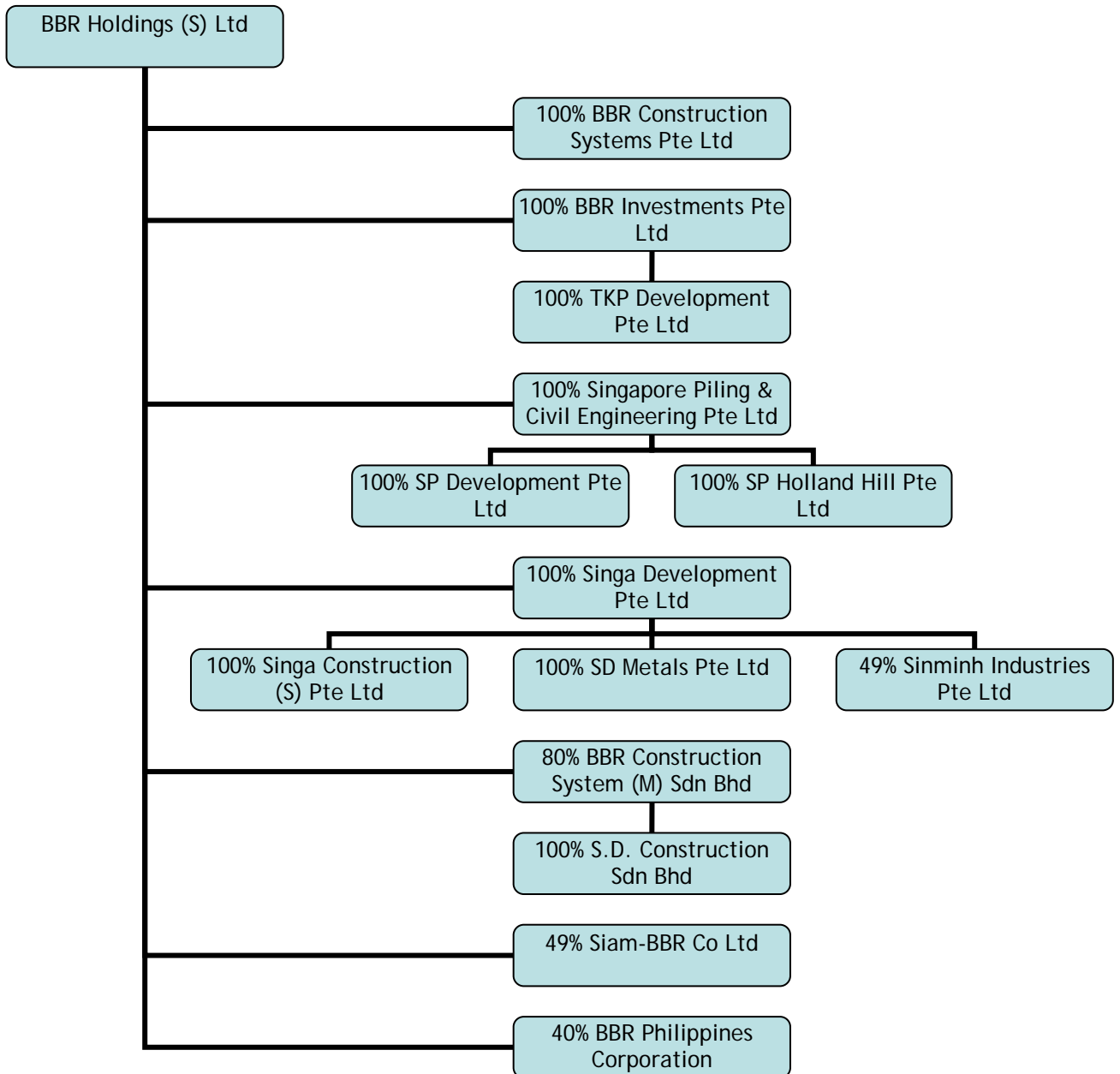
Mr. Lee Kim Huat (*Chief Financial Officer*) was appointed the Group Chief Financial Officer on 2 January 2002. He is responsible for the finance, administration and other operational matters within the Group. Mr. Lee holds a Bachelor of Art in Accountancy and a Post-graduate Diploma in Accounting and Finance. He is an Associate member of the Association of Cost and Executive Accountants (UK). Mr. Lee joined Singapore Piling in 1986. He has held several posts in the Finance and Administration department of Singapore Piling and the last post being the Senior Finance and Administration Manager prior to it became a wholly-owned subsidiary of the Company.

Mr. Teng Boon Kwee (*Managing Director of Singapore Piling*) has been the Managing Director of Singapore Piling since August 2001. He oversees the day-to-day operation of Singapore Piling and its subsidiaries. Mr. Teng holds a Bachelor of Science (Building) from the National University of Singapore. Mr. Teng joined Singa Development in 1983. Singa Development became a wholly owned subsidiary of Singapore Piling in June 2000. He has been involved in the construction, project and corporate management within the organization.

Mr. John Mo Kuan Sheng (*Director of BBR Construction Systems Pte Ltd*) had been the Managing Director of BBR Construction Systems Pte Ltd ("BBRCS") from January 1999 to October 2001. He was re-appointed as a Director of BBRCS on 24 June 2002. He is in charge of the day-to-day operation, marketing and business development of BBRCS. Mr. Mo holds a Bachelor of Engineering (Civil Engineering) Degree. Mr. Mo worked in several construction companies from 1988 to 1993 before joining the Group as Senior Manager in 1994. He was promoted to Deputy General Manager for structural engineering in January 1997 and subsequently appointed as Director/Managing Director of BBRCS in 1999.

Mr. Voon Yok Lin (*Managing Director of BBR Construction Systems (M) Sdn. Bhd.*) is responsible for the overall operations and management of BBRM. Mr. Voon holds a Bachelor of Science in Civil Engineering from the University of Strathclyde, United Kingdom. Prior to joining the Group, Mr. Voon worked in various capacities in a Malaysian construction firm specializing in pre-stressing construction technology.

Appendix III – Company Structure



Source: Company

DISCLAIMER

SIAS Research Pte Ltd received compensation for conducting this valuation research. The estimated fair value of the stock is statement of opinion, and not statement of fact or recommendation on the stock.

As of the date of the report, the analyst and his/her immediate family do not hold positions in the securities recommended in this report.

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