

ENGINEERING NEW GROWTH

BBR HOLDINGS (S) LTD
Annual Report 2010



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



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BBR HOLDINGS (S) LTD

ANNUAL REPORT 2010





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.



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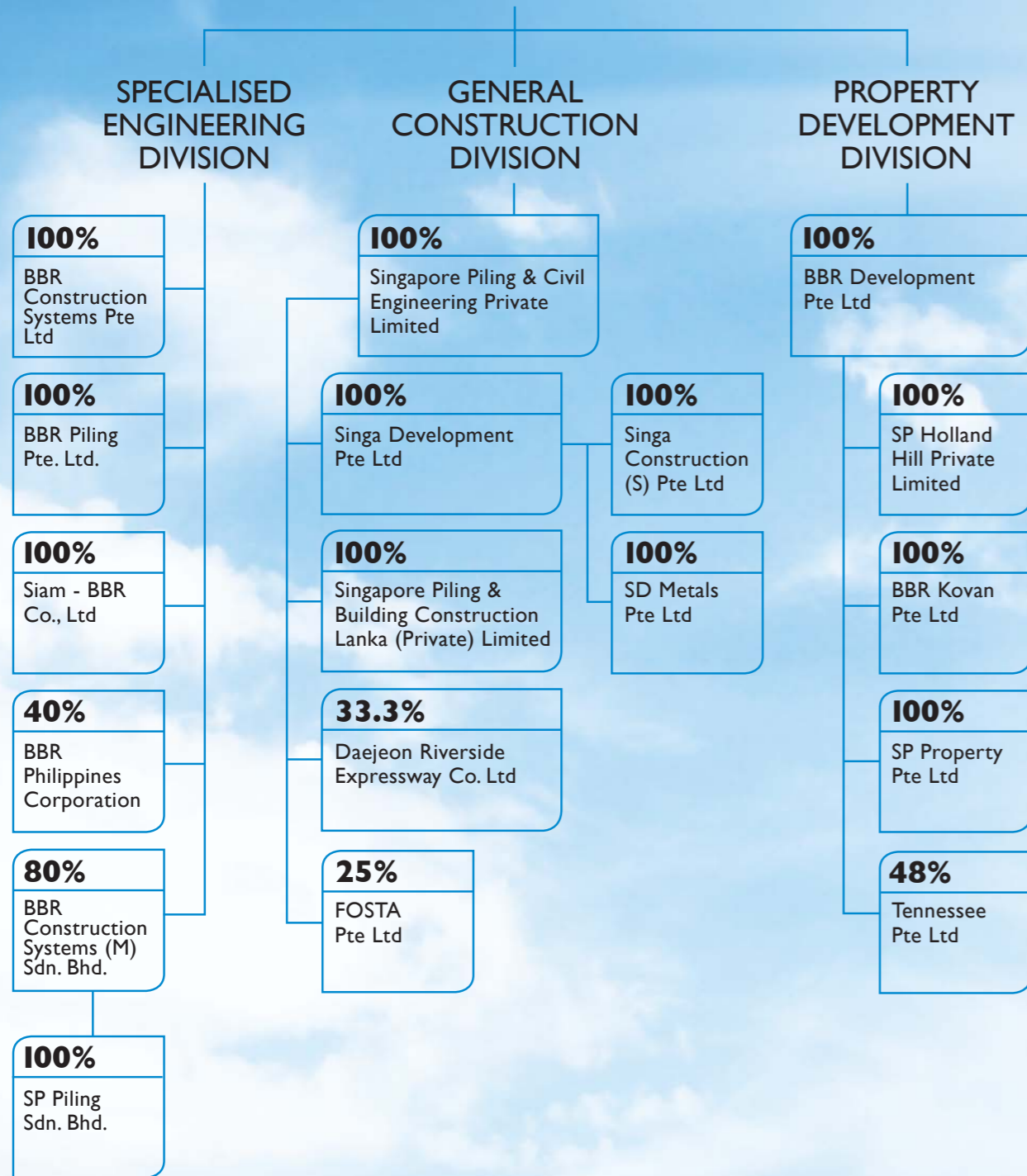
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CORPORATE STRUCTURE

BBR HOLDINGS (S) LTD



CORPORATE PROFILE

RAISING THE BAR SINCE 1997

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 and Korea.

Our History

Incorporated in 1993 in partnership with the Switzerland-based BBR Network, BBR 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 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

Property Development

- Boutique developer focusing on developing residential properties

Specialised Engineering

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



CHAIRMAN'S STATEMENT

THE SKY'S OUR LIMIT



Prof Yong Kwet Yew

Independent Non-Executive Director
and Chairman of the Board

Dear Shareholders,

Singapore had a good year with the economy expanding by 14.5%, reversing the decline of 0.8% in the previous year. BBR Holdings (S) Ltd ("BBR" or the "Group") was a beneficiary of the economic recovery and we managed to secure more project wins during the year under review. However, with the inflationary pressures on basic materials prices, we have to stay vigilant and continue to be mindful of our assets, cost and liquidity management by closely aligning our resources with demand and exercising stringent cost controls.

In the past year, we have been busy strengthening our technical capabilities and rationalising our operations for our three core pillars of growth - General Construction, Specialised Engineering and Property Development -- in order to compete in the domestic building, civil engineering and property markets. We have also been selective, undertaking projects which potentially yield a reasonable rate of return above our internal cost of capital. This has enabled us to improve our bottom line significantly.

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

PERFORMANCE REVIEW

On behalf of the board and management, I am pleased to present the performance of the Group for the financial year ended 31 December 2010. We turned in a net profit after tax and minority interests of S\$19.6 million, an increase of 46% from S\$13.4 million in the previous financial year.

The Group has managed to garner a stronger net order book at S\$620 million, which is higher than the S\$410 million registered in the previous year. Our projects are predominantly in Singapore and Malaysia with projects lasting up to 2015.

At the Group level, total revenue for the FY2010 was slightly higher at S\$205.8 million compared to S\$205.4 million in FY2009. The Group saw its revenue from the Specialised Engineering segment rise substantially by



Common Services Tunnel Phase 3A @ Downtown Core

58% to S\$61.6 million compared to S\$39.1 million in FY2009. However, the improvement in performance was offset by the lower revenue contribution from the General Construction segment as a number of newly secured General Construction projects secured since the second quarter of 2010 had not reached the minimum percentage of completion required for revenue recognition in accordance to the Group's accounting policy.

On a geographical basis, Singapore remained as BBR's major market, accounting for S\$180.7 million or 87.8% of the total revenue. Malaysia is BBR's second revenue contributor by market, generating S\$25 million or the remaining 12.2% of the total revenue.

Despite a largely unchanged revenue of S\$205.8 million compared to S\$205.4 million in the preceding year, the Group posted a higher gross profit of S\$31.6 million, an increase of 53% compared to S\$20.6 million in the previous corresponding period.

Earnings per share for the 12 months ended 31 December 2010 was 6.36 Singapore cents, up 46% compared to 4.35 Singapore cents registered in the previous corresponding period.



Common Services Tunnel Phase 3A @ Downtown Core



Common Services Tunnel Phase 3A @ Downtown Core

REORGANISATION

In the year under review, the Group completed a corporate reorganisation that saw the separation of its Property Development division away from its General Construction arm, Singapore Piling & Civil Engineering Private Limited ("SPACE"), resulting in a more efficient, flexible and streamlined corporate structure.

This strategic move will create greater accountability and facilitate more efficient allocation of shared resources among the various divisions and companies within the Group. It will also provide the Group with greater flexibility in the implementation of future growth strategies, including potential acquisitions, divestments or joint ventures.

Under the new structure, General Construction and Property Development divisions are clearly defined as two separate and distinct businesses, whereas before, SPACE, which is engaged in the business of general construction, was also the intermediate holding company of the property development companies.

The corporate reorganisation involved SPACE transferring its investments in property development companies, SP Holland Hill Private Limited, BBR Kovan Pte Ltd and SP Property Pte Ltd, to BBR Development Pte Ltd ("BBRD") (previously known as SP Development Pte Ltd). SPACE has also transferred its 100% equity in BBRD to BBR Holdings (S) Ltd.

ON-GOING PROJECTS

We are currently busy with various projects, namely, a S\$139.6 million contract from the Urban Redevelopment Authority (“URA”) to construct Phase 3B of the Proposed Common Services Tunnel (“CST”) at Marina Bay; a S\$81.495 million contract from Land Transport Authority to design and construct the Tai Seng Facility Building for the Downtown Line Project; a S\$77.7 million contract to build the Singapore Island Country Club’s main clubhouse; a S\$104.2 million contract from the Housing and Development Board to build seven blocks of 13-storey flats in Yishun; and a S\$189.6 million contract awarded by the URA for the construction of the CST Phase 3A at Marina Bay.

With strong order book visibility, a healthy financial position and stable revenue streams from our core businesses, the Group has laid a strong foundation to pursue long-term sustainable growth in the years ahead. We are confident that our three core business pillars will continue to benefit from Singapore’s continued growth fuelled by both public and private sector demand.



Common Services Tunnel Phase 3B @ Downtown Marina Bay

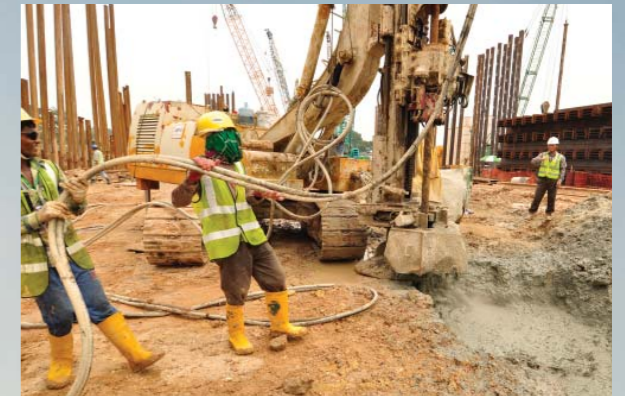
INDUSTRY OUTLOOK

The general construction industry for the next 12 months is expected to remain positive, with the Ministry of Trade and Industry forecasting a Gross Domestic Product growth of 4% to 6% in 2011. According to the Building and Construction Authority’s projected forecast for 2011, total construction demand is likely to reach between S\$22 billion and S\$28 billion with continued government investment in public infrastructure.

During the National Day Rally on 29 August 2010, Prime Minister Lee Hsien Loong announced that the Singapore government will be spending S\$60 billion to double the rail network with the Downtown Line, the Thomson Line and the Eastern Region Line over the next 10 years. With the additional new lines and extensions to existing ones, the existing rail length of 138 kilometres is expected to double to 278 kilometres by 2020.

With BBR’s proven track record and well-recognised expertise, the Group will be in a favourable position to bid for the pipeline of projects coming from the government infrastructure sector. We shall continue to focus on the domestic market in the near term and will also participate in any business opportunities overseas, as and when the opportunity arises.

The property market has continued to grow, albeit at a moderate pace, since the government introduced new cooling measures to curb property speculation. We believe there is still room for us to participate in this market. According to the URA’s fourth quarter and full year 2010 real estate statistics, prices of private residential properties increased by 2.7% and 17.6% respectively. As for non-landed properties, prices rose by 1.8% and 14.0% respectively.



Common Services Tunnel Phase 3B @ Downtown Marina Bay

APPRECIATION

BBR’s position as a key player in Singapore’s construction industry is a result of the hard work, combined efforts and commitment from our management team and staff. On behalf of the board, I would like to express my sincere appreciation to our colleagues, shareholders, customers, business partners for their unwavering support and confidence in us throughout the years. I would also like to take this opportunity to thank our board of directors who has contributed greatly to the Group with their invaluable experience and counsel. I am confident that with your support, we will continue to work together to build a better and brighter future and thereby create greater value for our shareholders.

Prof Yong Kwet Yew

Independent Non-Executive Director
and Chairman of the Board





BUSINESS REVIEW

DELIVERING EXPERIENCE AND EXPERTISE

For the BBR Group, engineering new growth means working hard in implementing procedures and new initiatives that will grow our three core business segments - General Construction, Specialised Engineering and Property Development. Broadly, we have installed procedures that would help us to optimise our asset utilisation, and also to achieve operational and costs efficiencies so that we can maximise profitability while still maintaining our excellence in service delivery.

One important decision that management took was to ensure that we prioritised the deployment of our resources by undertaking projects that would yield higher returns on our investments. With these new initiatives, BBR was able to deliver higher profitability despite a largely unchanged revenue of S\$205.8 million compared to S\$205.4 million in the preceding year.

To stay ahead of competition, we continued to 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. These qualities helped to differentiate us and to position BBR as a company that consistently delivers excellent quality service to our clients. With this objective in mind, it is thus important for us to continue investing in and strengthening our human capital. During the year, we also sought to develop and nurture our talent pool, thereby further enhance our project management skills as well as engineering and technical expertise, and to continually seek ways to create differentiating capabilities from our competitors. Currently, BBR has about 690 staff both in Singapore and in the region.

Singapore continues to be BBR's dominant market, followed by Malaysia. The Group also has presence in Thailand and Philippines and will consider expanding its presence in overseas markets, if and when the opportunities arise.

GENERAL CONSTRUCTION



Industrial Ring Road Bridge, Bangkok, Thailand

Following our corporate reorganisation in November 2010, BBR's major subsidiary, Singapore Piling & Civil Engineering Private Limited ("SPACE") and its subsidiary will solely focus on offering construction related services. Looking ahead, we envisage that the general construction pillar will continue to be the main contributor to the Group's total revenue, as in the past years. The business involves design-and-build and general building construction, and civil and structural engineering.

With more than 40 years of experience in construction, SPACE 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.

We also possess an excellent track record in the execution of construction projects, ranging from industrial buildings, residential buildings, commercial complexes, educational institutions and infrastructure works.



Construction work @ Yishun HDB



SPECIALISED ENGINEERING

Our Specialised Engineering division's range of expertise includes piling and foundation systems, post-tensioning, stay cable systems, heavy lifting, bridge design, construction and maintenance, repair and retrofitting. Currently, this unit has a presence in Singapore, Malaysia, Philippines and Thailand operating under various BBR subsidiaries. Under this division, another wholly owned subsidiary, BBR Piling Pte. Ltd, was established in Singapore in January 2010 to develop the business and strengthen its expertise in bored piling specialist works.

Our Specialised Engineering arm provides BBR a competitive advantage as we can offer our clients innovative sophisticated and sound construction engineering solutions. This arises from the fact that we have access to the latest engineering and construction technology and engineering methods as well as techniques developed locally for the regional markets throughout the BBR Network.

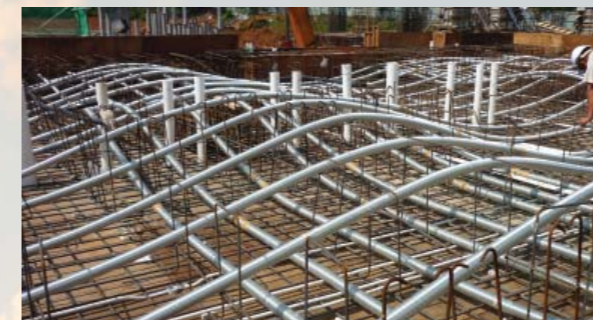
BBR is a part of the Switzerland-based BBR Network, which has been widely regarded for its high-tech engineering and construction excellence for the last 60 years. The BBR Network franchises post-tensioning, stay cable and related construction engineering technologies worldwide and operates in more than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

BBR's innovative engineering and technology solutions have been used in construction for 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, CMM, BBRV HiAm, DINA and SWIF – are well-recognised internationally.

The BBR Network constantly upgrades its technologies, which BBR will continue to benefit immensely from the sharing of these innovative and latest technologies, which we adapt for the region.



MRT North-South Line (Dhoby Ghaut Tunnel)



Prestressed Tendons layout at Selayang Springs, Kuala Lumpur, Malaysia



Prestressing in progress

PROPERTY DEVELOPMENT

BBR's business strategy for Property Development is to focus on niche projects and develop residential properties in prime locations and to position itself as a boutique developer.

In the second half of 2010, the Group underwent a corporate reorganisation exercise that involved SPACE transferring its investments in property development companies, SP Holland Hill Private Limited, BBR Kovan Pte Ltd and SP Property Pte Ltd, to BBR Development Pte Ltd ("BBRD") (previously known as SP Development Pte Ltd). SPACE also transferred its 100% equity in BBRD to BBR Holdings (S) Ltd.

Following the corporate reorganisation, BBRD now holds 100% equity in three entities, SP Holland Hill Private Limited, BBR Kovan Pte Ltd and SP Property Pte Ltd and also 48% equity in an associated company, Tennessee Pte Ltd, which was formed through a joint venture with Shing Kwan (Pte) Ltd.

BBRD is currently involved in 3 property projects, namely, 8 Nassim Hill, Lush on Holland Hill and Bliss @ Kovan.



PROJECTS GALLERY

BUILDING BRILLIANCE EVERYWHERE

KEPPEL VIADUCT, SINGAPORE



This is a contract worth S\$79.8 million from the Land Transport Authority to widen Keppel Viaduct. Construction work has started on 18 February 2011 and is targeted to be completed in the first half of 2015. Apart from the upgrading and widening of Keppel Viaduct, the project would also include works on part of the South Quay Viaduct and ramps, the widening of citybound Keppel Road between Telok Blangah Viaduct and Keppel Viaduct from four to five lanes as well as the design, construction and completion of all associated structures and facilities such as the drainage system including culverts, and drainage system for the viaduct.

NATIONAL ART GALLERY, SINGAPORE



Construction of the restoration of the former Supreme Court and City Hall buildings commenced in January 2011 shortly after the award of the S\$413.8 million contract by the National Heritage Board to Takenaka-Singapore Piling Joint Venture ("JV"). BBR's wholly-owned subsidiary, Singapore Piling & Civil Engineering Private Limited has a 25% share in the JV. This project is expected to be completed in the second half of 2014.



When completed, the buildings will have three additional basements and will house the new visual arts gallery, the National Art Gallery, Singapore, one of the region's largest. The 60,000 square metres gallery will become a creative and civic area to be enjoyed by both Singapore residents and visitors alike. It will be home to permanent and temporary art galleries, and showcase local works of art and other international exhibitions.



COMMON SERVICES TUNNEL PHASE 3B IN MARINA BAY, SINGAPORE



This is a second contract worth S\$139.6 million from the Urban Redevelopment Authority to construct Phase 3B (MC02) of the Proposed Common Services Tunnel ("CST-3B") at Marina Bay. Construction of this project started in May 2010 and is targeted for completion in the second half of 2014. The scope of works includes completion of the box tunnel and backfill at Sheares Avenue and Central Boulevard as well as sewerage works.

The proposed CST-3B is a purpose-built tunnel network that will house and distribute various utility services to the 360-hectare waterfront development at Marina Bay including electrical and telecommunication cables, potable water pipes, NEWater, district cooling pipes and a pneumatic refuse conveying system. The 20 kilometres tunnel system is said to be the second of its kind after Japan, constructed at an average depth of 15 metres below ground level.

BBR secured its first contract worth S\$189.6 million for Phase 3A of the Common Services Tunnel in December 2007. Work on this project is still on-going and due for completion in the second half of 2011.



TAI SENG FACILITY BUILDING FOR DOWNTOWN LINE PROJECT, SINGAPORE



The new Tai Seng Facility (“TSF”) Building will be located at the north of Defu Lane 11 between Hougang Avenue 3 and Airport Road. This contract worth S\$81,495,000 is awarded by the Land Transport Authority, and involves the design and construction of the TSF Building in connection with the Downtown Line (“DTL”) Project. Work on this project has been on-going since June 2010 and it is scheduled for completion in November 2014.

Upon completion, the TSF Building will provide maintenance, operation and staff facilities for the DTL Project and will comprise a train car delivery and access shaft, train workshops for maintenance and inspection, train wash bay and other facilities necessary to support the smooth operation of the railway.

YANG KEE LOGISTICS CHEMICAL HUB AT JURONG PIER, SINGAPORE



This is a design-and-build contract worth S\$42 million from Yang Kee Holdings Pte Ltd for Phase 1 of the Yang Kee Logistics Chemical Hub located at Jurong Pier. Work on the five-storey warehouse building with drive-up ramps serving each floor commenced in February 2010 and is scheduled to be completed in 2011. The scope of works consists of foundation works, mechanical and engineering services, steel structural roof system, an electrical substation and ancillary external works.

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 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 early 2012, this project also involves electrical sub-station works, sewerage works, construction of a driveway, as well as other site works.

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 2011. The contract has been awarded by RSP Architects Planners & Engineers (Pte) Ltd on behalf of the Singapore Island Country Club.

8 NASSIM HILL, SINGAPORE



This prime freehold property comprises 16 super luxury triplex units on a land area of 34,854 square feet. Each unit, at a generous average size of 4,000 to 6,000 square feet over three storeys, is fitted with its own pool, private garden and balcony, thus creating the sense of living in a landed property but will have all the security features and conveniences of an exclusive condominium on Nassim Hill. The temporary occupation permit (“TOP”) for this project has been obtained during the year and 9 units have been sold.

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. Of the 56 units in the development, 49 have been sold. TOP is expected to be obtained in the second half of 2012. This 52,743 square feet freehold site at No. 19 and 21 Holland Hill was acquired for S\$70.6 million in March 2007. The development comprises 56 modern, spacious homes consisting of 2, 3 and 4-bedroom units and penthouses in two towering 12-storey blocks, which are set amidst lush landscapes. The property is just minutes away from Orchard Road and Singapore Botanic Gardens.

BLISS @ KOVAN, SINGAPORE



This 97,703 square feet freehold land at 2A/B/C/D Simon Lane was acquired for S\$86 million in July 2010. It currently houses Goodrich Park Condominium and BBR aims to develop this into a 5-storey low-rise condominium project comprising 140 homes of one to three bedroom units. The development project is targeted to be launched sometime in the second half of 2011.

Nestled in a quiet neighbourhood of landed properties and located in close proximity to the Kovan MRT Station which is about 360 metres away, the site is also easily accessible from the Tampines Expressway. Food outlets and other amenities are conveniently available along Upper Serangoon Road, Heartland Mall at Kovan Town Centre and the Nex Mall at Serangoon Central.

The architect for this latest project is award-winning LOOK Architects, who recently clinched the President’s Design Award Singapore 2009 – Designer of the Year.





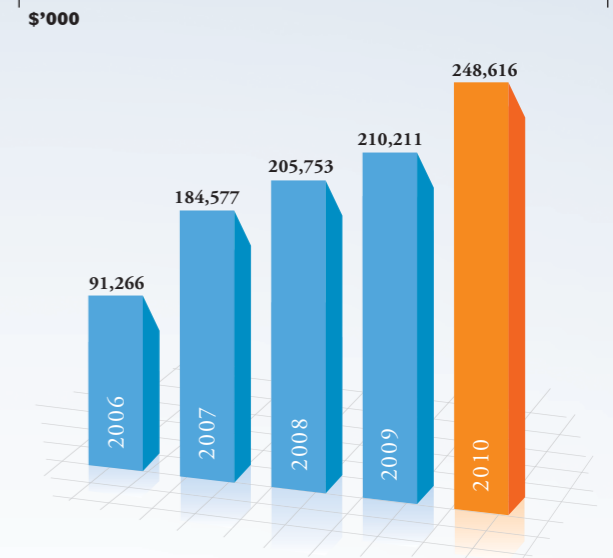
FINANCIAL HIGHLIGHTS

5-Year Financial Summary (\$'000)	2006	2007	2008	2009	2010
Revenue	101,068	204,074	253,899	205,390	205,771
Gross Profit	10,636	14,402	15,525	20,608	31,554
Profit Before Tax	2,680	5,133	3,868	15,694	22,154
Profit After Tax	2,435	4,555	3,741	13,663	20,013
Profit Attributable to Equity Holders of the Company (PATMI)	2,319	4,467	3,652	13,352	19,564
Total Assets	91,266	184,577	205,753	210,211	248,616
Equity Attributable to Equity Holders of the Company	15,171	44,310	48,130	61,737	79,559
Earnings Per Share* (Cents)	0.17	0.3	0.24	4.35	6.36
Net Asset Value Per Share** (Cents)	1.15	2.91	3.16	20.29	26.25
Return on Equity***(%)	17	15	8	24	28

Revenue



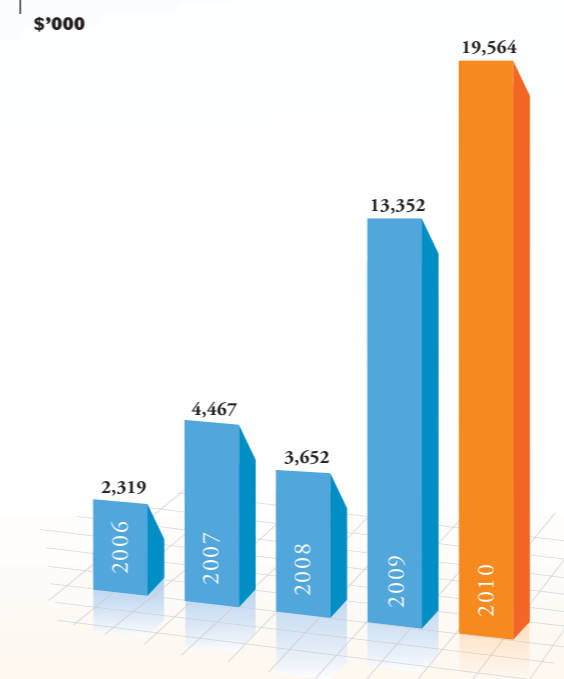
Total Assets



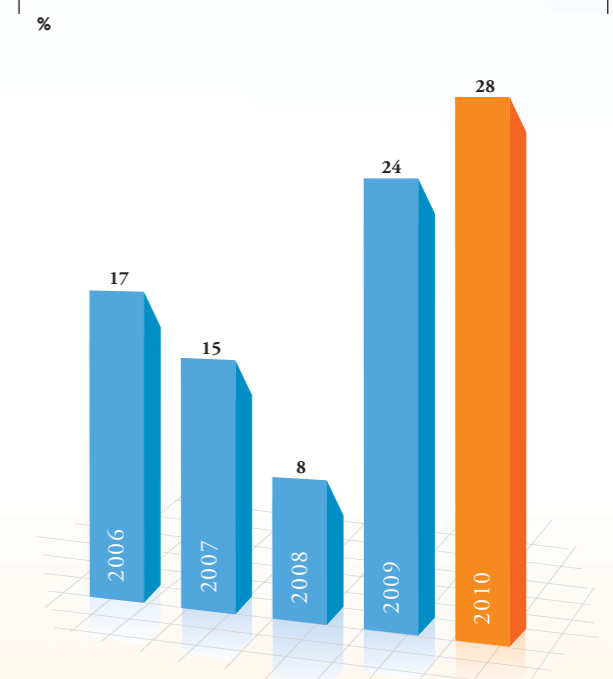
Revenue By Business Segment

	2006	2007	2008	2009	2010
Specialised Engineering	48,401	41,535	41,305	39,146	61,603
General Construction	52,667	162,539	212,594	166,225	144,140

Profit Attributable To Equity Holders Of The Company

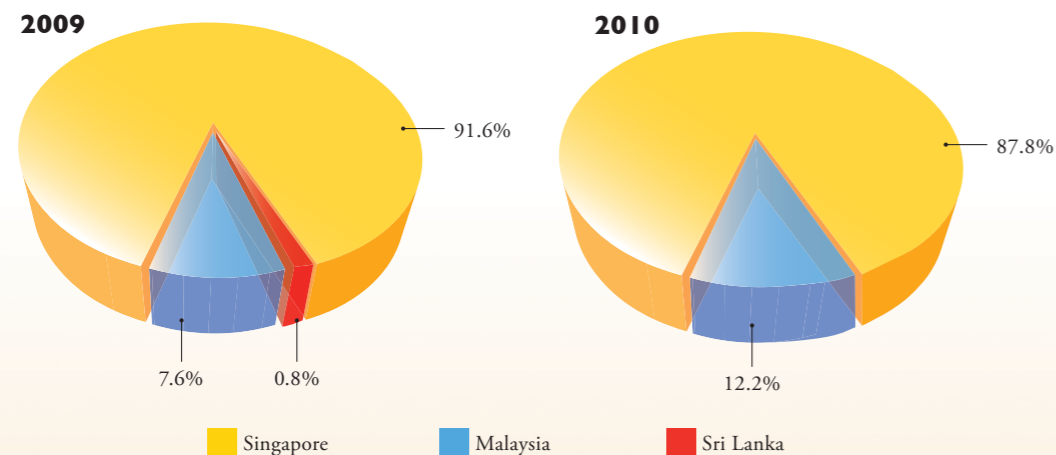


Return On Equity



Revenue By Geographical Segment

	2006	2007	2008	2009	2010
Singapore	62,744	157,598	228,534	188,070	180,734
Malaysia	25,914	25,618	19,882	15,637	25,037
Sri Lanka	9,629	20,500	4,263	1,683	-
Thailand	3,381	358	1,220	-	-



* Earnings per share computation for FY2010 and FY2009 is based on 307,755,062 (2009:308,210,418) weighted average number of consolidated shares during the year
 ** Net asset value per share computation for FY2010 and FY2009 is based on 307,210,418 (2009:308,210,418) consolidated shares at the end of the year
 *** Return on equity computation is based on PATMI divided by the average of opening and closing balances of Equity Attributable to Equity Holders of the Company



BOARD OF DIRECTORS



Prof Yong Kwet Yew

Independent Non-Executive Director, Chairman of the Board, Chairman of the Nomination Committee, Chairman of the Remuneration Committee, Chairman of the BBR Share Plan 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, Remuneration and BBR Share Plan 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 Tritech Group Ltd. For contributions to land transport development, he was awarded the Public Service Star in the National Day Awards 2008.



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.

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



Mr 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.



Mr Bruno Sergio Valsangiacomo

Non-Executive Director, Member of the Remuneration Committee and Member of the BBR Share Plan 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 and BBR Share Plan Committees. 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 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 Tan Kheng Hwee Andrew

Executive Director, Chief Executive Officer and Member of the BBR Share Plan Committee

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 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 33 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 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 has previously served as the Chairman of the CFO Committee of ICPAS and was a committee member of the Professional Accountants in Business (PAIB) Committee of the International Federation of Accountants (IFAC). Apart from commercial establishments, he also holds other independent directorships and appointments in charitable and non-profit organisations.



Ms Luk Ka Lai (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.



KEY EXECUTIVES



Mr John Mo Kuan Sheng
Executive 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 indepth 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 more than 32 years in various capacities, and is one of its pioneer personnel. Mr Chiew has vast and valuable experiences in managing complex both building and civil engineering projects including design and build projects. He is also a Director of Singa Development Pte Ltd. He holds a Bachelor of Applied Science in Construction Management and a Diploma in Building.



Mr Chan Tuck Meng
Commercial Manager,
BBR Development Pte. Ltd.

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

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 and is a director of its property development subsidiaries since 24 December 2009. 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
BBA

Dr Pietro Brenni
Alternate Director to Mr Peter Michael Ekberg
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

BBR SHARE PLAN COMMITTEE

Prof Yong Kwet Yew (Chairman)
Mr Bruno Sergio Valsangiacomo
Mr Tan Kheng Hwee Andrew

COMPANY SECRETARY

Ms Chiang Chai Foong
ACIS

REGISTERED OFFICE

50 Changi South Street 1
BBR Building
Singapore 486126
Tel : (65) 6546 2280
Fax : (65) 6546 2268

Websites :

www.bbr.com.sg
www.singaporepiling.com.sg
www.singdev.com
Email : enquiry@bbr.com.sg

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
Singapore Land Tower #32-01
Singapore 048623
Tel : (65) 6536 5355
Fax : (65) 6536 1360

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



FINANCIAL REPORT

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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 2010.

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	
Pietro Brenni	(Alternate Director to Peter Michael Ekberg)

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		Deemed interest	
	[1]At the beginning of financial year	At the end of financial year	[1]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	16,600,474	142,000	228,400
Peter Michael Ekberg	750,000	150,000	–	–
Bruno Sergio Valsangiacomo	–	–	371,539,892	85,632,978

[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 was 308,210,418 consolidated shares.

DIRECTORS' REPORT (CONT'D)

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2011.

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.

The BBR Share Plan

The BBR Share Plan (the "Plan") was approved by the members at the Extraordinary General Meeting held on 28 April 2010.

The Plan is a share incentive plan. The Plan is proposed on the basis that it is important to retain employees whose contributions are important to the well-being and prosperity of the Group and to recognise outstanding executives and directors of the Group who have contributed to the growth of the Group. The Plan will give participants an opportunity to have a personal equity interest in the Company and will assist in achieving the following positive objectives :

- the motivation of each participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;
- the retention of key executives and directors of the Group whose contributions are important to the long-term growth and profitability of the Group;
- to instil loyalty to, and a stronger identification by employees with the long term prosperity of, the Group;
- to make employee remuneration sufficiently competitive to recruit and retain employees with relevant skills to contribute to the Group and to create value for the shareholders; and
- to align the interests of the participants with the interests of the shareholders.

DIRECTORS' REPORT (CONT'D)

The Plan is administered by the BBR Share Plan Committee (the "Committee") whose members are Yong Kwet Yew (Chairman), Tan Kheng Hwee Andrew and Bruno Sergio Valsangiacomo.

The size of the Plan shall not exceed 10% of the issued ordinary share capital of the Company. The participants are not required to pay for the grant of awards or for the shares allotted or allocated pursuant to an award.

Non-executive directors and Group executives who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time on or before the award date and are not undischarged bankrupts and have not entered into a composition with their respective creditors are eligible to participate in the Plan.

Controlling shareholders and associates of controlling shareholders shall not be eligible to participate in the Plan.

The Plan shall be in force up to a maximum period of 10 years from the date on which the Plan was adopted and may be continued beyond the stipulated period with the approval of shareholders by way of ordinary resolution in general meeting and of such relevant authorities which may then be required.

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 included in the annual report, which includes a review of the external auditor's objectivity and independence vis-à-vis the non-audit services provided by them.

DIRECTORS' REPORT (CONT'D)

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.

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

28 March 2011



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 2010 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

28 March 2011



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

Report on the financial statements

We have audited the accompanying financial statements of BBR Holdings (S) Ltd (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 32 to 98, which comprise the statements of financial position of the Group and the Company as at 31 December 2010, the statements of changes in equity of the Group and the Company and the statement of comprehensive income and statement of cash flow of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the Act) and Singapore Financial Reporting Standards, and for 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

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 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 of the financial statements that give a true and fair view 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, 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 2010 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.

Report on Other Legal Regulatory Requirements

In our opinion, 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
28 March 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Notes	2010 \$'000	2009 \$'000
Revenue	4	205,771	205,390
Cost of sales		(174,217)	(184,782)
Gross profit		31,554	20,608
Other income	5	3,950	3,927
Administrative costs		(5,285)	(4,502)
Other operating costs		(12,724)	(11,746)
Finance costs	6	(2,988)	(2,627)
Share of results of associates		7,647	10,034
Profit before tax	7	22,154	15,694
Income tax expenses	8	(2,141)	(2,031)
Profit for the year		20,013	13,663
Other comprehensive income:			
Foreign currency translation gain		333	247
Other comprehensive income for the year, net of tax		333	247
Total comprehensive income for the year		20,346	13,910
Profit attributable to:			
Equity holders of the Company		19,564	13,352
Non-controlling interests		449	311
		20,013	13,663
Total comprehensive income attributable to:			
Equity holders of the Company		19,921	13,607
Non-controlling interests		425	303
		20,346	13,910
Earnings per share	9		
Basic and fully diluted earnings per share		6.36 cents	4.35 cents

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Notes	Group		Company	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Non-current assets					
Property, plant and equipment	10	19,449	14,569	69	124
Intangible assets	11	119	119	–	–
Investment securities	12	–	94	–	–
Investments in subsidiaries	13	–	–	39,164	26,216
Investments in associates	14	22,712	14,941	92	92
Deferred tax assets	15	761	761	–	–
Trade receivables	16	5,214	–	–	–
Current assets					
Investment securities	12	–	13	–	13
Amounts due from subsidiaries	17	–	–	19,879	21,956
Development properties	18	77,015	65,996	–	–
Gross amount due from customers for contract work-in-progress	19	9,658	7,335	–	–
Inventories	20	2,443	3,975	–	–
Trade receivables	16	52,641	40,062	–	–
Other receivables	21	11,374	10,402	11	104
Pledged deposits	22	2,366	2,401	–	–
Cash and cash equivalents	22	44,864	49,543	2,647	1,858
		200,361	179,727	22,537	23,931
Current liabilities					
Amounts due to subsidiaries	17	–	–	10,293	10,037
Gross amount due to customers for contract work-in-progress	19	38,619	24,287	–	–
Trade and other payables	23	61,885	57,696	80	178
Other liabilities	24	4,224	2,724	443	272
Derivatives	25	–	1,392	–	–
Loans and borrowings	26	2,527	3,908	–	20
Income tax payable		2,138	1,712	24	10
		109,393	91,719	10,840	10,517
Net current assets		90,968	88,008	11,697	13,414

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

STATEMENT OF FINANCIAL POSITION (CONT'D)
AS AT 31 DECEMBER 2010

Notes	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Non-current liabilities				
Trade payables	23	1,868	–	–
Derivatives	25	2,234	–	–
Deferred tax liabilities	15	2,041	1,624	–
Loans and borrowings	26	52,438	54,346	–
				37
Net assets		80,642	62,522	51,022
				39,809
Equity attributable to equity holders of the Company				
Share capital	27(a)	43,966	43,966	43,966
Treasury shares	27(b)	(252)	–	(252)
Foreign currency translation reserve		269	(88)	–
Retained earnings/ (accumulated losses)		35,576	17,859	7,308
				(4,157)
		79,559	61,737	51,022
Non-controlling interests		1,083	785	–
				–
Total equity		80,642	62,522	51,022
				39,809

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 2010

Group	Attributable to equity holders of the Parent					Total equity \$'000
	Share capital (Note 27(a)) \$'000	Treasury shares (Note 27(b)) \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Non-controlling interests \$'000	
Opening balance at 1 January 2010	43,966	–	(88)	17,859	785	62,522
Total comprehensive income						
Profit for the year	–	–	–	19,564	449	20,013
Other comprehensive income for the year	–	–	357	–	(24)	333
Total comprehensive income for the year	–	–	357	19,564	425	20,346
Contributions by and distributions to owners						
Purchase of treasury shares	–	(252)	–	–	–	(252)
Dividends paid (Note 28)	–	–	–	(1,847)	(127)	(1,974)
Total transactions with owners in their capacity as owner	–	(252)	–	(1,847)	(127)	(2,226)
Closing balance at 31 December 2010	43,966	(252)	269	35,576	1,083	80,642
Opening balance at 1 January 2009	43,966	–	(343)	4,507	590	48,720
Total comprehensive income						
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
Contributions by and distributions to owners						
Dividends paid to non-controlling interests	–	–	–	–	(108)	(108)
Total transactions with owners in their capacity as owner	–	–	–	–	(108)	(108)
Closing balance at 31 December 2009	43,966	–	(88)	17,859	785	62,522

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 2010

Company	Attributable to equity holders of the Company			Total equity \$'000
	Share capital (Note 27(a)) \$'000	Treasury shares (Note 27(b)) \$'000	Retained earnings/ (accumulated losses) \$'000	
Opening balance at 1 January 2010	43,966	–	(4,157)	39,809
Profit for the year	–	–	13,312	13,312
Total comprehensive income for the year	–	–	13,312	13,312
Contributions by and distributions to owners				
Purchase of treasury shares	–	(252)	–	(252)
Dividends paid (Note 28)	–	–	(1,847)	(1,847)
Total transactions with owners in their capacity as owner	–	(252)	(1,847)	(2,099)
Closing balance at 31 December 2010	43,966	(252)	7,308	51,022
Opening 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

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 2010

	2010 \$'000	2009 \$'000
Cash flows from operating activities :		
Profit before tax	22,154	15,694
Adjustments for :		
Depreciation of property, plant and equipment	2,523	2,307
Allowance for doubtful receivables (net)	83	369
Fair value loss on derivatives	842	1,392
Interest income	(163)	(72)
Interest expense	2,075	1,156
Gain on disposal of property, plant and equipment	(105)	(427)
Share of results of associates	(7,647)	(10,034)
Write-back of provision for loss in value of land relating to a development property	(1,441)	(1,179)
Impairment loss on property, plant and equipment	12	–
Write off of :		
Trade receivables	543	1,677
Property, plant and equipment	332	12
Inventories	–	1,315
Trade payables	–	(34)
Operating profit before working capital changes	19,208	12,176
Decrease in investment securities	13	–
(Increase)/decrease in development properties	(8,145)	9,736
Decrease in contract work-in-progress	12,009	11,451
(Increase)/decrease in trade receivables	(18,419)	12,206
(Increase)/decrease in other receivables	(972)	1,955
Decrease in inventories	1,532	2,233
Increase/(decrease) in trade and other payables	6,057	(17,136)
Increase in other liabilities	1,500	1,813
Cash from operations	12,783	34,434
Interest paid	(3,508)	(1,779)
Interest received	163	72
Income tax paid	(1,298)	(1,024)
Net cash from operating activities	8,140	31,703

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

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	2010 \$'000	2009 \$'000
Cash flows from investing activities :		
Proceeds from disposal of property, plant and equipment	1,400	1,543
Purchase of property, plant and equipment (Note 22)	(3,570)	(1,166)
Acquisition of equity interest in investment in associate	(30)	–
Net cash (used in)/from investing activities	(2,200)	377
Cash flows from financing activities :		
(Repayment of)/proceeds from bank borrowings, secured	(489)	6
Dividends paid on ordinary shares	(1,847)	–
Dividends paid to non-controlling interests	(127)	(108)
Purchase of treasury shares	(252)	–
Repayment of long term borrowings	(6,800)	(6,760)
Repayment of finance leases	(1,451)	(1,510)
Decrease in pledged deposits	–	577
Net cash used in financing activities	(10,966)	(7,795)
Net (decrease)/increase in cash and cash equivalents	(5,026)	24,285
Net effect of exchange rate changes in consolidating subsidiaries	347	301
Cash and cash equivalents at beginning of the year	49,543	24,957
Cash and cash equivalents at end of the year (Note 22)	44,864	49,543

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2010

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
	2010 %	2009 %		2010 \$'000	2009 \$'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 Development Pte. Ltd. ^[1] (Formerly known as SP Development Pte. Ltd.)	100	–	Singapore	1,000	–	Property development and investment holding
BBR Piling Pte. Ltd. ^[1]	100	100	Singapore	3,500	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

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

1. Corporate information (cont'd)

Name of company	Proportion of ownership interest		Country of incorporation	Cost of investment		Principal activities
	2010 %	2009 %		2010 \$'000	2009 \$'000	

Subsidiaries held by the Company (cont'd)

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
				<u>78,856</u>	<u>74,456</u>	

Associate held by the Company

BBR Philippines Corporation ^[3]	40	40	Philippines	92	92	Structural engineering
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Subsidiaries held by Singapore Piling & Civil Engineering Private Limited

BBR Development Pte. Ltd. ^[1] (Formerly known as SP Development Pte. Ltd.)	–	100	Singapore	–	1,000	Property development and investment holding
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 Holland Hill Private Limited ^[1]	–	100	Singapore	–	1,000	Property development
SP Property Pte. Ltd. ^[1]	–	100	Singapore	–	++	Dormant
Singapore Piling and Building Construction Lanka (Private) Limited ^[2]	100	100	Sri Lanka	368	368	Inactive

1. Corporate information (cont'd)

Name of company	Proportion of ownership interest		Country of incorporation	Cost of investment		Principal activities
	2010 %	2009 %		2010 \$'000	2009 \$'000	

Subsidiaries held by Singapore Piling & Civil Engineering Private Limited (cont'd)

BBR Kovan Pte Ltd ^[1] (Formerly known as BBR-Tagore Pte Ltd)	–	100	Singapore	–	++	Property development
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Associate held by Singapore Piling & Civil Engineering Private Limited

FOSTA Pte Ltd ^[4]	25	20	Singapore	125	94	Soil investigation, instrumentation and monitoring, and structural health monitoring using fibre optic sensors
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Subsidiary held by BBR Piling Pte. Ltd.

TKP Development Pte Ltd	–	100	Singapore	–	1,000	Struck-off
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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

Subsidiary held by BBR Construction Systems (M) Sdn. Bhd.

SP Piling Sdn. Bhd. ^[2]	100	100	Malaysia	15	15	Building contractors. Temporary ceased operations.
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Subsidiaries held by BBR Development Pte. Ltd.

SP Holland Hill Private Limited ^[1]	100	–	Singapore	1,000	–	Property development
SP Property Pte. Ltd. ^[1]	100	–	Singapore	++	–	Dormant
BBR Kovan Pte Ltd ^[1] (Formerly known as BBR-Tagore Pte Ltd)	100	–	Singapore	1,000	–	Property development

1. Corporate information (cont'd)

Name of company	Proportion of ownership interest		Country of incorporation	Cost of investment		Principal activities
	2010 %	2009 %		2010 \$'000	2009 \$'000	

Associates held by BBR Development Pte. Ltd.

Tennessee Pte Ltd [1]	48	48	Singapore	480	480	Property development
SP - John Keells Land Pte. Ltd.	-	50	Singapore	-	+	Struck-off

[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] Audited by Stephen McLaren Consultants Pte Ltd.

+ Cost of investment is \$1.

++ Cost of investment is \$2.

+++ Cost of investment is \$3.

On 13 May 2010 and 22 June 2010, SPACE, a wholly-owned subsidiary of the Company acquired an additional 3.45% and 1.76% equity interest respectively in FOSTA Pte Ltd ("FOSTA"), a 19.79%-owned other investment. Upon the acquisition of additional equity interest in FOSTA, FOSTA became an associate of the Group.

On 20 May 2010, the issued and paid up share capital of BBR Piling Pte. Ltd. ("BBRP"), a wholly-owned subsidiary of the Company was increased from \$100,000 to \$1,500,000 with the issue of 1,400,000 new ordinary shares for a cash consideration of \$1,400,000. On 21 June 2010, the issued and paid up share capital of BBRP was further increased from \$1,500,000 to \$3,500,000 with the issue of 2,000,000 new ordinary shares for a purchase consideration of \$2,000,000.

On 12 August 2010, BBR Development Pte. Ltd. acquired the entire issued share capital of BBR Kovan Pte. Ltd. ("BBRK") comprising 2 ordinary shares from SPACE, a wholly-owned subsidiary of the Company for a purchase consideration of \$2. Subsequently, the issued and paid up share capital of BBRK was increased from \$2 to \$1,000,000 with the issue of 999,998 new ordinary shares for a cash consideration of \$999,998.

On 11 November 2010, the Group completed the following corporate reorganisation exercise :

- The Company acquired the entire issued share capital of BBR Development Pte. Ltd., comprising 1,000,000 ordinary shares from SPACE, a wholly-owned subsidiary of the Company for a purchase consideration of \$1,000,000; and
- BBR Development Pte. Ltd. acquired the entire issued share capital of SP Holland Private Limited and SP Property Pte. Ltd., comprising 1,000,000 and 2 ordinary shares respectively from SPACE, a wholly-owned subsidiary of the Company for a purchase consideration of \$1,000,000 and \$2 respectively.

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.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 January 2010. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except as disclosed below :

FRS 103 Business Combinations (revised) and FRS 27 Consolidated and Separate Financial Statements (revised)

The revised FRS 103 Business Combinations and FRS 27 Consolidated and Separate Financial Statements are applicable for annual periods beginning on or after 1 July 2009. As of 1 January 2010, the Group adopted both revised standards at the same time in accordance with their transitional provisions.

FRS 103 Business Combinations (revised)

The revised FRS 103 introduces a number of changes to the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Changes in significant accounting policies resulting from the adoption of the revised FRS 103 include :

- Transaction costs would no longer be capitalised as part of the cost of acquisition but will be expensed immediately;
- Consideration contingent on future events are recognised at fair value on the acquisition date and any changes in the amount of consideration to be paid will no longer be adjusted against goodwill but recognised in the statement of comprehensive income;
- The Group elects for each acquisition of a business, to measure non-controlling interest at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, and this impacts the amount of goodwill recognised; and
- When a business is acquired in stages, the previously held equity interests in the acquiree is remeasured to fair value at the acquisition date with any corresponding gain or loss recognised in the statement of comprehensive income, and this impacts the amount of goodwill recognised.

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

2.2 Changes in accounting policies (cont'd)

According to its transitional provisions, the revised FRS 103 has been applied prospectively. Assets and liabilities that arose from business combinations whose acquisition dates are before 1 January 2010 are not adjusted.

FRS 27 Consolidated and Separate Financial Statements (revised)

Changes in significant accounting policies resulting from the adoption of the revised FRS 27 include :

- A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss recognised in the statement of comprehensive income;
- Losses incurred by a subsidiary are allocated to the non-controlling interest even if the losses exceed the non-controlling interest in the subsidiary's equity; and
- When control over a subsidiary is lost, any interest retained is measured at fair value with the corresponding gain or loss recognised in the statement of comprehensive income.

According to its transitional provisions, the revised FRS 27 has been applied prospectively, and does not impact the Group's consolidated financial statements in respect of transactions with non-controlling interests, attribution of losses to non-controlling interests and disposal of subsidiaries before 1 January 2010. The changes will affect future transactions with non-controlling interests.

2.3 Future changes in accounting policies

The Company has not adopted the following FRS and INT FRS that have been issued but not yet effective :

Reference	Description	Effective for annual periods beginning on or after
FRS 32	Amendment to FRS 32 Financial Instruments: Presentation – Classification of Rights Issues	1 February 2010
INT FRS 101	INT FRS 101 First-time Adoption of Financial Reporting Standards – Limited Exemption from Comparative FRS 107 Disclosures for First-time Adopters	1 July 2010
INT FRS 119	INT FRS 119 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
	Improvements to FRSs issued in 2010:	
FRS 103	Amendments to FRS 103 Business Combination	1 July 2010
FRS 27	Amendments to FRS 27 Consolidated Financial Statements and Accounting for Investments in Subsidiaries	1 July 2010

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

2.3 Future changes in accounting policies (cont'd)

Reference	Description	Effective for annual periods beginning on or after
FRS 1	Amendments to FRS 1 Presentation of Financial Statements	1 January 2011
FRS 24	Revised FRS 24 Related Party Disclosures	1 January 2011
FRS 34	Amendments to FRS 34 Interim Financial Reporting	1 January 2011
FRS 107	Amendments to FRS 107 Financial Instruments: Disclosures	1 January 2011
INT FRS 113	Amendments to INT FRS 113 Customer Loyalty Programmes	1 January 2011
INT FRS 114	INT FRS 114 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Amendments relating to Prepayments of a Minimum Funding Requirements	1 January 2011
INT FRS 115	INT FRS 115 – Agreements for the Construction of Real Estate	1 January 2011
FRS 101	Amendments to FRS 101 Severe Hyper-inflation and Removal of Fixed Dates for First-time Adopters	1 July 2011
FRS 107	Amendments to FRS 107 Disclosures – Transfers of Financial Assets	1 July 2011
FRS 12	Amendments to FRS 12 Deferred Tax – Recovery of Underlying Assets	1 January 2010

Except for the revised FRS 24, 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 24 is described below.

Revised FRS 24 Related Party Disclosures

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party entity has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The Company is currently determining the impact of the expanded definition has on the disclosure of related party transactions. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Company when implemented in year 2011.

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

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.

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

Business combinations from 1 January 2010

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. 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.

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.

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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

2.5 Basis of consolidation (cont'd)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.10. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in the statement of comprehensive income on the acquisition date.

Business combinations before 1 January 2010

In comparison to the above mentioned requirements, the following differences applied :

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree are not reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the statement of financial position, separately from equity attributable to owners of the Company.

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

2.6 Transactions with non-controlling interests (cont'd)

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

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.

2.8 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An 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 associates is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. 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 results of the associate in the period in which the investment is acquired.

The profit or loss reflects the share of the results of operations of the associates. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

The Group's share of the profit or loss of its associates is shown on the face of profit or loss after tax and non-controlling interests in the subsidiaries of associates.

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.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the statement of comprehensive income.

The financial statements of the associates 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. Summary of significant accounting policies (cont'd)

2.8 Associates (cont'd)

Upon loss of significant influence over the associate, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in the statement of comprehensive income.

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.

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.

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

2.9 Property, plant and equipment (cont'd)

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.

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 2.4.

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.

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

2.11 Impairment of non-financial assets (cont'd)

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 been 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.

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.

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

2.12 Financial assets (cont'd)

(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 and associates.

(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.

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

2.15 Development properties, completed properties held for sale and revenue recognition (cont'd)

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.

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 stage of completion is determined by reference to professional surveys of work performed.

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.

2.16 Trade and other receivables

Trade and other receivables, including amounts due from subsidiaries and associates 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.

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

2.17 Impairment of financial assets (cont'd)

(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.

(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. 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 professional surveys of work performed.

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.

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).

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 for items relating to equity that is recognised directly in equity.

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

2.26 Taxation (cont'd)

(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.

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. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates, and sales taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. 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.

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

2.28 Related parties

A party is considered to be related to the Group if :

- (a) The party, directly or indirectly through one or more intermediaries,
 - (i) controls, is controlled by, or is under common control with, the Group;
 - (ii) has an interest in the Group that gives it significant influence over the Group; or
 - (iii) has joint control over the Group;
- (b) The party is an associate;
- (c) The party is a jointly-controlled entity;
- (d) The party is a member of the key management personnel of the Group or its parent;
- (e) The party is a close member of the family of any individual referred to in (a) or (d);
- (f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) The party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

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 re-measured 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.

2.30 Treasury shares

The Group's own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received is recognised directly in equity.

2.31 Government grants

Government grants are recognised in the statement of comprehensive income on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are deducted in reporting the related expenses.

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 2010 were \$2,138,000 (2009: \$1,712,000), \$761,000 (2009: \$761,000) and \$2,041,000 (2009: \$1,624,000), respectively.

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% (2009: 1%) variance in the Group's profit for the year.

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

3.2 Key sources of estimation uncertainty (cont'd)

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next three years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Revenue recognition on 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 determined by reference to professional surveys of work performed.

Significant judgements by management are required in assessing the recoverability of the contracts based on estimated total contract revenue and contracts costs. In assessing total contract revenue, an estimation of the recoverable variation works from the customers and claims have been included. In making the judgement, management's evaluation is based on the actual level of work performed and past experience.

Provision for foreseeable losses

The Group reviews its contract work-in-progress to determine whether there is any indication of foreseeable losses. Identified foreseeable losses are recognised immediately in the statement of comprehensive income when it is probable that total contract costs will exceed total contract revenue. As at 31 December 2010, the Group has provided for \$1,225,000 (2009: \$Nil) of foreseeable losses in respect of certain contract work-in-progress.

4. Revenue

	Group	
	2010 \$'000	2009 \$'000
Construction revenue	205,520	205,202
Sale of goods	223	169
Management fee from an associate	28	19
	<u>205,771</u>	<u>205,390</u>

5. Other income

	Group	
	2010 \$'000	2009 \$'000
Rental income	840	1,617
Write-back of provision for loss in value of land relating to a development property (Note 18)	1,441	1,179
Gain on disposal of property, plant and equipment	105	427
Training and testing fees	418	169
Interest income from fixed deposits	163	72
Dividend income from investment securities	-	31
Rental of equipment	17	5
Project management service fees	743	180
Others	222	247
	<u>3,950</u>	<u>3,927</u>

6. Finance costs

	Group	
	2010 \$'000	2009 \$'000
Interest expense on :		
Bank loans and bank overdrafts	10	1,059
Obligations under finance leases	116	97
Interest rate swap	1,949	-
Fair value loss on derivatives	842	1,392
Bank charges	71	79
	<u>2,988</u>	<u>2,627</u>

7. Profit before tax

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

	Group	
	2010 \$'000	2009 \$'000
Depreciation of property, plant and equipment	2,523	2,307
Impairment loss on property, plant and equipment	12	-
Foreign exchange currency adjustment loss	701	593
Inventories recognised as an expenses in cost of sales (Note 20)	44,482	64,163
Allowance for doubtful receivables (net)	83	369
Write off of:		
Trade receivables (Note 16)	543	1,677
Property, plant and equipment	332	12
Inventories	-	1,315
Trade payables	-	(34)
Rental of:		
Premises	1,729	1,731
Equipment	46	20

8. Income tax expenses

Major components of income tax expenses

The major components of income tax expenses for the years ended 31 December 2010 and 2009 are :

	Group	
	2010 \$'000	2009 \$'000
Statement of comprehensive income		
Current income tax :		
- Singapore	1,360	773
- Foreign	913	453
(Over)/Under provision in respect of previous years	(549)	53
	<u>1,724</u>	<u>1,279</u>
Deferred income tax :		
- Origination and reversal of temporary differences (Note 15)	385	760
- Effect of reduction in tax rate (Note 15)	-	(8)
Under provision in respect of previous years	32	-
	<u>417</u>	<u>752</u>
Income tax expenses recognised in the statement of comprehensive income	<u>2,141</u>	<u>2,031</u>

Relationship between income tax expenses and accounting profit

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 2010 and 2009 are as follows :

Profit before tax	22,154	15,694
Tax at the domestic rates applicable to profits in the countries where the Group operates	4,041	2,519
<i>Adjustments :</i>		
Income not subject to taxation	(24)	(83)
(Over)/under provision of income tax and deferred income tax in respect of previous years	(517)	53
Benefits from previously unrecognised tax losses	(946)	(435)
Utilisation of investment allowance	(115)	(119)
Effect of reduction in tax rate	-	(8)
Non-deductible expenses	628	1,072
Effect of partial tax exemption and tax relief	(109)	(78)
Deferred tax assets not recognised	421	961
Share of results of associates	(1,300)	(1,705)
Others	62	(146)
Income tax expenses recognised in the statement of comprehensive income	<u>2,141</u>	<u>2,031</u>

8. Income tax expenses (cont'd)

During the financial year, in relation to the Singapore group relief system, the Group utilised tax losses of \$865,000 (2009: \$2,669,000) to set off the assessable income of certain companies within the Group. At the statement of financial position date, the Group recognised deferred tax assets of \$761,000 (2009: \$761,000) arising from unutilised tax losses amounting to \$4,476,000 (2009: \$4,476,000) as disclosed in Note 15. The Group has unused tax losses of approximately \$39,742,000 (2009: \$42,505,000) 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 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 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 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.

9. Earnings per share (cont'd)

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

	2010 \$'000	Group 2009 \$'000	2009 \$'000
	(Post-consolidation)	(Pre-consolidation)	
Profit attributable to ordinary equity holders of the Company used in computation of basic and diluted earnings per share	19,564	13,352	13,352
	No. of shares	No. of shares	No. of shares
Weighted average number of ordinary shares for basic and diluted earnings per share computation *	307,755,062	308,210,418	1,541,052,278

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the year.

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

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 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 and 1 January 2010	2,735	325	27,563	948	3,615	2,574	37,760
Additions	–	–	8,529	3	391	98	9,021
Disposals	–	(325)	(1,969)	(296)	(299)	(4)	(2,893)
Written-off	–	–	(3,828)	–	(798)	(1,598)	(6,224)
Net exchange differences	–	–	61	21	27	(11)	98
At 31 December 2010	2,735	–	30,356	676	2,936	1,059	37,762
Accumulated depreciation and impairment loss							
At 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 and 1 January 2010	2,441	325	15,393	12	2,780	2,240	23,191
Depreciation charge for the year	212	–	1,876	2	314	119	2,523
Disposals	–	(325)	(1,041)	–	(229)	(3)	(1,598)
Written-off	–	–	(3,501)	–	(798)	(1,593)	(5,892)
Impairment loss for the year	–	–	7	–	–	5	12
Net exchange differences	–	–	45	–	19	13	77
At 31 December 2010	2,653	–	12,779	14	2,086	781	18,313
Net carrying amount							
At 31 December 2009	294	–	12,170	936	835	334	14,569
At 31 December 2010	82	–	17,577	662	850	278	19,449

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

Company	Motor vehicles \$'000	Other Assets \$'000	Total \$'000
Cost			
At 1 January 2009	185	–	185
Additions	–	28	28
At 31 December 2009 and 1 January 2010	185	28	213
Additions	–	–	–
At 31 December 2010	185	28	213
Accumulated depreciation			
At 1 January 2009	43	–	43
Depreciation charge for the year	37	9	46
At 31 December 2009 and 1 January 2010	80	9	89
Depreciation charge for the year	37	18	55
At 31 December 2010	117	27	144
Net carrying amount			
At 31 December 2009	105	19	124
At 31 December 2010	68	1	69

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	
	2010 \$'000	2009 \$'000
Leasehold building at 31 December :		
Cost	3,414	3,414
Accumulated depreciation	(3,414)	(3,282)
Net carrying value	–	132

If the plant and equipment were measured using the cost model, the carrying amount would be \$Nil as at 31 December 2010 and 2009.

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

Other assets

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

Assets pledged as security

In addition to assets held under finance leases, the Group's leasehold properties with a carrying amount of \$109,000 (2009: \$107,000) (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 \$7,256,000 (2009: \$118,000) 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 2010 were \$8,590,000 (2009: \$2,891,000) and \$Nil (2009: \$105,000) respectively.

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

11. Intangible assets

	Group	
	2010 \$'000	2009 \$'000
Goodwill	119	119

Goodwill acquired through business combinations has been allocated to the Group's cash-generating units 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 8.54% (2009: 8.74%) for value-in-use calculations, which is also the Group's weighted average cost of capital.

12. Investment securities

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Non-current :				
Unquoted equity shares, at cost [1] [2]	2,981	3,075	-	-
Impairment in value of unquoted equity shares [1]	(2,981)	(2,981)	-	-
Total non-current investments	-	94	-	-
Current :				
Quoted investments				
- Quoted equity shares	-	13	-	13
Total investments	-	107	-	13

[1] Included in Group's investment in unquoted equity shares is an amount of \$2,981,000 (2009: \$2,981,000) which relates to a 33.3% equity interest in a Korean incorporated company, whose principal activities are 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 decisions 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.

[2] In 2009, included in Group's investment in unquoted equity shares was an amount of \$94,000 related to a 19.79% equity interest in FOSTA Pte Ltd ("FOSTA"), a Singapore incorporated company, whose principal activities are soil investigation, instrumentation and monitoring, and structural health monitoring using fibre optic sensors. On 13 May 2010 and 22 June 2010, SPACE, a wholly-owned subsidiary of the Company acquired an additional 3.45% and 1.76% equity interests, respectively in FOSTA. Upon the acquisition of additional equity interest in FOSTA, FOSTA became an associate of the Group. The cost of investment has been reclassified to investments in associates.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2010

13. Investments in subsidiaries

	Company	
	2010 \$'000	2009 \$'000
Unquoted shares, at cost	78,856	74,456
Impairment losses	(39,692)	(48,240)
Carrying amount	39,164	26,216

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

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

	Company	
	2010 \$'000	2009 \$'000
At 1 January	48,240	52,440
Written back to statement of comprehensive income	(8,548)	(4,200)
At 31 December	39,692	48,240

An impairment loss of \$8,548,000 (2009: \$4,200,000) was written back to the statement of comprehensive income, subsequent to an assessment performed on recoverable amount of the investments in subsidiaries as at 31 December 2010 and 2009.

14. Investments in associates

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Unquoted shares, at cost	697	572	92	92
Share of post-acquisition reserves	22,015	14,369	-	-
Carrying amount	22,712	14,941	92	92

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2010

14. Investments in associates (cont'd)

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

	Group	
	2010 \$'000	2009 \$'000
Assets and liabilities :		
Current assets	93,170	99,497
Non-current assets	652	19
Total assets	93,822	99,516
Current liabilities	(46,450)	(63,782)
Non-current liabilities	(50)	(5,483)
Total liabilities	(46,500)	(69,265)
Results :		
Revenue	41,752	50,983
Profit for the year	16,138	20,906

15. Deferred tax

	Group	
	2010 \$'000	2009 \$'000
Deferred tax assets :		
At 1 January	761	1,200
Charge to statement of comprehensive income (Note 8)	-	(439)
At 31 December	761	761
Deferred tax liabilities :		
At 1 January	(1,624)	(1,311)
Charge to statement of comprehensive income (Note 8)	(417)	(313)
At 31 December	(2,041)	(1,624)
Net deferred tax liabilities	(1,280)	(863)

15. Deferred tax (cont'd)

	Group	
	2010 \$'000	2009 \$'000
Deferred tax as at 31 December related to the following :		
Deferred tax assets :		
Unutilised tax losses	761	761
Gross deferred tax assets	761	761
Deferred tax liabilities :		
Differences in depreciation for tax purposes	(2,041)	(1,624)
Gross deferred tax liabilities	(2,041)	(1,624)
Net deferred tax liabilities	(1,280)	(863)

16. Trade receivables

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Non-current :				
Retention receivables	5,838	-	-	-
Less : Allowance for doubtful receivables	(624)	-	-	-
Total non-current receivables	5,214	-	-	-
Current :				
Contract receivables	44,735	29,276	-	74
Less : Allowance for doubtful receivables	(593)	(1,510)	-	(74)
	44,142	27,766	-	-
Retention receivables	8,810	11,615	-	-
Less : Allowance for doubtful receivables	(311)	-	-	-
	8,499	11,615	-	-
Related parties receivables	-	681	-	-
Total current receivables	52,641	40,062	-	-
Total trade receivables	57,855	40,062	-	-
Add :				
- Amounts due from subsidiaries (Note 17)	-	-	19,879	21,956
- Other receivables (Note 21)	11,374	10,402	11	104
- Pledged deposits (Note 22)	2,366	2,401	-	-
- Cash and cash equivalents (Note 22)	44,864	49,543	2,647	1,858
Total loans and receivables	116,459	102,408	22,537	23,918
Write-off of trade receivables directly to statement of comprehensive income (Note 7)	543	1,677	122	-

16. Trade receivables (cont'd)

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.

Retention receivables

Retention receivables from external parties relate to construction contracts.

Related parties 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 \$5,211,000 (2009: \$2,988,000) 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	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Trade receivables past due :				
Lesser than 30 days	806	660	-	-
30 to 60 days	727	248	-	-
61 to 90 days	307	227	-	-
91 to 120 days	570	146	-	-
More than 120 days	2,801	1,707	-	-
	5,211	2,988	-	-

16. Trade receivables (cont'd)

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<i>Receivables that are impaired</i>				
Contract receivables – nominal amounts	1,528	1,510	–	74
Less : Allowance for doubtful receivables	(1,528)	(1,510)	–	(74)
	–	–	–	–

Contract 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.

Allowance for doubtful receivables

Movements in allowance for doubtful receivables are as follows :

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<i>Contract receivables</i>				
At 1 January	1,327	3,360	74	2,488
Charged to statement of comprehensive income	2	531	–	–
Write-back to statement of comprehensive income	(702)	(162)	–	(33)
Bad debts written off against allowance	(74)	(2,390)	(74)	(2,381)
Net exchange differences	40	(12)	–	–
At 31 December	593	1,327	–	74
<i>Retention receivables</i>				
At 1 January	183	499	–	316
Charged to statement of comprehensive income	838	–	–	–
Write-back to statement of comprehensive income	(55)	–	–	–
Bad debts written off against allowance	(31)	(316)	–	(316)
At 31 December	935	183	–	–
Total allowance for doubtful receivables	1,528	1,510	–	74

17. Amounts due from/(to) subsidiaries

	Company	
	2010 \$'000	2009 \$'000
Amounts due from subsidiaries (non-trade)	20,661	25,346
Less : Allowance for doubtful receivables	(782)	(3,390)
	19,879	21,956
Amounts due to subsidiaries (non-trade)	(10,293)	(10,037)

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 :

	Company	
	2010 \$'000	2009 \$'000
At 1 January	3,390	6,771
Charge for the year	–	46
Written-off	–	(3,427)
Written back to statement of comprehensive income	(2,608)	–
At 31 December	782	3,390

18. Development properties

	Group	
	2010 \$'000	2009 \$'000
Land cost and related costs	80,659	71,098
Construction costs	4,957	–
Interest costs	4,275	2,842
Stamp duties	4,727	2,152
Others	3,647	1,732
	98,265	77,824
Less: Progress billings	(21,250)	(10,387)
	77,015	67,437
Less: Provision for loss in value of land relating to a development property	–	(1,441)
	77,015	65,996

18. Development properties (cont'd)

	Group	
	2010 \$'000	2009 \$'000
(i) Interest capitalised during the financial year at an average rate of 2.67% (2009: 3.25%) were paid/payable to financial institutions	1,433	623
(ii) The land with a carrying amount of \$70,600,000 (2009: \$70,600,000) is pledged to the bank in respect of the Group's long term borrowings (Note 26).		
(iii) On 3 November 2010, BBR Kovan Pte Ltd ("BBRK"), a wholly-owned subsidiary of BBR Development Pte. Ltd. purchased a piece of freehold land for \$86,000,000. As at 31 December 2010, BBRK paid \$8,600,000 which represents 10% of the purchase price. BBRK obtained a term loan of \$68,800,000 from a bank to part finance the purchase of the land. The term loan is secured by freehold land, assignment of developer's rights and benefits and a corporate guarantee from the Company. Subsequent to financial year-end, BBRK drawn down the term loan (Note 38(a)).		

Details of development properties :

Description and location	% owned	Site area (sq.m)	Gross floor area (sq.m)	Stage of completion as at 31 December 2010 (expected year of completion)
<i>Lush on Holland Hill</i> A 12-storey condominium development on Nos. 19 & 21 Holland Hill, Singapore	100%	4,933	8,682	19% (2012)
<i>Bliss @ Kovan</i> A 5-storey condominium development on Nos. 2A/B/C/D Simon Lane, Singapore	100%	9,110	14,030	0% (2014)

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

	Group	
	2010 \$'000	2009 \$'000
Contract costs to date	332,657	201,939
Recognised profits less recognised losses to date	20,542	13,435
Aggregate amount of costs incurred and recognised profits less recognised losses to date	353,199	215,374
Less : Progress billings	(382,160)	(232,326)
	(28,961)	(16,952)
Presented as :		
Gross amount due from customers for contract work-in-progress	9,658	7,335
Gross amount due to customers for contract work-in-progress	(38,619)	(24,287)
	(28,961)	(16,952)

20. Inventories

	Group	
	2010 \$'000	2009 \$'000
Statement of financial position : Construction materials, at cost	2,443	3,975
Statement of comprehensive income : Construction materials recognised as an expense in cost of sales (Note 7)	44,482	64,163

21. Other receivables

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Other receivables	606	409	-	-
Associates	9,531	9,325	-	519
Less : Allowance for doubtful receivables	-	(425)	-	(425)
	9,531	8,900	-	94
Staff loans	22	18	-	-
Other deposits	1,127	794	3	-
Other recoverables	88	281	8	10
	11,374	10,402	11	104

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2010

21. Other receivables (cont'd)

Allowance for doubtful receivables

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

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Associates :				
At 1 January	425	425	425	425
Bad debts written-off against allowance	(425)	-	(425)	-
At 31 December	-	425	-	425

22. Cash and cash equivalents/pledged deposits

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Cash at bank and in hand	22,660	45,896	1,647	946
Fixed deposits	24,570	6,048	1,000	912
	47,230	51,944	2,647	1,858

Fixed deposits are mainly short-term deposits made for varying periods of approximately one to twelve months depending on the immediate cash requirements of the Group, and bears interest ranging from 0.09% to 2.8% (2009: 0.06% to 3.2%) per annum during the year.

As at 31 December 2010, cash and fixed deposits of the Group of \$2,977,000 (2009: \$3,083,000) 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	
	2010 \$'000	2009 \$'000
Cash and short-term deposits	47,230	51,944
Less : Pledged deposits	(2,366)	(2,401)
Cash and cash equivalents	44,864	49,543

Pledged fixed deposits include an amount of \$629,000 (2009: \$615,000) being placed as a security for the banking facilities granted to a subsidiary by a bank and \$1,737,000 (2009: \$1,786,000) being amounts pledged to a bank by a subsidiary as collateral for the issue of performance bonds.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2010

22. Cash and cash equivalents/pledged deposits (cont'd)

Note to the consolidated statement of cash flows

	Group	
	2010 \$'000	2009 \$'000
Purchase of property, plant and equipment :		
Aggregate cost of property, plant and equipment acquired (Note 10)	9,021	1,284
Adjustments :		
Finance leases (Note 10)	(5,451)	(118)
Cash payments to acquire property, plant and equipment	3,570	1,166

23. Trade and other payables

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Non-current :				
Trade payables	1,868	-	-	-
Current :				
Trade payables	58,183	55,369	-	-
Other payables	3,702	2,327	80	178
Total current trade and other payables	61,885	57,696	80	178
Total trade and other payables	63,753	57,696	80	178
Add :				
- Amounts due to subsidiaries (Note 17)	-	-	10,293	10,037
- Other liabilities (Note 24)	4,224	2,724	443	272
- Loans and borrowings (Note 26)	54,965	58,254	-	57
	122,942	118,674	10,816	10,544
Less :				
- Total obligations under finance leases (Note 26)	(5,075)	(1,075)	-	(57)
Total financial liabilities carried at amortised cost	117,867	117,599	10,816	10,487

23. Trade and other payables (cont'd)

Trade payables

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

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

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Euro	40	171	-	-
Hongkong Dollar	-	61	-	-
United States Dollar	200	72	-	-

24. Other liabilities

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Accrued operating expenses	2,993	1,609	443	272
Deposits	783	924	-	-
Workers' retention	448	191	-	-
	4,224	2,724	443	272

25. Derivatives

	2010		2009	
	Contract/ Notional amount \$'000	Liabilities \$'000	Contract/ Notional amount \$'000	Liabilities \$'000
Forward currency contract	-	-	422	28
Interest rate swap contract	65,000	2,234	65,000	1,364
	65,000	2,234	65,422	1,392

In 2009, the Group entered into forward currency contracts to hedge its purchases of materials denominated in United States dollar for which firm commitments existed at statement of financial position date.

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

26. Loans and borrowings

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Non-current :				
Obligations under finance leases	2,548	416	-	37
Long term borrowings (secured)	49,890	53,930	-	-
	52,438	54,346	-	37
Current :				
Obligations under finance leases	2,527	659	-	20
Bankers' acceptances (secured)	-	205	-	-
Bills payable to banks (secured)	-	157	-	-
Current portion of long term borrowings (secured)	-	2,760	-	-
Others	-	127	-	-
	2,527	3,908	-	20
Total loans and borrowings	54,965	58,254	-	57

Obligations under finance leases

These obligations are secured by charges over certain items of plant and equipment and motor vehicles (Note 10). The average discount rate implicit in the leases is 2.4% to 7.6% (2009: 5.1% to 13.1%) per annum.

Bankers' acceptances

In 2009, an amount of \$205,000, which is denominated in Malaysian Ringgit, with effective interest rates ranging from 3.4% to 4.7% per annum, was secured by a fixed charge on a leasehold property of the Group with a net book value of \$107,000 (Note 10), a charge on the fixed deposits of a subsidiary amounting to \$615,000 (Note 22) and a corporate guarantee from the Company.

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 (2009: \$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 2.67% (2009: 3.25%) per annum and is secured by the land with a value of \$70,600,000 (2009: \$70,600,000) (Note 18).

26. Loans and borrowings (cont'd)

Obligations under finance leases

In 2010, the Group 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 :

	2010 \$'000		2009 \$'000	
	Minimum lease payments	Present value of payments	Minimum lease payments	Present value of payments
Group				
Not later than one year	2,640	2,527	712	659
Later than one year but not later than five years	2,620	2,548	450	416
Total minimum lease payments	5,260	5,075	1,162	1,075
Less : Amounts representing finance charges	(185)	–	(87)	–
Present value of minimum lease payments	5,075	5,075	1,075	1,075
Company				
Not later than one year	–	–	23	20
Later than one year but not later than five years	–	–	41	37
Total minimum lease payments	–	–	64	57
Less : Amounts representing finance charges	–	–	(7)	–
Present value of minimum lease payments	–	–	57	57

27. Share capital and treasury shares

(a) Share capital

	Group and Company 2010		2009	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid :				
At 1 January	1,541,052	43,966	1,541,052	43,966
Share consolidation	(1,232,842)	–	–	–
At 31 December	308,210	43,966	1,541,052	43,966

On 26 February 2010, every five ordinary shares of the Company were consolidated into one ordinary share, with 1,541,052,000 shares of the Company consolidated into 308,210,000 shares.

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

(b) Treasury shares

	Group and Company 2010		2009	
	No. of shares '000	\$'000	No. of shares '000	\$'000
At 1 January	–	–	–	–
Acquired during the financial year	(1,000)	(252)	–	–
At 31 December	(1,000)	(252)	–	–

Treasury shares relate to ordinary shares of the Company that is held by the Company.

The Company acquired 1,000,000 (2009: Nil) shares of the Company by way of market acquisitions on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was \$252,000 (2009: Nil) and this was presented as a component within shareholders' equity.

28. Dividends

	Group and Company	
	2010 \$'000	2009 \$'000
Declared and paid during the financial year:		
Dividends on ordinary share		
- First and final (tax exempt one-tier) dividend for 2009 of 0.6 cents (2008: Nil) per ordinary share	1,847	-
Proposed but not recognised as a liability as at 31 December		
First and final (tax exempt one-tier) dividend of 0.6 cents (2009: 0.6 cents) per ordinary share	1,843	1,847

Proposed dividend per ordinary share for 2010 is based on 307,210,000 consolidated shares (excluding treasury shares) as disclosed in Note 27(a).

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	
	2010 \$'000	2009 \$'000
Capital commitments in respect of :		
Leasehold building	1,980	-
Property, plant and equipment	713	1,800
Freehold land for property development	77,400	-
	80,093	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 up to 5 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 \$1,775,000 (2009: \$1,751,000).

29. Commitments and contingencies (cont'd)

(b) Operating lease commitments (cont'd)

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

	Group	
	2010 \$'000	2009 \$'000
Not later than one year	1,774	1,616
Later than one year but not later than five years	3,746	4,108
Later than five years	6	530
	5,526	6,254

(c) Contingent liabilities

	Group		Company	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Corporate guarantee given to banks for credit facilities granted to subsidiaries and an associate	2,688	3,110	832	1,173

30. Employee benefits

	Group	
	2010 \$'000	2009 \$'000
Employee benefits expense (including executive directors)		
- Salaries and bonuses	21,046	17,835
- Central Provident Fund	1,986	1,522
- Others	640	473
- Job Credit Scheme grant *	(105)	(593)
	23,567	19,237

* Under the Job Credit Scheme, the Group received a range of 3% to 6% (2009: 12%) cash grant on the first \$2,500 of each month's wages for each employee in their Central Provident Fund payroll.

Employee benefits expenses capitalised during the year under contract work-in-progress and development properties amounted to \$16,211,000 (2009: \$13,240,000) and \$19,000 (2009: \$33,000) respectively.

31. Directors' remuneration

The number of directors in remuneration bands are as follows :

	Company	
	2010 \$'000	2009 \$'000
\$500,000 and above	1	1
\$250,000 to \$499,999	-	-
Below \$250,000	6	6
	<u>7</u>	<u>7</u>

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	
	2010 \$'000	2009 \$'000
Management fees received from an associate	(28)	(19)
Licence fees received from an associate	(39)	(44)
Project management fees received from a related party	(725)	(180)
Professional fees paid to a firm in which a director has an interest	60	60
License fees expense to a related party	181	203
Engineering services fees paid to an associate	180	-
	<u>180</u>	<u>-</u>

32. Related party transactions (cont'd)

(b) Compensation of key management personnel

	Group	
	2010 \$'000	2009 \$'000
Short-term employee benefits	2,839	2,480
Central Provident Fund	73	95
	<u>2,912</u>	<u>2,575</u>
Comprise amounts paid/payable to :		
- Directors of the Company	1,446	1,198
- Other key management personnel	1,466	1,377
	<u>2,912</u>	<u>2,575</u>

33. Financial risk management objectives and policies

The Group and the Company are 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.

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			
	2010		2009	
	\$'000	% of total	\$'000	% of total
By country :				
Singapore	44,857	77.53	28,798	71.88
Malaysia	12,998	22.47	10,178	25.41
Sri Lanka	–	–	329	0.82
Thailand	–	–	76	0.19
Other countries	–	–	681	1.70
	57,855	100.00	40,062	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 16 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.

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

(b) Liquidity risk (cont'd)

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

Group	Within 1 year \$'000	2 - 5 years \$'000	Total \$'000
2010			
Financial assets :			
Trade receivables	52,641	5,214	57,855
Other receivables	11,374	–	11,374
Pledged deposits	2,366	–	2,366
Cash and cash equivalents	44,864	–	44,864
Total undiscounted financial assets	111,245	5,214	116,459
Financial liabilities :			
Trade and other payables	61,885	1,868	63,753
Other liabilities	4,224	–	4,224
Finance lease obligations	2,640	2,620	5,260
Long term borrowings	1,098	51,079	52,177
Derivatives	–	2,234	2,234
Total undiscounted financial liabilities	69,847	57,801	127,648
Total net undiscounted financial assets/(liabilities)	41,398	(52,587)	(11,189)
2009			
Financial assets :			
Trade receivables	40,062	–	40,062
Other receivables	10,402	–	10,402
Pledged deposits	2,401	–	2,401
Cash and cash equivalents	49,543	–	49,543
Total undiscounted financial assets	102,408	–	102,408
Financial liabilities :			
Trade and other payables	57,696	–	57,696
Other liabilities	2,724	–	2,724
Bankers' acceptances	205	–	205
Bill payable to banks	157	–	157
Finance lease obligations	712	450	1,162
Long term borrowings	4,400	56,964	61,364
Derivatives	1,392	–	1,392
Others	127	–	127
Total undiscounted financial liabilities	67,413	57,414	124,827
Total net undiscounted financial assets/(liabilities)	34,995	(54,414)	(22,419)

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

(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.

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

At the statement of financial position date, if SGD interest rates had been 100 (2009: 100) basis points lower/higher with all other variables held constant, the Group's net profit before tax would have been \$550,000 (2009: \$569,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

(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.

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 increase/(decrease) 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	
	2010 \$'000	2009 \$'000
USD - strengthened 5% (2009: 5%)	+179	+143
USD - weakened 5% (2009: 5%)	-179	-143

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 to the objectives, policies or processes during the years ended 31 December 2010 and 31 December 2009.

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 45% to 60%. 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.

	Group	
	2010 \$'000	2009 \$'000
Loans and borrowings (Note 26)	54,965	58,254
Trade and other payables (Note 23)	63,753	57,696
Other liabilities (Note 24)	4,224	2,724
Less: Cash and short-term deposits (Note 22)	(47,230)	(51,944)
<i>Net debt</i>	75,712	66,730
Equity attributable to the equity holders of the parent	79,559	61,737
<i>Total capital</i>	79,559	61,737
Capital and net debt	155,271	128,467
Gearing ratio	49%	52%

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 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.

Non-current trade receivables and trade payables (Note 16 and 23)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values estimated by discounting expected future cash flows at the market rate of interest.

There were no significant differences between the fair values and the carrying amounts of the non-current trade receivables and trade payables of the Group as at 31 December 2010.

Financial instruments whose carrying amounts approximate fair value

Current trade and other receivables and payables (Note 16, 21, 23 and 24), cash and short-term deposits (Note 22) and amounts due from/(to) subsidiaries (Note 17)

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

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 2010.

36. Segment information

(a) 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, laying stay cable systems for structural engineering applications, piling and foundation systems, heavy lifting, bridge design and construction, maintenance, repair and retrofitting.

General construction

This segment is in the business of design and build, general building construction and civil and structural engineering construction.

Property development

This segment is in the business of property development, focusing on developing 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.

36. Segment information (cont'd)

(a) Business information (cont'd)

	Specialised engineering \$'000	General construction \$'000	Property development \$'000	Total \$'000
2010				
Revenue				
External revenue	61,603	144,140	–	205,743
Inter-segment revenue	16,538	–	–	16,538
Total revenue	78,141	144,140	–	222,281
Results:				
Interest income	102	56	3	161
Interest expense	34	86	1,949	2,069
Depreciation	581	1,887	–	2,468
Share of results of associates	103	–	7,544	7,647
Other non-cash items :				
(Write-back of)/allowance for doubtful receivables (net)	(238)	321	–	83
Fair value loss on derivatives	–	–	842	842
Write off of property, plant and equipment	–	332	–	332
Write off of trade receivables	419	–	–	419
Write-back of provision for loss in value of land relating to a development property	–	–	1,441	1,441
Segment profit before tax	10,339	9,137	5,067	24,543
Income tax expenses	839	1,232	54	2,125
Assets				
Investment in associates	373	–	22,339	22,712
Additions to property, plant and equipment	3,409	5,612	–	9,021
Segment assets	35,688	96,575	113,592	245,855
Segment liabilities				
	26,186	87,863	53,375	167,424

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	166,225	–	210,125
Results:				
Interest income	29	41	–	70
Interest expense	42	98	1,014	1,154
Depreciation	416	1,844	–	2,260
Share of results of associates	(16)	–	10,050	10,034
Other non-cash items :				
Allowance for doubtful receivables (net)	369	–	–	369
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 provision for 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 expenses	873	1,125	–	1,998
Assets				
Investment in associates	146	–	14,795	14,941
Additions to property, plant and 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

36. Segment information (cont'd)

(a) Business information (cont'd)

Reconciliations of reported segment revenue, profits, assets, liabilities and other material items

	2010 \$'000	2009 \$'000
Revenue		
Total revenues for reportable segments	222,281	210,125
Management fee from an associate	28	19
Elimination of intersegment revenue	(16,538)	(4,754)
	<u>205,771</u>	<u>205,390</u>
Profit before tax		
Total profit before tax for reportable segments	24,543	17,003
Management fee from an associate	28	19
Unallocated amounts :		
Other corporate income	33	2
Finance costs	(6)	(2)
Other corporate expenses	(2,444)	(1,328)
	<u>22,154</u>	<u>15,694</u>
Assets		
Total assets for reportable segments	245,855	207,332
Other assets	–	871
Other unallocated amounts	2,761	2,008
	<u>248,616</u>	<u>210,211</u>
Liabilities		
Total liabilities for reportable segments	167,424	147,162
Other liabilities	–	10
Other unallocated amounts	550	517
	<u>167,974</u>	<u>147,689</u>

Other material items	2010			2009		
	Reportable segment totals \$'000	Adjustments \$'000	Entity totals \$'000	Reportable segment totals \$'000	Adjustments \$'000	Entity totals \$'000
Interest income	161	2	163	70	2	72
Interest expense	2,069	6	2,075	1,154	2	1,156
Depreciation	2,468	55	2,523	2,260	47	2,307
Additions to property, plant and equipment	9,021	–	9,021	1,255	29	1,284
Write-off of trade receivables	419	124	543	1,677	–	1,677

36. Segment information (cont'd)

(b) Geographical segment

Countries	Revenue		Non-current assets	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Singapore	180,734	188,070	44,255	27,970
Malaysia	25,037	15,637	3,737	1,517
Thailand	–	–	–	3
Sri Lanka	–	1,683	165	848
Others	–	–	98	146
	<u>205,771</u>	<u>205,390</u>	<u>48,255</u>	<u>30,484</u>

Information about a major customer

Revenue from one major customer amount to \$49,180,000 (2009: \$86,094,000) arising from the provision of building works and civil engineering services.

37. Significant event during the year

On 27 December 2010 the Company, via its wholly-owned subsidiary, Singapore Piling & Civil Engineering Private Limited ("SPACE"), incorporated a jointly controlled entity, Takenaka-Singapore Piling Joint Venture ("JV") with Takenaka Corporation in Singapore. SPACE owns 25% equity interest in the JV whose main objective is to undertake restoration works to the former Supreme Court and City Hall buildings.

38. Events occurring after statement of financial position date

- (a) On 8 February 2011, BBR Kovan Pte. Ltd., a wholly-owned subsidiary of the Company, drawn down the term loan of \$68,800,000 as mentioned in Note 21 to finance the purchase of freehold land.
- (b) On 18 February 2011, the Productivity and Innovation Credit ("PIC") Scheme first introduced in the Singapore 2010 budget has been enhanced in the Singapore 2011 budget. Under the enhanced PIC Scheme, the tax benefits on the qualifying activities have been raised upwards from 250% on a cap of \$300,000 to 400% on a cap of \$400,000 of the qualifying expenditure effective from year of assessments 2011 to 2015.

In addition, a corporate income tax rebate will be granted for the year of assessment ("YA") 2011. The rebate will be 20% of the corporate income tax payable, capped at \$10,000. For companies who pay very little taxes, a one-off cash grant will be provided. The grant will be based on 5% of the company's revenue for YA2011, subject to a cap of \$5,000. The company must, however made CPF contributions in YA2011. The company will receive the higher of the corporate income tax rebate or the grant in the YA2011 corporate income tax returns.

In accordance with FRS12, income taxes and FRS10, Events after the Balance Sheet Date, this is a non-adjusting subsequent event and the financial effect of the change will be reflected in the financial year ended 31 December 2011. The Group has assessed the financial effect of the above change and is not expected to have any material impact on the financial position or performance of the Group.

38. Events occurring after statement of financial position date (cont'd)

- (c) On 25 February 2011, BBR Construction Systems Pte Ltd, a wholly-owned subsidiary of the Company, completed its purchase of leasehold building with a total purchase consideration of \$2,200,000.
- (d) The Company acquired 630,000 treasury shares of the Company by way of market acquisitions on the Singapore Exchange. The total amount paid to acquire the shares was \$164,330.

39. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation. These relate mainly to reclassification of fair value loss on derivatives previously presented as other operating expenses to finance costs which reflects more accurately the total finance costs of the Group.

	As previously reported 2009 \$'000	Reclassification 2009 \$'000	As restated 2009 \$'000
Statement of comprehensive income			
Other operating costs	13,138	(1,392)	11,746
Finance costs	1,235	1,392	2,627

40. Authorisation of financial statements

The financial statements for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the directors on 28 March 2011.



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
Dr. Pietro Brenni (alternate to Mr. Peter Michael Ekberg)
- 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.

Seven (7) board meetings were convened and held in the financial year ended 31 December 2010. Directors of the Company attended meetings of the Board as well as meetings of the committees on which they served during the year 2010.

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 general meetings.

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.

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 2010.

The duties and responsibilities of the Audit Committee include those described in the Companies Act, Chapter 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 2010 that will prejudice their independence and objectivity.

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

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

One (1) NC meeting was held in year 2010 to advise and recommend the re-election of retiring directors. 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)

Name	Date of First Appointment	Date of Last Re-election/ Re-appointment
Mr. Tan Kheng Hwee Andrew	01/04/1994	28/04/2010
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	28/04/2010
Mr. Soh Gim Teik	08/08/2008	28/04/2009
Mr. Peter Michael Ekberg	28/04/2009	28/04/2010
Dr. Pietro Brenni (alternate to Mr. Peter Michael Ekberg)	28/04/2009	28/04/2010

In accordance with the Articles of Association of the Company, the following Directors are due to retire pursuant to Article 117 at the forthcoming Seventeenth Annual General Meeting:

Mr. Bruno Sergio Valsangiacomo Prof. Yong Kwet Yew

The NC has recommended (with Prof. Yong Kwet Yew abstained from the voting on his own nomination) their re-election as Directors of the Company at the forthcoming Seventeenth 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, Mr. Bruno Sergio Valsangiacomo, being a non-executive Director, will remain as a member of the Remuneration Committee and a member of the BBR Share Plan Committee.

If re-elected at the Annual General Meeting, Prof. Yong Kwet Yew, being an independent Non-Executive Director, will remain as the Chairman of the Board, Chairman of the NC, Chairman of the Remuneration Committee, Chairman of the BBR Share Plan Committee and a member of the Audit Committee.

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.

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

CORPORATE GOVERNANCE (CONT'D)

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	2010		2009	
	Executive	Non-Executive	Executive	Non-Executive
\$500,000 and above	1	–	1	–
\$250,000 to below \$500,000	–	–	–	–
Below \$250,000	–	6	–	6
Total	1	6	1	6

The remuneration bands and components of the Directors' Remuneration for FY2010 are as follows :

Directors	Basic salary %	Variable performance bonus %	Benefits-in-kind and others %	Director's fee %	Total %
\$500,000 and above					
Mr. Tan Kheng Hwee Andrew	27	70	2	1	100
\$250,000 to below \$500,000					
–					
Below \$250,000					
Mr. Bruno Sergio Valsangiacomo	–	–	–	100	100
Mr. Fritz Ernst Speck ^[1]	–	–	–	100	100
Prof. Yong Kwet Yew	–	–	–	100	100
Ms. Luk Ka Lai Carrie	–	–	–	100	100
Mr. Soh Gim Teik	–	–	–	100	100
Mr. Peter Michael Ekberg/Dr. Pietro Brenni ^[2]	–	–	–	100	100

Notes :

[1] Mr. Fritz Ernst Speck has vacated his office as Non-Executive Director of the Company on 28 April 2009

[2] Dr. Pietro Brenni is the alternate director to Mr. Peter Michael Ekberg

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 FY2010. 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	2010	2009
\$500,000 and above	–	–
\$250,000 to below \$500,000	2	2
Below \$250,000	3	3
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

The Company has a share plan known as "The BBR Share Plan" (the "Plan") which was approved by members at the Extraordinary General Meeting held on 28 April 2010. Employees (including the 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.

The BBR Share Plan Committee, comprising three (3) directors, was established to administer the Plan.

Prof. Yong Kwet Yew – Chairman
Mr. Bruno Sergio Valsangiacomo
Mr. Tan Kheng Hwee Andrew

As at the date of this report, no employee of the BBR Group has received any grant of awards under 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.

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 2010. 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 2010 which involved the interests of the chief executive officer, any director or controlling shareholder of the Company, except as disclosed in the financial statements.

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	
	2010 \$'000	2009 \$'000
Provision of Services		
Engineering 2000 (A firm where the Chief Executive Officer of the Company is a partner)	60	60
Licence Fee		
BBR VT International Ltd (A related corporation of BBR Holding Ltd, Switzerland, a controlling shareholder of the Company)	181	203

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 fully utilized the proceeds of \$24,880,280.09 raised from the placement of 180,000,000 shares in the capital of the Company in year 2007.


STATISTICS OF SHAREHOLDINGS
 AS AT 21 MARCH 2011

Number of shares issued	:	306,710,418
Class of securities	:	Ordinary shares
Voting Rights	:	One vote per share for voting by poll

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 999	1,734	15.32	819,143	0.27
1,000 – 10,000	6,560	57.96	30,026,001	9.79
10,001 – 1,000,000	3,004	26.54	126,941,889	41.39
1,000,001 and above	21	0.18	148,923,385	48.55
Total	11,319	100.00	306,710,418	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	BBR Holding Ltd	85,632,978	27.92
2	Tan Kheng Hwee Andrew	16,600,474	5.41
3	United Overseas Bank Nominees Pte Ltd	6,086,400	1.98
4	Hong Leong Finance Nominees Pte Ltd	4,284,800	1.40
5	Ong Kian Kok	3,993,000	1.30
6	Ang Lay Kian	3,570,000	1.16
7	DBS Nominees Pte Ltd	3,188,800	1.04
8	Koh Seow Ngang	2,792,000	0.91
9	Duncan Products Pte Ltd	2,700,073	0.88
10	OCBC Nominees Singapore Pte Ltd	2,568,800	0.84
11	Phillip Securities Pte Ltd	2,502,000	0.82
12	CIMB Securities (Singapore) Pte Ltd	2,075,200	0.68
13	Tiong Woon Crane & Transport (Pte) Ltd	1,696,788	0.55
14	HSBC (Singapore) Nominees Pte Ltd	1,680,796	0.55
15	TYT Builders Pte Ltd	1,560,182	0.51
16	Kim Eng Securities Pte. Ltd.	1,512,836	0.49
17	Ryobi-Kiso (S) Pte Ltd	1,481,200	0.48
18	OCBC Securities Private Ltd	1,444,458	0.47
19	UOB Kay Hian Pte Ltd	1,306,800	0.43
20	Soh Kian Shang Alvin	1,207,800	0.39
Total		147,885,385	48.21

PUBLIC SHAREHOLDING

As at 21 March 2011, based on the registers of shareholders and to the best knowledge of the Company, approximately 66.54% 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.

SUBSTANTIAL SHAREHOLDERS AS AT 01 MARCH 2011

Name	Direct Interest No. of Shares	Deemed Interest No. of Shares	Total Interest No. of Shares
BBR Holding Ltd, Switzerland	85,632,978	—	85,632,978
Tectus S.A. ^[1]	—	85,632,978	85,632,978
Proceq S.A. ^[1]	—	85,632,978	85,632,978
Marco Brandestini ^[2]	—	85,632,978	85,632,978
Claudia Valsangiacomo-Brandestini ^[2]	—	85,632,978	85,632,978
Bruno Sergio Valsangiacomo ^[3]	—	85,632,978	85,632,978
Tan Kheng Hwee Andrew ^[4]	16,600,474	228,400	16,828,874

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.
- [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.



NOTICE OF ANNUAL GENERAL MEETING

BBR HOLDINGS (S) LTD

(Incorporated in the Republic of Singapore)

Company Registration No. 199304349M

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of BBR HOLDINGS (S) LTD (the "Company") will be held at 50 Changi South Street 1, BBR Building, Singapore 486126 on Thursday, 28 April 2011 at 10.00 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 2010 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 2010 (2009: 0.6 cents). **(Resolution 2)**
3. To re-elect the following Directors retiring pursuant to Article 117 of the Company's Articles of Association :
 - 3.1 Mr. Bruno Sergio Valsangiacomo
(Note: Mr. Bruno Sergio Valsangiacomo is a Non-Executive Director, a member of the Remuneration Committee/BBR Share Plan Committee. He will upon re-election as a Director of the Company, remain as a member of Remuneration Committee/BBR Share Plan Committee) **(Resolution 3)**
 - 3.2 Prof. Yong Kwet Yew
(Note: Prof. Yong Kwet Yew is an Independent Non-Executive Director, Chairman of Board/Nomination Committee/Remuneration Committee/BBR Share Plan Committee and a member of the Audit Committee. He will upon re-election as a Director of the Company, remain as the Chairman of the Board/Nomination Committee/Remuneration Committee/BBR Share Plan Committee and a member of the Audit Committee) **(Resolution 4)**
4. To approve the payment of \$225,000.00 as Directors' fees for the year ended 31 December 2010 (2009: \$205,000.00) **(Resolution 5)**
5. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

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 (2) 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 (2) below);
- (2) (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.
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Rules 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
- (4) 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 1)

(Resolution 7)

7. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

Authority to issue shares under the BBR Share Plan

“THAT the Directors of the Company be and are hereby authorised to grant awards in accordance with the provisions of the BBR Share Plan (“Plan”) and to allot and issue from time to time such number of ordinary shares in the capital of the Company (“Shares”) as may be required to be allotted and issued pursuant to the vesting of awards under the Plan provided that the aggregate number of new Shares issued and to be issued pursuant to the Plan shall not exceed 10% of the total number of issued Shares of the Company (excluding treasury shares) from time to time.”

(See Explanatory Note 2)

(Resolution 8)

8. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

Proposed Renewal of the Share Purchase Mandate

“THAT :

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the “Companies Act”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued and fully paid ordinary shares in the capital of the Company (the “Shares”) not exceeding in aggregate the Prescribed Limited (as hereinafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of :

- (i) market purchases (each a “Market Purchase”) on the Singapore Exchange Securities Trading Limited (SGX-ST); and/or
- (ii) off-market purchases (each an “Off-Market Purchase”) effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “Share Purchase Mandate”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate in paragraph (a) of this Resolution may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of :
- (i) the date on which the next Annual General Meeting of the Company is held; or
- (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or
- (iii) the date on which purchases or acquisitions of Shares are carried out to the full extent mandated;

(c) in this Resolution :

“**Prescribed Limit**” means, subject to the Companies Act, 10% of the total number of issued Shares of the Company (excluding any Shares which are held as treasury shares) as at the date of the passing of this Resolution; and

“**Maximum Price**”, in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding :

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price (as defined hereinafter),

where :

“**Average Closing Price**” means the average of the Closing Market Prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-Market Day period :

“**Closing Market Price**” means the last dealt price for a Share transacted through the SGX-ST’s Quest-ST system as shown in any publication of the SGX-ST or other sources;

“**date of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“**Market Day**” means a day on which the SGX-ST is open for trading in securities; and

- (d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.”
(See Explanatory Note 3)

(Resolution 9)

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

BY ORDER OF THE BOARD

Chiang Chai Foong
Company Secretary

Singapore, 12 April 2011

Explanatory Notes to the Notice of Annual General Meeting

- (1) Ordinary Resolution 7 in item 6, 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 (excluding treasury shares), 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 (excluding treasury shares) at the date of passing of the Resolution after adjusting for new issuance of shares, any subsequent consolidation or subdivision of shares, where applicable.
- (2) Ordinary Resolution 8 in item 7 if passed, will authorise the Directors of the Company to grant awards in accordance with the provisions of the BBR Share Plan to allot and issue shares thereunder.
- (3) Ordinary Resolution 9 in item 8 relates to the renewal of the mandate, which was first approved by the members on 28 April 2009 and was renewed at an extraordinary general meeting of the Company held on 28 April 2010, authorising the Company to purchase and/or acquire its own shares. Please refer to the Appendix to this Notice of Annual General Meeting for more information.

Notes :

1. A member of the Company entitled to attend and vote at the above meeting may appoint 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 9 May 2011, 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 2011 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 2011 will be entitled to the Proposed Dividend.

The Proposed Dividend, if approved at the Seventeenth Annual General Meeting to be held on 28 April 2011, will be paid on 20 May 2011.

BY ORDER OF THE BOARD

Chiang Chai Foong
Company Secretary

Singapore, 12 April 2011

BBR HOLDINGS (S) LTDRegistration 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	
		No. of Shares	%
Address			

and/or (delete as appropriate)

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

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as my/our proxy/proxies to vote for me/us on my/our behalf at the Seventeenth Annual General Meeting ("AGM") of the Company to be held at 50 Changi South Street 1, BBR Building, Singapore 486126 on Thursday, 28 April 2011 at 10.00 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 Mr. Bruno Sergio Valsangiacomo as Director				
4.	Re-election of Prof. Yong Kwet Yew as Director				
5.	Approval of Directors' Fees				
6.	Re-appointment of Auditors and authority to fix their remuneration				
	Special Business				
7.	General Share Issue Mandate				
8.	Authority to issue shares under the BBR Share Plan				
9.	Renewal of Share Purchase Mandate				

^[1] Please indicate your vote "For" or "Against" with a "√" within the box provided^[2] If you wish to use all your votes "For" or "Against", please indicate with a "√" within the box provided. Otherwise, please indicate the number of votes.

Dated this _____ day of _____ 2011

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

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

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

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