

Accelerating Growth

ANNUAL REPORT 2009





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OUR MISSION

To position our company effectively by strengthening our capabilities in order to compete in the domestic building, civil engineering and property markets.

To provide our clients with innovative structural engineering solutions by leveraging on our strengths such as our expertise in high specification construction methods, Swiss parentage, strong track record, established reputation and dynamic management team.

To continue to exploit opportunities in new markets so as to further expand our geographical presence, and also intensify efforts to bid for both building and infrastructure projects in the region.



8 Nassim Hill



ITE College West

OUR COMPANY

BBR Holdings (S) Ltd (BBR) was listed on the Singapore Stock Exchange in 1997 and was subsequently transferred to the Main Board of the Singapore Exchange Securities Trading Limited in September 2006. The BBR Group currently has business presence in key markets such as Singapore, Malaysia, Thailand, Philippines, Sri Lanka, Brunei, Maldives and Korea.

Our History

Incorporated in 1993 in partnership with the Switzerland-based BBR Network, BBR Holdings (S) Ltd commenced operations in 1994 under its previous name, BBR Construction Systems Pte Ltd. It was established as part of a global strategy to form a worldwide network whereby BBR Network grants access to the latest technical know-how, resources and the exchange of information on a broad scale and within international partnering alliances.

The BBR Network was founded in 1944 when three Swiss engineers, Brandestini, Birkenmaier and Ros, formed a partnership under the name BBR Bureau. Today, the BBR Network comprises a worldwide network of affiliated companies, joint ventures and franchisees that offer specialist construction engineering activities spanning some 46 countries from around the world.

In 2001, Singapore Piling & Civil Engineering Private Limited was integrated into the BBR Group. Singapore Piling & Civil Engineering Private Limited was incorporated in 1970 and is registered with the Building and Construction Authority of Singapore under A1 classification for both Building (CW01) and Civil Engineering (CW02). Since 1984, A1 is the highest classification of registration under Building and Construction Authority that enables the company to tender for public sector contracts of unlimited value.

Our Activities

Responsible for expanding the activities of the BBR Network in the Asia Pacific region, the BBR Group currently has business presence in key markets in South-east Asia, Sri Lanka, Maldives and Korea.

Through close collaboration with the BBR Network, the BBR Group is able to tap their technical know-how, expertise and resources to provide clients with innovative structural engineering solutions and a wide spectrum and integrated range of construction services.

OUR PRINCIPAL SERVICES ARE:

General Construction

- Design and Build
- General Building Construction
- Civil and Structural Engineering

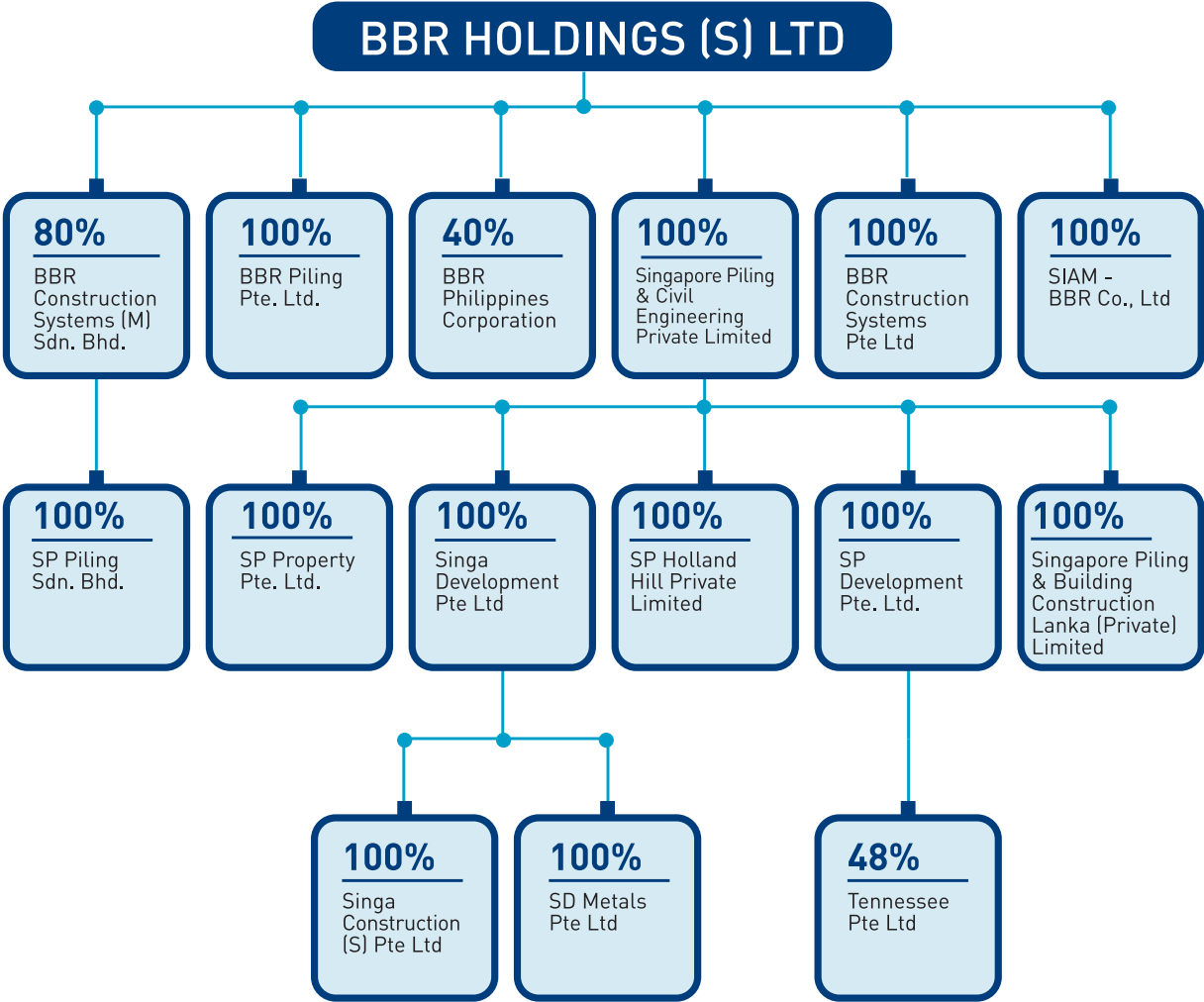
Specialist Engineering

- Piling and Foundation Systems
- Post-tensioning
- Stay Cable Systems
- Heavy Lifting
- Bridge Design and Construction
- Maintenance, Repair and Retrofitting

Property Development

- Boutique developer focusing on developing residential properties

CORPORATE STRUCTURE



CHAIRMAN'S STATEMENT



“Our focus is to provide our clients with innovative structural engineering solutions by leveraging on our strengths. These include our expertise in high specification construction methods, Swiss parentage, strong track record, established reputation and dynamic management team.”

With the global economy recovering slightly in 2009, the past year has been a challenging one for BBR Holdings (S) Ltd (BBR) but we have made progress despite the downturn and in fact, have accelerated our growth. Indeed, we have positioned our company effectively by strengthening our capabilities in order to compete in the domestic building, civil engineering and property markets.

Our focus is to provide our clients with innovative structural engineering solutions by leveraging on our strengths. These include our expertise in high specification construction methods, Swiss parentage, strong track record, established reputation and dynamic management team.

We will continue to exploit opportunities in new markets so as to further expand our geographical presence, and also intensify efforts to bid for both building and infrastructure projects in the region.

Even though the global climate appears somewhat brighter and the Singapore economy appears to be recovering, BBR will remain resilient in order to sustain its performance. With the three core businesses - General Construction, Specialised Engineering and Property Development as its pillars, BBR will continue to improve its financial and operational performance, by closely aligning its resources with demand and monitoring cost controls.

PERFORMANCE REVIEW

On behalf of the Board, I am pleased to report that the Group has achieved strong results for the year ended 31 December 2009 with net profit after tax and minority interests soaring by 266 per cent to S\$13.4 million. This is a significant increase from S\$3.7 million in the previous financial year.

Due to the global financial crisis, which affected the Asian region adversely, Group revenue declined 19 per cent to S\$205.4 million compared to S\$253.9 million in 2008. This is mainly due to a 22 per cent decline in revenue from our General Construction arm, which recorded a turnover of S\$166.2 million or 81 per cent of total revenue. The Group's Specialised Engineering segment contributed S\$39.1 million to the remaining turnover.

This revenue is attributable to various projects such as the



Khoo Teck Puat Hospital (Basement Construction)

common services tunnel and the office tower block at Icon@IBP in Jurong East. Other income rose significantly by 76 per cent to S\$3.9 million, primarily due to write-back of S\$1.2 million of impairment loss for the Group's property development at 'Lush on Holland Hill' provided for in the fiscal year 2008, rental received from the temporary lease of Nos. 19 and 21 Holland Hill, and higher interest earned.

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

The Group achieved strong profitability despite a drop in revenue, due to stronger gross profit margins from specialised engineering projects in Singapore and Malaysia, which were boosted by lower cost of raw materials and stringent cost monitoring that kept project costs down. Gross profit for the Group was S\$20.6 million, an increase of 33 per cent compared to S\$15.5 million in the previous year.

The Group also recorded an increase of S\$1.8 million in other operating costs over the past fiscal year. This is mainly due to a fair value loss adjustment for derivatives,

an increase in staff remuneration, higher professional fees and bad debts written off.

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

We believe that our strong business fundamentals and operational excellence have helped the Group to enjoy a strong financial position. Our 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 2008 respectively. Total equity increased by S\$13.8 million to S\$62.5 million, an increment of 28 per cent over the prior year's S\$48.7 million. Net asset value per share stood at 4.06 cents or 28 per cent higher than the previous fiscal year.

Today, BBR enjoys a solid liquidity position with cash and short term deposits of S\$51.9 million compared to S\$27.9 million in fiscal year 2008, so as to meet its financing and operational needs over the next 12 months. The Group also generated net cash flow surplus of S\$31.7 million from operating activities. Considering the Group's strong cash position, we anticipate that we will maintain sufficient working capital and have the ability to pursue future growth opportunities.



Common Services Tunnel (CST) Phase 3A @ Marina Bay

The Board has proposed a first and final (tax exempt one-tier) dividend distribution of 0.6 cent per share. The proposed dividend is based on post-consolidation of every 5 shares for 1 consolidated share, that is, 308,210,418 shares. The dividend will be paid subject to shareholders' approval at the Annual General Meeting.

INDUSTRY OUTLOOK

The general construction industry outlook for the next 12 months appears positive, with an overall Gross Domestic Product growth forecast of 4.5 per cent to 6.5 per cent in 2010, boosted by a strong pipeline of public sector projects. According to the Building and Construction Authority's forecast, total construction demand in 2010 is expected to reach between S\$21.0 billion to S\$27.0 billion in Singapore.

The greater part of this amount will come from the public sector, which is projected to form 65 per cent of total demand and is expected to be between S\$14 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 such as the Mass Rapid Transit 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, campus expansion of Institutes of Higher Learning and new healthcare facilities.

Private sector construction demand is also expected to show more promise compared to 2009, totalling between S\$7 billion and S\$9.1 billion, with more private residential projects coming on-stream, in line with better market sentiment. Construction demand for commercial and institutional developments is also predicted to be higher, compared to a year ago.

With BBR's strong track record and well-recognised expertise, the string of government infrastructure projects and private sector construction activities is expected to provide numerous opportunities for the company as it continues to bid for new projects. 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.

The property market is also seeing positive signs, which auger well for the Group in 2010 as we seek to focus to position ourselves as a boutique developer. According to the Urban Redevelopment Authority's fourth quarter 2009 real estate statistics, prices of private residential properties increased by 7.4 per cent, while for the whole of 2009, prices of private residential properties increased by 1.8 per cent. Prices of non-landed properties increased by 0.5 per cent while prices of landed properties increased by 7.7 per cent.

Entering 2010, the Group's order book is very strong and is estimated at S\$410 million with projects lasting up to 2012. These projects comprise mainly civil engineering and building contracts predominantly in Singapore and Malaysia. The Group continues to be busy with various projects, from both the public as well as the private sector.



Jun Yuan Primary School



People's Association Headquarters

Some of the projects we are currently working on include the S\$42.0 million contract to construct phase 1 of the Yang Kee Logistics Chemical Hub at Jurong Pier; S\$104.2 million contract from the Housing and Development Board to build seven blocks of 13-storey flats in Yishun; and S\$189.6 million contract awarded by the Urban Redevelopment Authority for the construction of the proposed common services tunnel phase 3A at Marina Bay. The Group is also developing two upmarket condominium projects – 8 Nassim Hill, which comprises 16 super luxury triplex units, and 'Lush on Holland Hill' at Holland Hill, which comprises 56 units in two 12-storey luxury blocks.

With this healthy order book, solid financials and expected steady profit streams, the Group seeks to accelerate its growth in the year ahead. The Group is confident that it is well positioned to benefit from Singapore's continued growth in public sector construction demand, and the rising confidence in the property market.

ACKNOWLEDGEMENT

On behalf of the Board, it is my pleasure to welcome our new Non-Executive Directors, Mr Peter Michael Ekberg

and Dr Pietro Brenni (Alternate Director to Mr Peter Michael Ekberg), who both joined BBR on 28 April 2009. With Mr Ekberg's more than 20 years' experience in the finance industry and Dr Brenni's 20 years' experience in the construction industry, I am confident that they will provide invaluable insights to the Group. I would also like to thank Mr Fritz Ernst Speck, who has vacated his office as Non-Executive Director on 28 April 2009, for his past contributions to the Group since 1 September 1993. I would like to wish him well in his future endeavours.

I would also like to take this opportunity to express my sincere appreciation to shareholders, clients, business partners, subcontractors, suppliers and bankers for their continual and loyal support and partnership through the years. Last but not least, a big thank you to the dedication, hard work and efforts of the management team and staff, without whom the company will not be accelerating ahead with its growth.

PROF YONG KWET YEOW

Independent Non-Executive Director
and Chairman of the Board

BUSINESS REVIEW



Middle Bridge across Sungei Punggol

During the year, BBR Holdings (S) Ltd (BBR) has focused on accelerating its capabilities and operational efficiencies so as to compete successfully in the domestic building, civil engineering and property markets.

We leverage on our core strengths such as our expertise in high specification construction methods, Swiss parentage, strong track record, established reputation and dynamic management team, to differentiate ourselves and position BBR as a company that delivers good results for its clients, business partners and shareholders.

Our approach is to provide our clients with innovative structural engineering solutions, continue to explore opportunities in new markets so as to further expand our geographical presence, and intensify efforts to bid for both building and infrastructure projects in the region. We also focus on developing niche projects and freehold residential properties in prime locations.

To achieve its business goals, the Group is structured into three business groups – General Construction, Specialised Engineering and Property Development. With the winning bids from many new projects and the achievement of operational efficiencies in these three pillars, the Group was able to deliver strong financial results during the past year. This is significant as the global economy was reeling under the economic meltdown in early 2009 and only managed to recover gradually in the second half of the year.

Amidst the economic uncertainties, the Group was successful in winning numerous contracts in Singapore

and the region. Looking ahead, BBR sees excellent opportunities to continue to grow its market share and profitability as well as drive growth in its core businesses.

Singapore continues to be BBR's dominant market, followed by Malaysia and Sri Lanka. The Group also has operations in Thailand and seeks to expand its business presence in Vietnam, Laos, Philippines and India.

General Construction

The Group's two main subsidiaries offering these construction services are Singapore Piling & Civil Engineering Private Limited and Singa Development Pte Ltd, which operate in Singapore and Sri Lanka. The general construction pillar will continue to be the main contributor to the Group's total revenue, as it has done in the past years. The business involves design-and-build and general building construction, and civil and structural engineering.

With more than 30 years of experience in construction, Singapore Piling & Civil Engineering Private Limited is widely acknowledged as one of the most reputable general contractors in Singapore. It is graded A1 by the Singapore's Building and Construction Authority in the Contractors Registration Scheme for General Building and Civil Engineering categories, which allows an unlimited tendering limit.

Our track record in construction is excellent with completed projects, ranging from industrial buildings, factories and warehouses, office buildings, commercial

complexes and infrastructure to shopping centres, residential buildings and car parks. For the first time, the Group clinched a contract from the Housing and Development Board to build seven blocks of flats in Yishun, Singapore, and we hope this will be the start of many such projects in years to come.

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

- S\$189.6 million contract awarded by the Urban Redevelopment Authority for the construction of the proposed common services tunnel phase 3A in Marina Bay, which is scheduled to be completed by April 2011
- 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, which is targeted to be completed in early 2011
- S\$104.2 million contract from the Housing and Development Board to build seven blocks of 13-storey flats in Yishun Neighbourhood 4, housing 864 homes, complete with a childcare centre, a roof garden and communal facilities, which is targeted for completion in 2012, and
- S\$77.7 million contract to redevelop the Singapore Island Country Club's main clubhouse at Island Club Road and maintenance of drains and roads, which are scheduled to be completed in 2011.

Specialised Engineering

Our Specialised Engineering division operates in



Middle Bridge across Sungei Punggol



Khoo Teck Puat Hospital (Basement Construction)

Singapore, Malaysia, Philippines and Thailand under BBR Construction Systems Pte Ltd, Singapore; BBR Construction Systems (M) Sdn. Bhd., Malaysia; BBR Philippines Corporation, Philippines; and Siam-BBR Co., Ltd., Thailand. Our main areas of expertise cover piling and foundation systems, post-tensioning, stay cable systems, heavy lifting, bridge design and construction, and maintenance, repair and retrofitting.

To build up its strength and business in bore piling specialist works, the Group has set up BBR Piling Pte. Ltd, previously known as BBR Investments Pte Ltd, which commenced operations on 1 January 2010. We have been recognised through the years for our specialist know-how in piling works, which used to be housed under Singapore Piling & Civil Engineering Private Limited.

One of our Group's competitive advantages is that we are able to offer our clients innovative, sophisticated and sound construction engineering solutions. This is because we have access to the latest engineering and construction technology and engineering methods, and techniques

developed locally for the regional markets through the BBR Network.

The Group is part of the Switzerland-based BBR Network, which has been widely acknowledged for its high-tech engineering and construction excellence for the last 60 years. The BBR Network franchises post-tensioning stay cable and related construction engineering technologies worldwide and operates in more than 46 countries around the world.

BBR's technologies have been applied to a vast array of different structures such as bridges, buildings, cryogenic LNG tanks, dams, marine structures, nuclear power stations, retaining walls, tanks/silos, towers, tunnels, wastewater-treatment plants, water reservoirs and wind farms. The BBR brands and trademarks – CONA, BBRV, HiAm, DINA, SWIF and CONNAECT – are recognised worldwide. Our Group benefits immensely from the sharing of these innovative and latest technologies, which we adapt for the region.



Ministry of Education (MOE) HQ Building (Post-tensioning)



Merrill Lynch HarbourFront (Post-tensioning)

Property Development

The Group focused on property development through its property development division, consisting of SP Development Pte Ltd and SP Holland Hill Private Limited.

Through a joint venture with Shing Kwan (Pte) Ltd, SP Development is developing an up-market residential development in the prestigious Nassim Hill area in Singapore. This is a prime freehold property site located within walking distance of Orchard Road and the Botanic Gardens. The development, 8 Nassim Hill, will consist of 16 super luxury triplex units with basement car parks. Each unit will be of an average size of 4,000 sq ft spread over 3 stories and fitted with ultra high-end finishes and fixtures and its own private gardens and balconies, and pool.

Work on 'Lush on Holland Hill' in Singapore's prestigious District 10 has been progressing well and the development

has been enjoying good response from the market. SP Holland Hill Private Limited, BBR's wholly owned subsidiary, acquired the 4,899.9 sq metres freehold site at Nos.19 and 21 Holland Hill in May 2007. The development is a 12-storey luxury condominium with basement car parks, cascading water gardens, multi-tiered landscape and facilities. It comprises 56 spacious homes, which consist of 2-bedroom, 3-bedroom and 4-bedroom units and penthouses.

With the development of both 8 Nassim Hill and 'Lush on Holland Hill', the Group can now offer potential buyers or investors seeking freehold properties in the exclusive District 10 area, a choice of luxury residential units. Moving ahead, we intend to position ourselves as a boutique developer focusing on developing residential properties. We will continue to search for other suitable sites with good re-development potential for our future developments.



8 Nassim Hill



"Lush on Holland Hill"

HIGHLIGHTS OF PROJECTS



Common Services Tunnel (CST) Phase 3A @ Marina Bay

People's Association Headquarters

Common Services Tunnel in Marina Bay, Singapore

Construction of the common services tunnel phase 3A began in December 2007 shortly after securing the S\$189.6 million contract from the Urban Redevelopment Authority. Targeted for completion in April 2011, the 20-km purpose-built tunnel is said to be the second of its kind in Asia after Japan. It will house and distribute various utility services for the 320-hectare waterfront Marina Bay area when completed. The tunnel will house electrical and telecommunication cables, water and potable water pipes as well as pneumatic refuse collection pipes. The tunnel system is constructed at an average depth of 2.5 metres below ground level.

Singapore Island Country Club at Island Club Road, Singapore

This is a contract worth S\$77.7 million for the redevelopment of the main clubhouse at Island Club Road as well as for maintenance of drains and roads. Work on the project began in August 2009 and will be carried out in three stages, with the final stage completion in 2012. The contract has been awarded by RSP Architects

Planners & Engineers (Pte) Ltd on behalf of the Singapore Island Country Club.

People's Association Headquarters at King George's Avenue/Kitchener/Tyrwhitt Roads, Singapore

Work on the new People's Association Headquarters at King George's Avenue/Kitchener/Tyrwhitt Roads, which began in January 2007, was completed in 2009. The S\$37 million project involved the conservation and additions and alterations to the existing admin block and canteen of the former Victoria School, erection of one block of 5-storey extension and 3-storey annex block.

'Lush on Holland Hill' in Singapore's District 10

Work on 'Lush on Holland Hill' in Singapore's prestigious District 10 has been progressing well and the development has been enjoying good response from the market. SP Holland Hill Private Limited, BBR's wholly owned subsidiary, acquired the 4,899.9 sq metres freehold site in May 2007. The development comprises 56 modern, spacious homes consisting of 2-bedroom, 3-bedroom, 4-bedroom units and penthouses in two towering



"Lush on Holland Hill"

12-storey blocks, which are set amidst lush landscapes. The property is just minutes away from Orchard Road and Singapore Botanic Gardens.

Seven Blocks of 13-storey HDB flats in Yishun, Singapore

This is a maiden contract worth S\$104.2 million awarded by the Housing and Development Board in August 2009 to build new homes for Singaporeans. The seven high-rise blocks of 13-storey flats in Yishun Neighbourhood 4 will house 864 homes, complete with a childcare centre, a roof garden and communal facilities, among other things, when completed. Work on the project got under way in September 2009 and will be carried out in 10 phases. Scheduled to be completed in January 2012, this project also involves electrical sub-station works, sewerage works, construction of a driveway, as well as other site works.



Office Tower at Icon@IBP in Jurong, Singapore

The S\$95.3 million turnkey design-and-build project, which was awarded by Ascendas (Tuas) Pte Ltd, was completed in the second half of 2009. It is an elegant structure with many interesting features, including a sky-bridge linking two 12-storey tower blocks on the 10th and 11th floors. It also boasts a number of other interesting design features such as an eco-garden in the sky and an 18-metre high atrium. The building also meets the stringent environmental standards set by the Building & Construction Authority (BCA), that is the BCA Green Mark GoldPLUS rating, a green building rating system to evaluate a building's environmental impact and performance.



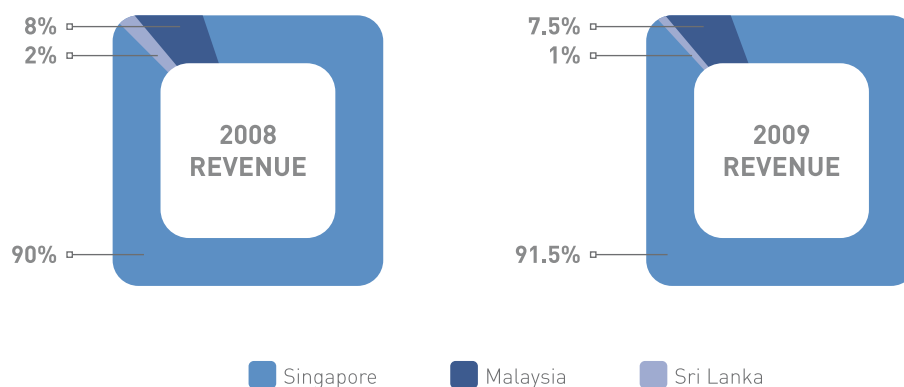
Icon @ IBP



FINANCIAL HIGHLIGHTS

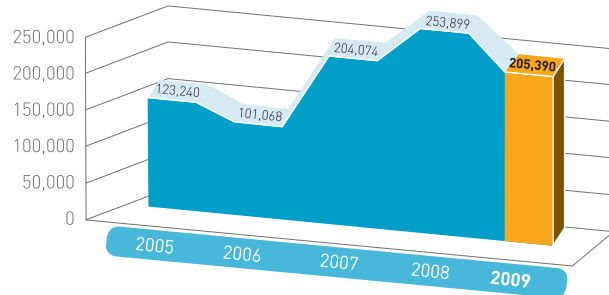
5 - Year Financial Summary (\$'000)	2005	2006	2007	2008	2009
Revenue	123,240	101,068	204,074	253,899	205,390
Gross Profit	8,275	10,636	14,402	15,525	20,608
Profit Before Tax	2,638	2,680	5,133	3,868	15,694
Profit After Tax	2,029	2,435	4,555	3,741	13,663
Profit Attributable to Equity Holders of the Company	2,222	2,319	4,467	3,652	13,352
Total Assets	71,382	91,266	184,577	205,753	210,211
Equity Attributable to Equity Holders of the Company	12,906	15,171	44,310	48,130	61,737
Earnings Per Share (Cents)	0.17	0.17	0.30	0.24	0.87
Net Asset Value Per Share (Cents)	0.98	1.15	2.91	3.16	4.06
Business Segment					
Specialised Engineering	35,707	48,401	41,535	41,305	39,146
General Construction	87,533	52,667	162,539	212,594	166,225
Geographical Segment					
Singapore	94,210	62,744	157,598	228,534	188,070
Malaysia	14,231	25,914	25,618	19,882	15,637
Thailand	5,043	3,381	358	1,220	-
Sri Lanka	9,756	9,629	20,500	4,263	1,683

GEOGRAPHICAL SEGMENT



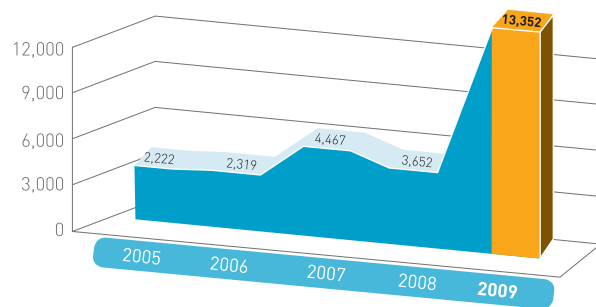
REVENUE (\$'000)

CAGR: 14%



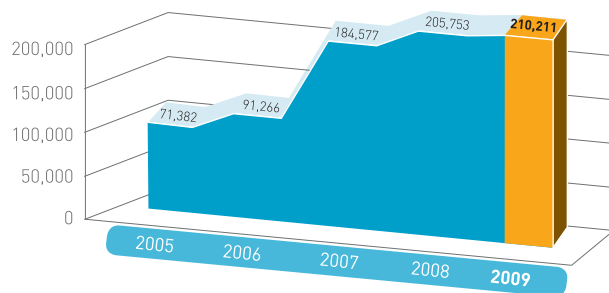
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (\$'000)

CAGR: 57%



TOTAL ASSETS (\$'000)

CAGR: 31%



BOARD OF DIRECTORS



PROF YONG KWET YEW

MR TAN KHENG HWEE ANDREW

MR BRUNO SERGIO VALSANGIACOMO

PROF YONG KWET YEW

Independent Non-Executive Director, Chairman of the Board, Chairman of the Nomination Committee, Chairman of the Remuneration Committee and Member of the Audit Committee

Prof Yong Kwet Yew was appointed a Director of BBR Holdings (S) Ltd on 19 August 1997. He serves as Chairman of the Board, Chairman of the Nomination and Remuneration Committees as well as a member of the Audit Committee. He is a Professor of Civil Engineering and Vice President (Campus Infrastructure) at 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. He has also served as a consultant to government agencies as well as local and international companies on over 100 major construction projects in Singapore, China and the region.

Prof Yong was Past President of the South-east Asian Geotechnical Society, and chairs several government advisory committees and professional committees. He is a Fellow of the Institution of Engineers and an Accredited Adjudicator, Singapore Mediation Centre. He is also a Board Member and Executive Committee Member of the Land Transport

Authority of Singapore, and Chairman of Trittech Group Ltd. For contributions to land transport development, he was awarded the Public Service Star in the National Day Awards 2008.

MR TAN KHENG HWEE ANDREW **Executive Director and Chief Executive Officer**

Mr Tan Kheng Hwee Andrew was a founding member and appointed as the Managing Director/Chief Executive Officer of BBR Holdings (S) Ltd since 1 April 1994. He is responsible for the management and business development of the Group. Prior to setting up the Company, he spent two years after graduation in the public service and worked for another 13 years with another public listed company.

He holds a Bachelor of Engineering (Honours) from the University of Singapore and a Master of Science from the National University of Singapore. Mr Tan is also a registered Professional Engineer and a member of the Institution of Engineers (Singapore).

MR BRUNO SERGIO VALSANGIACOMO **Non-Executive Director and Member of the Remuneration Committee**

Mr Bruno Sergio Valsangiacomo was appointed a Director of BBR

Holdings (S) Ltd on 11 February 1997. He serves as a member of the Remuneration Committee. He is the Chairman of BBR Holding Ltd, Switzerland and Chairman/Board member of Stahlton AG and Proceq S.A., which are member companies of the Tectus S.A. Group. He is also the Founder and Chairman of FFC Fincoord Finance Coordinators Ltd., an advisory firm based in Zurich, Switzerland.

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

MR PETER MICHAEL EKBERG **Non-Executive Director**

Mr Peter Michael Ekberg was appointed a Director of BBR Holdings (S) Ltd on 28 April 2009. He has more than 20 years of experience in accounting, finance and auditing. He is the Chief Financial Officer of the Tectus S.A. Group and serves on the boards of various Tectus S.A. Group companies including other BBR companies.



MR PETER MICHAEL EKBERG

DR PIETRO BRENNI

MS LUK KA LAI CARRIE

MR SOH GIM TEIK

He is a graduate in business administration (lic. oec.) of the University of St. Gallen, Switzerland, and a Swiss Certified Accountant.

DR PIETRO BRENNI

Alternate Director to Mr Peter Michael Ekberg

Dr Pietro Brenni was appointed an Alternate Director to Mr Peter Michael Ekberg on 28 April 2009. He brings with him 20 years of experience in construction industry. He took his first steps in the construction field with a worldwide leading geotechnical and specialised underground engineering company. In the late 1980s, he graduated from the Swiss Federal Institute of Technology Zurich (ETHZ), where he had further opportunities to strengthen his natural affinity for structural engineering and obtained a doctorate with a dissertation on bonding between new and old concrete.

He joined BBR in 2000, heading its strong technical headquarters and business development unit until the end of 2006. Dr Brenni is currently the owner and principal of an independent engineering and consultancy firm, covering civil, structural and building services, based in southern Switzerland, as well as a director and advisor to several other companies.

MS LUK KA LAI CARRIE (MRS CARRIE CHEONG)

Independent Non-Executive Director, Chairperson of the Audit Committee and Member of the Nomination Committee

Ms Luk Ka Lai Carrie was appointed a Director of BBR Holdings (S) Ltd on 24 September 1997. She serves as the Chairperson of the Audit Committee and a member of the Nomination Committee. She is a Director and Chief Executive Officer of Carrie Cheong & Ethel Low Consulting Pte. Ltd., a company 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 and mergers and acquisitions.

Ms Luk holds a Master of Business Administration degree from the University of Brunel, United Kingdom. She is a Fellow of the Association of Chartered Certified Accountant, a Practising Chartered Secretary and an Associate of The Institute of Chartered Secretaries and Administrators. She also serves as an independent director on the board of another public-listed company in Singapore.

MR SOH GIM TEIK

Independent Non-Executive Director, Member of the Audit Committee and Member of the Nomination Committee

Mr Soh Gim Teik was first appointed a Director of BBR Holdings (S) Ltd on 8 August 2008. He has more than 32 years of experience in accounting, finance and general management and holds a Bachelor of Accountancy degree from the then University of Singapore (now the National University of Singapore). He is currently a non-practising member of the Institute of Certified Public Accountants of Singapore (ICPAS) and a Fellow of the Singapore Institute of Directors. Besides serving as an independent director on the boards of other listed companies in Singapore, he also serves as the Chairman of the CFO Committee of ICPAS and is a committee member of the Professional Accountants in Business (PAIB) Committee of the International Federation of Accountants (IFAC).

Mr Soh was awarded the Best CFO of the Year at the Singapore Corporate Awards 2006 under the category of Mainboard-listed Companies by Market Capitalisation of below \$500 million. Apart from commercial establishments, he also holds other independent directorships and appointments in charitable and non-profit organisations.

KEY EXECUTIVES



MR CHOO SIEW MENG

MR JOHN MO KUAN SHENG

MR THOMAS CHIEW HOCK MENG

MR JOHN MO KUAN SHENG Director, BBR Construction Systems Pte Ltd

Mr John Mo Kuan Sheng is the Director of BBR Construction Systems Pte Ltd since 1999. He is in charge of day-to-day operations, marketing and business development. He is also a Director of Siam-BBR Co., Ltd., BBR Philippines Corporation and BBR Piling Pte. Ltd.

Prior to joining the Group in 1994, Mr Mo worked in several construction companies from 1988 to 1993. He holds a Bachelor of Engineering (Civil).

MR CHOO SIEW MENG Executive Director, Singapore Piling & Civil Engineering Private Limited

Mr Choo Siew Meng was appointed Executive Director, Singapore Piling & Civil

Engineering Private Limited on 1 March 2009. He has 35 years of experience in the construction industry in building, civil engineering and infrastructure works, including a stint with the Housing and Development Board from 1973 to 1977. Prior to joining the Group, he held a senior management position in Koh Brothers, where he was responsible for the overall performance of the Construction Division. Mr Choo has in-depth knowledge and experience in highly specialised civil engineering projects.

He holds an Engineering Degree from the University of Singapore.

MR THOMAS CHIEW HOCK MENG Executive Director, Singapore Piling & Civil Engineering Private Limited

Mr Thomas Chiew Hock Meng was appointed Executive Director

of Singapore Piling & Civil Engineering Private Limited on 1 March 2009. He is in charge of the Building Division of the company. He has been with Singapore Piling & Civil Engineering Private Limited for 28 years in various capacities.

He holds a Bachelor of Applied Science in Construction Management and a Diploma in Building.

MR CHAN TUCK MENG Commercial Manager, SP Development Pte. Ltd.

Mr Chan Tuck Meng is the Commercial Manager of SP Development Pte. Ltd, where he is responsible for business development and operations. Prior to SP Development Pte. Ltd., he has worked in various other capacities within the BBR Group.



MR CHAN TUCK MENG

MR VOON YOK LIN

MR PAUL CHEONG KIN FOO

MS MARIA LOW SIEW JOO

He holds a Bachelor of Engineering (Civil) (Honours) and a Master of Business Administration (Accountancy).

MR VOON YOK LIN
Managing Director,
BBR Construction Systems (M)
Sdn. Bhd.

Mr Voon Yok Lin is the Managing Director of BBR Construction Systems (M) Sdn. Bhd., where he is responsible for the overall operations and management. Prior to joining the Group in 1994, he worked in various capacities in a Malaysian construction firm, which specialises in pre-stressing construction technology.

He holds a Bachelor of Science (Honours) in Civil Engineering from the University of Strathclyde, Scotland, in the United Kingdom. He is a registered Professional Engineer

with the Board of Engineers Malaysia and a member of The Institution of Engineers Malaysia.

MR PAUL CHEONG KIN FOO
Director,
BBR Construction Systems (M)
Sdn. Bhd.

Mr Paul Cheong Kin Foo joined BBR Construction Systems (M) Sdn. Bhd. as an Accounts/ Administration Manager on 15 November 1997 and is responsible for the financial and administration matters for the Company. He was appointed as a Director of BBR Construction Systems (M) Sdn. Bhd. on 4 January 2007. Prior to joining the Company, he worked for about 15 years in the trading, manufacturing and services industries.

He is a graduate of the Association of International Accountants (United Kingdom)

and has a Diploma in Computer Studies.

MS MARIA LOW SIEW JOO
Chief Financial Officer

Ms Maria Low Siew Joo joined BBR Holdings (S) Ltd as Deputy Chief Financial Officer on 9 September 2009 and was appointed the Chief Financial Officer in December 2009. She is responsible for all financial matters within the Group. Prior to joining the Group, she was the General Manager, Finance of Portek International Ltd.

She holds a Bachelor of Accountancy degree from National University of Singapore and is a Certified Public Accountant with the ICPAS, Singapore.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Prof Yong Kwet Yew
Independent Director
PhD, B.E (Hons), PEng, FIES, MSID, Accredited
Adjudicator

Mr Tan Kheng Hwee Andrew
Executive Director and Chief Executive Officer
B.E. (Hons), M.Sc., MIES, PEng, FSCI, MSID

Mr Bruno Sergio Valsangiacomo
Non-Executive Director
BBA

Mr Peter Michael Ekberg
Non-Executive Director (Appointed on 28 April 2009)
BBA

Dr Pietro Brenni
Alternate Director to Mr Peter Michael Ekberg
(Appointed on 28 April 2009)
PhD

Ms Luk Ka Lai Carrie
Independent Director
MBA, FCCA, ACIS, Dip MA, MSID, MSIM

Mr Soh Gim Teik
Independent Director
BAcc

AUDIT COMMITTEE

Ms Luk Ka Lai Carrie (Chairperson)
Prof Yong Kwet Yew
Mr Soh Gim Teik

NOMINATION COMMITTEE

Prof Yong Kwet Yew (Chairman)
Ms Luk Ka Lai Carrie
Mr Soh Gim Teik

REMUNERATION COMMITTEE

Prof Yong Kwet Yew (Chairman)
Mr Bruno Sergio Valsangiacomo

COMPANY SECRETARY

Ms Chiang Chai Foong
ACIS

REGISTERED OFFICE

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SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
Singapore Land Tower #32-01
Singapore 048623
Tel : (65) 65365355
Fax : (65) 65361360

AUDITORS

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner in-charge: Alvin Phua Chun Yen
(Since financial year ended 31 December 2006)

BANKERS

Oversea-Chinese Banking Corporation Limited
DBS Bank Ltd
United Overseas Bank Limited
Malayan Banking Berhad
RHB Bank Berhad
Standard Chartered Bank
The Hongkong & Shanghai Banking Corporation Limited
Hong Leong Finance Limited
AFC Merchant Bank
CIMB Bank Bhd



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DIRECTORS' REPORT

The directors are pleased to present their report to the members together with the audited consolidated financial statements of BBR Holdings (S) Ltd (the Company) and its subsidiaries (collectively, the Group) and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2009.

Directors

The directors of the Company in office at the date of this report are :

Yong Kwet Yew	(Non-Executive Chairman)
Tan Kheng Hwee Andrew	(Executive Director and Chief Executive Officer)
Bruno Sergio Valsangiacomo	
Luk Ka Lai Carrie	
Soh Gim Teik	
Peter Michael Ekberg	(Appointed on 28 April 2009)
Pietro Brenni	(Alternate Director to Peter Michael Ekberg; appointed on 28 April 2009)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Cap. 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below :

Name of director	Direct interest ⁽¹⁾		Deemed interest ⁽¹⁾	
	At the beginning of financial year/ At date of appointment	At the end of financial year	At the beginning of financial year	At the end of financial year
The Company				
BBR Holdings (S) Ltd				
(Ordinary shares)				
Tan Kheng Hwee Andrew	82,027,370	82,027,370	142,000	142,000
Peter Michael Ekberg	750,000	750,000	-	-
Bruno Sergio Valsangiacomo	-	-	342,204,892	371,539,892

(1) The number of ordinary shares disclosed is before the share consolidation to consolidate every five ordinary shares in the capital of the Company into one consolidated share. Following the approval of shareholders at an Extraordinary General Meeting on 8 February 2010 and completion of the share consolidation on 26 February 2010, the number of ordinary shares of the Company is 308,210,418 consolidated shares.

DIRECTORS' REPORT (CONT'D)

Directors' interests in shares and debentures (cont'd)

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2010.

By virtue of section 7 of the Singapore Companies Act, Cap. 50, Bruno Sergio Valsangiacomo is deemed to have interests in shares of the subsidiaries of the Company.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Options

There is presently no option scheme on unissued shares of the Company.

Audit committee

The Audit Committee ("AC") carried out its functions in accordance with section 201B(5) of the Singapore Companies Act, Cap. 50., including the following :

- Reviewed the audit plan and scope of audit examination of the external auditors and evaluated their overall effectiveness through regular meetings with the auditors;
- Reviewed with the internal auditors their evaluation of the Company's internal accounting control;
- Reviewed with the external auditors their report on the financial statements and the assistance given by the Company's officers to them;
- Reviewed the financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Listing Manual of SGX).

Other functions performed by the AC are described in the report on corporate governance, which includes a review of the external auditor's objectivity and independence vis-à-vis the non-audit services provided by them.

The AC has recommended to the board of directors that the auditors, Ernst & Young LLP, be nominated for re-appointment as auditors at the next annual general meeting of the Company.

Further details regarding the AC are disclosed in the report on corporate governance.

DIRECTORS' REPORT (CONT'D)

Auditors

Ernst & Young LLP have expressed their willingness to accept reappointment as auditors.

On behalf of the board of directors,

Tan Kheng Hwee Andrew
Executive Director and Chief Executive Officer

Luk Ka Lai Carrie
Non-Executive Director

Singapore
18 March 2010

STATEMENT BY DIRECTORS

We, Tan Kheng Hwee Andrew and Luk Ka Lai Carrie, being two of the directors of BBR Holdings (S) Ltd, do hereby state that, in the opinion of the directors,

- (i) the accompanying statements of financial position, consolidated statement of comprehensive income, statements of changes in equity, and consolidated statement of cash flows together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and of the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors,

Tan Kheng Hwee Andrew
Executive Director and Chief Executive Officer

Luk Ka Lai Carrie
Non-Executive Director

Singapore
18 March 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBR HOLDINGS (S) LTD

We have audited the accompanying financial statements of BBR Holdings (S) Ltd (the Company) and its subsidiaries (collectively, the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2009, the statements of changes in equity of the Group and the Company and the statement of comprehensive income and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the Act) and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statements of financial position and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and
- (ii) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and Certified Public Accountants
Singapore
18 March 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	Notes	2009 \$'000	2008 \$'000
Revenue	4	205,390	253,899
Cost of sales		(184,782)	(238,374)
Gross profit		20,608	15,525
Other income	5	3,927	2,234
Administrative costs		(4,502)	(4,983)
Other operating costs		(13,138)	(11,366)
Finance costs	6	(1,235)	(374)
Share of results of associates		10,034	2,832
Profit before tax	7	15,694	3,868
Income tax expenses	8	(2,031)	(127)
Profit for the year		13,663	3,741
Other comprehensive income:			
Foreign currency translation gain		247	142
Other comprehensive income for the year, net of tax		247	142
Total comprehensive income for the year		13,910	3,883
Profit attributable to:			
Equity holders of the Company		13,352	3,652
Minority interests		311	89
		13,663	3,741
Total comprehensive income attributable to:			
Equity holders of the Company		13,607	3,820
Minority interests		303	63
		13,910	3,883
Earnings per share	9		
Basic and fully diluted earnings per share		0.87 cents	0.24 cents

The accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2009

	Notes	Group		Company	
		2009 \$'000	2008 \$'000 (Restated)	2009 \$'000	2008 \$'000 (Restated)
Non-current assets					
Property, plant and equipment	10	14,569	16,774	124	142
Intangible assets	11	119	119	-	-
Investment securities	12	94	94	-	-
Investments in subsidiaries	13	-	-	26,216	22,016
Investments in associates	14	14,941	4,907	92	92
Deferred tax assets	15	761	1,200	-	-
Current assets					
Investment securities	12	13	13	13	13
Amounts due from subsidiaries	16	-	-	21,956	15,147
Development properties	17	65,996	73,930	-	-
Gross amount due from customers for contract work-in-progress	18	7,335	6,587	-	-
Inventories	19	3,975	7,523	-	-
Trade receivables	20	40,062	54,314	-	-
Other receivables	21	10,402	12,357	104	78
Pledged deposits	22	2,401	2,978	-	-
Cash and cash equivalents	22	49,543	24,957	1,858	5,908
		179,727	182,659	23,931	21,146
Current liabilities					
Amounts due to subsidiaries	16	-	-	10,037	11,143
Gross amount due to customers for contract work-in-progress	18	24,287	12,088	-	-
Trade and other payables	23	57,696	74,866	178	286
Other liabilities	24	2,724	911	272	-
Derivatives	25	1,392	-	-	-
Loans and borrowings	26	3,908	4,751	20	20
Income tax payable		1,712	1,457	10	-
		91,719	94,073	10,517	11,449
Net current assets		88,008	88,586	13,414	9,697
Non-current liabilities					
Deferred tax liabilities	15	(1,624)	(1,311)	-	-
Loans and borrowings	26	(54,346)	(61,649)	(37)	(57)
Net assets		62,522	48,720	39,809	31,890
Equity attributable to equity holders of the Company					
Share capital	27	43,966	43,966	43,966	43,966
Foreign currency translation reserve		(88)	(343)	-	-
Retained earnings/ (accumulated losses)		17,859	4,507	(4,157)	(12,076)
		61,737	48,130	39,809	31,890
Minority interests		785	590	-	-
Total equity		62,522	48,720	39,809	31,890

The accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

Group	Attributable to equity holders of the Parent				
	Share capital (Note 27)	Foreign currency translation reserve	Retained earnings	Minority interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2009	43,966	(343)	4,507	590	48,720
Profit for the year	-	-	13,352	311	13,663
Other comprehensive income for the year	-	255	-	(8)	247
Total comprehensive income for the year	-	255	13,352	303	13,910
Dividends paid to minority interests	-	-	-	(108)	(108)
Closing balance at 31 December 2009	43,966	(88)	17,859	785	62,522
Opening balance at 1 January 2008	43,966	(511)	855	527	44,837
Profit for the year	-	-	3,652	89	3,741
Other comprehensive income for the year	-	168	-	(26)	142
Total comprehensive income for the year	-	168	3,652	63	3,883
Closing balance at 31 December 2008	43,966	(343)	4,507	590	48,720

The accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

Company	Attributable to equity holders of the Company		
	Share capital (Note 27)	Accumulated losses	Total equity
	\$'000	\$'000	\$'000
Balance at 1 January 2009	43,966	(12,076)	31,890
Profit for the year	-	7,919	7,919
Total comprehensive income for the year	-	7,919	7,919
Closing balance at 31 December 2009	43,966	(4,157)	39,809
Opening balance at 1 January 2008	43,966	(11,987)	31,979
Loss for the year	-	(89)	(89)
Total comprehensive income for the year	-	(89)	(89)
Closing balance at 31 December 2008	43,966	(12,076)	31,890

The accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	2009 \$'000	2008 \$'000 (Restated)
Cash flows from operating activities :		
Profit before tax	15,694	3,868
Adjustments for :		
Depreciation of property, plant and equipment	2,307	2,529
Allowance/(Write-back) for doubtful receivables (net)	369	(89)
Fair value loss on derivatives	1,392	-
Impairment loss in value of investment securities	-	2,481
Interest income	(72)	(312)
Interest expense	1,156	279
Gain on disposal of property, plant and equipment	(427)	(693)
Share of results of associates	(10,034)	(2,832)
(Write-back of)/impairment loss in value of land relating to a development property	(1,179)	2,620
Write off of :		
Trade receivables	1,677	-
Inventories	1,315	-
Property, plant and equipment	12	-
Trade payables	(34)	(810)
Operating profit before working capital changes	12,176	7,041
Decrease/(increase) in development properties	9,736	(304)
Decrease in contract work-in-progress	11,451	7,738
Decrease/(increase) in trade receivables	12,206	(9,664)
Decrease in other receivables	1,955	1,549
Decrease/(increase) in inventories	2,233	(4,845)
(Decrease)/increase in trade and other payables	(17,136)	26,216
Increase/(decrease) in other liabilities	1,813	(10,198)
Cash from operations	34,434	17,533
Interest paid	(1,779)	(2,497)
Interest received	72	312
Income tax (paid)/returned	(1,024)	72
Net cash from operating activities	31,703	15,420
Cash flows from investing activities :		
Proceeds from disposal of property, plant and equipment	1,543	1,822
Purchase of property, plant and equipment (Note 22)	(1,166)	(3,657)
Net cash from/(used in) investing activities	377	(1,835)
Cash flows from financing activities :		
Proceeds from/(repayment of) bank borrowings, secured	6	(2,411)
Dividends paid to minority interests	(108)	-
Repayment of long term borrowings	(6,760)	(90)
Repayment of finance leases	(1,510)	(3,113)
Decrease/(increase) in pledged deposits	577	(770)
Net cash used in financing activities	(7,795)	(6,384)
Net effect of exchange rate changes in consolidating subsidiaries	301	(3)
Net increase in cash and cash equivalents	24,586	7,198
Cash and cash equivalents at beginning of the year	24,957	17,759
Cash and cash equivalents at end of the year (Note 22)	49,543	24,957

The accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

1. Corporate information

BBR Holdings (S) Ltd (the Company) is a limited liability company, which is incorporated in the Republic of Singapore and publicly traded on the mainboard of Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is located at 50 Changi South Street 1, BBR Building, Singapore 486126.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries and associates are stated below.

The subsidiaries and associates at 31 December are :

Name of company	Proportion of ownership interest		Country of incorporation	Cost of investment		Principal activities
	2009 %	2008 %		2009 \$'000	2008 \$'000	
Subsidiaries held by the Company						
BBR Construction Systems Pte Ltd ⁽¹⁾	100	100	Singapore	55,012	55,012	Structural engineering and design and build services
BBR Construction Systems (M) Sdn. Bhd. ⁽²⁾	80	80	Malaysia	793	793	Structural engineering and design and build services
BBR Piling Pte Ltd ⁽¹⁾ (Formerly known as "BBR Investments Pte. Ltd.")	100	100	Singapore	100	100	Borepiling works
Singapore Piling & Civil Engineering Private Limited ⁽¹⁾	100	100	Singapore	18,119	18,119	General building and piling, civil and structural engineering, renovation and retro-fitting and investment holding
Siam-BBR Co., Ltd ⁽²⁾	100	100	Thailand	432	432	Design, fabrication and installation of movable scaffolding system and formwork and the construction of superstructures
				74,456	74,456	
Associate held by the Company						
BBR Philippines Corporation ⁽³⁾	40	40	Philippines	92	92	Structural engineering

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

1. Corporate information (cont'd)

Name of company	Proportion of ownership interest		Country of incorporation	Cost of investment		Principal activities
	2009	2008		2009	2008	
	%	%		\$'000	\$'000	
Subsidiaries held by Singapore Piling & Civil Engineering Private Limited						
Singa Development Pte Ltd ⁽¹⁾	100	100	Singapore	3,600	3,600	Building contractors, project and contract managers, reinforced concrete specialist and contractor for all kinds of building and civil engineering works
SP Development Pte. Ltd. ⁽¹⁾	100	100	Singapore	1,000	1,000	Property development
SP Holland Hill Private Limited ⁽¹⁾	100	100	Singapore	1,000	1,000	Property development
SP Property Pte. Ltd. ⁽¹⁾	100	100	Singapore	++	++	Dormant
Singapore Piling and Building Construction Lanka (Private) Limited ⁽²⁾	100	100	Sri Lanka	368	368	General building and piling, civil and structural engineering, renovation and retrofitting
BBR-Tagore Pte Ltd ⁽⁵⁾	100	-	Singapore	++	-	Property development
Subsidiary held by BBR Piling Pte Ltd						
TKP Development Pte Ltd ⁽¹⁾⁽⁴⁾	100	100	Singapore	1,000	1,000	Dormant
Subsidiaries held by Singa Development Pte Ltd						
Singa Construction (S) Pte Ltd ⁽¹⁾	100	100	Singapore	857	857	Dormant
SD Metals Pte Ltd ⁽¹⁾	100	100	Singapore	+++	+++	Dormant

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

1. Corporate information (cont'd)

Name of company	Proportion of ownership interest		Country of incorporation	Cost of investment		Principal activities
	2009 %	2008 %		2009 \$'000	2008 \$'000	
Subsidiary held by BBR Construction Systems (M) Sdn. Bhd.						
SP Piling Sdn. Bhd. ⁽²⁾ (Formerly known as "S.D. Construction Sdn. Bhd.")	100	100	Malaysia	15	15	Building contractors. Temporary ceased operations.
Associates held by SP Development Pte. Ltd.						
Tennessee Pte Ltd ⁽¹⁾	48	48	Singapore	480	480	Property development
SP - John Keells Land Pte. Ltd. ⁽⁴⁾	50	50	Singapore	+	+	Property development

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by member firms of Ernst & Young Global in the respective countries.

(3) Not required to be audited by the law of its country of incorporation.

(4) Under strike off proceedings

(5) On 31 August 2009, the Group incorporated a wholly owned subsidiary, BBR- Tagore Pte. Ltd. in Singapore. The cost of investment was \$2. The Company is principally involved in property development.

+ Cost of investment is \$1.

++ Cost of investment is \$2.

+++ Cost of investment is \$3.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("SGD" or "\$") and all values are rounded to the nearest thousand ("'\$000") except when otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2009, the Group adopted the following standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2009.

FRS 1	Presentation of Financial Statements (Revised)
FRS 18	Amendments to FRS 18, Revenue
FRS 23	Amendments to FRS 23, Borrowing Costs
FRS 32	Amendments to FRS 32, Financial Instruments: Presentation and FRS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
FRS 101,27	Amendments to FRS 101, First-time Adoption of Financial Reporting Standards and FRS 27, Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
FRS 102	Amendments to FRS 102, Share-based Payment – Vesting Conditions and Cancellations
FRS 107	Amendments to FRS 107, Financial Instruments: Disclosures
FRS 108	Operating Segments
General	
Amendments	Improvements to FRSs issued in 2008
INT FRS 113	Customer Loyalty Programmes
INT FRS 116	Hedges of a Net Investment in a Foreign Operation
INT FRS 109	Amendments to INT FRS 109, Reassessment of Embedded Derivatives and FRS 39, Financial Instruments: Recognition and Measurement – Embedded Derivatives

Adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group. They did however give rise to additional disclosures, including, in some cases, revisions to accounting policies.

The principal effects of these changes are as follows:

FRS 1 Presentation of Financial Statements – Revised presentation

The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Group has elected to present this statement as one single statement.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

Amendments to FRS 107 Financial Instruments: Disclosures

The amendments to FRS 107 require additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well as significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The fair value measurement disclosures and liquidity risk disclosures are presented in Note 33 and Note 35 to the financial statements respectively.

Improvements to FRSs issued in 2008

In 2008, the Accounting Standards Council issued an omnibus of amendments to FRS. There are separate transitional provisions for each amendment. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group:

FRS 1 Presentation of Financial Statements: Assets and liabilities classified as held for trading in accordance with FRS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the statement of financial position. The Group amended its accounting policy accordingly and analysed whether Management's expectation of the period of realisation of financial assets and liabilities differed from the classification of the instrument. This did not result in any re-classification of financial instruments between current and non-current in the statement of financial position.

FRS 16 Property, Plant and Equipment: Replaces the term "net selling price" with "fair value less costs to sell". The Group amended its accounting policy accordingly, which did not result in any change in the financial position.

FRS 23 Borrowing Costs: The definition of borrowing costs is revised to consolidate the two types of items that are considered components of "borrowing costs" into one – the interest expense calculated using the effective interest rate method calculated in accordance with FRS 39. The Group has amended its accounting policy accordingly which did not result in any change in its financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Reference	Description	Effective date (Annual periods beginning on or after)
FRS 27	Amendments to FRS 27 Consolidated and Separate Financial Statements	1 July 2009
FRS 39	Amendments to FRS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Item	1 July 2009
FRS 103	Revised FRS 103 Business Combinations	1 July 2009
FRS 105	Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 July 2009
FRS 101	Revised FRS 101 First-time Adoption of Financial Reporting Standards	1 July 2009
INT FRS 117	INT FRS 117 Distributions of Non-cash Assets to Owners	1 July 2009
INT FRS 118	INT FRS 118 Transfer of Assets from Customers	1 July 2009
General Amendments	Improvements to FRSs issued in 2009	
FRS 38	Amendments to FRS 38 Intangible Assets	1 July 2009
FRS 102	Amendments to FRS 102 Share-based Payment	1 July 2009
INT FRS 109	Amendments to INT FRS 109 Reassessment of Embedded Derivatives	1 July 2009
INT FRS 116	Amendments to INT FRS 116 Hedges of a Net Investment in a Foreign Operation	1 July 2009
FRS 1	Amendments to FRS 1 Presentation of Financial Statements	1 January 2010
FRS 7	Amendments to FRS 7 Statement of Cash Flows	1 January 2010
FRS 17	Amendments to FRS 17 Leases	1 January 2010
FRS 36	Amendments to FRS 36 Impairment of Assets	1 January 2010
FRS 39	39 Financial Instruments: Recognition and Measurement	1 January 2010
FRS 101	Amendments to FRS 101 First-time Adoption of Financial Reporting Standards	1 January 2010
FRS 102	Amendments to FRS 102 Share-based Payment	1 January 2010
FRS 105	Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
FRS 108	Amendments to FRS 108 Operating Segments	1 January 2010
FRS 32	Amendments to FRS 32: Reclassification of Right Issues	1 February 2010
INT FRS 119	INT FRS 119 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

Reference	Description	Effective date (Annual periods beginning on or after)
FRS 24	Revised FRS 24 Related Party Disclosure	1 January 2011
INT FRS 114	Amendments to INT FRS 114, FRS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirement and their Interaction	1 January 2011

The directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 103 and the amendments to FRS 27 are described below.

Revised FRS 103 Business Combinations and Amendments to FRS 27 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2009. The revised FRS 103 introduces a number of changes in the accounting for business combinations occurring after 1 July 2009. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 27 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to FRS 7 Statement of Cash Flows, FRS 12 Income Taxes, FRS 21 The Effects of Changes in Foreign Exchange Rates, FRS 28 Investments in Associates and FRS 31 Interests in Joint Ventures. The changes from revised FRS 103 and Amendments to FRS 27 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early applied. However, the Group does not intend to early adopt.

2.4 Foreign currency

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the statement of financial position date are recognised in the statement of comprehensive income except for exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiaries, which are recognised initially in equity as foreign currency translation reserve in the statement of financial position and recognised in the statement of comprehensive income on disposal of the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

2. Summary of significant accounting policies (cont'd)

2.4 Foreign currency (cont'd)

The assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the statement of financial position date and their statement of comprehensive income are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity as foreign currency translation reserve. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the statement of comprehensive income.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the statement of financial position date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.10. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in the statement of comprehensive income on the date of acquisition.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.6 Transactions with minority interests

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the statement of financial position separately from parent shareholders' equity. Transactions with minority interests are accounted for using the entity concept method, whereby, transactions with minority interests are accounted for as transactions with equity holders. On acquisition of minority interests, the difference between the consideration and book value of the share of the net assets acquired is reflected as being a transaction between owners and recognised directly in equity. Gain or loss on disposal to minority interests is recognised directly in equity.

2.7 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

2. Summary of significant accounting policies (cont'd)

2.8 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associate is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable asset, liabilities and contingent liabilities over the cost of the investment is deducted from the carrying amount of the investment and is recognised as income as part of the Group's share of profit or loss of the associate in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The financial statements of the associate are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Leasehold building and certain plant and equipment are measured at fair value less depreciation charged subsequent to the date of revaluation. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers.

When an asset is revalued, any increase in the carrying amount is credited directly to the asset revaluation reserve. However, the increase is recognised in the statement of comprehensive income to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of comprehensive income. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in the statement of comprehensive income. However, the decrease is deducted against the asset revaluation reserve to the extent of any balance existing in the reserve in respect of that asset.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The whole of the revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

2. Summary of significant accounting policies (cont'd)

2.9 Property, plant and equipment (cont'd)

Depreciation

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows :

Leasehold building	10 years
Leasehold properties	30 years
Plant and equipment	4 to 13 years
Motor vehicles	5 years
Other assets	1 to 10 years

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

2.10 Intangible assets

Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the statement of comprehensive income. Impairment losses recognised for goodwill are not reversed in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

2. Summary of significant accounting policies (cont'd)

2.10 Intangible assets (cont'd)

Goodwill (cont'd)

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.5.

Goodwill and fair value adjustments which arose on acquisitions of foreign operations before 1 January 2005 are deemed to be assets and liabilities of the Company and are recorded in SGD at the rates prevailing at the date of acquisition.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the statement of comprehensive income except for assets that are previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss be recognised previously. Such reversal is recognised in the statement of comprehensive income unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

2. Summary of significant accounting policies (cont'd)

2.12 Financial assets

Financial assets are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the statement of comprehensive income.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(a) Financial assets at fair value through profit or loss

Financial assets held for trading are classified as financial assets at fair value through profit or loss. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in the statement of comprehensive income. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

The Group does not designate any financial assets not held for trading as financial assets at fair values through profit and loss.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the loans and receivables are derecognised or impaired, and through the amortisation process.

The Group classifies the following financial assets as loans and receivables :

- Cash and short-term deposits; and
- Trade and other receivables, including amounts due from subsidiaries, associates, related companies and loans to related companies

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

2. Summary of significant accounting policies (cont'd)

2.12 Financial assets (cont'd)

(c) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised directly in the fair value adjustment reserve in equity, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in the statement of comprehensive income. The cumulative gain or loss previously recognised in equity is recognised in the statement of comprehensive income when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

2.13 Investment securities

Investment securities are classified as financial assets at fair value through profit or loss, or available-for-sale financial assets, as appropriate.

The accounting policies for the aforementioned categories of financial assets are stated in Note 2.12.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include unsecured bank overdrafts that form an integral part of the Group's cash management.

2.15 Development properties, completed properties held for sale and revenue recognition

Development properties are properties which are being developed either for sale or for producing rental income. Properties developed for sale are stated at cost plus attributable profit/loss to date less progress billings. Properties developed for producing rental income are stated at cost less provision for any diminution in value that is considered to be other than temporary.

Cost includes land, construction and related development costs and interest on borrowings obtained to finance the purchase and construction of the properties. The interest on borrowings capitalised is arrived at by reference to the actual rate payable on borrowings by the companies concerned and, with regards to funds obtained from the Group, at the average rate paid.

Profit is recognised on the units for which sales agreements have been concluded, using the percentage of completion method. Full provision is made for foreseeable losses. The percentage of completion is determined by the level of construction costs incurred as a proportion of the estimated total construction costs to completion.

Development properties are transferred to properties for sale when they have been completed, the Temporary Occupation Permit has been obtained and they are available for sale. Properties for resale are shown at the lower of cost and directors' estimate of net realisable value.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

2. Summary of significant accounting policies (cont'd)

2.16 Trade and other receivables

Trade and other receivables, including amounts due from subsidiaries, associates, related companies and loans to related companies are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.12.

An allowance is made for uncollectible amounts when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2.17 below.

2.17 Impairment of financial assets

The Group assesses at each statement of financial position date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(a) Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the statement of comprehensive income.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount reversed is recognised in the statement of comprehensive income.

(b) Assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

2. Summary of significant accounting policies (cont'd)

2.17 Impairment of financial assets (cont'd)

(c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of comprehensive income, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses in respect of equity instruments are not recognised in the statement of comprehensive income. Reversals of impairment losses on debt instruments are recognised in the statement of comprehensive income if the increase in fair value of the debt instrument can be objectively related to an event occurring after the impairment loss was recognised in the statement of comprehensive income.

2.18 Inventories

Inventories are valued at the lower of cost (first-in, first-out method) and net realisable value. Inventories comprise steel piles, building supplies and accessories extracted from completed contracts or extractable from contracts in progress. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimate costs necessary to make the sale.

2.19 Construction contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the statement of financial position date, when the outcome of a construction contract can be estimated reliably. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred. An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The stage of completion is determined by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

2. Summary of significant accounting policies (cont'd)

2.20 Trade and other payables

Liabilities for trade and other amounts payable, which are normally settled on 30 to 90 days' terms, and payables to related parties are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

2.21 Borrowing costs

Borrowing costs are recognised in the statement of comprehensive income as incurred except to the extent that they are capitalised. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale.

2.22 Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the statement of comprehensive income. Net gains or losses on derivatives include exchange differences.

2.23 Provision

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

2. Summary of significant accounting policies (cont'd)

2.24 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to statement of financial position date.

2.25 Leases

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of comprehensive income. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.27 (d).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

2. Summary of significant accounting policies (cont'd)

2.26 Taxation

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the statement of financial position date.

Current taxes are recognised in the statement of comprehensive income except that tax relating to items recognised directly in equity is recognised directly in equity.

(b) Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised for all temporary differences, except :

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss;
- In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and
- In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax asset is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date.

Deferred taxes are recognised in the statement of comprehensive income except that deferred tax relating to items recognised directly in equity is recognised directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

2. Summary of significant accounting policies (cont'd)

2.26 Taxation (cont'd)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except :

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.27 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised :

(a) Construction contracts

Accounting policy for recognising construction contract revenue is stated in Note 2.19.

(b) Sale of goods

Revenue is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Rental income

Rental income arising on commercial property sub-leases is accounted for on a straight-line basis over the lease terms. The aggregate cost of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(e) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(f) Management fees

Management fees are recognised when services are rendered.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

2. Summary of significant accounting policies (cont'd)

2.28 Related parties

An entity or individual is considered a related party of the Group for the purposes of the financial statements if : (i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Group or vice versa; or (ii) it is subject to common control or common significant influence.

2.29 Derivative financial instruments

Derivative financial instruments are classified as financial assets or liabilities at fair value through profit or loss and are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at each statement of financial position date.

Any gains or losses arising from changes in fair value on derivative financial instruments are taken to the statement of comprehensive income for the year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

3. Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements :

Income taxes

The Group has exposure to income taxes in several jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax, deferred tax provisions and deferred tax assets in the period in which such determination is made. The carrying amounts of the Group's income tax payables, deferred tax assets and deferred tax liabilities at 31 December 2009 were \$1,712,000 (2008: \$1,457,000), \$761,000 (2008: \$1,200,000) and \$1,624,000 (2008: \$1,311,000), respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

3. Significant accounting estimates and judgements (cont'd)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below :

Useful lives of plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over the plant and equipments' useful lives. Management estimates the useful lives of these plant and equipment to be within 4 to 13 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and equipment at the statement of financial position date is disclosed in Note 10 to the financial statements. A 5% difference in the expected useful lives of these assets from management's estimates would result in approximately 1% (2008: 1%) variance in the Group's profit for the year.

Construction contracts

The Group recognises contract revenue by reference to the stage of completion of the contract activity at the statement of financial position date, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that will affect the stage of completion. The estimates are made based on past experience and knowledge of the project engineers. The carrying amounts of assets and liabilities arising from construction contracts at the statement of financial position date are disclosed in Note 18 to the financial statements.

4. Revenue

	Group	
	2009 \$'000	2008 \$'000
Construction revenue	205,202	253,628
Sale of goods	169	271
Management fee from an associate	19	-
	205,390	253,899

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

5. Other income

	Group	
	2009 \$'000	2008 \$'000
Rental income	1,617	495
Write-back of impairment loss in value of land relating to a development property (Note 17)	1,179	-
Gain on disposal of property, plant and equipment	427	693
Training and testing fees	169	-
Interest income from fixed deposits	72	312
Dividend income from investment securities	31	-
Rental of equipment	5	225
Development service fee	180	345
Others	247	164
	3,927	2,234

6. Finance costs

	Group	
	2009 \$'000	2008 \$'000
Interest expense on :		
Bank loans and bank overdrafts	1,059	138
Obligations under finance leases	97	141
Bank charges	79	95
	1,235	374

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

7. Profit before tax

The following items have been included in arriving at administrative and other operating costs :

	Group	
	2009	2008
	\$'000	\$'000
Depreciation of property, plant and equipment	2,307	2,529
Foreign exchange currency adjustment loss	593	711
Impairment loss in value of investment securities	-	2,481
Impairment loss in value of land relating to a development property (Note 17)	-	2,620
Inventories recognised as an expense in cost of sales (Note 19)	64,163	65,031
Allowance/(write-back) for doubtful receivables (net)	369	(89)
Write off of :		
Trade receivables (Note 20)	1,677	-
Inventories	1,315	-
Property, plant and equipment	12	-
Trade payables	(34)	(810)
Rental of :		
Premises	1,731	999
Office equipment	20	8
Fair value loss on derivatives	1,392	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

8. Income tax expenses

Major components of income tax expenses

The major components of income tax expenses for the years ended 31 December 2009 and 2008 are :

	Group	
	2009 \$'000	2008 \$'000
Statement of comprehensive income		
Current income tax :		
- Singapore	773	1,266
- Foreign	453	19
Under/(over) provision in respect of previous years	53	(135)
	1,279	1,150
Deferred income tax :		
- Origination and reversal of temporary differences (Note 15)	760	(1,000)
- Over provision in respect of previous years (Note 15)	-	(22)
- Effect of reduction in tax rate (Note 15)	(8)	(1)
	752	(1,023)
Income tax expenses recognised in the statement of comprehensive income	2,031	127
<u>Relationship between tax expenses and accounting profit</u>		
A reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2009 and 2008 are as follows :		
Profit before tax	15,694	3,868
Tax at the domestic rates applicable to profits/(losses) in the countries where the Group operates	814	(941)
<i>Adjustments :</i>		
Income not subject to taxation	(83)	(121)
Under/(over) provision of income tax and deferred income tax in respect of previous years	53	(157)
Benefits from previously unrecognised tax losses	(435)	(1,517)
Utilisation of investment allowance	(119)	(364)
Effect of reduction in tax rate	(8)	(1)
Non-deductible expenses	1,072	776
Effect of partial tax exemption and tax relief	(78)	(67)
Deferred tax assets not recognised	961	2,572
Others	(146)	(53)
Income tax expenses recognised in the statement of comprehensive income	2,031	127

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

8. Income tax expenses (cont'd)

In 2008, in relation to the Singapore group relief system, the Group utilised tax losses of \$2,669,000 to set off the assessable income of certain companies within the Group. At the statement of financial position date, the Group has unused tax losses of approximately \$49,793,000 (2008:\$45,962,000) that are available for offset against future taxable profits of the companies in which these arose for which no deferred tax asset is recognised due to the uncertainty of its recoverability. The use of these tax losses and capital allowances are subject to agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

The corporate income rate applicable to Singapore companies of the Group was reduced to 17% for the year of assessment 2010 onwards from 18% for year of assessment 2009. The corporate income tax rate applicable to Malaysian companies of the Group was reduced from 27% to 26% and 25% for the year of assessment 2008 and the year of assessment 2009 onwards respectively.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

9. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the profit and loss and share data used in the computation of basic and diluted earnings per share for the years ended 31 December :

	Group	
	2009 \$'000	2008 \$'000
Profit attributable to ordinary equity holders of the Company used in computation of basic and diluted earnings per share	13,352	3,652
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic and diluted earnings per share computation	1,541,052,278	1,541,052,278

As at the end of the financial year, there were no unissued shares of the Company under option.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

10. Property, plant and equipment

Group	At valuation			At cost			Total \$'000
	Leasehold building \$'000	Plant and equipment \$'000	Plant and equipment \$'000	Leasehold properties \$'000	Motor vehicles \$'000	Other assets \$'000	
Cost or valuation							
At 1 January 2008	2,735	325	28,620	554	3,277	2,925	38,436
Additions	-	-	4,647	443	543	251	5,884
Disposals	-	-	(2,925)	-	(323)	(91)	(3,339)
Written-off	-	-	(791)	-	-	-	(791)
Net exchange differences	-	-	(221)	(28)	(53)	(42)	(344)
At 31 December 2008 and 1 January 2009	2,735	325	29,330	969	3,444	3,043	39,846
Additions	-	-	482	462	254	86	1,284
Disposals	-	-	(1,573)	(471)	(69)	-	(2,113)
Written-off	-	-	(606)	-	-	(543)	(1,149)
Net exchange differences	-	-	(70)	(12)	(14)	(12)	(108)
At 31 December 2009	2,735	325	27,563	948	3,615	2,574	37,760
Accumulated depreciation							
At 1 January 2008	2,013	325	16,490	9	2,553	2,619	24,009
Depreciation charge for the year	213	-	1,845	2	359	110	2,529
Disposals	-	-	(2,102)	-	(300)	(49)	(2,451)
Written-off	-	-	(791)	-	-	-	(791)
Net exchange differences	-	-	(158)	-	(38)	(28)	(224)
At 31 December 2008 and 1 January 2009	2,226	325	15,284	11	2,574	2,652	23,072
Depreciation charge for the year	215	-	1,672	1	283	136	2,307
Disposals	-	-	(928)	-	(69)	-	(997)
Written-off	-	-	(598)	-	-	(539)	(1,137)
Net exchange differences	-	-	(37)	-	(8)	(9)	(54)
At 31 December 2009	2,441	325	15,393	12	2,780	2,240	23,191
Net carrying amount							
At 31 December 2008	509	-	14,046	958	870	391	16,774
At 31 December 2009	294	-	12,170	936	835	334	14,569

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

10. Property, plant and equipment (cont'd)

Company	Motor vehicles \$'000	Other assets \$'000	Total \$'000
Cost			
At 1 January 2008, 31 December 2008 and 1 January 2009	185	–	185
Additions	–	28	28
At 31 December 2009	185	28	213
Accumulated depreciation			
At 1 January 2008	6	–	6
Depreciation charge for the year	37	–	37
At 31 December 2008 and 1 January 2009	43	–	43
Depreciation charge for the year	37	9	46
At 31 December 2009	80	9	89
Net carrying amount			
At 31 December 2008	142	–	142
At 31 December 2009	105	19	124

Revaluation of leasehold building and plant and equipment

The Group's leasehold building and plant and equipment stated at valuation are based on an independent appraisal report dated 31 December 2001 and 20 September 1982 respectively by licensed valuers in Singapore.

If the leasehold building was measured using the cost model, the carrying amount would be as follows :

	Group	
	2009 \$'000	2008 \$'000
Leasehold building at 31 December :		
Cost	3,414	3,414
Accumulated depreciation	(3,282)	(3,151)
Net carrying value	132	263

If the plant and equipment were measured using the cost model, the carrying amount would be \$Nil as at 31 December 2009 and 2008.

Other assets

Other assets comprise furniture and fittings, office equipment, air-conditioners and computers.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

10. Property, plant and equipment (cont'd)

Assets pledged as security

In addition to assets held under finance leases, the Group's leasehold properties with a carrying amount of \$107,000 (2008: \$515,000) (Note 26) are pledged to the financial institutions for banking facilities granted to the Group.

Assets held under finance leases

During the financial year, the Group acquired property, plant and equipment with an aggregate fair value of \$118,000 (2008: \$2,227,000) by means of finance leases. The carrying amounts of property, plant and equipment held under finance leases for the Group and the Company as at 31 December 2009 were \$2,891,000 (2008: \$7,091,000) and \$105,000 (2008: \$142,000) respectively.

Leased assets are pledged as security for the related finance lease liabilities.

11. Intangible assets

	Group	
	2009 \$'000	2008 \$'000
Goodwill	119	119

Goodwill acquired through business combinations has been allocated to the Group's cash-generating units (CGU) identified according to each individual business unit, for impairment testing. The recoverable amount for goodwill was determined based on a value in use calculation using cash flow projections based on financial budgets approved by management covering a five year-period. Management have considered and determined the factors applied in these financial budgets which include budgeted gross margins and average growth rates. The budgeted gross margins are based on past performance and its expectation of market development. Average growth rates used are consistent with forecasts included in industry reports. The discount rate applied is assumed at 8.74% (2008: 8.32%) for value-in-use calculations, which is also the Group's weighted average cost of capital.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

12. Investment securities

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<i>Non-current</i>				
Unquoted equity shares, at cost ⁽¹⁾	3,075	3,075	-	-
Impairment in value of unquoted equity shares ⁽¹⁾	(2,981)	(2,981)	-	-
Total non-current investments	94	94	-	-
<i>Current</i>				
Quoted investments				
- Quoted equity shares	13	13	13	13
Total current investments	13	13	13	13
Total investments	107	107	13	13

(1) Included in Group's investment in unquoted equity shares is an amount of \$2,981,000 (2008: \$2,981,000) which relates to a 33.3% equity interest in a Korean incorporated company, whose principal activities are those of the construction, operation and collection of tolls for expressway. This company was formed pursuant to a joint venture agreement entered by a subsidiary and two other consortium parties. As the Group does not exercise any significant influence over the financial and operating policy decision of this Korean company, the equity interest has been accounted for as other investment. In prior years, the Group recognised an impairment loss of \$2,981,000 pertaining to the unquoted equity shares carried at cost.

13. Investments in subsidiaries

	Company	
	2009 \$'000	2008 \$'000
Unquoted shares, at cost	74,456	74,456
Impairment losses	(48,240)	(52,440)
Carrying amount	26,216	22,016

Details of subsidiaries at the end of the financial year are set out in Note 1.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

13. Investments in subsidiaries (cont'd)

Analysis of impairment losses of investments in subsidiaries are as follows:

	Company	
	2009 \$'000	2008 \$'000
At 1 January	52,440	52,440
Written back to statement of comprehensive income	(4,200)	-
At 31 December	48,240	52,440

An impairment loss of \$4,200,000 was written back to the statement of comprehensive income, subsequent to an impairment assessment performed on investments in subsidiaries as at 31 December 2009.

14. Investments in associates

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Unquoted shares, at cost	572	572	92	92
Share of post-acquisition reserves	14,369	4,335	-	-
Carrying amount	14,941	4,907	92	92

Details of associates at the end of the financial year are set out in Note 1.

The summarised financial information of the associates not adjusted for the proportion of ownership interest held by the Group, are as follows :

	Group	
	2009 \$'000	2008 \$'000
Assets and liabilities :		
Current assets	99,497	70,195
Non-current assets	19	24
Total assets	99,516	70,219
Current liabilities	(63,782)	(59,612)
Non-current liabilities	(5,483)	(1,657)
Total liabilities	(69,265)	(61,269)
Results :		
Revenue	50,983	14,562
Profit for the year	20,906	5,914

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

15. Deferred tax

	Group	
	2009 \$'000	2008 \$'000
Deferred tax assets :		
Balance at beginning of year	1,200	200
(Charge)/credit to statement of comprehensive income (Note 8)	(439)	1,000
	761	1,200
Deferred tax liabilities :		
Balance at beginning of year	(1,311)	(1,334)
(Charge)/credit to statement of comprehensive income (Note 8)	(313)	23
	(1,624)	(1,311)
Net deferred tax liabilities	(863)	(111)
Deferred tax as at 31 December related to the following :		
Deferred tax assets :		
Unutilised tax losses	761	1,200
Gross deferred tax assets	761	1,200
Deferred tax liabilities :		
Differences in depreciation for tax purposes	(1,624)	(1,303)
Other items	-	(8)
Gross deferred tax liabilities	(1,624)	(1,311)
Net deferred tax liabilities	(863)	(111)

16. Amounts due from/(to) subsidiaries

	Group	
	2009 \$'000	2008 \$'000 (Restated)
Amounts due from subsidiaries		
Non-trade	25,346	21,918
Less : Allowance for doubtful receivables	(3,390)	(6,771)
	21,956	15,147
Amounts due to subsidiaries (non-trade)	(10,037)	(11,143)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

16. Amounts due from/ (to) subsidiaries (cont'd)

The amounts due from/(to) subsidiaries are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Movements in allowance for doubtful receivables are as follows :

	Group	
	2009 \$'000	2008 \$'000
At 1 January	6,771	6,771
Charge for the year	46	-
Written-off	(3,427)	-
At 31 December	3,390	6,771

17. Development properties

	Group	
	2009 \$'000	2008 \$'000
Land cost and related costs	74,943	74,292
Interest	2,842	2,219
Stamp duty	39	39
	77,824	76,550
Less: Progress billings	(10,387)	-
	67,437	76,550
Less: Impairment loss in value of land relating to a development property	(1,441)	(2,620)
	65,996	73,930
(i) Interest capitalised during the financial year at an average rate of 3.25% (2008: 2.92%) were paid/payable to : - financial institutions	623	2,218

(ii) The land is pledged to the bank in respect of the Group's long term borrowings (Note 26).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

17. Development properties (cont'd)

Details of development property:

Description and location	% owned	Site area (square metre)	Gross floor area (square metre)	Stage of completion as at 31 December 2009 (expected year of completion)
<i>Lush on Holland Hill</i> A 12-storey luxurious condominium development on Nos. 19 & 21 Holland Hill, Singapore	100%	4,900	8,675	0% (2012)

18. Gross amount due from/(to) customers for contract work-in-progress

	Group	
	2009 \$'000	2008 \$'000
Contract costs to date	201,939	100,444
Recognised profits less recognised losses to date	13,435	2,655
Aggregate amount of costs incurred and recognised profits less recognised losses to date	215,374	103,099
Less: Progress billings	(232,326)	(108,600)
	(16,952)	(5,501)
Presented as :		
Gross amount due from customers for contract work-in-progress	7,335	6,587
Gross amount due to customers for contract work-in-progress	(24,287)	(12,088)
	(16,952)	(5,501)

19. Inventories

	Group	
	2009 \$'000	2008 \$'000
Statement of financial position :		
Construction materials, at cost	3,975	7,523
Statement of comprehensive income :		
Inventories recognised as an expense in cost of sales (Note 7)	64,163	65,031

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

20. Trade receivables

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000 (Restated)
Contract receivables	29,276	45,955	74	2,488
Less : Allowance for doubtful receivables	(1,510)	(3,543)	(74)	(2,488)
	27,766	42,412	-	-
Retention receivables	11,615	11,204	-	316
Less : Allowance for doubtful receivables	-	(316)	-	(316)
	11,615	10,888	-	-
Related parties receivables	681	1,014	-	-
Total trade receivables	40,062	54,314	-	-
Add :				
- Amounts due from subsidiaries (Note 16)	-	-	21,956	15,147
- Other receivables (Note 21)	10,402	12,357	104	78
- Pledged deposits (Note 22)	2,401	2,978	-	-
- Cash and cash equivalents (Note 22)	49,543	24,957	1,858	5,908
Total loans and receivables	102,408	94,606	23,918	21,133
Write-off of trade receivables directly to statement of comprehensive income (Note 7)	1,677	-	-	-

Contract receivables

Contract receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

20. Trade receivables (cont'd)

Retention receivables

Retention receivables from both external parties and former subsidiaries relates to construction contracts.

Related party receivables

Amounts due from related parties are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Receivables that are past due but not impaired

The Group has trade receivables amounting to \$2,988,000 (2008: \$2,992,000) that are past due at the statement of financial position date but not impaired. These receivables are unsecured and the analysis of their ageing at the statement of financial position date is as follows :

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Trade receivables past due :				
Lesser than 30 days	660	722	-	-
30 to 60 days	248	819	-	-
61 to 90 days	227	624	-	-
91 to 120 days	146	248	-	-
More than 120 days	1,707	579	-	-
	2,988	2,992	-	-
<i>Receivables that are impaired</i>				
Contract receivables				
- nominal amounts	1,510	3,543	74	2,488
Less: Allowance for impairment	(1,510)	(3,543)	(74)	(2,488)
	-	-	-	-
Retention receivables				
- nominal amounts	-	316	-	316
Less: Allowance for impairment	-	(316)	-	(316)
	-	-	-	-

Contract receivables and retention receivables that are individually determined to be impaired at the statement of financial position date relate to receivables that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

20. Trade receivables (cont'd)

Allowance for doubtful receivables

Movements in allowance for doubtful receivables are as follows :

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<i>Contract receivables</i>				
At 1 January	3,543	4,507	2,488	2,488
Charged to statement of comprehensive income	531	187	-	-
Write-back to statement of comprehensive income	(162)	(276)	(33)	-
Bad debts written off against allowance	(2,390)	(807)	(2,381)	-
Net exchange differences	(12)	(68)	-	-
At 31 December	1,510	3,543	74	2,488
<i>Retention receivables</i>				
At 1 January	316	316	316	316
Bad debts written off against allowance	(316)	-	(316)	-
At 31 December	-	316	-	316
<i>Related parties</i>				
At 1 January	-	25	-	-
Bad debts written-off against allowance	-	(25)	-	-
At 31 December	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

21. Other receivables

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Other receivables	409	2,676	-	115
Less : Allowance for doubtful receivables	-	(115)	-	(115)
	409	2,561	-	-
Associates	9,325	9,306	519	500
Less : Allowance for doubtful receivables	(425)	(425)	(425)	(425)
	8,900	8,881	94	75
Staff loans	18	20	-	-
Deposits	794	424	-	-
Other recoverables	156	179	10	3
Tax refunds	125	292	-	-
	10,402	12,357	104	78

Amounts due from associates are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Allowance for doubtful receivables

Movements in allowance for doubtful receivables during the year are as follows :

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<i>Other receivables</i>				
At 1 January	115	115	115	115
Bad debts written-off against allowance	(115)	-	(115)	-
At 31 December	-	115	-	115
<i>Associates</i>				
At 1 January and 31 December	425	425	425	425

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

22. Cash and cash equivalents/Pledged deposits

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Cash at bank and in hand	45,896	13,419	946	998
Fixed deposits	6,048	14,516	912	4,910
	51,944	27,935	1,858	5,908

Fixed deposits are mainly short-term deposits made for varying periods of approximately one to two months depending on the immediate cash requirements of the Group, and bears interest ranging from 0.06% to 3.2% (2008: 0.70% to 5.03%) per annum during the year.

As at 31 December 2009, cash and fixed deposits of the Group of \$3,083,000 (2008: \$2,443,000) are denominated in US dollars.

For the purpose of the consolidated statement of cash flows, cash and short-term deposits comprise the following at the statement of financial position date :

	Group	
	2009 \$'000	2008 \$'000 (Restated)
Cash and short-term deposits	51,944	27,935
Less: Pledged deposits	(2,401)	(2,978)
Cash and cash equivalents	49,543	24,957

Pledged fixed deposits include an amount of \$615,000 (2008: \$1,171,000) being placed as a security for the banking facilities granted to a subsidiary by a bank and \$1,786,000 (2008: \$1,807,000) being amounts pledged to a bank by a subsidiary as collateral for the issue of performance bonds.

Note to the consolidated statement of cash flows

	Group	
	2009 \$'000	2008 \$'000
Purchase of property, plant and equipment :		
Aggregate cost of property, plant and equipment acquired (Note 10)	1,284	5,884
Adjustments :		
Finance leases (Note 10)	(118)	(2,227)
Cash payments to acquire property, plant and equipment	1,166	3,657

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

23. Trade and other payables

	Group		Company	
	2009 \$'000	2008 \$'000 (Restated)	2009 \$'000	2008 \$'000 (Restated)
Trade payables	55,019	70,130	-	6
Retention payable	350	228	-	-
Related parties	-	108	-	8
Contract advances received	-	1,335	-	-
Other payables	2,327	3,065	178	272
Total trade and other payables	57,696	74,866	178	286
Add :				
- Amounts due to subsidiaries (Note 16)	-	-	10,037	11,143
- Other liabilities (Note 24)	2,724	911	272	-
- Loans and borrowings (Note 26)	58,254	66,400	57	77
Total financial liabilities carried at amortised cost	118,674	142,177	10,544	11,506

Trade payables

Trade payables are non-interest bearing and are generally on 30 to 90 days' terms.

Related parties

Amounts due to related parties are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Retention payable

Retention payable relates to construction contracts.

Included in trade payables and retention payables are the following amounts denominated in foreign currencies at 31 December:

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Euro	171	-	-	-
Australian Dollar	-	107	-	-
Hongkong Dollar	61	81	-	1
United States Dollar	72	11	-	3

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

24. Other liabilities

	Group		Company	
	2009 \$'000	2008 \$'000 (Restated)	2009 \$'000	2008 \$'000
Accrued operating expenses	1,609	351	272	-
Deposits	924	326	-	-
Workers' retention	191	234	-	-
	2,724	911	272	-

25. Derivatives

	2009			2008		
	Contract/ Notional amount \$'000	Assets \$'000	Liabilities \$'000	Contract/ Notional amount \$'000	Assets \$'000	Liabilities \$'000
Forward currency contract	422	-	28	-	-	-
Interest rate swap contract	65,000	-	1,364	-	-	-
	65,422	-	1,392	-	-	-

The Group enters into forward currency contracts to hedge its purchases of materials denominated in United States dollar for which firm commitments existed at the statement of financial position date.

In 2009, the Group entered into an interest rate swap amounting to \$65,000,000 to hedge interest rate risk arising from a floating rate SGD bank loan. The interest rate swap received floating interest rate equal to 3 months SOR % p.a. and pays a floating interest rate of 4% - (1.5 x 3 months SOR%) p.a. every quarter. The interest rate swap will mature in March 2012.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

26. Loans and borrowings

	Group		Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Current :				
Obligations under finance leases	659	1,508	20	20
Bank overdrafts (secured)	-	178	-	-
Bankers' acceptances (secured)	205	305	-	-
Bills payable to banks (secured)	157	-	-	-
Current portion of long term borrowings (secured)	2,760	2,760	-	-
Others	127	-	-	-
	3,908	4,751	20	20
Non-current :				
Obligations under finance leases	416	959	37	57
Long term borrowings (secured)	53,930	60,690	-	-
	54,346	61,649	37	57
Total loans and borrowings	58,254	66,400	57	77

Obligations under finance leases

These obligations are secured by a charge over certain items of plant and equipment and motor vehicles (Note 10). The average discount rate implicit in the leases is 5.1% to 13.1% (2008: 2.1% to 13.1%) per annum.

Bank overdrafts

In 2008, an amount of \$178,000 which was denominated in Malaysian Ringgit with an effective interest of 8.25% per annum, is secured by a fixed charge on a fixed deposit of a subsidiary amounting to \$1,171,000 and a corporate guarantee from the Company.

Bankers' acceptances

An amount of \$205,000 (2008: \$305,000), which is denominated in Malaysian Ringgit, with effective interest rates ranging from 3.4% to 4.7% (2008: 4.7% to 5.2%) per annum, is secured by a fixed charge on a leasehold property of the Group with a net book value of \$107,000 (2008: \$515,000) (Note 10), a charge on the fixed deposits of a subsidiary amounting to \$615,000 (2008: \$1,171,000) (Note 22) and a corporate guarantee from the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

26. Loans and borrowings (cont'd)

Bills payable to banks

In 2009, an amount of \$157,000 is secured by a corporate guarantee from the Company.

Long term borrowings

This relates to a Singapore dollar denominated loan agreement entered by the Group with a financial institution for a loan of up to \$63,540,000 (2008: \$63,540,000) to finance the purchase of land in respect of a development property of the Group. The loan is repayable not later than six months after the date of issuance of Temporary Occupation Permit for the project, or 1 January 2013, whichever is the earlier.

The average interest rate was 3.25% (2008: 2.29%) per annum and is secured by the land with a value of \$70,600,000 (2008: \$70,600,000) (Note 17).

Obligations under finance leases

The Group and Company have finance leases for certain items of plant and equipment and motor vehicles (Note 10). These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows :

	2009 \$'000		2008 \$'000	
	Minimum lease payments	Present value of payments	Minimum lease payments	Present value of payments
Group				
Not later than one year	712	659	1,602	1,508
Later than one year but not later than five years	450	416	1,029	959
Total minimum lease payments	1,162	1,075	2,631	2,467
Less : Amounts representing finance charges	(87)	-	(164)	-
Present value of minimum lease payments	1,075	1,075	2,467	2,467

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

26. Loans and borrowings (cont'd)

Obligations under finance leases (cont'd)

	2009 \$'000		2008 \$'000	
	Minimum lease payments	Present value of payments	Minimum lease payments	Present value of payments
Company				
Not later than one year	23	20	23	20
Later than one year but not later than five years	41	37	64	57
Total minimum lease payments	64	57	87	77
Less : Amounts representing finance charges	(7)	-	(10)	-
Present value of minimum lease payments	57	57	77	77

27. Share capital

	Group and Company			
	No. of shares 2009 '000	2009 \$'000	No. of shares 2008 '000	2008 \$'000
Issued and fully paid	1,541,052	43,966	1,541,052	43,966

The holders of ordinary shares which have no par value are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

28. Dividends

	Group and Company	
	2009 \$'000	2008 \$'000
<i>Proposed but not recognised as a liability as at 31 December:</i>		
First and final (tax exempt one-tier) dividend for 2009 of 0.6 cents (2008: Nil) per ordinary share	1,849	-

Dividend per ordinary share is based on 308,210,418 post-consolidated shares as disclosed in Note 37(a).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

29. Commitments and contingencies

(a) Capital commitments

Capital expenditure contracted as at the statement of financial position date but not recognised in the financial statements are as follows:

	Group	
	2009 \$'000	2008 \$'000
Capital commitments in respect of property, plant and equipment	1,800	-

(b) Operating lease commitments

The Group has entered into various non-cancellable lease commitments in respect of office premises, buildings and properties for a period of 10 to 30 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. Renewals are at the option of the specific entity that holds the lease. There are no restrictions placed upon the Group by entering into these leases.

Operating lease payments recognised in the statement of comprehensive income during the year amounted to \$1,751,000 (2008: \$1,007,000).

Future minimum lease payments payable under non-cancellable operating leases as at 31 December are as follows :

	Group	
	2009 \$'000	2008 \$'000
Not later than one year	1,616	1,050
Later than one year but not later than five years	4,108	4,034
Later than five years	530	1,574
	6,254	6,658

(c) Contingent liabilities

	Company	
	2009 \$'000	2008 \$'000
Corporate guarantee given to banks for credit facilities granted to subsidiaries	1,173	1,940

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

30. Employee benefits

	Group	
	2009 \$'000	2008 \$'000
Employee benefits expense (including executive directors)		
- Salaries and bonuses	17,242	19,446
- Central Provident Fund	1,522	1,313
- Others	473	516
	19,237	21,275

Employee benefits expenses capitalised during the year under contract work-in-progress and development properties amounted to \$13,240,000 (2008: \$17,014,000) and \$33,000 (2008: \$124,000) respectively.

31. Directors' remuneration

The number of directors in remuneration bands are as follows :

	Company	
	2009 \$'000	2008 \$'000
\$500,000 and above	1	-
\$250,000 to \$499,999	-	1
Below \$250,000	6	6
	7	7

32. Related party transactions

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties who are not members of the Group took place during the year at terms agreed between the parties :

	Group	
	2009 \$'000	2008 \$'000
Management fee received from an associate	(19)	-
Licence fees received from an associate	(44)	-
Project management fees received from a related party	(180)	-
Professional fees paid to a firm in which a director has an interest	60	60
License fees expense to a related party	203	253
Insurance premium paid to a related party	-	27
	-	27

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

32. Related party transactions (cont'd)

(b) Compensation of key management personnel

	Group	
	2009 \$'000	2008 \$'000
Short-term employee benefits	2,480	1,169
Central Provident Fund	95	82
	<hr/> 2,575	<hr/> 1,251
Comprise amounts paid/payable to :		
- Directors of the Company	1,198	434
- Other key management personnel	1,377	817
	<hr/> 2,575	<hr/> 1,251

33. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. It is, and has been the Group's policy throughout the current and previous financial year, that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and fixed deposits), the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

At the statement of financial position date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

33. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the statement of financial position date is as follows :

	Group			
	2009	2009	2008	2008
	\$'000	% of total	\$'000	% of total
By country :				
Singapore	28,798	71.88	37,191	68.47
Malaysia	10,178	25.41	12,532	23.07
Sri Lanka	329	0.82	4,239	7.81
Thailand	76	0.19	234	0.43
Other countries	681	1.70	118	0.22
	40,062	100.00	54,314	100.00

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy receivables with good payment record with the Group. Cash and fixed deposits that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Information regarding financial assets that are either past due or impaired is disclosed in Note 20 Trade receivables.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors its liquidity risk and maintains adequate liquid financial assets and stand-by credit facilities with different banks to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the Group's financial liabilities at the statement of financial position date based on contractual undiscounted payments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

33. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Group	Within 1 year \$'000	2 - 5 years \$'000	Total \$'000
2009			
Trade and other payables	57,696	-	57,696
Other liabilities	2,724	-	2,724
Bankers' acceptances	205	-	205
Bills payable to banks	157	-	157
Long term borrowings	5,106	57,420	62,526
Derivatives	1,392	-	1,392
Others	127	-	127
Total undiscounted financial liabilities	67,407	57,420	124,827
2008			
Trade and other payables	74,866	-	74,866
Other liabilities	911	-	911
Bank overdrafts	178	-	178
Bankers' acceptances	305	-	305
Long term borrowings	6,204	63,360	69,564
Total undiscounted financial liabilities	82,464	63,360	145,824

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their interest-bearing loans and borrowings.

The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. Surplus funds are placed with reputable banks.

During the year, the Group entered into an interest rate swap to manage the risk of interest rate hikes for the Group's long term borrowings as disclosed in Note 26.

Sensitivity analysis for interest rate risk

As the statement of financial position date, if SGD interest rates had been 100 (2008: 100) basis points lower/higher with all other variables held constant, the Group's net profit before tax would have been \$569,000 (2008: \$664,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

33. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk

The Group has transactional currency exposures arising from its ordinary course of business that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD. The foreign currency in which these transactions are denominated is mainly the United States Dollar ("USD").

The Group also holds cash and fixed deposits denominated in foreign currencies for working capital purposes. Such foreign currency balances for the Group and the Company are detailed in Note 22 Cash and cash equivalents/Pledged deposits.

The Group may enter into forward currency contracts to eliminate the currency exposures on purchases in foreign currencies. These forward currency contracts will be in the same currency as the hedged item.

Sensitivity analysis for foreign currency risk

The following table demonstrates the (decrease)/increase in the Group's profit before tax to a reasonably possible change in the USD exchange rates (against SGD), with all other variables held constant :

	Group	
	2009 \$'000	2008 \$'000
USD - strengthened 5% (2008: 5%)	+143	+122
USD - weakened 5% (2008: 5%)	-143	-122

34. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2009 and 31 December 2008.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 50% to 70%. The Group includes within net debt, bank borrowings and long term borrowings, trade and other payables, and other liabilities, less cash and short-term deposits. Capital includes equity attributable to the equity holders of the parent.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

34. Capital management (cont'd)

	Group	
	2009 \$'000	2008 \$'000 (Restated)
Loans and borrowings (Note 26)	58,254	66,400
Trade and other payables (Note 23)	57,696	74,866
Other liabilities (Note 24)	2,724	911
Less: Cash and short-term deposits (Note 22)	(51,944)	(27,935)
Net debt	66,730	114,242
Equity attributable to the equity holders of the parent	61,737	48,130
Total capital	61,737	48,130
Capital and net debt	128,467	162,372
Gearing ratio	52%	70%

35. Fair values of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The Group and Company have carried all investment securities, except for unquoted investments, that are classified as available-for-sale financial assets, at cost less impairment loss.

Financial instruments that are carried at fair value

Derivatives (Note 25)

Forward currency contracts and interest rate swap contracts are valued using a valuation technique with market observable input including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

Financial instruments whose carrying amounts approximate fair value

Current trade and other receivables and payables (Note 20, 21, 23 and 24), cash and short-term deposits (Note 22) and amounts due from/(to) subsidiaries (Note 16)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

35. Fair values of financial instruments (cont'd)

Loans and borrowings at floating rate (Note 26)

The carrying amount of these financial liabilities are reasonable approximation of fair values estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing arrangements at the statement of financial position date.

There were no significant differences between the fair values and the carrying amounts of the loans and borrowings of the Group as at 31 December 2009.

36. Segment information

Business information

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

Specialised engineering

This segment is in the business of post-tensioning and laying stay cable systems for structural engineering applications.

General construction

This segment is in the business of designing and building in construction activities.

Property development

This segment is in the business of constructing, developing and selling residential properties.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Segment revenue and expenses, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Inter-segment transfers of revenue and expenses include transfers between business segments and are eliminated on consolidation. Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

36. Segment information (cont'd)

(a) Business information (cont'd)

	Specialised Engineering \$'000	General Construction \$'000	Property Development \$'000	Total \$'000
2009				
Revenue				
External revenue	39,146	166,225	-	205,371
Inter-segment revenue	4,754	-	-	4,754
Total revenue	43,900	166,226	-	210,125
Results:				
Interest income	29	41	-	70
Interest expense	42	98	1,014	1,154
Depreciation	416	1,844	-	2,260
Allowance for doubtful receivables (net)	369	-	-	369
Share of results of associates	(16)	-	10,050	10,034
Other non-cash items:				
Fair value loss on derivatives	28	-	1,364	1,392
Write off of inventories	-	1,315	-	1,315
Write off of trade receivables	75	1,602	-	1,677
Write-back of impairment loss in value of land relating to a development property	-	-	(1,179)	(1,179)
Segment profit/(loss) before tax	8,551	(610)	9,062	17,003
Income tax expense	873	1,125	-	1,998
Assets				
Investment in associates	146	-	14,795	14,941
Additions to property, plant & equipment	757	498	-	1,255
Segment assets	40,100	67,456	99,776	207,332
Segment liabilities	25,112	63,641	58,409	147,162

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

36. Segment information (cont'd)

(a) Business information (cont'd)

	Specialised Engineering \$'000	General Construction \$'000	Property Development \$'000	Total \$'000
2008				
Revenue				
External revenue	41,305	212,594	-	253,899
Inter-segment revenue	8,301	-	-	8,301
Total revenue	49,606	212,594	-	262,200
Results :				
Interest income	53	212	-	265
Interest expense	78	197	-	275
Depreciation	555	1,938	-	2,493
Share of results of associates	30	-	2,802	2,832
<u>Other non-cash items :</u>				
Impairment loss in value of investment securities	-	2,481	-	2,481
Impairment loss in value of land relating to a development property	-	-	2,620	2,620
Write-back of allowance for doubtful receivables (net)	(89)	-	-	(89)
Segment profit before tax	1,864	1,903	231	3,998
Income tax (credit)/expense	(275)	452	(50)	127
Assets				
Investment in associates	162	-	4,745	4,907
Additions to property, plant & equipment	1,336	4,548	-	5,884
Segment assets	35,018	74,907	88,237	198,162
Segment liabilities	26,559	60,834	63,554	150,947

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

36. Segment information (cont'd)

(a) Business information (cont'd)

Reconciliations of reported segment revenue, profit or loss, assets, liabilities and other material items

	2009 \$'000	2008 \$'000
Revenue		
Total revenues for reportable segments	210,125	262,200
Management fee from an associate	19	-
Elimination of intersegment revenue	(4,754)	(8,301)
	205,390	253,899
Profit before tax		
Total profit before tax for reportable segments	17,003	3,998
Management fee from an associate	19	-
Unallocated amounts:		
Other corporate income	2	-
Finance costs	(2)	(4)
Other corporate expenses	(1,328)	(126)
	15,694	3,868
Assets		
Total assets for reportable segments	207,332	198,162
Other assets	871	6,391
Other unallocated amounts	2,008	1,200
	210,211	205,753
Liabilities		
Total liabilities for reportable segments	147,162	150,947
Other liabilities	10	368
Other unallocated amounts	517	5,718
	147,689	157,033

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

36. Segment information (cont'd)

(a) Business information (cont'd)

Other material items	2009			2008		
	Reportable segment totals	Adjustments	Entity totals	Reportable segment totals	Adjustments	Entity totals
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	70	2	72	265	47	312
Interest expense	1,154	2	1,156	275	4	279
Depreciation	2,260	47	2,307	2,493	36	2,529
Additions to property, plant & equipment	1,255	29	1,284	5,884	-	5,884

(b) Geographical segment

Countries	Revenue		Non-current assets	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Singapore	188,070	228,534	27,970	20,026
Malaysia	15,637	19,882	1,517	1,576
Thailand	-	1,220	3	6
Sri Lanka	1,683	4,263	848	1,324
Others	-	-	146	162
	205,390	253,899	30,484	23,094

Information about major customers

Revenue from one major customer amounts to \$86,094,000 (2008: \$92,716,000) arising from the provision of building works and civil engineering services.

37. Events occurring after balance sheet date

(a) Share consolidation

The Company 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. Based on the issued share capital of the Company comprising 1,541,052,278 shares as at 31 December 2009, and following the completion of the share consolidation on 26 February 2010, the share capital of the Company became 308,210,418 consolidated shares.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2009

37. Events occurring after balance sheet date (cont'd)

(b) Commencement of business operations

On 1 January 2010, BBR Piling Pte. Ltd., a wholly owned subsidiary of the Company, has commenced its business operations and is principally involved in borepiling works.

38. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation. These relate mainly to the following :

- (a) Reclassification of accrued project costs and accruals for employee related expenses previously presented as other liabilities to trade and other payables.
- (b) Reclassification of certain amounts due from/(to) subsidiaries to present the respective balance as net amount due from/(to) the subsidiary.
- (c) Fixed deposits of \$1,807,000 pledged to a bank for bankers' guarantee facility to a subsidiary have been reclassified from cash and cash equivalents to pledged deposits.

	As previously reported 2008 \$'000	Reclassification 2008 \$'000	As restated 2008 \$'000	Note
Statement of financial position				
Group				
Trade and other payables	64,477	10,389	74,866	(a)
Other liabilities	11,300	(10,389)	911	(a)
Company				
Amounts due from subsidiaries	5,969	9,178	15,147	(b)
Amounts due to subsidiaries	(1,965)	(9,178)	(11,143)	(b)
Statement of Cashflows				
Decrease/(increase) in pledged deposits	1,037	(1,807)	(770)	(c)
Net increase in cash and cash equivalents	9,005	(1,807)	7,198	(c)

39. Authorisation of financial statements

The financial statements for the year ended 31 December 2009 were authorised for issue in accordance with a resolution of the directors on 18 March 2010.

CORPORATE GOVERNANCE

The Directors and management of BBR Holdings (S) Ltd are committed to maintaining a high standard of corporate governance to protect the interests of shareholders as well as strengthen investors' confidence.

Board of Directors (Code of Corporate Governance Principles 1, 2 and 4)

The Board of Directors comprises six (6) members, namely:

Executive : **Mr. Tan Kheng Hwee Andrew**

Non-Executive : **Mr. Bruno Sergio Valsangiacomo**
Mr. Peter Michael Ekberg (appointed on 28 April 2009)
Dr. Pietro Brenni (alternate to Mr. Peter Michael Ekberg, appointed on 28 April 2009)

Independent : **Prof Yong Kwet Yew**
Ms Luk Ka Lai Carrie
Mr. Soh Gim Teik

Apart from its statutory responsibilities, the Board supervises the management and corporate affairs of the Company which includes a review of the Group's financial performance as well as the strategic direction of the Group.

Four (4) board meetings were convened and held in the financial year ended 31 December 2009. Directors of the Company attended meetings of the Board as well as meetings of the committees on which they served during the year 2009.

The approval of the Board is required for certain material transactions, which include among other things, major investment proposals or divestitures, policy or strategic matters affecting the Group, reorganization or substantial transactions which have a material impact on the Group, periodic announcements of financial results and annual reports.

Every Director will receive appropriate orientation training when he/she is first appointed to the Board. This is to ensure that incoming Directors are familiar with the Company's business and governance practice. The Directors are also kept informed of the relevant new laws, regulations and changing commercial risks, from time to time.

Access to Information (Code of Corporate Governance Principles 6 and 10)

The management makes available to the Board its management accounts and such other material information on a regular and timely basis to enable the Board to fulfill its responsibilities.

All Directors have separate and independent access to the company secretary. The role of the company secretary is defined and includes responsibility for ensuring that board procedures are followed and that relevant statutes, applicable rules and regulations are complied with. The company secretary attends all board meetings as well as meetings of the committees.

The Board has a procedure for Directors, either individually or as a group, in the furtherance of their duties and responsibilities, to take independent professional advice, if necessary, at the Company's expense.

CORPORATE GOVERNANCE (CONT'D)

Chairman and Chief Executive Officer (Code of Corporate Governance Principle 3)

Prof. Yong Kwet Yew is the Chairman of the Board since 28 April 2008.

The Chairman's role includes the following:

- (a) scheduling meetings that enable the Board to perform its duties responsibly while not interfering with the flow of the Company's operations;
- (b) preparing agendas for meetings in consultation with the Chief Executive Officer;
- (c) exercise control over quality, quantity and timeliness of the flow of information between management and the Board;
- (d) assist in ensuring compliance with Company's guidelines on corporate governance;
- (e) facilitating the effective contribution of the Independent Directors;
- (f) ensuring effective communication with shareholders.

Mr Tan Kheng Hwee Andrew is the Executive Director and Chief Executive Officer of the Company, and together with the management team, is responsible for the daily operations and administration of the Company.

Audit Committee (Code of Corporate Governance Principles 11, 12 and 13)

The Audit Committee comprises three (3) independent Directors. They are:

Ms. Luk Ka Lai Carrie – Chairperson

Prof. Yong Kwet Yew

Mr. Soh Gim Teik

Four (4) meetings were held during the financial year 2009.

The duties and responsibilities of the Audit Committee include those described in the Companies Act (Cap. 50) and the Code of Corporate Governance.

The Audit Committee has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The Chief Executive Officer and the Chief Financial Officer were invited to attend meetings of the Audit Committee to report and brief the Committee on the financial and operational performance of the Group and answer queries raised by the Committee.

The Audit Committee has reviewed and is satisfied that the external auditors have not provided any non-audit services to the Group during the financial year 2009 that will prejudice their independence and objectivity.

The Audit Committee has nominated the external auditors, Messrs. Ernst & Young, for re-appointment as auditors of the Company at the forthcoming Sixteenth Annual General Meeting.

CORPORATE GOVERNANCE (CONT'D)

The Audit Committee meets the external auditors and the internal auditors without the presence of the management annually. The external auditors have attended meetings of the Committee held during the financial year to present their audit reports, where applicable.

The Company has in place a whistle-blowing framework which serves to encourage and provide a channel whereby employees may, in good faith and in confidence, raise concerns about possible improprieties in financial reporting and other concerns, to ensure independent investigation of such matters and appropriate follow-up action.

Internal Control (Code of Corporate Governance Principle 12)

In the opinion of the Board and in the absence of any evidence to the contrary, the system of internal controls maintained by the management is adequate to meet the needs of the current business environment. However, the Board notes that the review of the Group's systems of internal control is a continuing process and there is always room for improvement having regard that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, natural disasters, losses, fraud or other irregularities. The system of internal controls adopted by the Group is therefore designed to manage rather than eliminate the risk of failure to achieve business objectives. Based on the audit reports and management controls in place, the Audit Committee is satisfied that there are adequate material internal controls in place for the Group.

Internal Audit (Code of Corporate Governance Principle 13)

The Company has established an internal audit function that is independent of the activities it audits. The internal audit function is presently outsourced and conducted by ELTICI e-Risk Services Pte Ltd.

The Internal Auditors report primarily to the Audit Committee.

The Internal Auditors meet the standards set by recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The Audit Committee has reviewed the adequacy of the internal audit functions and is satisfied that the Company's internal audit function is adequately resourced.

The Audit Committee will continue to review the adequacy of the internal audit function annually.

Nomination Committee (Code of Corporate Governance Principles 4 and 5)

The Nomination Committee ("NC") comprises three (3) independent directors. The Chairman is not directly associated with the substantial shareholders of the Company.

Prof. Yong Kwet Yew – Chairman

Ms. Luk Ka Lai Carrie

Mr. Soh Gim Teik

Two (2) meetings of the NC were held in year 2009 to advise and recommend the re-election of retiring directors and appointment of an additional Director and his alternate. The Committee has the responsibility of determining the independence of Directors.

The duties and responsibilities of the NC include those described in the Code of Corporate Governance.

The Company has adopted the recommendations set out by the Code of Corporate Governance with respect to the re-nomination and re-election of Directors; all Directors of the Company are subject to re-nomination and re-election at regular intervals and at least once every three (3) years.

CORPORATE GOVERNANCE (CONT'D)

<u>Name</u>	<u>Date of Last Appointment</u>	<u>Date of First Re-election/Re-appointment</u>
Mr. Tan Kheng Hwee Andrew	01/04/1994	28/04/2008
Mr. Bruno Sergio Valsangiacomo	11/02/1997	28/04/2009
Prof. Yong Kwet Yew	19/08/1997	28/04/2009
Ms. Luk Ka Lai Carrie	24/09/1997	30/04/2007
Mr. Soh Gim Teik	08/08/2008	28/04/2009
Mr. Peter Michael Ekberg	28/04/2009	-

In accordance with the Articles of Association of the Company, the following Directors are due to retire at the forthcoming Sixteenth Annual General Meeting:

Ms. Luk Ka Lai Carrie (pursuant to Article 117)

Mr. Tan Kheng Hwee Andrew (pursuant to Article 117)

Mr. Peter Michael Ekberg (pursuant to Article 121)

The NC has recommended their re-election as Directors of the Company at the forthcoming Sixteenth Annual General Meeting. In making their recommendations, the NC evaluates their contributions and performance at the Board or Board committees, where applicable, participation and any special contributions.

If re-elected at the Annual General Meeting, Ms. Luk Ka Lai Carrie, being an Independent Non-Executive Director, will remain as the Chairperson of the Audit Committee and a member of the NC.

If re-elected at the Annual General Meeting, Mr. Tan Kheng Hwee Andrew, being an Executive Director, will remain as the Executive Director and Chief Executive Officer of the Company.

Mr. Peter Michael Ekberg, being a Non-executive Director who joined the Board on 28 April 2009, he will upon re-election as a Director of the Company, remain as a Non-executive Director.

The appointment of Dr. Pietro Brenni as the alternate director to Mr. Peter Michael Ekberg will continue upon the re-election of Mr. Peter Michael Ekberg as a Director of the Company.

The NC, the Board of Directors and the Company expressed a note of thanks to Mr. Fritz Ernst Speck who has vacated his office as a director at the annual general meeting held in 2009, for his contribution as the Chairman of the Board in the earlier years of the Company's history and continuation as a board member after stepping down as the Chairman in 2002.

A board evaluation process has been implemented by the NC for assessing the effectiveness of the Board as a whole and for assessing the contribution and performance by an individual director to the effectiveness of the Board. The assessment parameters include the Board's composition, individual director's competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge, their contributions to the Board and long-term strategies of the Company. The board evaluation process is conducted annually.

The NC strives to ensure that Directors on the Board possess the experience and knowledge that are critical to the Group's business, and that each Director brings to the Board an independent and objective perspective to enable balances and well-considered decisions to be made.

CORPORATE GOVERNANCE (CONT'D)

Remuneration Committee (Code of Corporate Governance Principles 7, 8 and 9)

The Remuneration Committee now comprises two (2) non-executive Directors, and the chairman is an independent non-executive Director. They are:

Prof Yong Kwet Yew - Chairman
Mr Bruno Sergio Valsangiacomo

The Board has reviewed the composition of the Remuneration Committee which comprises entirely of non-executive Directors who are independent of management and free from any business relationship which may materially interfere with the exercise of their independent judgement.

Although Mr Bruno Sergio Valsangiacomo, a member of the Remuneration Committee, is deemed to be a substantial shareholder of the Company, the Board is of the view that the risk for any potential conflict is minimal.

During the financial year, a meeting of the Remuneration Committee was held.

The duties and responsibilities of the Remuneration Committee include those described in the Code of Corporate Governance.

Directors' Remuneration

The following information relates to remuneration of Directors of the Company:

Remuneration Bands	2009		2008	
	Executive	Non-Executive	Executive	Non-Executive
\$500,000 and above	1	-	-	-
\$250,000 to below \$500,000	-	-	1	-
Below \$250,000	-	6	-	6
Total	1	6	1	6

The remuneration bands and components of the Directors' Remuneration for FY2009 are as follows:

Directors	Basic salary	Variable performance bonus	Benefits-in-kind and others	Director's fee	Total
	%	%	%	%	%
\$500,000 and above					
Tan Kheng Hwee Andrew	32	65	1	2	100
\$250,000 to below \$500,000					
-					
Below \$250,000					
Bruno Sergio Valsangiacomo	-	-	-	100	100
Fritz Ernst Speck ⁽¹⁾	-	-	-	100	100
Huang Yuan Chiang ⁽²⁾	-	-	-	100	100
Yong Kwet Yew	-	-	-	100	100
Luk Ka Lai Carrie	-	-	-	100	100
Soh Gim Teik	-	-	-	100	100

Notes:

- (1) Mr Fritz Ernst Speck has vacated his office as Non-Executive Director of the Company on 28 April 2009
- (2) Mr Huang Yuan Chiang retired as Chairman of the Board on 28 April 2008; the Director's fees paid to him in 2009 was pro-rated in respect of his directorship until 28 April 2008

CORPORATE GOVERNANCE (CONT'D)

The Directors' fees were approved at the annual general meeting.

Key Executives

The Company does not have any employees who are immediate family members of a Director of the Board in FY2009. Key executives' compensation consists of salary, bonus and performance awards that are dependent on the performance of the Group.

Remuneration bands of the top 5 key executives are as follows:

Remuneration Bands	2009	2008
\$500,000 and above	-	-
\$250,000 to below \$500,000	2	1
Below \$250,000	3	4
Total	5	5

The Company is of the view that given the sensitive nature of employees' remuneration, disclosure of the top five key executives based on their respective remuneration is not in the best interest of the Company and the Group as it would disadvantage the Group in relation to its competitors.

The BBR Share Plan proposal

The Company has proposed a share plan to be known as "The BBR Share Plan" (the "Plan") subject to shareholders' approval at the Extraordinary General Meeting to be held on 28 April 2010. Employees (including executive directors) of the Company and its subsidiaries and non-executive directors of the Company shall be eligible to participate in the Plan. Controlling shareholders and associates of controlling shareholders (as defined in the Plan) shall not be eligible to participate in the Plan.

Communication with Shareholders (Code of Corporate Governance Principles 14 and 15)

The Directors and management of the Company believe that regular, effective and fair communication with shareholders is part of a good corporate governance practice. The Company releases information on financial statements within the prescribed period set by the authorities and other material information is disclosed to the shareholders on a timely basis via SGXNET announcements, press releases on major developments of the Group, press and analysts briefings on the Company's financial results.

The Company does not issue summary annual reports; instead shareholders of the Company receive detailed annual reports and notices of annual general meetings.

The general meetings are the principal forum for dialogue with shareholders and venues for shareholders to express their views on various matters affecting the Company and to stay informed of the Group's strategy and goals. The chairpersons of the respective committees, if possible, are present and available to address questions at general meetings. The external auditors are invited to general meetings, in particular, the annual general meeting, to assist the Directors in addressing any relevant queries by the shareholders.

Dealings in the Company's Shares (Rule 1207(18) of the Mainboard Rules of SGX-ST Listing Manual)

The Company has adopted policies in line with the requirements of the Listing Manual of the SGX-ST on dealings in the Company's securities. All officers and employees of the Group are not allowed to deal in the Company's shares while in possession of unpublished material price-sensitive information and they shall not deal in the Company's shares on short-term considerations.

CORPORATE GOVERNANCE (CONT'D)

Risk Management Policies and Processes (Rule 1207(4)(d) of the Mainboard Rules of SGX-ST Listing Manual)

The Group's overall risk management policy aims to minimize potential adverse effects on the financial performance of the Group. The Group has adopted risk management policies and processes that seek to mitigate these risks in a cost-effective manner.

The financial risks and management of the Group are disclosed in the financial statements ended 31 December 2009. Other risks and their management are as follows:

CONTRACTUAL RISKS AND MANAGEMENT

The Group has established a Tender Committee to evaluate the risks associated with contractual issues and tender compliances. The objective of the evaluation is to minimize contractual risks of the Group. Prior to the submission of tenders, additional clarification is sought from clients/consultants and queries received by the management are discussed and appropriate replies to the clients/consultants are prepared accordingly.

All discussed and agreed contractual matters are incorporated in the contracts for completeness and accuracy. However, in the event that clarifications sought by the management is not complete and/or due to the tight stipulated deadline of the tender, the management will enclose a qualification to that particular effect in the tender submission and these are further discussed at the tender interview with the clients/consultants.

TECHNICAL RISKS AND MANAGEMENT

The Group's technical risks exposure is minimal as it has highly qualified technical personnel and it also engages technical consultants to look into all aspects of technical matters. Projects that involve higher risks and which can be quantified will be factored into during the tender stage. Clarification will be sought from the clients/consultants for matters that are not clear and proper records and documentation, where applicable, are prepared.

Material Contracts (Rule 1207(8) of the Mainboard Rules of SGX-ST Listing Manual)

There were no material contracts entered into by the Company and its subsidiaries during the financial year 2009 which involved the interests of the chief executive officer, any director or controlling shareholder of the Company.

Interested Person Transactions (Rule 907 of the Mainboard Rules of SGX-ST Listing Manual)

The aggregate value of interested persons transactions carried out during the financial year by the Group was as follows:

Name of interested person	Aggregate value of all interested persons transactions conducted during the year	
	2009 \$'000	2008 \$'000
<u>Provision of Services</u>		
Engineering 2000 (A firm where the Chief Executive Officer of the Company is a partner)	60	60
<u>Licence Fee</u>		
BBR VT International Ltd (A related corporation of BBR Holding Ltd, Switzerland, a controlling shareholder of the Company)	203	253

CORPORATE GOVERNANCE (CONT'D)

The above interested person transactions are carried out on arm's-length basis.

Update on Use of Proceeds from Placement

As at the date of this report, the Company has utilized in aggregate, approximately S\$22,080,000.00 (2008:S\$18,080,000.00) representing approximately 88.74 per cent (2008:72.67 per cent) of the net proceeds of S\$24,880,280.09 from the placement of 180,000,000 shares in the capital of the Company in 2007.

STATISTICS OF SHAREHOLDINGS

as at 18 March 2010

Number of shares issued : 308,210,418
 Class of securities : Ordinary shares
 Voting Rights : One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 999	1,766	14.23	835,306	0.27
1,000 – 10,000	7,284	58.70	33,900,086	11.00
10,001 – 1,000,000	3,336	26.89	134,292,535	43.57
1,000,001 and above	22	0.18	139,182,491	45.16
Total	12,408	100.00	308,210,418	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	BBR Holding Ltd, Switzerland	74,307,978	24.11
2	Tan Kheng Hwee Andrew	16,405,474	5.32
3	Ang Lay Kian	5,587,000	1.81
4	Hong Leong Finance Nominees Pte Ltd	4,561,600	1.48
5	United Overseas Bank Nominees Pte Ltd	4,130,400	1.34
6	DBS Nominees Pte Ltd	3,434,000	1.11
7	Ong Kian Kok	3,000,000	0.97
8	Koh Seow Ngang	2,792,000	0.91
9	Duncan Products Pte Ltd	2,700,073	0.88
10	Ang Kian Kok	2,600,000	0.84
11	OCBC Nominees Singapore Pte Ltd	2,566,600	0.83
12	CIMB-GK Securities Pte. Ltd.	2,205,200	0.72
13	Phillip Securities Pte Ltd	1,951,800	0.63
14	OCBC Securities Private Ltd	1,773,400	0.58
15	Tiong Woon Crane & Transport (Pte) Ltd	1,696,788	0.55
16	HSBC (Singapore) Nominees Pte Ltd	1,680,796	0.55
17	TYT Builders Pte Ltd	1,560,182	0.51
18	Ryobi-Kiso (S) Pte Ltd	1,481,200	0.48
19	Kim Eng Securities Pte. Ltd.	1,433,400	0.47
20	Soh Kian Shang Alvin	1,207,800	0.39
	Total	137,075,691	44.48

PUBLIC SHAREHOLDING

As at 18 March 2010, based on the registers of shareholders and to the best knowledge of the Company, approximately 70.51% of the Company's shares were held in the hands of the public. The Company has complied with the Mainboard Rule 723 of the Listing Manual of the Singapore Securities Trading Limited.

STATISTICS OF SHAREHOLDINGS (CONT'D)

SUBSTANTIAL SHAREHOLDERS AS AT 18 MARCH 2010

Name	Direct Interest No of Shares	Deemed Interest No of Shares	Total Interest No of Shares
BBR Holding Ltd, Switzerland	74,307,978	–	74,307,978
Tectus S.A ⁽¹⁾	–	74,307,978	74,307,978
Proceq S.A. ⁽¹⁾	–	74,307,978	74,307,978
Marco Brandestini ⁽²⁾	–	74,307,978	74,307,978
Claudia Valsangiacomo-Brandestini ⁽²⁾	–	74,307,978	74,307,978
Bruno Sergio Valsangiacomo ⁽³⁾	–	74,307,978	74,307,978
Tan Kheng Hwee Andrew ⁽⁴⁾	16,405,474	28,400	16,433,874

Notes:

- (1) Tectus S.A. together with its subsidiary, Proceq S.A. are deemed to have interests in the Company's shares held by BBR Holding Ltd, Switzerland by virtue of their holding in aggregate not less than 20% of the voting shares of BBR Holding Ltd, Switzerland.
- (2) Mr Marco Brandestini and Mrs Claudia Valsangiacomo-Brandestini are each deemed to have an interest in the Company's shares held by BBR Holding Ltd, Switzerland by virtue of his/her holding not less than 20% of the voting shares of Tectus S.A..
- (3) Mr Bruno Sergio Valsangiacomo is deemed to have an interest in the Company's shares held by BBR Holding Ltd, Switzerland by virtue of him together with his wife, Mrs Claudia Valsangiacomo-Brandestini, holding an aggregate not less than 20% of the voting shares of Tectus S.A..
- (4) Mr Tan Kheng Hwee Andrew is deemed to have an interest in the Company's shares held by his wife, Ms Koh Peck Poh, Phyllis.

BBR HOLDINGS (S) LTD
(Incorporated in the Republic of Singapore)
Company Registration No.: 199304349M

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting of BBR HOLDINGS (S) LTD (the "Company") will be held at 50 Changi South Street 1, BBR Building, Singapore 486126 on Wednesday, 28 April 2010 at 9.30 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the audited Financial Statements of the Company for the year ended 31 December 2009 together with the Auditors' Report thereto. **(Resolution 1)**
2. To declare a first and final (tax exempt one-tier) dividend of 0.6 cents per ordinary share for the financial year ended 31 December 2009. **(Resolution 2)**
3. To re-elect the following Directors retiring pursuant to Article 117 of the Company's Articles of Association:-
 - 3.1 Ms. Luk Ka Lai Carrie
(Note: Ms. Luk Ka Lai Carrie is an Independent Non-Executive Director. She will upon re-election as a Director of the Company, remain as the Chairperson of the Audit Committee and a member of the Nomination Committee) **(Resolution 3)**
 - 3.2 Mr. Tan Kheng Hwee Andrew
(Note: Mr. Tan Kheng Hwee Andrew is the Executive Director and Chief Executive Officer) **(Resolution 4)**
4. To re-elect Mr. Peter Michael Ekberg, a Director retiring pursuant to Article 121 of the Company's Articles of Association.
(Note: Mr. Peter Michael Ekberg is a Non-Executive Director appointed on 28 April 2009) **(Resolution 5)**
5. To approve the payment of \$203,000.00 as Directors' fees for the year ended 31 December 2009 (2008: \$177,792.00) **(Resolution 6)**
6. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolutions:

7. General share issue mandate
"That pursuant to Section 161 of the Singapore Companies Act (Chapter 50) and the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors to:
 - (a) (i) allot and issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise;
 - (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued or other transferable rights to subscribe for or purchase shares including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares; and/or

- (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalization issues, at any time upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and
- (b) issue Shares in pursuance of any Instrument made or granted by the Directors while such authority was in force (notwithstanding that the authority conferred by the members may have ceased to be in force);

Provided that

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution):
 - (A) does not exceed 50% of the total number of issued shares excluding treasury shares (as calculated in accordance with sub-paragraph (3) below); and
 - (B) the aggregate number of shares to be issued other than on a pro rata basis to existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares excluding treasury shares (as calculated in accordance with sub-paragraph (3) below);
- (2) the 50% limit in sub-paragraph (1)(A) above may be increased to 100% for the Company to undertake pro-rata renounceable rights issues;
- (3) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under the aforesaid sub-paragraph (1) above, the percentage of issued shares shall be based on the number of issued shares excluding treasury shares in the capital of the Company at the time of the passing of this Resolution, after adjusting for:-
 - (A) new shares arising from the conversion or exercise of convertible securities; or
 - (B) new shares arising from the exercise of share option or the vesting of share awards outstanding or subsisting at the time this Resolution is passed; and
 - (C) any subsequent bonus issue, consolidation or subdivision of shares, where applicable.
- (4) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
- (5) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by laws to be held, whichever is earlier.”

(See Explanatory Note)

(Resolution 8)

8. Authority to issue shares at a discount

“That subject to and pursuant to the general share issue mandate in Resolution 8 above being obtained, authority be and is hereby given to the Directors to issue new shares other than on a pro-rata basis to shareholders of the Company at an issue price per new share which shall be determined by the Directors in their absolute discretion provided that such price shall not represent more than a 20% discount for new shares to the weighted average price per share determined in accordance with the requirements of the SGX-ST.”

(See Explanatory Note)

(Resolution 9)

9. To transact any other business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Chiang Chai Foong
Company Secretary

Singapore, 13 April 2010

Explanatory Note to the Notice of Annual General Meeting

The proposed Ordinary Resolutions 8 and 9, if passed, will empower the Directors to issue shares and convertible securities in the Company up to a number not exceeding 50% of the total number of issued shares of the Company, of which up to 20% may be issued other than on a pro rata basis to the existing shareholders. For the purpose of determining the aggregate number of shares and convertible securities that may be issued, the percentage of issued shares is based on the Company's issued share capital at the date of passing of the Resolution after adjusting for new issuance of shares, any subsequent consolidation or subdivision of shares, where applicable.

To accelerate and facilitate fund raising efforts, the Company wishes to adopt the measures introduced by the SGX-ST in February 2009, among other things, (1) to increase the 50% limit for issuance of new shares on pro-rata basis to 100% for issuance of shares via a pro-rata renounceable rights issue; and (2) to allow issuance of shares on a non pro-rata basis at a discount exceeding 10% but not more than 20% to the weighted average price per share.

Notes:

1. A member of the Company entitled to attend and vote at the above meeting may appoints not more than two (2) proxies to attend and vote in his stead. However, where a member appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy.
2. A proxy need not be a member of the Company. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorized.
3. The duly executed instrument appointing a proxy or proxies must be deposited at the registered office of the Company at **50 Changi South Street 1, BBR Building, Singapore 486126** at least forty-eight (48) hours before the time appointed for the holding of the meeting.

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATES

NOTICE IS HEREBY GIVEN that the Transfer Book and the Register of Members of the Company will be closed at 5.00 pm on 6 May 2010, for the purpose of determining members' entitlements to the first and final (tax exempt one-tier) dividend of 0.6 cents per share (the "Proposed Dividend").

Duly completed registrable transfers received by the Company's share registrar, Boardroom Corporate and Advisory Services Pte. Ltd. of 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, up to 5.00 pm on 6 May 2010 will be registered to determine members' entitlements to the Proposed Dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 pm on 6 May 2010 will be entitled to the Proposed Dividend.

The Proposed Dividend, if approved at the Sixteenth Annual General Meeting to be held on 28 April 2010, will be paid on 18 May 2010.

BY ORDER OF THE BOARD

Chiang Chai Foong
Company Secretary

Singapore, 13 April 2010

BBR HOLDINGS (S) LTD
 Registration No.: 199304349M
 (Incorporated in Singapore)

PROXY FORM

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Important:

1. For investors who have used their CPF monies to buy the shares of BBR Holdings (S) Ltd, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This proxy form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We _____

of _____

being a *member/members of BBR Holdings (S) Ltd (the "Company"), hereby appoint

Name	NRIC/Passport No	Proportion of Shareholdings	
Address		No. of Shares	%

*and/or

Name	NRIC/Passport No	Proportion of Shareholdings	
Address		No. of Shares	%

as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the Sixteenth Annual General Meeting ("AGM") of the Company to be held at 50 Changi South Street 1, BBR Building, Singapore 486126 on Wednesday, 28 April 2010 at 9.30 a.m. and at any adjournment thereof.

*I/we direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated below. If no specific direction as to voting is given or in the event of any matter arising at the AGM, *my/our *proxy/proxies will vote or abstain from voting at *his/her own discretion.

No.	Resolution relating to	To be used on a show of hands		To be used in the event of a poll	
		For ⁽¹⁾	Against ⁽¹⁾	No. of votes	
				For ⁽²⁾	Against ⁽²⁾
	Ordinary Business				
1.	Audited Financial Statements and Directors' Report				
2.	Payment of Proposed Dividend				
3.	Re-election of Ms. Luk Ka Lai Carrie as Director				
4.	Re-election of Mr. Tan Kheng Hwee Andrew as Director				
5.	Re-election of Mr. Peter Michael Ekberg as Director				
6.	Approval of Directors' Fees				
7.	Re-appointment of Auditors and authority to fix their remuneration				
	Special Business				
8.	General Share Issue Mandate				
9.	Authority to issue shares at a discount				

* Delete where applicable

(1) Please indicate your vote "For" or "Against" with a "V" within the box provided

(2) If you wish to use all your votes "For" or "Against", please indicate with a "V" within the box provided. Otherwise, please indicate the number of votes.

Dated this _____ day of _____ 2010

Total Number of Shares Held in	
(a) CDP Register	
(b) Register of Members	

 Signature(s) of the Shareholder(s)/
 Common Seal of Corporate Shareholder

Please fold here

**AFFIX
STAMP**

Company Secretary
BBR HOLDINGS (S) LTD
50 CHANGI SOUTH STREET 1
BBR BUILDING
SINGAPORE 486126

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Notes:

1. A member of the Company entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote on his behalf. Such proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of shares to be represented by each proxy.
3. A member should insert the total number of shares held.
- 3.1 If the member has shares entered against his name in the Depository Register (as defined under Section 130A of the Companies Act, Chapter 50, he should insert that number of shares.
- 3.2 If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares entered against his name in the Depository Register and registered in his name in the Register of Members.
4. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. The instrument appointing a proxy or proxies must be executed either under its common seal or under the hand of its attorney or a duly authorised officer if it is to be executed by a corporation.
5. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof shall be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
6. A corporate member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50.
7. The duly executed instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 50 Changi South Street 1, BBR Building, Singapore 486126 at least forty-eight (48) hours before the time appointed for the holding of the meeting.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.
9. In the case of a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such member is not shown to have shares entered against his name in the Depository Register forty-eight (48) hours before the time appointed for the holding of the meeting, as certified by The Central Depository (Pte) Limited to the Company.

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BBR HOLDINGS (S) LTD

Registration No. : 199304349M

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