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## **BBR Holdings posts 132% increase in net profit to S\$1.4 million for first quarter ended March 2008**

### **HIGHLIGHTS OF 1Q2008 GROUP RESULTS**

- Net profit after tax and minority interest up 132% to S\$1.4 million
- Total revenue up 138% to S\$41.2 million
- Total assets: S\$197.0 million; Net tangible assets: S\$46.5 million
- EPS at 0.09 cents and Net asset per share at 2.98 cents
- Current book order as at 13 May 2008 stands at S\$487 million.

*SINGAPORE, 13 May 2008* – MAINBOARD-listed BBR Holdings (S) Ltd (“BBR”) today announced a net profit after tax and minority interests of S\$1.4 million for the first quarter ended 31 March 2008, up 132% from the previous corresponding quarter.

Group revenue more than doubled to S\$41.2 million, an increase of 138% from the previous corresponding quarter. This was driven by a rash of contract wins from second quarter of 2007.

The higher revenue lifted group’s gross profit to S\$3.9 million in the period under review, up 26% from S\$3.1 million in the previous corresponding period.

Earnings per share stood at 0.09 cents compared to 0.05 cents as at 31 March 2007.

BBR Group, which started in 1993 as a specialist engineering group, currently has three core business activities, namely, General Construction, Specialist Engineering and Property Development. The Group's order book currently stands at S\$487 million spread across projects secured in Singapore, Malaysia and Sri Lanka.

BBR Holdings' Chief Executive Officer Mr Andrew Tan said: "The Group continued to be busy with the slew of projects, from both the public as well as the private sector, that it managed to secure last year." However, he added that the Group saw a marked increase in the cost of basic construction materials and there was also cost pressure on the manpower front, resulting in a dip in its gross profit margin from 17% to 9%. The decline in profit margin was also due to higher revenues generated from the Group's general construction business that contributed 80% to the Group's revenue in the period under review, with the balance of 20% being contributed by its specialised engineering arm. The Group's specialised engineering arm generally enjoys higher profit margins than its general construction business.

The Group's financial standing is strong. As at 31 March 2008, its assets totalled S\$197.0 million, net current assets at S\$91.7 million and it has net tangible assets worth S\$46.5 million. Equity attributable to shareholders amounted to S\$45.9 million with Net asset value per share at 2.98 cents. The total number of shares issued was approximately 1.54 billion as at 31 March 2008.

## **Outlook**

Mr Tan said activity in the construction sector, going forward, is expected to be fairly robust based on government projections. According to the BCA, private sector construction demand will continue to lead construction demand in 2008, although this is expected to be moderate between S\$14.5 billion and S\$16.4 billion. Public sector construction demand is anticipated to increase to between

S\$8.5 billion and S\$10.6 billion with broad-based expansions in all development types. There is also an anticipated stronger public housing demand expected to increase to between S\$2.3 billion and S\$3 billion in 2008.

Mr Tan said the Group will continue to be selective on the projects for which it will tender, focusing only on those are likely to generate higher returns and better profit margins.

In the first two months of 2008, the Group announced four contracts totalling S\$109.3 million, including a sizeable S\$95.3 million contract with Ascendas (Tuas) Pte Ltd to build an iconic office tower block at the International Business Park in Jurong East. The other three are: a S\$3.8 million piling deal for \*scape -- a new youth community space near Orchard Road; a S\$4.2 million piling contract for a 10-storey condo at Hillview Avenue and S\$6 million contract from the Land Transport Authority to upgrade vehicular bridges. Last December, it secured a S\$189.6 million contract from the Urban Redevelopment Authority for the construction of the proposed common services tunnel phase 3A at downtown core.

Apart from general construction, BBR also has a specialist engineering arm which takes on projects that require more complex technology and know-how, and which has built a strong regional presence over the past several years.

The Group had ventured into property development and is developing two upmarket condominium projects, one at Nassim Hill and the other at Holland Hill. Mr Tan said 7 of the 16 units of 8 Nassim Hill have been sold. BBR is undertaking this development, comprising 16 super luxury triplex units with basement car parks, with a joint venture partner. The Group expects to launch the Holland Hill project, called Lush on Holland Hill, later this year. This development stands on a 4,899.9 sq metre freehold site at No. 19 and 21 Holland Hill and will yield a 12-storey luxury condominium.

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## **About BBR Group**

The BBR Group has its roots in specialist engineering. Since its inception in 1993, the Group has grown significantly and today, it has established three core business activities, namely, General Construction, Specialist 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 Specialist Engineering arm is part of the BBR Network that spans 42 countries. Today, BBR Singapore has a strong presence in Malaysia, Philippines, Thailand and Sri Lanka. The Group recently ventured into property development and is developing two upmarket condominium projects: 8 Nassim Hill comprising 16 super luxury triplex units with basement carparks and a freehold site at Holland Hill which will yield a 12-storey luxury condominium.

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

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