



BBR Holdings net profit for FY2009 increased by 265% to S\$14 m; expects to sustain growth in fiscal 2010

- Proposes 0.6 cent dividend per share¹

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FINANCIAL HIGHLIGHTS			
S\$'million	FY2009	FY2008	Change
Revenue	205.4	253.9	▼19%
Gross Profit	20.6	15.5	▲33%
GP Margin	10%	6%	▲67%
Profit After Tax	13.7	3.7	▲265%
Profit After Tax & MI	13.4	3.7	▲266%
EPS (cents)	0.87	0.24	▲263%
Current Order book stands at S\$410 million with projects lasting up till FY2012 As at 31 Dec 09, Net Assets: S\$62.5 million or NAV per share at 4.06 cents			

SINGAPORE, 24 February 2010 – MAINBOARD-listed **BBR Holdings (S) Ltd** (BBR or the Group) wrapped up fiscal 2009 on a strong note by announcing today a net profit after tax and minority interests of S\$13.4 million for the period ended 31 December 2009, a significant increase of 266% from S\$3.7 million in the preceding year.

Group revenue for the period was S\$205.4 million, a decline of 19% from S\$253.9 million the preceding year, largely as a result of a 22% decline in revenue from its General Construction arm, which recorded a turnover of S\$166.2 million or 81% of total

¹ BBR obtained the approval of shareholders at an Extraordinary General Meeting held on 8 February 2010 to consolidate every five ordinary shares in the capital of the company into one consolidated share. The proposed dividend of 0.6 cent per share is based on issued share capital of approximately 308,210,455 consolidated shares after the completion of the share consolidation expected on 26 February 2010.

revenue. The Group's Specialised Engineering segment recorded revenue of S\$39.1 million, contributing to the remaining turnover.

Contributing to its revenue were projects such as the Common Services Tunnel, a S\$189.6 million contract from the URA slated for completion in FY2011, as well as the S\$95.3 million contract from Ascendas (Tuas) Pte Ltd to build an iconic office tower block at the International Business Park in Jurong East.

BBR Chief Executive Officer Andrew Tan said: "We are pleased with our results, which show a steady growth momentum. Looking ahead, we see opportunities to continue to maintain our profitability and sustain growth in our core businesses."

The Group achieved strong profitability despite a drop in revenue, reflecting partly stronger gross profit margins from specialised engineering projects in Singapore and Malaysia, lower cost of raw materials and rigorous cost monitoring efforts that kept project costs down. Gross profit for the Group was S\$20.6 million, an increase of 33% in fiscal 2009 compared to S\$15.5 million in the preceding year. Gross profit margin rose to 10% against 6% previously. Its profit after tax and minority interest margin of 7% is also higher than the 1% it recorded in the previous year.

Earnings per share for the 12 months ended 31 December 2009 was 0.87 cent compared to 0.24 cent registered in the corresponding period.

BBR's Board has proposed a first and final dividend distribution of 0.6 cent per share, based on post share consolidation of approximately 308,210,455 consolidated shares. The dividend will be paid on 18 May 2010 if it is approved at the Annual General Meeting to be held on 28 April 2010.

Other income for the period increased by 76% to S\$3.9 million, primarily due to write-back of \$1.2 million of impairment loss for the Group's property development at Holland Hill provided for in FY08, rental received from the temporary lease of Nos. 19 and 21 Holland Hill and higher interest earned during the year.

For the 12 months ended 31 December 2009, administrative costs went down by S\$0.5 million due to decreased depreciation expense and foreign exchange losses.

Other operating costs increased by 15.6% million from \$11.4 million to \$13.1 million due mainly to a fair value loss of \$1.4 million on interest rate swap derivatives bought in FY09 to hedge against the risk of interest rate hikes for term-loan on land for its property development project at Holland Hill. However, interest rates have remained relatively low, resulting in the fair value loss adjustment as at 31 December 2009. In addition, other operating costs rose due to increase in staff remuneration, professional fees and bad debts written off.

Finance costs increased to S\$1.2 million in FY2009 from S\$0.4 million mainly as a result of interest expense for land loan charged against rental income for the period that the property had been temporarily leased to a third party for eight months ended August 2009.

Share of results from associates increased to S\$10.0 million for the period compared to S\$2.8 million previously, in line with the good progress at No. 8 Nassim Hill property development undertaken by its associate company, Tennessee Pte Ltd.

However, Mr Tan said that even though the global climate appears somewhat brighter and the Singapore economy appears to be recovering, BBR still needs to remain watchful in order to sustain performance. "We will continue to drive financial and operational performance, closely aligning our resources with demand and exercising strict cost controls," he added.

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

Strong Financials

The Group's balance sheet remained in good shape with total assets of S\$210.2 million and net assets of S\$62.5 million compared to S\$205.8 million and S\$48.7 million

registered at year-end FY2008 respectively. Total equity increased by S\$13.8 million to S\$62.5 million as at 31 December 2009, an increment of 28% over the prior year's S\$48.7 million. Net asset value per share stood at 4.06 cents or 28% higher than at 31 December 2008.

BBR took further steps to fortify its financial base in fiscal 2009, achieving a leverage ratio (net debt-to-total equity ratio²) of 10% at the end of the year compared to 79% in the previous year-end. Today, it also enjoys a good liquidity position with cash and cash equivalents of S\$51.9 million compared to S\$27.9 million in fiscal 2008, to meet its financing and operational needs over the next 12 months. During the period, the Group generated net cash flow surplus of S\$31.7 million from operating activities. Considering the Group's strong cash position, it anticipates that it will maintain sufficient working capital and have the ability to pursue future growth opportunities.

The Group's order book is estimated at S\$410 million as at 24 February 2010 with projects lasting up to 2012. These comprise mainly civil engineering and building contracts predominantly in Singapore and Malaysia. With this healthy order book, solid financials and expected steady profit streams, the Group anticipates growth to maintain for fiscal 2010. The Group is positive that it is well positioned to benefit from Singapore's continued growth in public sector construction demand.

Geographic breakdown

Singapore continues to be BBR's dominant market, accounting for S\$188.1 million or 91.6% of total revenue. Outside Singapore, Malaysia is BBR's next most active market, contributing S\$15.6 million or 7.6% to total revenue. Its other market, Sri Lanka, made up the remaining S\$1.7 million.

Outlook

Citing statistics from the Ministry of Trade and Industry (MTI), Mr Tan said that although Singapore's Gross Domestic Product (GDP) was estimated to have contracted by 2.1,

² Net debt-to-total equity ratio: Total debt less cash & cash equivalent divided by total equity.

construction GDP saw a 16.3% expansion albeit at a lower rate as compared to 20.3% the year before.

The general construction industry outlook for the next 12 months appears positive, said Mr Tan, with a GDP growth forecast of 4.5% to 6.5% in 2010, boosted by a strong pipeline of public sector projects. The Building and Construction Authority (BCA) has forecasted total construction demand in 2010 to reach between S\$21.0 billion to S\$27.0 billion with the greater part coming from the public sector, which is projected to form 65% of total demand and is expected to be between S\$14.0 billion and S\$17.9 billion. This will mainly be driven by building construction demand and strong civil engineering projects from the Land Transport Authority (LTA) such as the MRT projects for Downtown Line Stage 3 and major road projects. Other upcoming projects include the LNG Terminal, Fusionopolis 2A, industrial facilities at Seletar Aerospace Park and new healthcare facilities.

Private sector construction demand is also expected to show more promise compared to 2009, totalling between S\$7.0 billion and S\$9.1 billion, with more private residential projects coming on-stream, in line with better market sentiment. In the same vein, construction demand for commercial and institutional developments is also predicted to be higher compared to a year ago.

The string of government infrastructure projects and private sector construction activities is expected to provide numerous opportunities for BBR. "We are confident that our strong track record will position us well as we continue to bid for new projects," said Mr Tan

The domestic market will continue to be the Group's key focus although it will selectively consider overseas opportunities with strategic value as they arise.

On-going projects

The Group continues to be busy with various projects, from both the public as well as the private sector. Some of the projects it is currently working on include:

- S\$42.0 million contract from Yang Kee Holdings Pte. Ltd. to construct Phase 1 of the Yang Kee Logistics Chemical Hub at Jurong Pier scheduled to be completed in early 2011;
- S\$77.7 million contract to build the Singapore Island Country Club's main clubhouse at Island Club Road scheduled to be completed in 2011;
- S\$104.2 million contract from the Housing & Development Board to build seven blocks of flats in Yishun Neighbourhood 4 targeted for completion in 2012;
- S\$189.6 million contract awarded by the Urban Redevelopment Authority for the construction of the proposed common services tunnel phase 3A at downtown core scheduled to be completed by April 2011.

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About BBR Group (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 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 strong presence in Malaysia, Philippines, Thailand and Sri Lanka. The Group is developing two upmarket condominium projects: 8 Nassim Hill comprising 16 super luxury triplex units with basement car parks and a freehold site at Holland Hill which will yield a 12-storey luxury condominium.

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