



BBR HOLDINGS (S) LTD

Anniversary
1993-2013

20

JOURNEY TO OUR SUCCESS

ANNUAL REPORT 2013

Anniversary
1993-2013



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OUR MISSION

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

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

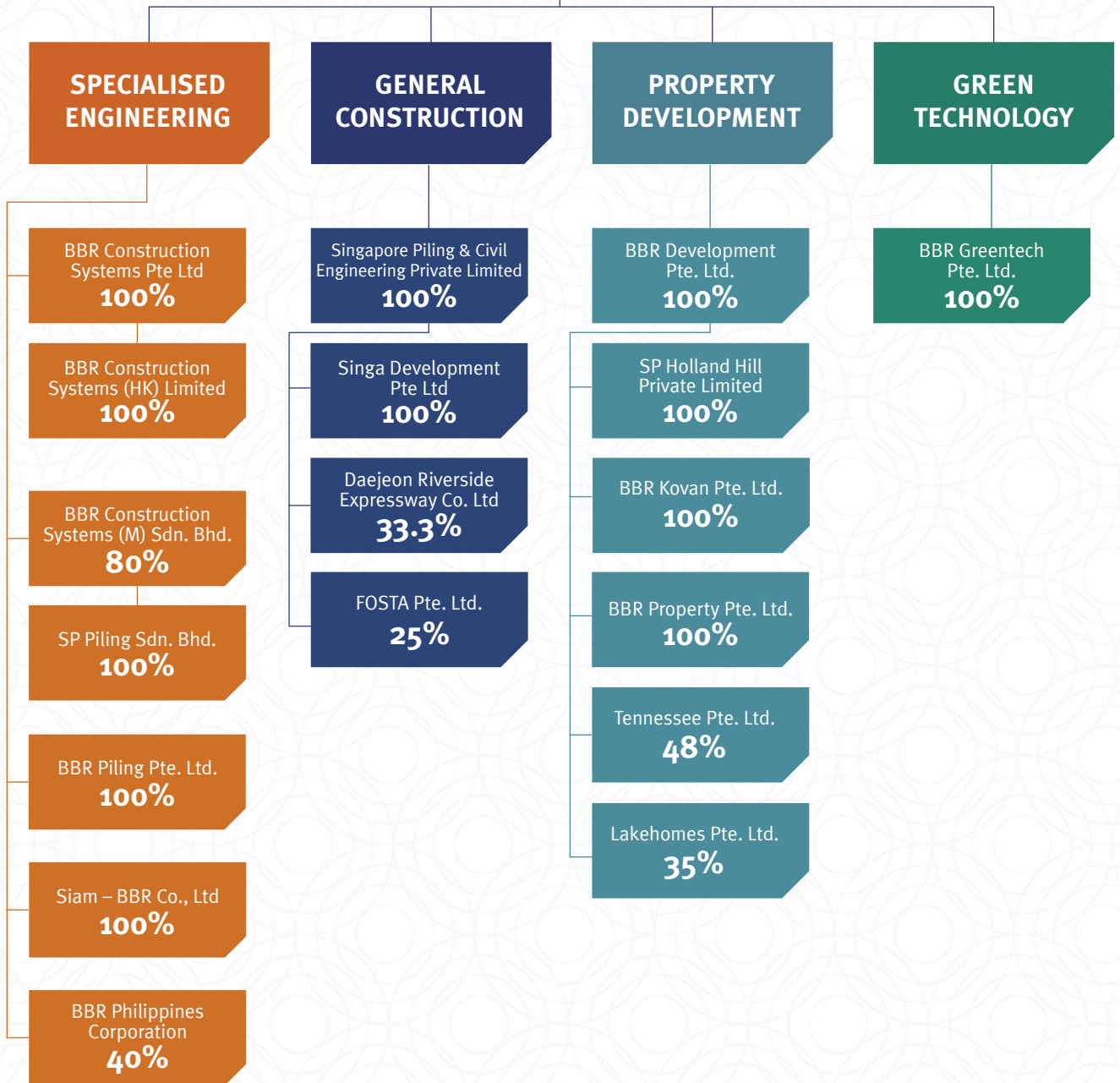
To continue to exploit opportunities in new markets so as to further expand our geographical presence, and also intensify efforts to bid for both building and infrastructure projects in the region.



Over the years, our journey towards success can be attributed not only to bearing “BBR”, a brand name synonymous with superior and innovative engineering solutions, but also to a zealous workforce committed to achieving construction excellence. Our growth over the last 20 years was made possible with the support and kind cooperation of our shareholders, business partners and staff.

As we mark our 20th Anniversary in 2013, BBR will strive to become even more vibrant and relevant. With increased business collaborations locally and internationally, we will continue to contribute and enhance our value to ensure Strength, Stability and Sustainability of the Group. It has been a fruitful 20 years of journey and we are excited to embark on the next lap of growth.

CORPORATE STRUCTURE



CORPORATE PROFILE

BBR Holdings (S) Ltd (BBR) is one of Singapore's leading construction groups with more than 20 years of industry experience. It currently comprises three core business segments spanning across General Construction, Specialised Engineering and Property Development, with Green Technology as the new segment added in 2013.

The BBR Group is well-positioned to meet the urbanisation challenge in Asia with our proven track record of good combination of innovative engineering with specialist know-how in construction projects. It has business presence in key markets such as Singapore, Malaysia, the Philippines and Thailand.

First listed on the Singapore SESDAQ in 1997, it was subsequently upgraded to the Mainboard in September 2006.

BUSINESS OVERVIEW

Specialised Engineering

In 1993, BBR was established with a bold vision to introduce innovative design solutions based on technologies from its Swiss-based BBR Network. The BBR Network was founded when three Swiss engineers, Brandestini, Birkenmaier and Ros, formed a partnership under the name BBR Bureau. Since then, the BBR Network comprises a worldwide network of affiliated companies, joint ventures and franchisees that offer specialist construction engineering activities spanning some 50 countries from around the world.

Since its inception, BBR's technology gained market acceptance quickly and was recognised by our customers for its cost effectiveness and high efficiency levels. Subsequently, we flourished to take on larger projects in both the public and private sectors in Singapore and the region.

BBR's Specialised Engineering arm operates via its subsidiaries, BBR Construction Systems Pte Ltd and BBR Piling Pte Ltd in Singapore, and BBR Construction Systems (M) Sdn Bhd in Malaysia.

General Construction

The General Construction segment comprises the principal activities in design-and-build, general building construction, and civil structural engineering activities undertaken through its wholly-owned subsidiaries, Singapore Piling & Civil Engineering Private Limited (Singapore Piling) and Singa Development Pte Ltd.

Acquired in 2001, Singapore Piling has a more than 40-year history and has been registered with the Building and Construction Authority of Singapore under the "A1" classification for both General Building (CW01) and Civil Engineering (CW02) since 1984, enabling the company to tender for public sector contracts of unlimited value. Singa Development Pte Ltd has a B2 and C3 classification for CW01 and CW02 respectively.

Property Development

Highly synergetic to the Group's broad construction activities, its Property Development business segment has been actively engaged in four condominium projects since 2006.

Lush on Holland Hill, a freehold condominium development with 56 spacious units in two 12-storey blocks, was completed in 2012; Bliss @Kovan, another freehold site to be developed into a five-storey condominium with superior design elements consisting of 140 units; 8 Nassim Hill, an upmarket freehold development comprising 16 super luxury triplex units with basement carparks completed in 2010. BBR's fourth project is the proposed development of approximately 500 units of executive condominium on a 99-year leasehold HDB land site at Yuan Ching Road/Tao Ching Road, Jurong acquired in 2013.

Green Technology

In 2013, BBR has established a Green Technology division to carry out system integration and distribution of renewable energy. As a start, the Group will bid for projects to supply, install and lease solar panels and grid connected systems for statutory boards and private sector customers. Riding on the back of the potential growth for more green buildings, the Group is steadily implementing green technology as part of its total solutions package for potential project bids.

OUR BUSINESSES

Our Principal Services are:

General Construction

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

Specialised Engineering

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

Property Development

- Boutique developer focusing on developing residential properties

Green Technology

- System integration and distribution of renewable energy
- Supply, installation and leasing of solar panels and grid connected systems



CORPORATE MILESTONES



BBR Construction Systems

BBR Construction Systems (M) Sdn. Bhd. was incorporated in Malaysia

Alexandra Technopark Warehouse Blk A at Alexandra Point



1993

1994

1995

BBR Construction Systems

BBR Construction Systems Pte Ltd was incorporated in Singapore



Tampines Mall



Jurong Town Corporation Factory at Kaki Bukit - Phase 2

Central Ministries Building
at High Street



PSA Container Stacking Yard
Phase 1B



Sengkang LRT



Public Listing on Singapore
Exchange - SESDAQ

1996

1997

1998

1999



PSA Overhead Gantry Structure
Phase 1A

BBR Philippines Corporation

BBR Philippines
Corporation was
incorporated in the Philippines



Upper Serangoon Viaduct



BBR Singapore Piling

BBR Singa Development

Integration of Singapore Piling & Civil Engineering Private Limited and Singa Development Pte Ltd

Asian Civilisation Museum, Empress Place



2000

2001

2002



Ministry of Foreign Affairs HQ Complex



CORPORATE MILESTONES



Siam-BBR Co., Ltd was incorporated in Thailand

Putrajaya Bridge 8, Malaysia



BBR Development Pte. Ltd. was incorporated in Singapore

Upgraded to Singapore Exchange-Mainboard

2003

2004

2005

2006



Kong Meng San Phor Kark See Temple



Industrial Ring Road Project in Bangkok, Thailand



Middle Bridge at Sungei Punggol

PUB Deep Tunnel Sewerage System



Icon @IBP



BBR Piling Pte. Ltd. was established in Singapore

2007

2008

2009

2010



The Monarch, Sri Lanka

People's Association Headquarters

Punggol-Serangoon Reservoir Scheme Contract 5



Singapore Island Country Club

Yang Kee Chemical Logistics Hub



2011

2012

2013



BBR Greentech Pte. Ltd. was incorporated in Singapore

Common Services Tunnel Phase 3A

HDB Dew Spring, Yishun

KEY FINANCIAL HIGHLIGHTS

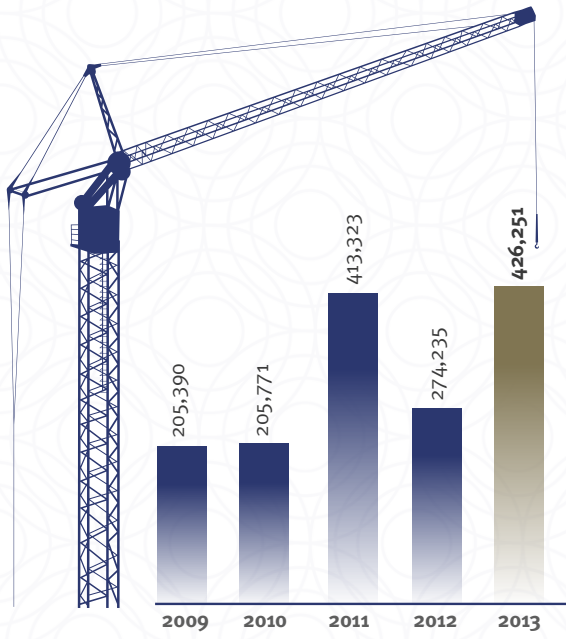
5-Year Financial Summary		FY2009	FY2010	FY2011	FY2012	FY2013
Revenue	(\$'000)	205,390	205,771	413,323	274,235	426,251
Gross Profit	(\$'000)	20,608	31,554	41,674	35,406	43,588
Profit Before Tax	(\$'000)	15,694	22,154	23,060	14,536	22,956
Profit After Tax (PAT)	(\$'000)	13,663	20,013	20,367	13,407	22,028
Profit Attributable To Equity Holders						
Of The Company						
	(\$'000)	13,352	19,564	20,120	12,963	21,839
Earnings Per Share	(Cents)	4.35 ¹	6.36	6.57	4.24	7.13
Dividend Per Share	(Cents)	0.6	0.6	0.8	1.2	0.8
Dividend Payout	(%)	13.9	9.4	12.2	28.3	11.2
Net Assets (NAV)	(\$'000)	61,737	79,559	97,012	107,545	125,639
NAV Per Share	(Cents)	20.03 ¹	25.90	31.73	35.10	40.98
Net Debt To Equity ²	(%)	13.9	12.5	58.0	10.7	28.0
Return On Equity ³	(%)	21.9	24.8	20.7	12.3	17.3
Return On Total Assets ⁴	(%)	6.5	8.0	6.8	5.2	7.1
Revenue by Business Segment (\$'000)						
General Construction		166,225	144,140	243,168	131,481	273,055
Specialised Engineering		39,146	61,603	78,871	84,699	111,971
Property Development		–	–	91,256	58,027	41,197
Revenue by Geographical Segment (\$'000)						
Singapore		188,070	180,734	386,336	238,893	381,843
Malaysia		15,637	25,037	26,987	35,342	44,408
Sri Lanka		1,683	–	–	–	–

Notes:

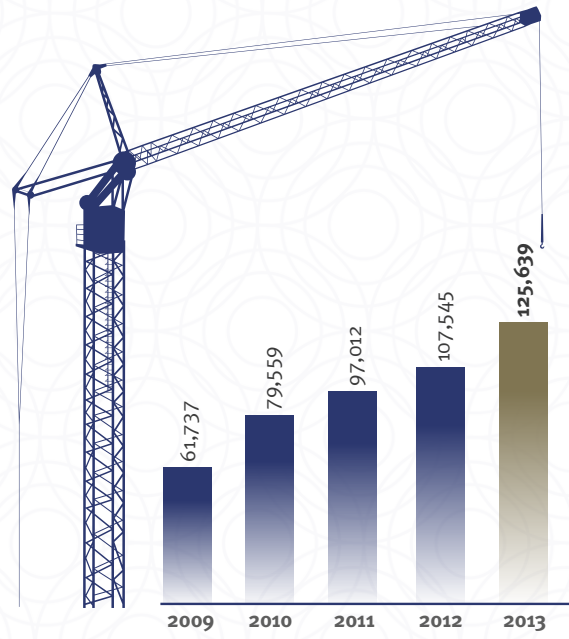
- ¹ Computation based on theoretical post-consolidated number of shares and exclude treasury shares
- ² Net Debt to Equity = Current and non-current loans and borrowings less cash and cash equivalents divided by total equity
- ³ Return on Equity = PAT divided by total equity
- ⁴ Return on Total Assets = PAT divided by total assets



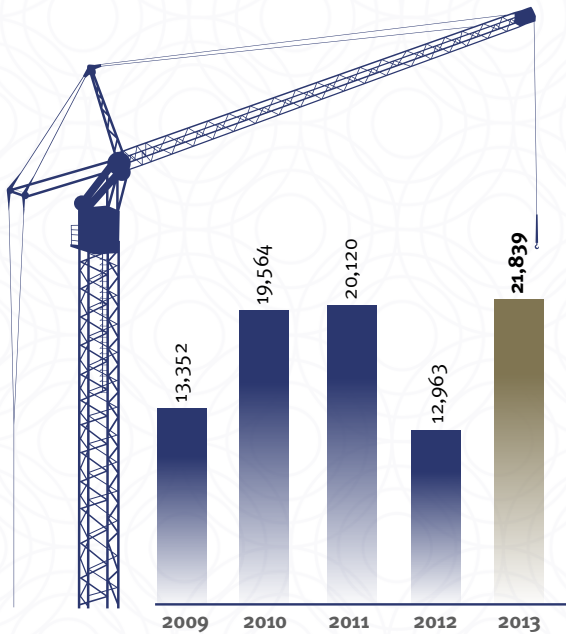
Revenue
\$'000



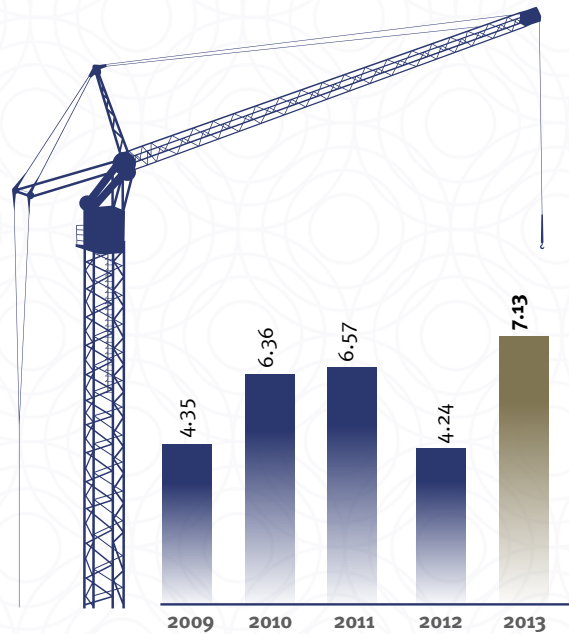
Net Assets
\$'000



Profit Attributable To Equity Holders Of The Company
\$'000



Earnings Per Share
Cents





CHAIRMAN'S MESSAGE

“As the Group celebrates its journey of success, we take pride in the strong BBR brand which is synonymous with superior and innovative engineering solutions.”

Prof. Yong Kwet Yew



DEAR SHAREHOLDERS,

2013 marks a momentous year for BBR Holdings (S) Ltd (BBR) – 20 years of construction excellence since 1993.

As the Group celebrates its journey of success, we take pride in the strong BBR brand which is synonymous with superior and innovative engineering solutions, as well as our successful evolution into one of the leading construction groups in Singapore spanning three core businesses of General Construction, Specialised Engineering and Property Development, with a fourth segment in Green Technology set up in 2013.

CELEBRATING THE JOURNEY OF SUCCESS

Two decades ago, BBR was established with a bold vision to introduce innovative design solutions based on technologies from its Swiss-based BBR Network.

Today, BBR stands out with its compelling track record and versatility in its proven competencies to deliver a wide range of project

specifications, which enable the Group to develop its niche in the infrastructure market as well as in the building and construction industry. As we continue to focus on our growth strategies, BBR has relied on organic growth to expand in the domestic and regional markets, including Malaysia, Philippines and Thailand.

Over the years, the Group has grown from strength to strength to become one of Singapore's leading construction groups with a market capitalisation of over \$80 million. It has also continuously channelled investments into strengthening its core competencies to build its strength, stability and resilience. Indeed, BBR has laid a firm foundation and is poised to seize strategic growth opportunities and expand its geographical footprint.

The key business highlight of 2013 was the establishment of the Green Technology division to carry out system integration and distribution of renewable energy. This reflected our responsiveness to harness the market potential of green sustainability in the built environment as our new growth

engine. Its principal activities will involve the supply, installation and lease of solar panels and grid connected systems.

As part of our ongoing efforts to grow our land bank, BBR Development Pte. Ltd., a wholly-owned subsidiary of BBR, together with a consortium of investors had formed a joint venture company, Lakehomes Pte. Ltd. to develop an executive condominium project on a 99-year leasehold HDB land site at Yuan Ching/Tao Ching Road, Jurong Singapore in August 2013.

To mark the climax of our 20th anniversary celebrations, BBR embraced active corporate citizenship and adopted community outreach as part of our staff development to encourage the spirit of volunteerism to support charitable causes.

Our first Corporate Social Responsibility programme is to collaborate with the Lien AID in support of their ongoing Gift for Water Programme in Cambodia. This programme aids poor rural floating communities living on the Ton Le Sap Lake in gaining improved access to affordable drinking water. BBR



Fusionopolis Phase 5



CHAIRMAN'S MESSAGE

has co-funded the setup of water treatment plants and encouraged its staff to perform community services in these villages.

YEAR IN REVIEW

In 2013, we have recorded a stellar revenue growth of 55.4 per cent at \$426.3 million for the financial year ended 31 December 2013 (FY2013).

The increase in revenue for FY2013 was attributable to higher revenue recognised from general construction and specialised engineering projects. The revenue from specialised engineering and general construction segments enjoyed a growth of 32.2 per cent and 107.7 per cent respectively compared to the previous year ended 31 December 2012 (FY2012).

Revenue from property development contributed less to the Group, with revenue recognised in FY2013 from Bliss @Kovan, an ongoing property development project, lower than the revenue contribution from Lush on Holland Hill in FY2012, a project completed in the first half of 2012.

Of the three primary business segments, general construction and specialised engineering segments contributed 64.0 per cent and 26.3 per cent to the revenue mix respectively for FY2013. The property development segment constituted 9.7 per cent of the total revenue.

On a geographical basis, Singapore and Malaysia remained as the key drivers of revenue contribution with Singapore contributing 89.6 per cent or \$381.8 million, while Malaysia contributed 10.4 per cent or \$44.4 million to the total revenue.

Gross profit rose by 23.1 per cent to \$43.6 million compared to \$35.4 million a year earlier attributable to strong revenue growth. Our total operating costs were effectively maintained at a stable 6.1 per cent increase to \$24.5 million in FY2013 as compared with \$23.1 million over the past year despite the escalating



Lush on Holland Hill

manpower cost in a competitive industry environment.

The Group's share of associates' profits for FY2013 jumped to \$5.1 million, mainly attributable to its 48 per cent share of profits in Tennessee Pte Ltd for five units sold at 8 Nassim Hill. In the previous corresponding year, one unit was sold and total share of associates' profits was \$1.5 million.

The Group's net profit after tax attributable to equity holders improved by 68.5 per cent to \$21.8 million in FY2013, compared to \$13.0 million in FY2012. Overall, the Group noted with satisfaction that its net profits grew faster than its revenue, demonstrating the operating leverage effect visible in the results. Basic earnings per share for FY2013 was 68.2 per cent higher at 7.13 Singapore cents for FY2013, compared to 4.24 Singapore cents a year ago.

BUILDING A SOLID FOUNDATION

In spite of the competitive market landscape, BBR is well-anchored on the firm foundation of a robust business model and a stable financial position.

The Group's financial position continues to be strong, backed by \$125.6 million of net assets as at 31 December 2013, a 16.8 per cent increase from the \$107.5 million recorded a year ago. This translates to a net asset value per share of 40.98 cents as compared to 35.10 cents at 31 December 2012. The Group's net debt to total equity ratio is healthy at 28.0 per cent at 31 December 2013.

REWARDING SHAREHOLDERS

As demonstrated over the years, BBR will strive to continually deliver returns to our shareholders. This year, the Board has proposed a final dividend of 0.8 cents per share. This translates to a dividend yield of 3.1 per cent based on the closing share price of 26.0 Singapore cents as at 20 February 2014 and a dividend payout ratio of 11.2 per cent for FY2013.

INDUSTRY OUTLOOK

We believe the overall industry outlook remains healthy for the construction industry. On 20 February 2014, the Ministry of Trade and Industry announced that the Singapore economy grew by 4.1 per cent in 2013. The construction sector grew by 4.8 per cent on a year-on-year basis, slower than the 6.6 per cent growth in the preceding quarter, due to a moderation in private sector construction activities. On a quarter-on-quarter basis, the sector grew at an annualised rate of 1.4 per cent,

moderating from the 5.2 per cent growth in the third quarter.

In view of the moderate growth of the construction sector in the fourth quarter of 2013, coupled with increasing competition and expected increase in labour costs due to foreign worker shortages, the outlook for the construction industry is expected to be challenging in the next 12 months.

The Group will continue to focus on its core business by leveraging on its strong track record and competency in building construction and civil engineering to secure more public sector projects as well as to explore ways of enhancing cost effectiveness and optimise its efficiency in the management of potential and on-going projects. The Group continues to conduct feasibility studies to undertake new property development projects.

Likewise, its new Green Technology segment has been seeking business opportunities in Singapore and

the region, and expects to secure projects for this segment in the near future.

A NOTE OF THANKS

In closing, I would like to express my deepest appreciation to my fellow board members, business partners, suppliers, business associates, staff and shareholders for their unwavering support.

Together, we have overcome many challenges and scaled new heights over the past 20 years. Let us continue on this journey of success with greater passion and determination as we embark on the next lap of growth.

Prof. Yong Kwet Yew

Independent
Non-Executive Chairman



8 Nassim Hill



CEO'S BUSINESS REVIEW

“ We strive to maintain our competitive edge through enhancing our proprietary technology, cost effectiveness and greater efficiency in project management.”

Tan Kheng Hwee Andrew



BBR thrives in the dynamic building and construction industry which is propelled by the rising demand for greater infrastructure improvement and environmentally sustainable buildings to cater to the burgeoning population in developing Asian economies.

Being part of the Swiss-based BBR Network that spans 50 countries, the Group is well-positioned to meet this urbanisation challenge with our proven track record of good combination of innovative engineering with specialist know-how in construction projects.

As one of Singapore's leading construction groups with 20 years of industry experience, BBR has built a solid foundation by harnessing the expertise from our strategic alliance with the BBR Network to tap on new business opportunities in Singapore and beyond.

During the year, the Group continued to strengthen its business presence in Singapore by tendering for private and public projects as well as new land parcels for residential property development. We strive to maintain our competitive edge through enhancing our proprietary

technology, cost effectiveness and greater efficiency in project management.

In 2013, the Group achieved a stellar business performance despite the challenges in the business environment for construction in Singapore due to heightened competition as well as foreign labour shortages. We have been successful in clinching new general construction and specialised contracts aggregating \$311 million throughout the year and this has brought up the total value of our order book to approximately \$905 million as at 20 February 2014, with infrastructure and engineering projects from Singapore and Malaysia lasting up to 2016.

Of the \$905 million order book, the bulk of the group's general construction projects are in their active stage of construction, while the volume of specialised projects carried out in Singapore and Malaysia has grown substantially.

As the Group celebrated its 20th anniversary, BBR has also won a number of awards and accolades for construction excellence in 2013. Awarded by Building and

Construction Authority (BCA), we received the Green and Gracious Builder Merit Award and Quality Mark (QM) "Star" Award for good workmanship for Lush on Holland Hill, a condominium project developed by BBR. In the same year, we were among the recipients of the Singapore 1000 Company – Emerging 2013 Award from DP Information Group.

GENERAL CONSTRUCTION

The General Construction segment comprises the principal activities in design-and-build, general building construction, and civil structural engineering carried out by its wholly-owned subsidiaries, Singapore Piling & Civil Engineering Private Limited and Singa Development Pte Ltd.

For 2013, the Group's General Construction business remained the main revenue generator amongst its three business segments. The revenue from this segment reached \$273.1 million, enjoying a sterling growth of 107.7 per cent compared to the previous year.

Building on our strong track record, the Group has successfully won new contracts from both the public



HDB Kallang-Whampoa Contract 23B

and private sectors. In March 2013, the Group has secured its fifth contract worth \$102.8 million from a repeat customer, the Housing and Development Board (HDB) to build a total of 755 units at the Kallang-Whampoa area in Singapore. Six months later, BBR was awarded the contract to construct and provide maintenance of Phases 14 and 15 of the distinctive and vibrant residential and retail development of The Springside at Jalan Ulu Seletar/ Sembawang Road in September 2013.

SPECIALISED ENGINEERING

BBR's Specialised Engineering business encompasses the piling and foundation systems, post-tensioning, stay cable systems, heavy lifting, bridge design and construction, maintenance repair, strengthening and retrofitting works.

The revenue from specialised engineering was \$112.0 million, enjoying a strong growth rate of 32.2 per cent compared to the previous year.

The Group is well-recognised as one of the leading specialised engineering contractors in the field of post-tensioning, stay cables and related construction engineering. BBR has delivered and executed all its projects with its latest technical know-how, resources and project management excellence.

Throughout the year, we have been actively involved in a number of post-tensioning projects and have successfully secured approximately \$143 million worth of projects in Singapore and Malaysia. On a regional basis, BBR has consistently won new contracts in Malaysia to provide engineering works for bridge construction, light industrial flatted factories, warehouses, bridges and shopping malls.

Our strong expertise and vast experience in specialised engineering has enabled us to win landmark projects like the building of the iconic Pulau Sekati Bridge at Kuala Terengganu, which is one of the two newly secured projects in 2013 worth a total of RM286 million

(approximately S\$110 million) to build two bridges in Terengganu and Sarawak, Malaysia. The new bridge will span across Sungai Terengganu and Pulau Sekati, providing an access link from Kuala Terengganu to Telok Pasu and Jeram, Malaysia.

Our strength in bored piling in the area of specialised engineering is widely recognised in the building and construction industry. Where foundation piling works are required, our expertise in bored piling has been extensively applied in condominium and commercial building projects as well as general construction projects undertaken by the Group, such as Fusionopolis Phase 5, National Art Gallery and HDB flats construction.

PROPERTY DEVELOPMENT

BBR embarked on the property development business in 2003, as part of the natural extension of as well as synergy with the core construction business activities. Today, BBR has built its reputation as a boutique developer of



Deep Tunneling System

residential properties which has, in turn, contributed to a steady 9.7% of the revenue stream for the Group in FY2013.

Moving ahead, BBR will continue to steadily grow this business segment and at the same time, exercise prudent measures and due diligence in identifying new land parcels to augment its land bank.

The Group is currently involved in two development projects. Firstly, Bliss @Kovan, a freehold site that will be developed into a five-storey condominium with 140 units of superior design concepts. Temporary Occupation Permit is expected to be obtained by December 2015.

Secondly, as part of our ongoing efforts to grow our land bank, BBR has invested 35% interest in a newly incorporated joint venture company, Lakehomes Pte. Ltd, together with a consortium of investors to develop an executive condominium project on a 99-year leasehold HDB land site at Yuan Ching/Tao Ching Road,

Jurong Singapore. Awarded by HDB on 2 August 2013, approximately 500 units with modern and lifestyle design features will be built on a land area of 217,304 square metres.

GREEN TECHNOLOGY

In the recent years, there has been a growing trend in promoting and driving Singapore’s construction industry towards building more environment-friendly buildings. This is an initiative that is supported by local and international bodies within the construction industry to promote green sustainability in the built environment as well as greater environmental awareness.

In 2013, we have set up a green technology division and incorporated a wholly-owned subsidiary, BBR Greentech Pte. Ltd, to carry out system integration and distribution of renewable energy. As a start, the Group will bid for projects to supply, install and lease solar panels and grid connected systems for statutory boards and private sector customers. Riding

on the back of the potential growth for more green buildings, the Group is steadily implementing green technology as part of its total solutions package for potential project bids.

The Group has been seeking new business opportunities in Singapore and expects to secure projects for this segment in the near future.

CONCLUDING REMARKS

BBR will strive to become more vibrant and relevant. With increased business collaborations locally and internationally, we will continue to contribute and enhance our value to ensure Strength, Stability and Sustainability of the Group. It has been a fruitful 20 years of journey and we are excited to embark on the next lap of growth.

Tan Kheng Hwee Andrew
Executive Director and
Chief Executive Officer



Piling Work at National Art Gallery



Prestressing Work

BOARD OF DIRECTORS



1 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 obtained his PhD from the University of Sheffield, UK under a Grouped Scholarship in Engineering and is currently a Professor of Civil Engineering and Vice President (Campus Infrastructure) at the National University of Singapore. He has conducted extensive research in Infrastructure and geotechnical engineering and has delivered over 30 keynote and guest lectures at international conferences, as well as published over 200 technical papers.

Highly respected for his industry expertise, he has served as a consultant to government agencies as well as local and international companies in more than 150 major construction projects in Singapore, Asean, China and the region. Prof Yong is Chairman of the Association of Geotechnical Societies in Southeast Asia and chairs several government advisory committees and professional committees. He is a Fellow of the Institution of Engineers and an Accredited Adjudicator of Singapore Mediation Centre. He is also a Board and Executive Committee Member of the Land Transport Authority of Singapore, as well as the Non-Executive Chairman and Independent Director of Tritech Group Limited.

For his significant contributions to the university, construction safety and land transport development, he was conferred the Public Administration Medal (2000), the Public Service Medal (2004) and the Public Service Star (2008) respectively.

2 MR TAN KHENG HWEЕ ANDREW

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

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

Mr Tan served as the President of Singapore Concrete Institute from 1997 to 1999.

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

3 MR BRUNO SERGIO VALSANGIACOMO

Non-Executive Director, Member of the Remuneration Committee and Member of BBR Share Plan Committee

Mr Bruno Sergio Valsangiacomo was appointed a Director of BBR Holdings (S) Ltd on 11 February 1997. He is the Chairman of Tectus S.A., BBR Holding Ltd., Proceq S.A. and FFC Fincoord Finance Coordinators Ltd., as well as a Board member of other Tectus Group's associated companies.

Mr Valsangiacomo is a founding shareholder and Executive Chairman of ITI Holdings S.A., Luxembourg, which controls the largest media group in Poland with business activities spanning television, Internet and entertainment. He is also Member of the Supervisory Boards of TVN Group of Poland, a company listed on the Warsaw Stock Exchange, and of other ITI Group companies.

He graduated with a Bachelor of Business Administration from the School of Economics and Administration in Zurich.



4 MR PETER MICHAEL EKBERG
Non-Executive Director

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

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

5 MR MARCEL POSER
Alternate Director to Mr Peter Michael Ekberg

Mr Marcel Poser was appointed an Alternate Director to Mr Peter Michael Ekberg on 4 August 2011.

Mr Poser has been Chief Executive Officer of the Tectus S.A. Group since 2011. He is also concurrently the Chairman of BBR VT International and a member of the board of directors of Proceq S.A. and BBR Holding Ltd, Switzerland.

He started his professional career in the field of steel construction and construction engineering machinery for tunnels and bridges in Switzerland, the European Union, Asia-Pacific, Africa and the United States. In 2002, he joined the BBR Group as Project Manager, where he subsequently held the position of Chief Technical Officer. From 2006 until 2011, he spearheaded the development and formation of the BBR Network franchise as CEO of BBR VT International.

He is a graduate of Zurich University of Applied Sciences in Switzerland, a postgraduate in Structural Engineering of the University of Texas at Austin in the United States, and a member of the Swiss Association of Engineers and Architects.

6 MS LUK KA LAI CARRIE (MRS CARRIE CHEONG)
Independent Non-Executive Director, Chairperson of the Audit Committee, Member of the Nomination Committee, Member of the Remuneration Committee and Member of the Investment Committee

Ms Luk Ka Lai Carrie was appointed a Director of BBR Holdings (S) Ltd on 24 September 1997. 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 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.

7 MR SOH GIM TEIK
Independent Non-Executive Director, Chairman of the Investment Committee, 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. With more than 36 years of extensive industry experience in corporate governance, finance and general management, he is currently a member of the Institute of Singapore Chartered Accountants (ISCA) and a Fellow of the Singapore Institute of Directors (SID) where he serves on its Governing Council.

Besides serving as an Independent director on the boards of other listed companies, he also holds other independent directorship appointments in a number of charitable and non-profit organisations.

Mr Soh holds a Bachelor of Accountancy from the then University of Singapore (now the National University of Singapore).



SENIOR MANAGEMENT

MR JOHN MO KUAN SHENG

Director, BBR Construction Systems Pte Ltd

Mr John Mo Kuan Sheng is the Director of BBR Construction Systems Pte Ltd since 1999. He is in charge of day-to-day operations, marketing and business development for the Specialised Engineering business. 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) from the National University of Singapore.

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 more than 36 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 another public listed company, where he was responsible for the overall performance of the Construction Division. Mr Choo has in-depth knowledge and experience in highly specialised civil engineering projects. He holds a Bachelor of Engineering 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 and Singa Development Pte Ltd in 2009. He is in charge of the Group's Building Division. He has been with Singapore Piling & Civil Engineering Private Limited for more than 30 years in various capacities.

He holds a Bachelor of Applied Science in Construction Management from the Royal Melbourne Institute of Technology and a Diploma in Building from the Singapore Polytechnic.

MR CHAN TUCK MENG

Commercial Manager, BBR Development Pte. Ltd.

Mr Chan Tuck Meng is the Commercial Manager of BBR Development Pte. Ltd., where he is responsible for property development and sales and marketing of the Group's development properties. 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) from the National University of Singapore and a Master of Business Administration (Accountancy) from the Nanyang Technological University.



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 of the company. He was appointed as a Director of BBR Construction Systems (M) Sdn. Bhd. on 4 January 2007. Prior to joining the Group, 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 from the National Centre for Information Technology, United Kingdom.

MS MARIA LOW SIEW JOO

Chief Financial Officer

Ms Maria Low Siew Joo joined BBR Holdings (S) Ltd as Deputy Chief Financial Officer on 9 September 2009 and was appointed the Chief Financial Officer in December 2009. She is responsible for all financial matters within the Group. Prior to joining the Group, she was the General Manager, Finance of a public listed company involved in providing engineering solutions to the port industry.

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





AWARDS & ACCOLADES



CONSTRUCTION EXCELLENCE

- 2014** Award for Construction Excellence from the Building and Construction Authority (BCA) for Lush on Holland Hill
- 1997** Award for Construction Excellence from the Construction Industry Development Board (CIDB) for SAFTI Military Institute Phase III
- 1994** Award for Construction Excellence from the CIDB for Reconstruction of Sir Arthur's Bridge



ARCHITECTURAL HERITAGE

- 2009** Architectural Heritage Award from the Urban Redevelopment Authority (URA) for 9 King George's Avenue (Peoples' Association Headquarters)
- 2003** Architectural Heritage Award from the URA for Asian Civilisation Museum, Empress Place
- 2001** Architectural Heritage Award from the URA for the Restoration to 101 Penang Road (House of Tan Yeok Nee)
- 1998** Architectural Heritage Award from the URA for the Restoration to Asian Civilisation Museum
- 1995** Architectural Heritage Award from the URA for the Restoration of River House at Clarke Quay



QUALITY

- 2013** BCA Quality Mark (QM) "Star" Award for good workmanship for Lush on Holland Hill
- 2012** Housing and Development Board Quality Partners Award for building improvement works to void deck columns using polymer fibre wrapping



CONSTRUCTION ENVIRONMENT

- 2013** Green and Gracious Builder Merit Award
- 2012** Construction Environmental Award – Certificate of Merit from the Land Transport Authority for Contract ER361 (Widening of Keppel Viaduct)



- 2006** Safety Management Silver Award from Concord Associates for Deep Tunnel Sewerage System Changi Water Reclamation Plant Contract C4A
- 1999** Safety Performance Merit Award from the Ministry of Manpower for Temasek Secondary School
- 1998** Safety Performance Merit Award from the Ministry of Manpower for Raffles Girls' Primary School
- 1996** Safety Management Bronze Award from Concord Associates for Central Ministries Building



- 2011** Green Mark GoldPlus from the BCA for Bliss @Kovan
- 2010** Green Mark Certified from the BCA for Lush on Holland Hill
- 2009** Green Mark GoldPlus from the BCA for Icon@IBP
- 2008** Green Mark Gold from the BCA for 8 Nassim Hill
- 2007** Green Mark GoldPlus from the BCA for Peoples' Association Headquarters



- 2013** Singapore 1000 Company – Emerging 2013 Award from DP Information Group
- 2012** Singapore 1000 Company – Emerging 2012 Award from DP Information Group



- 2006** Best Buildable Design Award from the BCA for Yu Neng Primary School
- 2001** Best Buildable Design Award from the BCA for North Spring Primary School and Poi Ching School



PROJECTS GALLERY

KEPPEL VIADUCT, SINGAPORE

This is a project worth \$79.8 million awarded by the Land Transport Authority to widen Keppel Viaduct. Construction work commenced 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 also includes works on part of the South Quay Viaduct and ramps, the widening of city-bound Keppel Road between Telok Blangah Viaduct, and widening of Keppel Viaduct from four to five lanes.

In addition, the works also include the design, construction and completion of all associated structures and facilities, such as the drainage system comprising culverts and drainage system for the viaduct.



COMMON SERVICES TUNNEL PHASE 3B IN MARINA BAY, SINGAPORE

The proposed Common Services Tunnel (MCo2) is a purpose-built tunnel network that will house and distribute various utility services to the 360-hectare waterfront development at Marina Bay. This includes electrical and telecommunication cables, potable water pipes, NEWater, district cooling pipes and a pneumatic refuse conveying system. The scope of works includes construction of the box tunnel and backfill at Sheares Avenue and Central Boulevard as well as sewerage works.



The 20-kilometre tunnel system which is the second of its kind after Japan, is constructed at an average depth of 15 metres below ground level. Construction of this project started in May 2010 and is targeted for completion in the second half of 2014.

This is a second contract worth \$139.8 million from the Urban Redevelopment Authority to construct Phase 3B (MCo2) at Marina Bay. The first being Phase 3A of the Common Services Tunnel awarded in December 2007 for \$189.6 million, which was completed in the first quarter of 2012.





PROJECTS GALLERY

BLISS @ KOVAN, SINGAPORE

This 98,063 square feet freehold land at 2A/B/C/D Simon Lane is being developed into a five-storey low-rise condominium project comprising 140 homes of one-to three-bedroom units, and penthouses.

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, and at Heartland Mall at Kovan Town Centre and the Nex Mall at Serangoon Central.

Launched in September 2011, the development is expected to obtain Temporary Occupation Permit by 31 December 2015.



MIXED-USE DEVELOPMENT AT FUSIONOPOLIS PLACE, SINGAPORE

This is a contract worth \$153.1 million from Ascendas Fusion 5 Pte Ltd to design and construct a mixed-use development at Fusionopolis Place in Buona Vista area. The project involves the design and construction of a 17-storey business park, a two-storey retail block, a four office-storey office block and two basement carparks at Fusionopolis Phase 5. This project is expected to be completed in the fourth quarter of 2014.

BBR secured its first contract worth \$95.3 million from the Ascendas Group in 2008 to design and build an iconic office tower block at the International Business Park in Jurong East. The project was completed in early 2010.



FOUR BLOCKS OF 30/31-STOREY HDB FLATS AT KALLANG WHAMPOA, SINGAPORE

This is a fifth contract win from the Housing & Development Board worth \$102.8 million to build two 30-storey and two 31-storey HDB blocks, a multi-storey carpark, a precinct pavilion, shophouses and a supermarket at Jalan Tenteram Road in Kallang Whampoa. The works also include a child care centre, a senior citizen facility, a residents' committee centre, a playground, a fitness station and other related civil engineering works.

Work started in March 2013 and is scheduled for completion by April 2016.

DULWICH COLLEGE AT BUKIT BATOK WEST AVENUE 8, SINGAPORE

Construction of the college includes the building of three-storey, five-storey and single-storey blocks with two basements and a two-storey administration block. The work commenced in February 2013 and is scheduled to complete by third quarter 2014.

To be built on a five-hectare site in Bukit Batok West Avenue 8, the project will include building classrooms and facilities for children in early/foundation years and junior school, a gymnasium and a swimming pool.





PROJECTS GALLERY



SINGAPORE UNIVERSITY OF TECHNOLOGY AND DESIGN AT CHANGI, SINGAPORE

The \$102.7 million contract was awarded by Singapore University of Technology and Design to build Phase 1 construction of housing and sports facilities for its campus at Somapah Road and Changi South Avenue 1.

This contract involves the construction of three 11-storey hostel blocks, two 11-storey faculty blocks, a sports complex, and a multipurpose hall with basement car park and support area. Other works include boring and piling foundation works, design and installation of earth retaining systems, construction of link ways, bridges, canopies, rain screens, roads, drainage works, bio-ponds, landscaping works, and mechanical and electrical service trenches.

The project is divided into two phases: A and B. Work on this project had commenced in June 2012 with Phase A completed in fourth quarter of 2013, and phase B scheduled for completion in the second half of 2014.



THE SPRINGSIDE, SINGAPORE

The contract for The Springside involved the construction and maintenance of Phases 14 and 15 of the mixed-use development at The Springside at Jalan Ulu Seletar/ Sembawang Road, Singapore.

The scope of works encompasses the construction and maintenance of 2-blocks of a 4-storey development comprising 1-storey shops and 3-storey apartments with 2 basement car parks.

Other works comprise bored piling foundation, earthworks, driveway, box drains/culverts, surface water drains, general landscaping and turfing, and mechanical and electrical services. Construction works has commenced on 19 September 2013 and is scheduled for completion by September 2015.



PULAU SEKATI BRIDGE IN TERENGGANU, MALAYSIA

Our strong expertise and vast experience in specialised engineering was recognised with the new contract for the construction of Pulau Sekati Bridge at Kuala Terengganu, Terengganu, awarded by Zainal @ Shariff Ibrahim Sdn. Bhd. The new bridge will span across Sungai Terengganu and Pulau Sekati, providing an access link from Kuala Terengganu to Telok Pasu and Jeram.

Comprising two bridges side by side, each bridge consists of a 280-metre box girder bridge and two approach T-shaped girder bridges, with bridge lengths of 174-metre on Teluk Pasu side and 600-metre on Kuala Terengganu side. The 11.9-metre wide box girder bridge carries a three-traffic lane carriageway while the T-shaped girder bridge carries a four-traffic lane carriageway. Work for the bridge has commenced and is expected to be completed at the end of 2015.





CORPORATE EVENTS GALLERY



At BBR, we aim to give back to the community and advocate the best practices within the Group to achieve sustainable growth. As an active corporate citizen, BBR makes community outreach a part of our staff development, where we highly encourage the spirit of volunteerism to support charitable causes.

An initial Corporate Social Responsibility programme is to collaborate with the Lien AID in support of their ongoing Gift for Water Programme in Cambodia. This programme aids poor rural floating communities living on the Ton Le Sap Lake gain improved access to affordable drinking water. BBR has co-funded the set-up of water-treatment plants and encouraged its staff to perform community services in these villages.

More initiatives on community involvement programmes will also be organised locally.

CORPORATE SOCIAL RESPONSIBILITY



CORPORATE INFORMATION

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BBR HOLDINGS (S) LTD ANNUAL REPORT 2013

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

Mr Marcel Poser
Alternate Director to Mr Peter Michael Ekberg
M.Sc. Eng./Dipl.Ing.SIA

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
Ms Luk Ka Lai Carrie (appointed on 22 February 2013)

BBR SHARE PLAN COMMITTEE

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

INVESTMENT COMMITTEE

Mr Soh Gim Teik (Chairman)
Mr Tan Kheng Hwee Andrew
Ms Luk Ka Lai Carrie

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
Website: www.bbr.com.sg
Email: enquiry@bbr.com.sg

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
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: Chan Yew Kiang
(since financial year ended 31 December 2011)

BANKERS

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

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DIRECTORS' REPORT

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BBR HOLDINGS (S) LTD ANNUAL REPORT 2013

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 2013.

DIRECTORS

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

Prof. 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	
Marcel Poser	(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	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
The Company				
BBR Holdings (S) Ltd				
<u>Ordinary shares</u>				
Tan Kheng Hwee Andrew	16,850,474	17,050,474	228,400	228,400
Bruno Sergio Valsangiacomo	–	–	85,632,978	85,632,978
Peter Michael Ekberg	150,000	150,000	–	–
<u>Contingent award of performance shares</u>				
Tan Kheng Hwee Andrew	200,000	200,000	–	–

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2014.

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 members of 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:

- (a) the motivation of each participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) the retention of key executives and directors of the Group whose contributions are important to the long-term growth and profitability of the Group;
- (c) to instil loyalty to, and a stronger identification by employees with the long term prosperity of the Group;
- (d) 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
- (e) to align the interests of the participants with the interests of the shareholders.

The Plan is administered by The BBR Share Plan Committee ("the Committee") whose members are Prof. 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.

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 and non-executive Directors 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.

DIRECTORS' REPORT

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BBR HOLDINGS (S) LTD ANNUAL REPORT 2013

THE BBR SHARE PLAN (continued)

Details of performance share awards of the Company during the year are set out as follows:

Name of participant	Granted in financial year ended 31.12.13	Aggregate granted since commencement of Plan to 31.12.13	Released in financial year ended 31.12.13	Aggregate released since commencement of Plan to 31.12.13	Aggregate outstanding as at 31.12.13
Director of the Company – Tan Kheng Hwee Andrew	200,000	650,000	200,000	450,000	200,000
Key management and executives of the Group	1,210,000	3,210,000	1,080,000	2,000,000	1,210,000
As at 31 December 2013	1,410,000	3,860,000	1,280,000	2,450,000	1,410,000

The outstanding performance shares granted as at 31 December 2013 will be released via two equal tranches in 2014 subject to the completion of service and achievement of prescribed performance targets.

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, if any.

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.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Tan Kheng Hwee Andrew
Executive Director and Chief Executive Officer

Luk Ka Lai Carrie
Non-Executive Director

25 March 2014



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 2013 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

25 March 2014

INDEPENDENT AUDITOR'S 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 42 to 103, which comprise the statements of financial position of the Group and the Company as at 31 December 2013, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows 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, Chapter 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.

Auditor's 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 2013 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 Chartered Accountants
Singapore
25 March 2014



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$'000	2012 \$'000
Revenue	4	426,251	274,235
Cost of sales		<u>(382,663)</u>	<u>(238,829)</u>
Gross profit		43,588	35,406
Other operating income	5	2,971	1,878
Other expense		(181)	(119)
Administrative costs		(7,207)	(8,907)
Other operating costs		(17,013)	(13,686)
Finance costs	6	(285)	(519)
Share of results of a joint venture	14	(4,000)	(1,000)
Share of results of associates		5,083	1,483
Profit before taxation	7	<u>22,956</u>	<u>14,536</u>
Income tax expense	8	(928)	(1,129)
Profit for the year		<u>22,028</u>	<u>13,407</u>
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation loss		(101)	(192)
Other comprehensive income for the year		<u>(101)</u>	<u>(192)</u>
Total comprehensive income for the year		<u>21,927</u>	<u>13,215</u>
Profit attributable to:			
Equity holders of the Company		21,839	12,963
Non-controlling interests		189	444
		<u>22,028</u>	<u>13,407</u>
Total comprehensive income attributable to:			
Equity holders of the Company		21,775	12,826
Non-controlling interests		152	389
		<u>21,927</u>	<u>13,215</u>
Earnings per share	9		
Basic earnings per share		7.13 cents	4.24 cents
Fully diluted earnings per share		7.10 cents	4.22 cents

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Note	Group		Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Non-current assets					
Property, plant and equipment	10	28,152	22,764	8,576	331
Intangible assets	11	119	119	–	–
Investments in subsidiaries	12	–	–	53,695	50,622
Investments in associates	13	9,166	16,463	92	92
Investment in a joint venture	14	–	–	–	–
Other investment	15	–	–	–	–
Deferred tax assets	16	1,318	486	–	–
Trade receivables	17	11,580	7,867	–	–
Loans to an associate	18	31,286	–	–	–
Current assets					
Amounts due from subsidiaries	19	–	–	18,685	22,973
Development properties	20	71,101	61,960	–	–
Gross amount due from customers for contract work-in-progress	21	42,882	32,720	–	–
Inventories	22	3,242	2,283	–	–
Trade receivables	17	84,771	56,692	–	–
Other receivables	23	3,633	2,743	610	54
Tax recoverable		1,388	–	27	–
Pledged deposits	24	3,552	3,442	–	–
Cash and cash equivalents	24	20,192	47,835	804	587
		<u>230,761</u>	<u>207,675</u>	<u>20,126</u>	<u>23,614</u>
Current liabilities					
Amounts due to subsidiaries	19	–	–	10,287	10,405
Gross amount due to customers for contract work-in-progress	21	25,274	17,667	–	–
Trade and other payables	25	82,776	54,713	89	153
Other liabilities	26	5,911	4,167	2,236	1,451
Loans and borrowings	27	50,868	3,867	1,640	–
Income tax payables		3,010	2,935	46	40
		<u>167,839</u>	<u>83,349</u>	<u>14,298</u>	<u>12,049</u>
Net current assets		62,922	124,326	5,828	11,565
Non-current liabilities					
Trade payables	25	9,494	4,872	–	–
Deferred tax liabilities	16	2,557	2,221	–	–
Loans and borrowings	27	5,010	55,696	3,280	–
		<u>127,482</u>	<u>109,236</u>	<u>64,911</u>	<u>62,610</u>
Equity attributable to equity holders of the Company					
Share capital	28	43,967	43,967	43,967	43,967
Treasury shares	29	(450)	(416)	(450)	(416)
Share plan reserve	30	172	135	172	135
Foreign currency translation reserve		(577)	(513)	–	–
Retained earnings		82,527	64,372	21,222	18,924
		<u>125,639</u>	<u>107,545</u>	<u>64,911</u>	<u>62,610</u>
Non-controlling interests		1,843	1,691	–	–
Total equity		<u>127,482</u>	<u>109,236</u>	<u>64,911</u>	<u>62,610</u>

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 2013

Attributable to equity holders of the Parent

Group	Share capital (Note 28) \$'000	Treasury shares (Note 29) \$'000	Share plan reserve (Note 30) \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance at 1 January 2013	43,967	(416)	135	(513)	64,372	1,691	109,236
<u>Total comprehensive income</u>							
Profit for the year	–	–	–	–	21,839	189	22,028
Other comprehensive income for the year	–	–	–	(64)	–	(37)	(101)
Total comprehensive income for the year	–	–	–	(64)	21,839	152	21,927
<u>Contributions by and distributions to owners</u>							
Share based compensation expense	–	–	299	–	–	–	299
Purchase of treasury shares	–	(296)	–	–	–	–	(296)
Treasury shares reissued pursuant to employee share plan	–	262	(262)	–	–	–	–
Dividends paid on ordinary shares (Note 31)	–	–	–	–	(3,684)	–	(3,684)
Total transactions with owners in their capacity as owner	–	(34)	37	–	(3,684)	–	(3,681)
Balance at 31 December 2013	43,967	(450)	172	(577)	82,527	1,843	127,482

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

Attributable to equity holders of the Parent

Group	Share capital (Note 28) \$'000	Treasury shares (Note 29) \$'000	Share plan reserve (Note 30) \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance at 1 January 2012	43,967	(601)	166	(376)	53,856	1,302	98,314
<u>Total comprehensive income</u>							
Profit for the year	–	–	–	–	12,963	444	13,407
Other comprehensive income for the year	–	–	–	(137)	–	(55)	(192)
Total comprehensive income for the year	–	–	–	(137)	12,963	389	13,215
<u>Contributions by and distributions to owners</u>							
Share based compensation expense	–	–	279	–	–	–	279
Purchase of treasury shares	–	(125)	–	–	–	–	(125)
Treasury shares reissued pursuant to employee share plan	–	310	(310)	–	–	–	–
Dividends paid on ordinary shares (Note 31)	–	–	–	–	(2,447)	–	(2,447)
Total transactions with owners in their capacity as owner	–	185	(31)	–	(2,447)	–	(2,293)
Balance at 31 December 2012	43,967	(416)	135	(513)	64,372	1,691	109,236

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 2013

Company	Attributable to equity holders of the Company				
	Share capital (Note 28) \$'000	Treasury shares (Note 29) \$'000	Share plan reserve (Note 30) \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2013	43,967	(416)	135	18,924	62,610
Profit for the year	–	–	–	5,982	5,982
Total comprehensive income for the year	–	–	–	5,982	5,982
<i>Contributions by and distributions to owners</i>					
Share based compensation expense	–	–	299	–	299
Purchase of treasury shares	–	(296)	–	–	(296)
Treasury shares reissued pursuant to employee share plan	–	262	(262)	–	–
Dividends paid on ordinary shares (Note 31)	–	–	–	(3,684)	(3,684)
Total transactions with owners in their capacity as owner	–	(34)	37	(3,684)	(3,681)
Balance at 31 December 2013	43,967	(450)	172	21,222	64,911
Balance at 1 January 2012	43,967	(601)	166	6,494	50,026
Profit for the year	–	–	–	14,877	14,877
Total comprehensive income for the year	–	–	–	14,877	14,877
<i>Contributions by and distributions to owners</i>					
Share based compensation expense	–	–	279	–	279
Purchase of treasury shares	–	(125)	–	–	(125)
Treasury shares reissued pursuant to employee share plan	–	310	(310)	–	–
Dividends paid on ordinary shares (Note 31)	–	–	–	(2,447)	(2,447)
Total transactions with owners in their capacity as owner	–	185	(31)	(2,447)	(2,293)
Balance at 31 December 2012	43,967	(416)	135	18,924	62,610

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 2013

	2013 \$'000	2012 \$'000
Cash flows from operating activities		
Profit before taxation	22,956	14,536
Adjustments for:		
Depreciation of property, plant and equipment	4,761	3,968
Interest expense	285	939
Allowance/(write-back of allowance) for doubtful receivables (net)	1,420	(100)
Write off of trade receivables	3	–
Share based compensation expense	299	279
Share of results of associates	(5,083)	(1,483)
Share of results of a joint venture	4,000	1,000
Fair value gain on derivatives	–	(420)
(Gain)/loss on disposal of property, plant and equipment	(86)	18
Impairment loss on property, plant and equipment	323	–
Interest income	(261)	(218)
Operating profit before working capital changes	28,617	18,519
(Increase)/decrease in development properties	(8,292)	76,926
Increase in amount due from customers for work-in-progress (net)	(2,555)	(28,829)
Increase in trade receivables	(37,215)	(9,855)
Increase in other receivables	(890)	(1,183)
(Increase)/decrease in inventories	(959)	556
Increase in trade and other payables	32,685	1,828
Increase in other liabilities	1,744	39
Cash from operations	13,135	58,001
Interest paid	(1,134)	(1,600)
Interest received	261	218
Income tax paid	(2,737)	(1,291)
Net cash from operating activities	9,525	55,328
Cash flows from investing activities		
Purchase of property, plant and equipment (Note 24)	(10,206)	(1,513)
Proceeds from disposal of property, plant and equipment	413	312
Dividends received from an associate	15,120	–
Investment in an associate	(350)	–
Net cash from/(used in) investing activities	4,977	(1,201)
Cash flows from financing activities		
Loans to an associate (Note 18)	(33,676)	–
Proceeds from/(repayment of) bank borrowings, secured	2,130	(81)
Dividends paid on ordinary shares	(3,684)	(2,447)
Purchase of treasury shares	(296)	(125)
Proceeds from long term borrowings	4,920	–
Repayment of long term borrowings	(8,000)	(50,615)
Repayment of finance leases	(3,363)	(3,008)
Increase in pledged deposits	(110)	(1,733)
Net cash used in financing activities	(42,079)	(58,009)
Net decrease in cash and cash equivalents	(27,577)	(3,882)
Net effect of exchange rate changes in consolidating subsidiaries	(66)	(165)
Cash and cash equivalents at beginning of the year	47,835	51,882
Cash and cash equivalents at end of the year (Note 24)	20,192	47,835

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

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2013

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BBR HOLDINGS (S) LTD ANNUAL REPORT 2013

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
	2013	2012		2013	2012	
	%	%		\$'000	\$'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 and investment holding
BBR Construction Systems (M) Sdn. Bhd. ⁽²⁾	80	80	Malaysia	793	793	Structural engineering and design and build services and investment holding
BBR Development Pte. Ltd. ⁽¹⁾	100	100	Singapore	1,000	1,000	Property development and investment holding
BBR Piling Pte. Ltd. ⁽¹⁾	100	100	Singapore	3,500	3,500	Bored piling works
Singapore Piling & Civil Engineering Private Limited ⁽¹⁾	100	100	Singapore	18,119	18,119	General building, civil and structural engineering, renovation and retro-fitting and investment holding
BBR Greentech Pte. Ltd. ⁽¹⁾	100	–	Singapore	10	–	System integration and distribution of renewable energy
Siam-BBR Co., Ltd ⁽⁴⁾	100	100	Thailand	432	432	Dormant
				<u>78,866</u>	<u>78,856</u>	
Associate held by the Company						
BBR Philippines Corporation ⁽³⁾	40	40	Philippines	92	92	Structural engineering

1. **CORPORATE INFORMATION** (continued)

Name of company	Proportion of ownership interest		Country of incorporation	Cost of investment		Principal activities
	2013	2012		2013	2012	
	%	%		\$'000	\$'000	
Subsidiary held by Singapore Piling & Civil Engineering Private Limited						
Singa Development Pte Ltd ⁽¹⁾	100	100	Singapore	3,600	3,600	Building contractors, project and contract managers for all kinds of building and civil engineering works
Associate held by Singapore Piling & Civil Engineering Private Limited						
FOSTA Pte Ltd ⁽⁵⁾	25	25	Singapore	125	125	Soil investigation, instrumentation and monitoring, and structural health monitoring using fibre optic sensors
Subsidiary held by BBR Construction Systems Pte Ltd						
BBR Construction Systems (HK) Limited ⁽³⁾	100	–	Hong Kong SAR	2	–	Dormant
Subsidiary held by BBR Construction Systems (M) Sdn. Bhd.						
SP Piling Sdn. Bhd. ⁽²⁾	100	100	Malaysia	15	15	Building contractor
Subsidiaries held by BBR Development Pte. Ltd.						
SP Holland Hill Private Limited ⁽¹⁾	100	100	Singapore	10	1,000	Property development
BBR Property Pte. Ltd. ⁽¹⁾	100	100	Singapore	+	+	Dormant
BBR Kovan Pte. Ltd. ⁽¹⁾	100	100	Singapore	1,000	1,000	Property development
Associates held by BBR Development Pte. Ltd.						
Tennessee Pte Ltd ⁽¹⁾	48	48	Singapore	480	480	Property development
Lakehomes Pte. Ltd. ⁽¹⁾	35	–	Singapore	350	–	Property development

Notes:

- (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 Audit Wise Co., Ltd.
 - (5) Audited by Singapore Assurance PAC.
- + Cost of investment is \$2.

NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2013

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BBR HOLDINGS (S) LTD ANNUAL REPORT 2013

1. **CORPORATE INFORMATION** (continued)

Incorporation of subsidiaries

- (a) On 15 March 2013, BBR Construction System Pte Ltd, a wholly owned subsidiary of the Company incorporated a wholly owned subsidiary, BBR Construction Systems (HK) Limited (“BBRHK”) in Hong Kong SAR to undertake general and specialist contracting works, structural engineering, design and building services. The cost of investment is HK\$10,000 comprising 10,000 ordinary shares of HK\$1.00 each. BBRHK was dormant during the year.
- (b) On 28 May 2013, the Company incorporated a wholly owned subsidiary, BBR Greentech Pte. Ltd. (“BBRG”) in Singapore. The cost of investment was \$10,000. The intended principal activities of BBRG are that of system integration and distribution of renewable energy. BBRG was dormant during the year.

Investment in an associate

On 15 August 2013, BBR Development Pte. Ltd., a wholly owned subsidiary of the Company, took up a 35% investment in a newly incorporated entity, Lakehomes Pte. Ltd. (“LKH”) in Singapore. The cost of investment was \$350,000. The principal activity of LKH is that of property development.

Reduction of share capital in a subsidiary

On 25 November 2013, pursuant to Article 48 of the Articles of Association and Section 78B of the Companies Act (Chapter 50), the issued and paid-up ordinary share capital of a wholly owned subsidiary, SP Holland Hill Private Limited was reduced from \$1,000,000 to \$10,000, by the cancellation of existing ordinary share capital of 990,000 ordinary shares.

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 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 2013. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

According to the transition provisions of FRS 113 Fair Value Measurement, FRS 113 has been applied prospectively by the Group and the Company on 1 January 2013.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

2.3 Standards issued but not yet effective

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

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Revised FRS 27 <i>Separate Financial Statements</i>	1 January 2014
Revised FRS 28 <i>Investments in Associates and Joint Ventures</i>	1 January 2014
FRS 110 <i>Consolidated Financial Statements</i>	1 January 2014
FRS 111 <i>Joint Arrangements</i>	1 January 2014
FRS 112 <i>Disclosure of Interests in Other Entities</i>	1 January 2014
Amendments to FRS 32: <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to FRS 36: <i>Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
Amendments to FRS 110, FRS 112 and FRS 27: <i>Investment Entities</i>	1 January 2014
Amendments to FRS 39: <i>Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2014
INT FRS 121 <i>Levies</i>	1 January 2014
Amendments to FRS 102: <i>Definition of Vesting Condition</i>	1 July 2014
Amendments to FRS 103: <i>Accounting for Contingent Consideration in a business Combinations and Scope exceptions for Joint Ventures</i>	1 July 2014
Amendments to FRS 108: <i>Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets</i>	1 July 2014
Amendments to FRS 113: <i>Scope of Paragraph 52 (Portfolio Exception)</i>	1 July 2014
Amendments to FRS 16: <i>Revaluation Method – Proportionate Restatement of Accumulated Depreciation</i>	1 July 2014
Amendments to FRS 19: <i>Employee Contributions</i>	1 July 2014
Amendments to FRS 24: <i>Key Management Personnel</i>	1 July 2014
Amendments to FRS 28: <i>Revaluation Method – Proportionate Restatement of Accumulated Amortisation</i>	1 July 2014
Amendments to FRS 40: <i>Clarifying the Inter-relationship between FRS 103 and FRS 40 When Classifying Property as Investment Property or Owner-Occupied Property</i>	1 July 2014

Except for the FRS 112, the directors expect that the adoption of the 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 FRS 112 is described below.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 Disclosure of Interests in Other Entities is effective for financial periods beginning on or after 1 January 2014.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. The Group is currently determining the impact of the disclosure requirements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Group when implemented in 2014.



NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2013

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

2.4 **Foreign currency**

The Group's consolidated financial statements are presented in SGD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency. Items included in the financial statements of each entity are measured using that functional 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 and business combinations**

(a) ***Basis of consolidation***

Basis of consolidation 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 and dividends 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.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

2.5 **Basis of consolidation and business combinations** *(continued)*

(a) **Basis of consolidation** *(continued)*

Basis of consolidation from 1 January 2010 *(continued)*

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in the statement of comprehensive income;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to the statement of comprehensive income or retained earnings, as appropriate.

Basis of consolidation prior to 1 January 2010

Certain of the above-mentioned requirements were applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisitions of non-controlling interests, prior to 1 January 2010, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.
- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further losses were attributed to the Group, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not reallocated between non-controlling interest and the owners of the Company.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying value of such investments as at 1 January 2010 has not been restated.

(b) **Business combinations**

Business combinations from 1 January 2010

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.

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 the statement of comprehensive income or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not to be remeasured until it is finally settled within equity.



NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2013

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

2.5 **Basis of consolidation and business combinations** (continued)

(b) **Business combinations** (continued)

Business combinations from 1 January 2010 (continued)

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 the statement of comprehensive income.

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's 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. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in statement of comprehensive income on the acquisition date.

Business combinations prior to 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 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. Any additional acquired share of interest will not affect previously recognised goodwill.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that otherwise would have been 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 adjustments to the contingent consideration were recognised as part of 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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 investments in associates are 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.

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.

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 Joint venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The Group recognises its interest in a joint venture using the equity method. Under the equity method, the interest in joint venture is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. The joint venture is equity accounted for from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint venture.



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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.9 Joint venture *(continued)*

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

The financial statements of the joint venture 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.

Upon loss of joint control, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the former joint venture upon loss of joint venture control and the aggregate of the fair value of the retained investment and proceeds from disposal is recognised in the statement of comprehensive income.

2.10 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 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 properties	6 to 8 years
Plant and equipment	1 to 13 years
Motor vehicles	5 years
Other assets	1 to 10 years

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

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

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

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

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

2.11 **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 Group and are recorded in SGD at the rates prevailing at the date of acquisition.

2.12 **Impairment of non-financial assets**

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

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2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

2.13 **Financial assets**

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

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

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

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

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

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

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

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

(b) **Loans and receivables**

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

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

- Cash and fixed deposits
- Loans to an associate
- Trade and other receivables, including amount due from a joint venture.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

2.13 **Financial assets** *(continued)*

(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.

2.14 **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 2.13.

2.15 **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.

2.16 **Development properties, completed properties held for sale and revenue recognition**

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are measured at the lower of cost and net realisable value.

The costs of development properties include:

- Freehold land;
- Amounts paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property taxes, construction overheads and other related costs.

Non-refundable commissions paid/payable to sales or marketing agents on the sale of development properties and advertisement costs are expensed.

Net realisable value of development properties is the estimated selling price in the ordinary course of the business, based on market prices at the end of the reporting period and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.



NOTES TO THE FINANCIAL STATEMENTS

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.16 Development properties, completed properties held for sale and revenue recognition *(continued)*

The costs of development properties sold and are recognised in the statement of comprehensive income are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.17 Trade and other receivables

Trade and other receivables, including amount due from a joint venture 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 2.13.

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 2.18 below.

2.18 Impairment of financial assets

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

(a) **Assets carried at amortised cost**

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

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

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

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

(b) **Assets carried at cost**

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

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

2.18 **Impairment of financial assets** *(continued)*

(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.

2.19 **Inventories**

Inventories are valued at the lower of cost (weighted average 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.

2.20 **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.

2.21 **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.



NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2013

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

2.22 **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.

2.23 **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.

2.24 **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.

2.25 **Employee benefits**

(a) **Defined contribution plans**

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The state pension schemes for Singapore and Malaysia are Central Provident Fund and Employee Provident Fund respectively. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) **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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.25 Employee benefits *(continued)*

(c) **Performance share plan**

Eligible employees of the Group are granted performance share awards which will be released subject to the completion of service and achievement of prescribed performance targets. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the shares at the date on which the shares are granted. The cost is recognised in the statement of comprehensive income, with a corresponding increase in equity.

2.26 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

(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 basis as rental income. The accounting policy for rental income is set out in Note 2.28 (e).

2.27 Taxation

(a) **Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax 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.



NOTES TO THE FINANCIAL STATEMENTS

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.27 Taxation *(continued)*

(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 interest in a joint venture, 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.

(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 tax 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 tax authority is included as part of receivables or payables in the statement of financial position.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

2.28 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 2.20.

(b) **Sale of development properties under construction**

Where development property is under construction and agreement has been reached to sell such property before construction is completed, the Directors consider whether the contract comprises:

- A contract to construct a property; or
 - A contract for the sale of property
- (i) Where a contract is judged to be for the construction of a property, revenue is recognised using the percentage of completion method as construction progresses.
- (ii) Where the contract is judged to be for the sale of a property, revenue is recognised when the significant risks and rewards of ownership of the property have been transferred to the buyer (i.e. revenue is recognised using the completed contract method).
- If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage of completion method of revenue recognition is applied and revenue is recognised as work progresses.
 - INT FRS 115 includes an accompanying note on application of INT FRS 115 in Singapore which requires the percentage of completion method of revenue recognition to be applied to sale of private residential properties in Singapore prior to completion of the properties that are regulated under the Singapore Housing Developers (Control and Licensing) Act (Chapter 130) and uses the standard form of sale and purchase agreements ("SPAs") prescribed in the Housing Developers Rules. The accompanying note to INT FRS 115 does not address the accounting treatment for other SPAs, including SPAs with a Deferred Payment Scheme feature in Singapore.

(c) **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.

(d) **Interest income**

Interest income is recognised using the effective interest method.



NOTES TO THE FINANCIAL STATEMENTS

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

2.28 Revenue *(continued)*

(e) **Rental income**

Rental income arising on commercial property sub-leases is accounted for on a straight-line basis over the lease terms.

(f) **Dividend income**

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

(g) **Management fees**

Management fees are recognised when services are rendered.

2.29 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.30 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

2.31 **Related parties**

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and the Company if that person,
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company;
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.32 **Derivative financial instruments**

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

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

The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

2.33 **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.



NOTES TO THE FINANCIAL STATEMENTS

– 31 DECEMBER 2013

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

2.34 **Financial guarantee**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified receivable fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in the statement of comprehensive income over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to statement of comprehensive income.

2.35 **Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to statement of comprehensive income over the expected useful life of the relevant asset by equal annual instalments.

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 tax recoverable, income tax payables, deferred tax assets and deferred tax liabilities at 31 December 2013 were \$1,388,000 (2012: Nil), \$3,010,000 (2012: \$2,935,000), \$1,318,000 (2012: \$486,000) and \$2,557,000 (2012: \$2,221,000), respectively.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

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 1 to 13 years. These are common life expectancies applied in the construction 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% (2012: 1%) variance in the Group's profit for the year.

Impairment of intangible assets

As disclosed in Note 11 to the financial statements, the recoverable amount of the cash generating unit which goodwill has been allocated to has been determined based on value in use calculations. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget covering a one year period 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. The key assumptions applied in the determination of the value in use are disclosed in Note 11 to the financial statements.

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 judgments by management are required in assessing the recoverability of the contracts based on estimated total contract revenue and contract 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. The carrying amounts of assets and liabilities as well as the construction revenue are disclosed in Notes 19 (Gross amount due from/(to) contract work-in-progress) and Note 4 (Revenue) to the financial statements, respectively.

Revenue recognition on development property under construction

The Group recognises revenue for pre-completion sales of development property by reference to the stage of completion using the percentage of completion method. The stage of completion is determined by reference to professional surveys of work performed. Significant assumptions are required to estimate the works performed that affect the stage of completion and the revenue respectively. In making these estimates, management has relied on past experience and knowledge of the professional surveyors. The carrying amounts of assets and liabilities as well as the revenue from sale of development property (recognised on percentage of completion basis) are disclosed in Note 20 (Development Properties) and Note 4 (Revenue) to the financial statements, respectively.

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3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

3.2 Key sources of estimation uncertainty (continued)

Provision for foreseeable losses

The Group reviews its work-in-progress for projects 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 2013, the Group has provided for \$4,800,000 (2012: \$2,338,000) of foreseeable losses in respect of certain work-in-progress for projects.

4. REVENUE

	Group	
	2013	2012
	\$'000	\$'000
Construction revenue	384,720	215,621
Sale of development properties	41,197	58,027
Sale of goods	306	559
Management fee from an associate	28	28
	<u>426,251</u>	<u>274,235</u>

5. OTHER OPERATING INCOME

	Group	
	2013	2012
	\$'000	\$'000
Rental income of premises	1,010	893
Management service fees	658	111
Training and testing fees	527	370
Interest income from deposits	261	218
Rental income of equipment	175	14
Gain on disposal of property, plant and equipment	86	–
Forfeiture income	–	18
Others	254	254
	<u>2,971</u>	<u>1,878</u>

6. FINANCE COSTS

	Group	
	2013	2012
	\$'000	\$'000
Interest expense on:		
Bank loans and bank overdrafts	86	777
Finance leases	199	162
Fair value gain on derivatives	–	(420)
	<u>285</u>	<u>519</u>

7. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting):

	Group	
	2013	2012
	\$'000	\$'000
Audit fees to:		
Auditors of the Company	195	183
Other auditors	21	18
Depreciation of property, plant and equipment	4,761	3,968
Inventories recognised as expenses in cost of sales (Note 22)	95,894	71,043
Foreign exchange loss (net)	181	119
Grant income from government authorities	(524)	(424)
Impairment loss on property, plant and equipment	323	–
Loss on disposal of property, plant and equipment	–	18
Allowance/(write-back of allowance) for doubtful receivables (net)	1,420	(100)
Share based compensation expense	299	279
Write off of trade receivables (Note 17)	3	–
Rental of:		
Premises	1,866	1,892
Equipment	37	101
	<u> </u>	<u> </u>

8. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 December are as follows:

	Group	
	2013	2012
	\$'000	\$'000
Statement of comprehensive income		
Current income tax:		
– Singapore	2,195	2,244
– Foreign	354	809
Overprovision in respect of previous years	(1,125)	(481)
	1,424	2,572
Deferred income tax:		
Reversal of temporary differences	(618)	(1,443)
Underprovision of deferred income tax in respect of previous year	122	–
Reversal of temporary differences (Note 16)	(496)	(1,443)
Income tax expense recognised in the statement of comprehensive income	<u> </u>	<u> </u>

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8. INCOME TAX EXPENSE (continued)

Relationship between income tax expense and accounting profit

A reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December are as follows:

	Group	
	2013	2012
	\$'000	\$'000
Profit before taxation	22,956	14,536
Tax at the domestic rates applicable to profits in the countries where the Group operates	3,969	2,701
<i>Adjustments:</i>		
Income not subject to tax	(147)	(63)
Overprovision of income tax in respect of previous years	(1,125)	(481)
Underprovision of deferred income tax in respect of previous year	122	–
Benefits from previously unrecognised tax losses	(887)	(988)
Utilisation of investment and enhanced allowances	(485)	(151)
Non-deductible expenses	472	387
Effect of partial tax exemption and tax relief	(183)	(120)
Deferred tax assets not recognised	–	45
Share of results of associates	(864)	(252)
Others	56	51
Income tax expense recognised in the statement of comprehensive income	928	1,129

During the financial year, in relation to the Singapore group relief system, the Group utilised tax losses of \$2,604,000 (2012: \$3,941,000) 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 \$1,318,000 (2012: \$486,000) arising from unutilised tax losses amounting to \$7,753,000 (2012: \$2,859,000) as disclosed in Note 16. The Group has unutilised tax losses of approximately \$13,825,000 (2012: \$19,312,000) 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.

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:

	2013	2012
	\$'000	\$'000
Profit attributable to ordinary equity holders of the Company used in computation of basic and diluted earnings per share	21,839	12,963
	No. of Shares	No. of Shares
Weighted average number of ordinary shares for basic earnings per share computation *	306,351,692	305,710,374
Effect of dilution:		
– Performance shares (Note 30)	1,410,000	1,280,000
Weighted average number of ordinary shares for diluted earnings per share computation *	307,761,692	306,990,374

* 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 option.

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10. PROPERTY, PLANT AND EQUIPMENT

Group	Plant and equipment \$'000	Leasehold properties \$'000	Motor vehicles \$'000	Other assets \$'000	Total \$'000
Cost					
Balance at 1 January 2012	32,024	2,200	3,369	1,353	38,946
Additions	4,962	–	764	111	5,837
Disposals	(1,141)	–	(15)	(36)	(1,192)
Written-off	(70)	–	(185)	(17)	(272)
Net exchange differences	(103)	–	(57)	(28)	(188)
Balance at 31 December 2012 and 1 January 2013	35,672	2,200	3,876	1,383	43,131
Additions	1,467	8,441	790	136	10,834
Disposals	(491)	–	(34)	–	(525)
Net exchange differences	(82)	–	(36)	(14)	(132)
Balance at 31 December 2013	36,566	10,641	4,596	1,505	53,308
Accumulated depreciation					
Balance at 1 January 2012	14,229	220	2,379	864	17,692
Depreciation charge for the year	3,156	264	396	152	3,968
Disposals	(811)	–	(15)	(36)	(862)
Written-off	(70)	–	(185)	(17)	(272)
Net exchange differences	(98)	–	(40)	(21)	(159)
Balance at 31 December 2012 and 1 January 2013	16,406	484	2,535	942	20,367
Depreciation charge for the year	3,735	392	443	191	4,761
Disposals	(164)	–	(34)	–	(198)
Impairment loss	323	–	–	–	323
Net exchange differences	(59)	–	(27)	(11)	(97)
Balance at 31 December 2013	20,241	876	2,917	1,122	25,156
Net carrying amount					
Balance at 31 December 2012	19,266	1,716	1,341	441	22,764
Balance at 31 December 2013	16,325	9,765	1,679	383	28,152

10. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Company	Leasehold property	Motor vehicles	Other assets	Total
	\$'000	\$'000	\$'000	\$'000
Cost				
Balance at 1 January 2012	–	185	28	213
Additions	–	348	–	348
Disposals	–	(185)	–	(185)
Balance at 31 December 2012 and 1 January 2013	–	348	28	376
Additions	8,441	–	5	8,446
Balance at 31 December 2013	8,441	348	33	8,822
Accumulated depreciation				
Balance at 1 January 2012	–	154	27	181
Depreciation charge for the year	–	48	1	49
Disposals	–	(185)	–	(185)
Balance at 31 December 2012 and 1 January 2013	–	17	28	45
Depreciation charge for the year	128	70	3	201
Balance at 31 December 2013	128	87	31	246
Net carrying amount				
Balance at 31 December 2012	–	331	–	331
Balance at 31 December 2013	8,313	261	2	8,576

Other assets

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

Assets held under finance leases

The Group acquired property, plant and equipment with an aggregate fair value of \$736,000 (2012: \$4,934,000) by means of finance leases. The carrying amounts of property, plant and equipment held under finance leases for the Group as at 31 December 2013 were \$7,661,000 (2012: \$10,179,000).

Assets pledged as securities

As at 31 December 2013, property, plant and equipment of the Group and the Company with net book value of \$15,974,000 (2012: \$10,179,000) and \$8,313,000 (2012: Nil), respectively were mortgaged as securities for the banking facilities.

Impairment of assets

In 2013, a wholly owned subsidiary of the Company, BBR Piling Pte. Ltd. carried out an impairment assessment and impairment losses of \$323,000 on idle plant and equipment, representing the write down of plant and equipment to the recoverable amount was recognised in administrative costs in the statement of comprehensive income.

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11. INTANGIBLE ASSETS

	Group	
	2013	2012
	\$'000	\$'000
Goodwill	119	119

Goodwill acquired through business combinations has been allocated to the Group's cash-generating unit identified, General construction, which is also the Group's reportable operating segment, 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 one 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 6.0% (2012: 6.6%) for value-in-use calculations, which is also the Group's weighted average cost of capital.

Sensitivity to changes in assumptions

With regards to the assessment of value in use for goodwill, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of goodwill to materially exceed its recoverable amount.

12. INVESTMENTS IN SUBSIDIARIES

	Company	
	2013	2012
	\$'000	\$'000
Unquoted shares, at cost	78,866	78,856
Additional investment *	109	109
Impairment losses	(25,280)	(28,343)
Carrying amount	53,695	50,622

* This arises from performance shares of the Company granted in 2011 under the BBR Share Plan to the employees of the subsidiaries, for which the share based compensation expense had not been charged to the respective subsidiaries. With effect from 2012, share based compensation expense was charged to respective subsidiaries.

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	
	2013	2012
	\$'000	\$'000
Balance at 1 January	28,343	39,582
Write-back to statement of comprehensive income	(3,063)	(11,239)
Balance at 31 December	25,280	28,343

An impairment loss of \$3,063,000 (2012: \$11,239,000) was written back to the statement of comprehensive income, subsequent to an assessment performed on recoverable amount of the investments in subsidiaries at the end of the financial year.

13. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Unquoted shares, at cost	1,047	697	92	92
Share of post-acquisition reserves	20,849	15,766	–	–
Dividends received from an associate	(15,120)	–	–	–
Discount implicit in the interest-free loans to an associate	2,390	–	–	–
Carrying amount	<u>9,166</u>	<u>16,463</u>	<u>92</u>	<u>92</u>

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

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

	Group	
	2013 \$'000	2012 \$'000
Assets and liabilities:		
Non-current assets	4,900	2,804
Current assets	321,874	42,341
Total assets	<u>326,774</u>	<u>45,145</u>
Non-current liabilities	(297,787)	(1,215)
Current liabilities	(6,568)	(8,864)
Total liabilities	<u>(304,355)</u>	<u>(10,079)</u>
Results:		
Revenue	53,145	19,498
Profit for the year	<u>10,271</u>	<u>3,715</u>

14. INVESTMENT IN A JOINT VENTURE

	Group	
	2013 \$'000	2012 \$'000
Unquoted shares, at cost	1,000	1,000
Share of post-acquisition reserve	(1,000)	(1,000)
Carrying amount	<u>–</u>	<u>–</u>

In 2010, the Company, via its wholly owned subsidiary, Singapore Piling & Civil Engineering Private Limited ("SPACE") formed an unincorporated and fully integrated jointly controlled entity, Takenaka – Singapore Piling Joint Venture ("JV") with Takenaka Corporation ("TAK") in Singapore to undertake restoration works to the former Supreme Court and City Hall buildings. The percentage of participation of SPACE and TAK in the JV is 25% and 75% respectively.

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14. INVESTMENT IN A JOINT VENTURE *(continued)*

Pursuant to the terms of the JV agreement, the Group's liability is capped at \$5,000,000, although it has an obligation for up to 25% of losses in the project. Accordingly, the Group has accounted for its share of additional losses of \$4,000,000 (2012: \$1,000,000) based on the expected loss in the JV.

The summarised financial information of the joint venture not adjusted for the proportion of participation held by the Group is as follows:

	Group	
	2013 \$'000	2012 \$'000
Assets and liabilities:		
Current assets	54,267	37,317
Current liabilities	<u>(78,738)</u>	<u>(27,304)</u>
Results:		
Revenue	91,541	75,415
Loss for the year	<u>(78,734)</u>	<u>(3,997)</u>

15. OTHER INVESTMENT

	Group	
	2013 \$'000	2012 \$'000
Non-current:		
Unquoted equity shares, at cost	2,981	2,981
Impairment in value of unquoted equity shares	<u>(2,981)</u>	<u>(2,981)</u>
	<u>-</u>	<u>-</u>

Analysis of impairment losses in other investment is as follows:

Balance at 1 January and 31 December	<u>2,981</u>	<u>2,981</u>
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Unquoted equity shares relates to a 33.3% (2012: 33.3%) equity interest in a Korean incorporated company, whose principal activities are those of the construction, operation and collection of tolls for expressway. This company was formed pursuant to a joint venture agreement between 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.

16. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2013 \$'000	2012 \$'000
Deferred tax assets:		
Balance at 1 January	486	486
Credit to statement of comprehensive income (Note 8)	832	–
Balance at 31 December	<u>1,318</u>	<u>486</u>
Deferred tax liabilities:		
Balance at 1 January	(2,221)	(3,664)
(Charge)/credit to statement of comprehensive income (Note 8)	(336)	1,443
Balance at 31 December	<u>(2,557)</u>	<u>(2,221)</u>
Net deferred tax liabilities	<u>(1,239)</u>	<u>(1,735)</u>
Deferred tax as at 31 December related to the following:		
Deferred tax assets:		
Differences in depreciation for tax purposes	(678)	–
Unutilised tax losses	1,357	486
Unutilised investment and capital allowances	465	–
Others	174	–
Gross deferred tax assets	<u>1,318</u>	<u>486</u>
Deferred tax liabilities:		
Differences in depreciation for tax purposes	(1,526)	(2,008)
Income taxed on completion basis for development properties	(1,459)	(197)
Unutilised tax losses	428	–
Others	–	(16)
Gross deferred tax liabilities	<u>(2,557)</u>	<u>(2,221)</u>
Net deferred tax liabilities	<u>(1,239)</u>	<u>(1,735)</u>

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17. TRADE RECEIVABLES

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Non-current:				
Retention receivables	11,580	7,867	–	–
Current:				
Contract receivables	83,277	51,796	–	–
Less: Allowance for doubtful receivables	(3,120)	(1,430)	–	–
	80,157	50,366	–	–
Retention receivables	4,786	6,846	–	–
Less: Allowance for doubtful receivables	(172)	(520)	–	–
	4,614	6,326	–	–
Total current receivables	84,771	56,692	–	–
Total trade receivables	96,351	64,559	–	–
Add:				
– Loans to an associate (Note 18)	31,286	–	–	–
– Amounts due from subsidiaries (Note 19)	–	–	18,685	22,973
– Other receivables (Note 23)	3,633	2,743	610	54
– Pledged deposits (Note 24)	3,552	3,442	–	–
– Cash and cash equivalents (Note 24)	20,192	47,835	804	587
Total loans and receivables	155,014	118,579	20,099	23,614
Write-off of trade receivables directly to statement of comprehensive income (Note 7)	3	–	–	–

Retention receivables

Included in retention receivables is an amount due from a joint venture for \$642,000 (2012: \$642,000). Retention receivables from external parties and a joint venture are non-interest bearing, unsecured and relate to construction contracts.

17. TRADE RECEIVABLES (continued)**Contract receivables**

Contract receivables are non-interest bearing and are generally on 30 to 90 days' (2012: 30 to 90 days') terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

Included in contract receivables is an amount due from a joint venture (net) for \$1,133,000 (2012: \$851,000). The amount is non-interest bearing, unsecured and is generally on 30 to 90 days' (2012: 30 to 90 days') terms. The amount is to be settled in cash.

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to \$9,281,000 (2012: \$4,391,000) 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	
	2013	2012
	\$'000	\$'000
Trade receivables past due:		
Lesser than 30 days	5,277	844
30 to 60 days	338	415
61 to 90 days	1,568	344
91 to 120 days	1,899	624
More than 120 days	199	2,164
	<u>9,281</u>	<u>4,391</u>
Trade receivables that are impaired		
Trade receivables – nominal amounts	3,292	1,950
Less: Allowance for doubtful receivables	<u>(3,292)</u>	<u>(1,950)</u>
	<u>–</u>	<u>–</u>

Trade 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.

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17. TRADE RECEIVABLES (continued)

Allowance for doubtful receivables

Analysis of allowance for doubtful receivables are as follows:

	Group	
	2013	2012
	\$'000	\$'000
<i>Contract receivables</i>		
Balance at 1 January	1,430	1,475
Charge to statement of comprehensive income	2,436	1,128
Write-back to statement of comprehensive income	(688)	(1,120)
Net exchange differences	(58)	(53)
Balance at 31 December	3,120	1,430
<i>Retention receivables</i>		
Balance at 1 January	520	628
Charge to statement of comprehensive income	52	142
Write-back to statement of comprehensive income	(380)	(250)
Written off against allowance	(20)	–
Balance at 31 December	172	520
Total allowance for doubtful receivables	3,292	1,950

Trade receivables and payables subject to offsetting arrangements

The Group's trade receivables and payables in the Statement of financial position as at 31 December that can be subject to offsetting arrangements are as follows:

	Note	Gross carrying amounts	Gross amounts offset	Net amounts
		\$'000	\$'000	\$'000
2013				
Trade receivables – third party	a	16,817	(2,625)	14,192
Trade receivables – joint venture	b	5,133	(4,000)	1,133
Trade payables	c	(6,425)	3,496	(2,929)
2012				
Trade receivables	a	5,779	(987)	4,792
Trade payables	c	(1,780)	731	(1,049)

17. TRADE RECEIVABLES (continued)

Trade receivables and payables subject to offsetting arrangements (continued)

- (a) The Group purchased construction raw materials from its customer for project purposes. The customer has an arrangement to settle the net amounts payable to the Group on a 60 days' (2012: 60 days') term basis.
- (b) The Group has an arrangement with its joint venture to offset outstanding amounts for piling work performed against share of losses in the joint venture.
- (c) Suppliers purchased construction raw materials from the Group via a customer for project purposes. The Group has an arrangement to settle the net amounts payable to these suppliers on a 30 to 60 days' (2012: 30 to 60 days') term basis.

18. LOANS TO AN ASSOCIATE

	Group	
	2013	2012
	\$'000	\$'000
Loans to an associate (non-current)	31,286	–

In 2013, loans to an associate of the Group, Lakehomes Pte. Ltd. ("LKH") are non-trade, unsecured, non-interest bearing and are to be settled in cash. The purpose of the loans are to part finance the land acquisition, development charge and construction costs of a property development project undertaken by LKH. The loans are not expected to be repaid within 12 months from the statement of financial position date.

The loans were discounted using the current market rates for similar instruments and the differences between the loan amounts and then fair values were treated as additional investment in the associate.

19. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2013	2012
	\$'000	\$'000
Amounts due from subsidiaries	18,731	23,019
Less: Allowance for doubtful receivables	(46)	(46)
	<u>18,685</u>	<u>22,973</u>
Amounts due to subsidiaries	<u>(10,287)</u>	<u>(10,405)</u>

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

Analysis of allowance for doubtful receivables is as follows:

	Company	
	2013	2012
	\$'000	\$'000
Balance at 1 January and 31 December	<u>46</u>	<u>46</u>



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20. DEVELOPMENT PROPERTIES

	Group	
	2013	2012
	\$'000	\$'000
Land and related costs	87,586	87,155
Construction costs	15,093	2,144
Interest costs	1,248	400
Stamp duties	2,575	2,685
Others	5,205	3,228
	<u>111,707</u>	<u>95,612</u>
Add: Attributable profits	8,581	–
Less: Progress billings	(49,187)	(33,652)
	<u>71,101</u>	<u>61,960</u>
(i) Interest capitalised during the financial year at an average rate of 1.72% (2012: 1.70%) paid/payable to financial institutions	<u>849</u>	<u>661</u>
(ii) Land with carrying amount of \$86,000,000 (2012: \$86,000,000) is pledged to the bank in respect of the Group's long term borrowings (Note 27).		

Details of development properties:

Description and location	%	Site	Gross	Stage of completion
	owned	area	floor	as at 31 December 2013
		(sq.m)	area	(expected year of
			(sq.m)	completion)
<i>Bliss @Kovan</i>				
A 5-storey condominium development on Nos. 2A/B/C/D Simon Lane, Singapore	100%	9,110	14,030	28% (2015) (2012: 5% (2015))

21. GROSS AMOUNT DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK-IN-PROGRESS

	Group	
	2013	2012
	\$'000	\$'000
Contract costs to date	632,565	375,346
Recognised profits	20,261	20,938
Less: Provision for foreseeable losses	(4,800)	(2,338)
Aggregate amount of costs incurred and recognised profits less recognised losses to date	648,026	393,946
Less: Progress billings	(630,418)	(378,893)
	<u>17,608</u>	<u>15,053</u>
Presented as:		
Gross amount due from customers for contract work-in-progress	42,882	32,720
Gross amount due to customers for contract work-in-progress	(25,274)	(17,667)
	<u>17,608</u>	<u>15,053</u>
Advances received from customers (included in trade payables)	3,156	4,819
Retention sums on construction contract (included in trade receivables)	16,194	14,193

Provision for foreseeable losses

Analysis of provision for foreseeable losses is as follows:

	Group	
	2013	2012
	\$'000	\$'000
Balance at 1 January	2,338	2,109
Charge to statement of comprehensive income	2,462	229
Balance at 31 December	<u>4,800</u>	<u>2,338</u>

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22. INVENTORIES

	Group	
	2013	2012
	\$'000	\$'000
Statement of financial position:		
Construction materials, at cost	3,242	2,283
Statement of comprehensive income:		
Construction materials recognised as expenses in cost of sales (Note 7)	95,894	71,043

23. OTHER RECEIVABLES

	Group		Company	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Other deposits	1,476	1,190	–	–
Other receivables	803	404	526	–
Other recoverables	691	259	–	–
Amount due from a joint venture	398	721	–	–
Amounts due from associates	213	130	84	54
Staff loans	52	39	–	–
	<u>3,633</u>	<u>2,743</u>	<u>610</u>	<u>54</u>

Amounts due from associates/joint venture

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

24. CASH AND CASH EQUIVALENTS/PLEGGED DEPOSITS

	Group		Company	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Cash at bank and in hand	11,795	14,771	804	587
Fixed deposits	11,949	36,506	–	–
	<u>23,744</u>	<u>51,277</u>	<u>804</u>	<u>587</u>

Fixed deposits are mainly short-term deposits made for varying periods of approximately less than one to twelve months depending on the immediate cash requirements of the Group, and bears interest ranging from 0.2% to 3.1% (2012: 0.1% to 3.2%) per annum during the year.

As at 31 December 2013, cash at bank of the Group of \$295,000 (2012: \$285,000) are denominated in United States Dollar.

24. CASH AND CASH EQUIVALENTS/PLEGGED DEPOSITS *(continued)*

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

	Group	
	2013 \$'000	2012 \$'000
Cash and fixed deposits	23,744	51,277
Less: Pledged deposits	(3,552)	(3,442)
Cash and cash equivalents	<u>20,192</u>	<u>47,835</u>

Pledged fixed deposits include \$2,552,000 (2012: \$2,442,000) placed as security for banking facilities granted to a subsidiary by banks (Note 27) and \$1,000,000 (2012: \$1,000,000) for the issue of a performance bond by a bank.

Note to the consolidated statement of cash flows

	Group	
	2013 \$'000	2012 \$'000
Purchase of property, plant and equipment (Note 10)	10,834	5,837
Less: Finance leases	(628)	(4,324)
Cash payments to acquire property, plant and equipment	<u>10,206</u>	<u>1,513</u>

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Non-current:				
Trade payables	<u>9,494</u>	<u>4,872</u>	<u>–</u>	<u>–</u>
Current:				
Trade payables	76,854	47,945	–	–
Other payables	5,922	6,768	89	153
	<u>82,776</u>	<u>54,713</u>	<u>89</u>	<u>153</u>
Total trade and other payables	92,270	59,585	89	153
Add:				
– Amounts due to subsidiaries (Note 19)	–	–	10,287	10,405
– Other liabilities (Note 26)	5,911	4,167	2,236	1,451
– Loans and borrowings (Note 27)	55,878	59,563	4,920	–
	<u>154,059</u>	<u>123,315</u>	<u>17,532</u>	<u>12,009</u>
Less:				
– Finance leases (Note 27)	(3,688)	(6,424)	–	–
– Accrued staff costs (Note 26)	(3,764)	(2,599)	(1,830)	(1,099)
Total financial liabilities carried at amortised cost	<u>146,607</u>	<u>114,292</u>	<u>15,702</u>	<u>10,910</u>

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25. TRADE AND OTHER PAYABLES (continued)

Trade payables

Trade payables are non-interest bearing and are generally on 30 to 90 days' (2012: 30 to 90 days') terms.

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

	Group		Company	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
United States Dollar	903	707	–	–
Euro	44	–	–	–
Malaysian Ringgit	3	56	–	–
Hong Kong Dollar	–	32	–	–
Australian Dollar	–	18	–	–
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

26. OTHER LIABILITIES

	Group		Company	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Accrued operating expenses	693	690	377	352
Accrued staff costs	3,764	2,599	1,830	1,099
Deposits	752	526	29	–
Workers' retention	316	352	–	–
Loan from a director of a subsidiary	386	–	–	–
	<u>5,911</u>	<u>4,167</u>	<u>2,236</u>	<u>1,451</u>

In 2013, loan from a director of a subsidiary is unsecured, non-interest bearing, repayable on demand and is to be settled in cash.

27. LOANS AND BORROWINGS

	Group		Company	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Non-current:				
Finance leases	1,730	3,296	–	–
Long term borrowings (secured)	3,280	52,400	3,280	–
	<u>5,010</u>	<u>55,696</u>	<u>3,280</u>	<u> </u>
Current:				
Finance leases	1,959	3,128	–	–
Bankers' acceptances (secured)	2,869	739	–	–
Current portion of long term borrowings (secured)	46,040	–	1,640	–
	<u>50,868</u>	<u>3,867</u>	<u>1,640</u>	<u> </u>
Total loans and borrowings	<u>55,878</u>	<u>59,563</u>	<u>4,920</u>	<u> </u>

27. LOANS AND BORROWINGS *(continued)*

The Group has undrawn loans and guarantee facilities of \$49,375,000 (2012: \$51,449,000) that may be available in the future for operating activities, settling capital commitments and issuing of guarantees. There is no restriction for the Group to use these facilities.

Finance leases

The Group has finance leases for certain items of plant and equipment and motor vehicles.

Finance leases are secured by charges over plant and equipment and motor vehicles (Note 10). In addition, finance leases of \$1,789,000 (2012: \$3,505,000) are secured by a corporate guarantee from the Company. The average discount rate implicit in the leases is 2.6% to 7.0% (2012: 2.4% to 7.0%) per annum.

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

	2013 \$'000		2012 \$'000	
	Minimum lease payments	Present value of payments	Minimum lease payments	Present value of payments
Group				
Not later than one year	2,043	1,959	3,300	3,128
Later than one year but not later than five years	1,815	1,730	3,436	3,296
Total minimum lease payments	3,858	3,689	6,736	6,424
Less: Amounts representing finance charges	(169)	–	(312)	–
Present value of minimum lease payments	3,689	3,689	6,424	6,424

Long term borrowings

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Non-current:				
Term loan 1	–	52,400	–	–
Term loan 2	3,280	–	3,280	–
	3,280	52,400	3,280	–
Current:				
Term loan 1	44,400	–	–	–
Term loan 2	1,640	–	1,640	–
	46,040	–	1,640	–
Total long term borrowings	49,320	52,400	4,920	–

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27. LOANS AND BORROWINGS (continued)

Term loan 1

Term loan 1 is a Singapore dollar denominated loan of up to \$68,800,000 secured in 2011 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 8 October 2014, whichever is the earlier.

The average interest rate was 1.72% (2012: 1.74%) per annum and is secured by land with a carrying amount of \$86,000,000 (2012: \$86,000,000) (Note 20) and a corporate guarantee from the Company.

Term loan 2

Term loan 2 is a Singapore dollar denominated loan of up to \$4,920,000 secured in 2013 to finance the purchase of leasehold land for warehousing and provision of engineering services for the Group. The loan is repayable in 12 equal quarterly instalments commencing on 17 March 2014.

The average interest rate was 1.80% per annum and is secured by the leasehold land with a carrying amount of \$8,313,000 (Note 10) and corporate guarantees from two subsidiaries.

28. SHARE CAPITAL

	Group and Company			
	2013		2012	
	No. of shares		No. of shares	
	'000	\$'000	'000	\$'000
Issued and fully paid:				
Balance at 1 January and 31 December	308,210	43,967	308,210	43,967

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.

29. TREASURY SHARES

	Group and Company			
	2013		2012	
	No. of shares		No. of shares	
	'000	\$'000	'000	\$'000
Balance at 1 January	(1,812)	(416)	(2,438)	(601)
Acquired during the financial year	(1,089)	(296)	(544)	(125)
Reissued pursuant to employee share plan	1,280	262	1,170	310
Balance at 31 December	(1,621)	(450)	(1,812)	(416)

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

The Company acquired 1,089,000 (2012: 544,000) 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 \$296,000 (2012: \$125,000) and this was presented as a component within shareholders' equity.

30. SHARE PLAN RESERVE

	Group and Company			
	2013		2012	
	No. of shares		No. of shares	
	'000	\$'000	'000	\$'000
Balance at 1 January	1,280	135	1,170	166
Performance shares granted	1,410	299	1,280	279
Reissued pursuant to employee share plan	(1,280)	(262)	(1,170)	(310)
Balance at 31 December	<u>1,410</u>	<u>172</u>	<u>1,280</u>	<u>135</u>

In 2013, 1,410,000 (2012: 1,280,000) performance shares were granted to eligible employees. The performance shares granted will be released via two tranches in 2014 subject to the completion of service and the achievement of prescribed performance targets.

31. DIVIDENDS

	Group and Company	
	2013	2012
	\$'000	\$'000
Declared and paid during the financial year:		
First and final (tax exempt one-tier) dividend for 2012 of 1.2 cents (2011: 0.8 cents) per ordinary share	<u>3,684</u>	<u>2,447</u>
Proposed but not recognised as a liability as at 31 December:		
First and final (tax exempt one-tier) dividend for 2013 of 0.8 cents (2012: 0.8 cents) per ordinary share	2,453	2,451
Special (tax exempt one-tier) dividend for 2013 of Nil cents (2012: 0.4 cents) per ordinary share	–	1,226
	<u>2,453</u>	<u>3,677</u>

Proposed dividend per ordinary share for 2013 is based on 306,589,418 (2012: 306,398,418) shares (excluding treasury shares) as disclosed in Notes 28 and 29.

32. 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	
	2013	2012
	\$'000	\$'000
Capital commitments in respect of: Property, plant and equipment	<u>453</u>	<u>695</u>

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32. COMMITMENTS AND CONTINGENCIES (continued)

(b) Operating lease commitments – as lessor

The Group has entered into various non-cancellable lease commitments in respect of office premises for a period of up to 3 years. 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 income recognised in the statement of comprehensive income during the year amounted to \$1,010,000 (2012: \$893,000).

Future minimum rental receivable under non-cancellable operating leases as at 31 December are as follows:

	Group	
	2013	2012
	\$'000	\$'000
Not later than one year	883	1,040
Later than one year but not later than five years	232	1,043
	<u>1,115</u>	<u>2,083</u>

(c) Operating lease commitments – as lessee

The Group has entered into various non-cancellable lease commitments in respect of office premises, buildings and equipment for a period of up to 8 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 \$1,866,000 (2012: \$1,892,000).

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

	Group		Company	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Not later than one year	2,834	2,131	679	–
Later than one year but not later than five years	4,874	2,201	3,109	–
Later than five years	595	–	370	–
	<u>8,303</u>	<u>4,332</u>	<u>4,158</u>	<u>–</u>

(d) Contingent liabilities

	Group		Company	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Corporate guarantees given to banks for credit facilities granted	1,936	4,463	4,950	4,245
	<u>1,936</u>	<u>4,463</u>	<u>4,950</u>	<u>4,245</u>

32. COMMITMENTS AND CONTINGENCIES (continued)(d) **Contingent liabilities** (continued)

The Company provided corporate guarantees to banks as securities for credit facilities granted to subsidiaries. The subsidiaries have utilised the credit facilities of \$4,950,000 (2012: \$4,245,000) as of 31 December 2013.

The Group provided the following corporate guarantees:

- (i) KRW 1,626,666,666 (2012: KRW 1,626,666,666) equivalent to S\$1,936,000 (2012: S\$1,871,000) as security for bank loan granted to a Korean incorporated company that is due to mature in May 2014 (Note 15); and
- (ii) In 2012, \$2,592,000 as security for bank loan was granted to an associate of the Group. The loan was fully repaid during the year.

33. EMPLOYEE BENEFITS

	Group	
	2013	2012
	\$'000	\$'000
Employee benefits expense (including executive directors)		
– Salaries and bonuses	35,905	30,527
– Central Provident Fund	5,273	3,747
– Share-based compensation	299	279
– Others	1,242	1,075
	<u>42,719</u>	<u>35,628</u>

Employee benefits expenses capitalised during the year under contract work-in-progress amounted to \$31,471,000 (2012: \$24,269,000).

34. DIRECTORS' REMUNERATION

The number of directors in remuneration bands are as follows:

	Company	
	2013	2012
\$500,000 and above	1	1
\$250,000 to \$499,999	–	–
Below \$250,000	5	5
	<u>6</u>	<u>6</u>

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35. 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	
	2013	2012
	\$'000	\$'000
Dividends received from an associate	(15,120)	–
Construction contract revenue from a joint venture	(6,961)	(5,527)
Engineering services income from a joint venture	(405)	(355)
Loan from a director of a subsidiary	(386)	–
Project management fees income from a related party	(114)	(111)
Engineering services income from an associate	(87)	–
Finance services income from an associate	(40)	–
Licence fees income from an associate	(32)	(40)
Management fees income from an associate	(28)	(28)
Rental income from associate and joint venture	–	(35)
Engineering services fees to an associate	884	409
License fees to a related party	153	181
Professional fees to a firm in which a director has an interest	60	60

(b) Compensation of key management personnel

	Group	
	2013	2012
	\$'000	\$'000
Short-term employee benefits	3,649	4,213
Central Provident Fund	85	61
Share-based compensation	160	257
	<u>3,894</u>	<u>4,531</u>
Comprise amounts paid/payable to:		
– Directors of the Company	2,099	2,721
– Other key management personnel	1,795	1,810
	<u>3,894</u>	<u>4,531</u>

36. 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.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

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.

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			
	2013		2012	
	\$'000	% of total	\$'000	% of total
By country:				
Singapore	79,378	82.38	49,042	75.96
Malaysia	16,973	17.62	15,517	24.04
	<u>96,351</u>	<u>100.00</u>	<u>64,559</u>	<u>100.00</u>

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 17 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.

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(b) **Liquidity risk** *(continued)*

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

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

	Within 1 year	2 - 5 Years	Total
	\$'000	\$'000	\$'000
2013			
Financial assets:			
Loans to an associate	–	33,676	33,676
Trade receivables	84,771	11,580	96,351
Other receivables	3,633	–	3,633
Pledged deposits	3,552	–	3,552
Cash and cash equivalents	20,192	–	20,192
Total undiscounted financial assets	112,148	45,256	157,404
Financial liabilities:			
Trade and other payables	82,776	9,494	92,270
Other liabilities	5,911	–	5,911
Finance leases	2,043	1,814	3,857
Long term borrowings	46,725	3,369	50,094
Total undiscounted financial liabilities	137,455	14,677	152,132
Total net undiscounted financial (liabilities)/assets	(25,307)	30,579	5,272
	Within 1 year	2 - 5 Years	Total
	\$'000	\$'000	\$'000
2012			
Financial assets:			
Trade receivables	56,692	7,867	64,559
Other receivables	2,743	–	2,743
Pledged deposits	3,442	–	3,442
Cash and cash equivalents	47,835	–	47,835
Total undiscounted financial assets	110,712	7,867	118,579
Financial liabilities:			
Trade and other payables	54,713	4,872	59,585
Other liabilities	4,167	–	4,167
Finance leases	3,300	3,436	6,736
Long term borrowings	844	53,033	53,877
Total undiscounted financial liabilities	63,024	61,341	124,365
Total net undiscounted financial assets/(liabilities)	47,688	(53,474)	(5,786)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(c) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group'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. Surplus funds are placed with reputable banks.

Sensitivity analysis for interest rate risk

At the statement of financial position date, if interest rates had been 10% (2012: 10%) lower/higher with all other variables held constant, the Group's profit before taxation would have been \$112,000 (2012: \$118,000) 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 does not consider foreign exchange risk arising from Euro, Malaysian Ringgit and Hong Kong Dollar to be significant.

The Group also holds cash at bank denominated in foreign currencies for working capital purposes. Such foreign currency balances for the Group are detailed in Note 24.

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 taxation to a reasonably possible change in the USD exchange rates (against SGD), with all other variables held constant:

	Group	
	2013	2012
	\$'000	\$'000
USD – strengthened 5% (2012: 5%)	-30	-21
USD – weakened 5% (2012: 5%)	+30	+21

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37. 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 2013 and 2012. There is no external capital requirement imposed by a regulator or a prudential supervisor.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, trade and other payables, and other liabilities less cash and fixed deposits. Capital includes equity attributable to the equity holders of the parent.

	Group	
	2013	2012
	\$'000	\$'000
Trade and other payables (Note 25)	92,270	59,585
Other liabilities (Note 26)	5,911	4,167
Loans and borrowings (Note 27)	55,878	59,563
Less: Cash and fixed deposits (Note 24)	(23,744)	(51,277)
<i>Net debt</i>	<u>130,315</u>	<u>72,038</u>
Equity attributable to the equity holders of the parent	<u>125,639</u>	<u>107,545</u>
<i>Total capital</i>	<u>125,639</u>	<u>107,545</u>
Capital and net debt	<u>255,954</u>	<u>179,583</u>
Gearing ratio	<u>51%</u>	<u>40%</u>

38. 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 has carried other investment at cost, less impairment loss (Note 15).

The Group do not have financial assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition.

Financial instruments whose carrying amounts approximate fair value

Non-current trade receivables and trade payables (Note 17 and 25)

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 2013 and 2012.

38. FAIR VALUES OF FINANCIAL INSTRUMENTS *(continued)*

Financial instruments whose carrying amounts approximate fair value *(continued)*

Current trade and other receivables and payables (Note 17, 23 and 25), other liabilities (excluding accrued staff costs) (Note 26), cash and fixed deposits (Note 24) and amounts due from/(to) subsidiaries (Note 19)

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

Loans to an associate (Note 18) and loans and borrowings at floating rate and finance leases (Note 27)

The carrying amount of these financial instruments are reasonable approximation of fair values estimated by discounting expected future cash flows at market incremental lending rate for similar types of arrangements at the statement of financial position date. These are based on significant unobservable inputs (level 3).

There were no significant differences between the fair values and the carrying amounts of the loans to an associate and loans and borrowings of the Group as at 31 December 2013 and 2012.

39. SEGMENT INFORMATION

Business information

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

Specialised engineering

This segment is in the business of post-tensioning, installation of stay cable systems for structural engineering applications, piling and foundation systems, heavy lifting, bridge design and construction, maintenance, strengthening 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.

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39. SEGMENT INFORMATION (continued)

(a) Analysis by business segment

	Specialised engineering \$'000	General construction \$'000	Property development \$'000	Total \$'000
2013				
Revenue				
External revenue	111,971	273,055	41,197	462,223
Inter-segment revenue	37,058	13,170	–	50,228
Total revenue	<u>149,029</u>	<u>286,225</u>	<u>41,197</u>	<u>476,451</u>
Results:				
Interest income	117	44	87	248
Interest expense	231	36	15	282
Depreciation of property, plant and equipment	3,578	977	6	4,561
Share of results of associates	261	–	4,822	5,083
Share of results of a joint venture	–	(4,000)	–	(4,000)
Other non-cash items:				
Allowance/(write-back of allowance) for doubtful receivables, net	1,713	(293)	–	1,420
Impairment loss on property, plant and equipment	323	–	–	323
Share based compensation expense	85	124	12	221
Segment profit before taxation	8,487	5,308	10,500	24,295
Income tax expense/(credit)	<u>373</u>	<u>(107)</u>	<u>618</u>	<u>884</u>
Assets				
Investments in associates	1,113	–	8,053	9,166
Additions to property, plant and equipment	1,745	636	8	2,389
Segment assets	<u>64,715</u>	<u>120,552</u>	<u>117,098</u>	<u>302,365</u>
Segment liabilities	<u>41,306</u>	<u>88,519</u>	<u>47,784</u>	<u>177,609</u>

39. SEGMENT INFORMATION (continued)(a) **Analysis by business segment** (continued)

	Specialised engineering \$'000	General construction \$'000	Property development \$'000	Total \$'000
2012				
Revenue				
External revenue	84,699	131,481	58,027	274,207
Inter-segment revenue	11,927	25,899	–	37,826
Total revenue	<u>96,626</u>	<u>157,380</u>	<u>58,027</u>	<u>312,033</u>
Results:				
Interest income	60	102	54	216
Interest expense	150	77	712	939
Depreciation of property, plant and equipment	2,840	1,080	–	3,920
Share of results of associates	332	(2)	1,153	1,483
Share of results of a joint venture	–	(1,000)	–	(1,000)
Other non-cash items:				
(Write-back of allowance)/ allowance for doubtful receivables, net	(158)	58	–	(100)
Fair value gain on derivatives	–	–	(420)	(420)
Share based compensation expense	86	100	6	192
Segment profit before taxation	11,184	2,112	6,114	19,410
Income tax expense/(credit)	<u>2,091</u>	<u>(638)</u>	<u>(384)</u>	<u>1,069</u>
Assets				
Investments in associates	853	–	15,610	16,463
Additions to property, plant and equipment	3,748	1,741	–	5,489
Segment assets	<u>58,206</u>	<u>95,334</u>	<u>100,860</u>	<u>254,400</u>
Segment liabilities	<u>33,981</u>	<u>54,319</u>	<u>56,194</u>	<u>144,494</u>

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39. SEGMENT INFORMATION (continued)

(a) Analysis by business segment (continued)

Reconciliations of reported segment revenue, profit before taxation, assets, liabilities and other material items

	2013 \$'000	2012 \$'000
Revenue		
Total revenues for reportable segments	476,451	312,033
Management fee from an associate	28	28
Elimination of intersegment revenue	(50,228)	(37,826)
	<u>426,251</u>	<u>274,235</u>
Profit before taxation		
Total profit before taxation for reportable segments	24,295	19,410
Management fee from an associate	28	28
Unallocated amounts:		
Other corporate income	3,022	8
Other corporate expenses	(4,389)	(4,910)
	<u>22,956</u>	<u>14,536</u>
Assets		
Total assets for reportable segments	302,365	254,400
Other unallocated amounts	10,017	974
	<u>312,382</u>	<u>255,374</u>
Liabilities		
Total liabilities for reportable segments	177,609	144,494
Other unallocated amounts	7,291	1,644
	<u>184,900</u>	<u>146,138</u>

Other material items	2013			2012		
	Reportable segment totals	Adjustments	Entity totals	Reportable segment totals	Adjustments	Entity totals
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	248	13	261	216	2	218
Depreciation of property, plant and equipment	4,561	200	4,761	3,920	48	3,968
Share based compensation expense	221	78	299	192	87	279
Additions to property, plant and equipment	2,389	8,445	10,834	5,489	348	5,837
Income tax expense	884	44	928	1,069	60	1,129

39. SEGMENT INFORMATION (continued)(b) **Analysis by geographical segment**

	Revenue		Non-current assets	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
<u>Countries</u>				
Singapore	381,843	238,893	76,379	43,497
Malaysia	44,408	35,342	5,113	4,056
Others	–	–	129	146
	<u>426,251</u>	<u>274,235</u>	<u>81,621</u>	<u>47,699</u>

Information about a major customer

Revenue from one major customer amount to \$125,866,000 (2012: \$39,053,000) arising from specialised engineering, provision of building works and civil engineering services.

40. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2013 were authorised for issue in accordance with a resolution of the directors on 25 March 2014.

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 (Principles 1 and 2)

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
Mr. Marcel Poser (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.

The number of Board and other committee meetings held in financial year 2013 and the attendance of each Board member at those meetings were as follows:

	Board	AC	RC	NC
Number of meetings held	6	4	1	1
Name of Director				
Tan Kheng Hwee Andrew	6	N.A.	N.A.	N.A.
Bruno Sergio Valsangiacomo	6	N.A.	1	N.A.
Peter Michael Ekberg	6	N.A.	N.A.	N.A.
Prof. Yong Kwet Yew	6	4	1	1
Luk Ka Lai Carrie	6	4	1	1
Soh Gim Teik	6	4	N.A.	1

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.

Training and Development Programmes

Every new Director will receive appropriate orientation training and in-depth briefings by senior management on the Group's structure, business units, operations and policies when he/she is first appointed to the Board. This is to ensure that each incoming Director is familiar with the Company's business and governance practice.

During the year, the Directors were kept informed and updated of the following:

- developments in accounting and governance standards;
- Group strategies and industry trends and developments in the construction and property development businesses; and
- relevant new laws, regulations and changing commercial risks.

The updates and briefings were facilitated via attendance at conferences conducted by external trainers, circulation of memoranda by Ernst & Young LLP and the Company, including briefings at Board and AC meetings.

Although the Company does not specifically set aside a training budget for directors, Directors are encouraged to attend training courses and conferences conducted by professional organisations or institutions to keep abreast of changing laws, regulations and financial reporting standards, at the Company's expense.

ACCESS TO INFORMATION (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 and board committee 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 (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 ("CEO");
- (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; and
- (f) ensuring effective communication with shareholders.

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

AUDIT COMMITTEE (Principle 11)

The Audit Committee ("AC") 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 2013.

The duties and responsibilities of the AC include those described in the Companies Act, Chapter 50 and the Code of Corporate Governance.

The AC 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 CEO and the Chief Financial Officer ("CFO") were invited to attend meetings of the AC to report and brief the Committee on the financial and operational performance of the Group and answer queries raised by the Committee.

The AC has reviewed and is satisfied that the external auditors have not provided any non-audit services to the Group during the financial year 2013 that will prejudice their independence and objectivity.



CORPORATE GOVERNANCE

The AC has nominated the external auditors, Messrs. Ernst & Young LLP, for re-appointment as auditors of the Company at the Annual General Meeting ("AGM"). The nomination of Messrs. Ernst & Young LLP is in compliance with Rules 712 and Rule 715 of the Mainboard Listing Rules of the SGX-ST.

The Company's internal audit function is out-sourced to One e-Risk Services Pte Ltd. Their appointment, removal, evaluation and compensation is approved by the AC. The Company has given the internal auditors full access to its documents, records, premises and personnel in the course of their work.

The AC meets the external 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. There have been no reported incidents pertaining to whistle-blowing for the financial year 2013.

RISK MANAGEMENT AND INTERNAL CONTROLS (Principle 12)

In 2013, the Board established a Risk Management Committee ("RMC") which reports to the AC to oversee all aspects of risk governance. The RMC has developed BBR's enterprise risk register, which involved identifying and evaluating key business risks, likely consequences should the event occur and mitigating controls in place to manage these risks. More importantly, the RMC's role is to constantly monitor identified risks and pre-empt new risks in a dynamic operating environment.

The members of the RMC comprises BBR's senior management. Two (2) RMC meetings were conducted during the financial year 2013.

The Risk Management Report is found on pages 113 to 116.

The Board and the AC are satisfied that there are adequate material internal controls in place for the Group to address financial, operational, compliance and information technology risks after considering the following:

- The Board, through the AC, is responsible for oversight of the risk management responsibilities, internal controls and governance processes delegated to management;
- Internal auditors ("IA") plans its internal audit schedules independently in consultation with the management. The IA Plan is submitted to the AC for approval at the beginning of each year. The AC also meets with the IA at least once a year without the presence of the management to gather feedback on management's level of cooperation and other matters that warrant the AC's attention. All IA reports are submitted to the AC for deliberation with copies of these reports extended to the relevant senior management for prompt corrective actions as recommended. Furthermore, IA's summary of findings, recommendations and updates on management actions taken are discussed at the quarterly AC meetings together with the external auditors;
- The AC reviews the audit plans of the external auditors of the Company and ensures the adequacy of controls for the accounting system. The AC held discussions with the management and the auditors on the observations of the auditors in the management letter. The AC was generally satisfied with the management's responses during the discussions and suggested improvements where appropriate;
- The AC reviews the quarterly and annual financial statements and the auditors' report on the annual financial statements of the Group and the Company together with the external auditors and management before their submission to the Board of Directors;
- The AC evaluates the effectiveness of the Group and the Company's material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the IA and observations of the external auditors;

- The AC reviews interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited (SGX-ST)'s Listing Manual;
- The AC and the Board are satisfied that policies and procedures for key business processes had been established. These include ISO procedures, conflict of interest policy and a whistle blowing mechanism; and
- For financial year 2013, the CEO and CFO have given their assurance on the integrity of the financial statements of the Group and the Company and that the financial statements give a true and fair view of the state of affairs of the Group and the Company, and an effective risk management and internal control system has been put in place.

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 system of internal controls 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.

INTERNAL AUDIT (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 One e-Risk Services Pte Ltd.

The IA report primarily to the AC.

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

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

NOMINATION COMMITTEE (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 the financial year 2013 to advise and recommend re-election of retiring directors. The duties and responsibilities of the NC include those described in the Code of Corporate Governance.

The Board does not set a maximum limit on the number of listed companies' board representations for its Directors. Notwithstanding that some of the Board members have multiple board representations, the NC is satisfied that the Directors have shown commitment and devoted sufficient time in discharging their responsibilities adequately towards the Group.

The Board and NC have reviewed the independence of Ms. Luk Ka Lai Carrie, Prof. Yong Kwet Yew and Mr. Soh Gim Teik and are satisfied that there are no relationships identified by the Code of Corporate Governance in the current and last financial year which would deem any of them not to be independent. The independent directors are also independent of the substantial shareholders and 10% shareholders of the Company.



CORPORATE GOVERNANCE

The Company has adopted the recommendations set out in 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.

Name	Date of First Appointment	Date of Last Re-election/ Re-appointment
Mr. Tan Kheng Hwee Andrew	01/04/1994	26/04/2013
Mr. Bruno Sergio Valsangiacomo	11/02/1997	28/04/2011
Prof. Yong Kwet Yew	19/08/1997	28/04/2011
Ms. Luk Ka Lai Carrie	24/09/1997	27/04/2012
Mr. Soh Gim Teik	08/08/2008	27/04/2012
Mr. Peter Michael Ekberg	28/04/2009	26/04/2013
Mr. Marcel Poser (alternate to Mr. Peter Michael Ekberg)	04/08/2011	–

All retiring directors are subject to an assessment by their peers and NC on factors such as level of participation and effectiveness at meetings, depth of industry experience and business knowledge. Based on the assessment collated, the NC would recommend re-election of the retiring directors at each AGM. In accordance with the Articles of Association of the Company, the following Directors are due to retire pursuant to Article 117 at the forthcoming Twentieth AGM:

Mr. Bruno Sergio Valsangiacomo
Prof. Yong Kwet Yew

The NC has recommended Mr. Bruno Sergio Valsangiacomo and Prof. Yong Kwet Yew (with Prof. Yong Kwet Yew abstaining from the evaluation and voting of his own nomination) for re-election as Directors of the Company at the forthcoming AGM. In making its recommendations, the NC evaluates their contributions and performance at the Board, participation and any special contributions.

If re-elected at the forthcoming AGM, 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 forthcoming AGM, 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 AC. Prof. Yong Kwet Yew has served as an Independent Director of the Company for more than nine years. However, the NC (save for Prof. Yong Kwet Yew) has assessed and satisfied that he is independent in character and judgement; his long services as an Independent Director is a great asset to the Company due to his familiarity of the industry and the Group's businesses.

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.

Mr. Marcel Poser has been appointed an alternate director to Mr. Peter Michael Ekberg on 4 August 2011 to facilitate full board attendance and representation by the controlling shareholders at each board meeting. Mr. Peter Michael Ekberg is a foreign non-executive director and his alternate shall attend board meetings should he be unable to do so.

REMUNERATION COMMITTEE (Principles 7, 8 and 9)

The Remuneration Committee ("RC") comprises three (3) non-executive Directors, with the chairman being an independent non-executive Director. They are:

Prof. Yong Kwet Yew – Chairman

Mr. Bruno Sergio Valsangiacomo

Ms. Luk Ka Lai Carrie

(appointed on 22 February 2013)

The Board has reviewed the composition of the RC which comprises entirely 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 RC, 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 RC was held.

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

Level and mix of remuneration

The remuneration structure of the CEO and key executives comprises fixed and variable compensation components. The fixed compensation consists of basic salary and fixed allowances, and variable compensation, in the form of bonus and performance shares. The variable compensation is approved by the RC upon the achievement of corporate and individual performance conditions. Performance shares granted are also vested, subject to the satisfaction of specific performance conditions of the Group and individual service condition on vesting dates.

No personnel is entitled to termination, retirement and post-employment benefits. The Company has not structured any contractual provisions in employee appointment letters to reclaim incentive components of remuneration in exceptional circumstances of misstatements of financial results or misconduct resulting in financial loss to the Company. If such events were to occur, it shall avail itself to existing legal remedies to recover excessive incentives paid.

On 6 May 2011, Mr. Tan Kheng Hwee Andrew entered into a Service Agreement with the Company on agreed terms and conditions, and is valid for five years. His Service Agreement is renewable on re-negotiated terms every five years.

The Independent and Non-executive Directors are paid directors' fees only, having considered the director's scope and extent of responsibilities and benchmarked against market expectations. The yearly fees are proposed by the Board and will be subject to approval by shareholders at each AGM.

Directors' Remuneration

The remuneration bands and components of the Directors' Remuneration for financial year 2013 are as follows:

Name of Director	Basic Salary %	Variable performance bonus %	Benefits-in-kind and others %	Director's fee %	Performance shares %	Total %
Above \$500,000						
Mr. Tan Kheng Hwee Andrew	17	79	2	1	1	100
Below \$250,000						
Mr. Bruno Sergio Valsangiacomo	–	–	–	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/ Mr. Marcel Poser ⁽¹⁾	–	–	–	100	–	100

Notes:

(1) Mr. Marcel Poser is the alternate director to Mr. Peter Michael Ekberg

The Company is of the view that due to competitive reasons, the total remuneration of each director is not disclosed.

The Directors' fee were approved at the AGM.

Key Executives

Key executives' compensation consists of salary, bonus and performance share awards that are dependent on the performance of the Group and individual performance.

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

Remuneration Bands	2013	2012
\$250,000 to below \$500,000	4	4
Below \$250,000	1	1
Total	5	5

The Company is of the view that due to competitive reasons, the remuneration bands of key executives are not disclosed on a named basis. The annual aggregate remuneration paid to the top 5 key executives (excluding the CEO) for financial year 2013 is approximately \$1,635,000.

There were no employees who are immediate family members or relatives of the directors, the CEO or substantial shareholders in the financial year 2013.

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 executive directors) of the Company and its subsidiaries and non-executive directors of the Company are eligible to participate in the Plan. Controlling shareholders and their associates (as defined in the Plan) are not eligible to participate in the Plan.

The BBR Share Plan Committee comprises three (3) Directors who have been appointed to administer the Plan.

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

Directors in the BBR Share Plan Committee abstain from discussions relating to their own performance and award of performance shares, respectively.

Information on the number of performance shares granted to a director of the Company and employees and terms of the BBR Share Plan can be found in the Directors' Report.

SHAREHOLDER RIGHTS (Principle 14)

Our Directors and management are mindful of the obligation to provide shareholders with information on all major developments and other material information that affects the Group on a timely basis. The Company does not practice selective disclosure of material information.

Information is communicated to shareholders on a timely basis through:

- SGXNET announcements and press releases;
- Quarterly results and annual reports that are prepared and broadcast via SGXNET within the prescribed period; and
- the Company's website at <http://www.bbr.com.sg>

Shareholders can access both general information such as business activities, project history, as well as investor-related information on the Group via the website.

Shareholders are notified of general meetings 14 days before the scheduled date of such meetings via notices in annual reports or circulars, announcements on SGXNET and advertisements in the Business Times. The Company's articles currently allow shareholders, including shares held through custodial institutions, to appoint up to two proxies to attend and vote on their behalf at the general meetings. The Company would consider amending its Articles of Association to allow corporations which provide nominee or custodial services to appoint more than two proxies.

COMMUNICATION WITH SHAREHOLDERS (Principle 15)

The Directors and management of the Company continue to place a strong emphasis on its investor relations efforts to engage and strengthen relationships with shareholders. It believes that regular, timely, effective and fair communication with shareholders is part of good corporate governance practices.

The Investor Relations team communicates with financial analysts to update them on the latest corporate development and at the same time address their queries, if any. Together with the CEO and CFO, the Company regularly holds analysts' briefings on the Company's financial results after they have been announced on SGXNET. Interviews with the appropriate media are also organised from time to time.

Although the Company does not have a fixed dividend policy in place, it has been paying dividends to shareholders yearly since 2009, after putting aside sufficient cash for re-investments, capital expenditure, working capital and other requirements as the Board may deem fit for the best interest of the Company.



CORPORATE GOVERNANCE

CONDUCT AT SHAREHOLDER MEETINGS (Principle 16)

The general meetings, AGMs and Extraordinary General Meetings, are principal forums 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. Shareholders are encouraged to participate in the meetings by raising relevant questions or to seek clarification on the motions to be debated and decided upon.

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 AGM, 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 on short-term considerations, and during the period commencing two weeks before the announcement of the Company's quarterly financial statements and one month before the announcement of the Company's full year financial statements.

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 minimise 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.

Information on risk management, policies and processes are disclosed in the financial statements ended 31 December 2013 as well as Risk Management Report found on pages 113 to 116.

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 in financial year 2013 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	
	2013 \$'000	2012 \$'000
<i>Licence Fee</i>		
BBR VT International Ltd (A related corporation of BBR Holding Ltd, Switzerland, a controlling shareholder of the Company)	153	181

The above interested persons transactions were carried out on arm's-length basis.

The Board of Directors is responsible for overseeing the risk governance framework of BBR so as to ensure that management maintains a sound system of risk management to safeguard shareholders' interest and the company's key assets. To this end, it has established a Risk Management Committee in 2013 to oversee risk governance.

BBR's Enterprise Risk Management (ERM) framework is an integral part of its business decision-making process and by identifying potential risks which may affect its business, and putting in place measures to mitigate the likelihood of these risks occurring, the ERM framework provides better assurance that its business objectives, as well as BBR's long term and short term objectives can be achieved.

BBR's ERM framework is a platform with consistent risk management procedures and methodologies applied across the whole organization. Risks are also managed to be within the Group's risk profile as determined by the Board of Directors. The ERM framework delineates risk preventive measures, risk detective measures and risk corrective action for risks identified by the Group in the context of its operational and business environment. Preventive measures reduce or eliminate the likelihood of a risk event occurring. Detective measures identify risk events that have occurred or are impending. Corrective actions reduce or eliminate the consequences of a risk event that has occurred. More priority is put into identifying and preventing risk events from occurring than in corrective action for events that occur; as prevention is far more cost efficient than correction.

BBR's ERM framework improves the Group's operational efficiency, enhances its business strategizing and creates value for shareholders in the following ways:

1. By identifying and managing risks via a suite of mitigating controls, else the occurrence leads to severe consequences, the ERM framework avoids surprises which materially impact the Group's business performance;
2. By assigning clear risk roles and responsibilities to staff for better accountability, and by having clear risk reporting channels, the Group is able to ensure better corporate governance and transparency. In addition, staff are encouraged to pro-actively escalate knowledge of risks as they occur as opposed to waiting for annual updates of BBR's risk register; and
3. By having an organisation-wide platform for managing risks, ERM empowers personnel to take ownership of relevant risks identified in their departments and at construction sites, and ensure that the appropriate controls are rigidly implemented to mitigate the occurrence and impact of these risks, thus ultimately facilitating the achievement of corporate objectives.

ENTERPRISE RISK MANAGEMENT PROCESS

The ERM process begins with BBR's individual business units defining the operating environment, followed by identification of associated risks and establishing likely consequences should the event occurs. The process also involves identifying existing mitigating controls and their design effectiveness. BBR's operating environment is defined in the context of the Group's strategic objectives i.e. its Vision, Mission, key business objectives, and what it considers as key assets which need to be protected. The risks identified are grouped into the following four categories:

- Strategic Risk
- Operational Risk
- Financial Risk
- Compliance Risk

Next, an Enterprise Risk Assessment methodology is used to rate the risks. This involves risks analysis to determine the level of risk exposure to enable the prioritisation of risk and calibrate the amount of management focus and effort required. Each risk is evaluated to determine the likelihood of occurrence, and severity of each consequence for that risk after factoring the effectiveness of existing mitigating controls. All the components of the ERM framework are quantitative i.e. objective, measurable and able to be documented and rated for effectiveness. They are also amenable to mathematical manipulation and transformations.

Example: Overall Risk Rating = Consequence of the Event x Likelihood of Occurrence



The constant monitoring of identified risks and pre-empting new risks in a dynamic operating environment is crucial to the Group's risk management framework. BBR conducts a formal review of the ERM framework on an annual basis.

The following section outlines some examples of key risks that may impact the financial status and operational effectiveness of BBR's businesses and are thus components of the Group's ERM framework.

STRATEGIC RISKS

Competition risk

Singapore is a key market for BBR's General Construction, Specialised Engineering and Property Development business and its latest segment, Green Technology. The abundance of public sector as well as private sector construction projects attracts new players resulting in keener competition and lower margins. The Group monitors the competitive landscape by conducting periodic market scans and also measures the effectiveness of marketing initiatives target to increase brand awareness and grow its customer base.

For BBR's property development business, a crucial factor is the availability of sites that are suitable for development, design and construction. The business development team's role is to identify potential sites and conduct due diligence on its suitability before it is proposed to the management for investment consideration. The size of BBR's land bank and the availability of capital for funding the acquisition of suitable plots of land are considered as strategic business risks which must be constantly monitored in the ERM framework.

Political and Regulatory risks

All projects are assigned a risk quotient for political and regulatory risk. The exposure to changing government policies and regulations within the local and global market environment entails a continual review of business plans. Preventive measures include performing due diligence prior to investments and identifying established local and global partners that are able to identify and mitigate any potential regulatory shifts.

Preventive measures include maintaining close working relationships with business partners and authorities to keep abreast of developments and policy changes to regulatory policies in the construction and property development industries.

OPERATIONAL RISKS

Human Resource

BBR Group currently employs about 600 staff with diversified backgrounds and skills to meet its business requirements. The Group recognises that the need to recruit and retain qualified and experienced personnel is paramount to achieving its strategic objectives. Regular benchmarking of remuneration is conducted for skilled positions within the industry. A structured career advancement and apprenticeship programme is in place to increase productivity and ensure transfer of knowledge for human capital development. The Group also implements various productivity schemes to improve work processes so as to reduce reliance on labour.

Project Management Risks

Project Management risks are endemic to the business as it manages and executes projects for general construction, specialised engineering and property development. These include issues relating to project cost and adherence to a construction programme as well as contractual and quality matters. A standard review and quality assurance system is in place to ensure that such risks are mitigated. Alongside regular meetings to review project costs and update the budget, all contractual conditions and obligations are monitored by project managers and directors.

Another key aspect of executing a project is the delivery of key materials by suppliers and the performance of subcontractors to complete their respective jobs on time and which meets a minimum standard. Supplier evaluation is conducted for every new supplier and all suppliers are appraised on an annual basis. Qualified vendors and

subcontractors are put on an Approved Vendors and Subcontractors List and the list is regularly reviewed to ensure that standards are maintained and pricing competitive.

Information extracted from the Quality Assurance system for project management is incorporated into the ERM framework to prevent, detect and correct any exposure to risks from project management.

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 minimise 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 agreed contractual matters are incorporated in the contracts for completeness and accuracy after discussions. However, in the event that clarifications sought by the management is not complete by the deadline stipulated for 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.

Information Technology (IT)

The use of information systems is vital for the Group's operational and business efficiency. The Group ensures that its IT systems have minimum downtime, and data security procedures for safeguard of critical data. Hardware and software applications are standardised across the Group as a risk preventive action. The IT department conducts regular monitoring and updating of each system user's access rights and internal audits of IT controls by outsourced auditors are in the works.

FINANCIAL RISKS

Credit

In Malaysia, where there is no Security of Payments Act, the risk of default by debtors is managed through credit approval, credit limit and monitoring procedures by BBR Construction Systems (M) Sdn. Bhd. The assessment of credit limits is based on the review of financial health and payment track records of debtors. Trade receivables aging is monitored on a weekly basis and all overdue amounts are flagged where appropriate. All components of credit risk are quantified and collated for incorporation into the ERM framework.

Capital Management

BBR recognises the importance of prudent capital management to support the Group's overall business operations and strategic investments. Open lines of credit and standby credit facilities are key to the Group's business and its capital management strategy should be aligned with its short and mid-term goals. BBR also monitors loan covenants on an annual basis with assessments conducted to ensure that the Group has met its covenant conditions with financial institutions. Capital Management is classified as a Financial Risk and exposure to such risk is quantified for inclusion in the ERM framework.



RISK MANAGEMENT REPORT

Impairment Loss in Value of Development Properties

The property market in Singapore has gone through several changes with new cooling measures implemented by the government to regulate the market.

BBR closely monitors government policy and regulatory developments in the industry that may impact the sales of the Group's property development projects. Unexpected shifts in policies and regulations may expose the Group's property development projects to impairment risks. For this category of risks, detection and correction is more important as shifts in policies and regulations are less predictable. Corrective action includes initiating attractive marketing strategies, promotional sales and collaboration with property agents to reduce the inventory of unsold properties.

COMPLIANCE RISKS

Laws and Regulations

BBR's construction and property development activities are subject to local laws and regulations. Failure to comply with these laws and regulations can result in financial penalties and suspension of projects leading to liquidated damages imposed by its customers. Regular preventive maintenance is performed on machinery and equipment and all work is carried out according to established standard operating procedures and work safety requirements. Inspections are carried out regularly by the Workplace Safety and Health (WSH) officer to ensure that worksites comply with WSH regulations. In addition, internal audit reviews are conducted to ensure that the Group's WSH procedures comply with approved industry standards. The ERM framework extracts information from these procedures to assess, prevent, detect or correct any exposure to compliance risks.

PROMOTING AND IMPLEMENTING CORPORATE SOCIAL RESPONSIBILITY

In order to advocate the best practices in its business operations and to achieve sustainable growth, the Group is involved in corporate social responsibility (CSR). The Group aims to contribute to the welfare of society and also encourage its employees to support various charitable causes.

According to Singapore Compact, a national society promoting CSR in Singapore, adopting CSR brings intangible benefits such as a good reputation for the company, high morale among employees and improved performance and attracts investors. Employees will also take greater pride in their company and this will improve productivity.

The Group is committed to promoting and implementing CSR in the following ways:

- Seeking to incorporate green features in BBR's development and design-and-build projects, as evident from its Green Mark awards from the Building and Construction Authority (BCA). The BCA Green Mark is a green building rating system to evaluate a building for its environmental impact and performance. The assessment criteria include energy efficiency, water efficiency, environmental protection, indoor environmental quality and other green features and innovation. The Group has won Green Mark awards since 2007 for its various projects such as Green Mark GoldPlus for Bliss @Kovan in 2011 and Icon@IBP in 2009;
- Implementing earth control measure systems at project sites. These include investing in water treatment plants to clean water consumed at project sites before discharging into public drains, or recycle for washing bays;
- Placing recycling bins for paper, plastics and general waste in BBR's offices and premises;
- Educating employees to conserve trees such as printing only when necessary, using double-sided printing, and recycling of used paper; and
- Participating in clean water projects through funding and staff involvement.

SUPPORTING CSR PROJECTS

An initial CSR programme is to collaborate with the Lien AID in support of their ongoing Gift for Water Programme in Cambodia. This programme aids poor rural floating communities living on the Ton Le Sap Lake gain improved access to affordable drinking water. BBR has co-funded the set-up of water treatment plants and encourage its staff to perform community services in these villages. The project aims to provide affordable drinking water for the villagers and propagate hygiene practices through raising awareness and encourage behavioural change

Another noteworthy project involves contribution in cash and kind from BBR and its staff towards providing educational and learning aid tools for the students of Ronas Primary School in Cambodia. This primary school is located in Koah Dach Commune, an island on the banks of Mekong River, Phnom Penh. The school was built in 1998, without basic amenities and is in dire need of repairs. BBR hopes to improve the poor conditions of the school in the future by providing assistance to re-paint the walls, extend paved flooring in classrooms and common areas, construct toilet facilities and ringfence the school boundary walls against trespassers.

STATISTICS OF SHAREHOLDINGS

AS AT 19 MARCH 2014

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BBR HOLDINGS (S) LTD ANNUAL REPORT 2013

Number of ordinary shares in issue	: 308,210,418
Number of ordinary shares in issue with voting rights	: 306,589,418
Voting Rights	: On a show of hands: 1 vote for each member On a poll: 1 vote for each ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 999	1,655	17.32	779,795	0.26
1,000 – 10,000	5,439	56.92	24,231,414	7.90
10,001 – 1,000,000	2,442	25.56	115,182,318	37.57
1,000,001 AND ABOVE	19	0.20	166,395,891	54.27
TOTAL	9,555	100.00	306,589,418	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	BBR HOLDING LTD	85,632,978	27.93
2	TAN KHENG HWEЕ ANDREW	17,050,474	5.56
3	DB NOMINEES (SINGAPORE) PTE LTD	11,577,000	3.78
4	DBS NOMINEES (PRIVATE) LIMITED	9,949,800	3.25
5	ONG KIAN KOK	6,671,000	2.18
6	HONG LEONG FINANCE NOMINEES PTE LTD	4,219,000	1.38
7	KOH SEOW NGANG	4,075,000	1.33
8	PHILLIP SECURITIES PTE LTD	3,817,600	1.25
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,190,800	1.04
10	UOB KAY HIAN PRIVATE LIMITED	3,172,200	1.03
11	HSBC (SINGAPORE) NOMINEES PTE LTD	2,862,796	0.93
12	DUNCAN PRODUCTS PTE LTD	2,700,073	0.88
13	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,318,800	0.76
14	JONATHAN CHADWICK	2,000,000	0.65
15	TIONG WOON CRANE & TRANSPORT (PTE) LTD	1,696,788	0.55
16	TYT BUILDERS PTE LTD	1,560,182	0.51
17	RYOBI-KISO (S) PTE LTD	1,481,200	0.48
18	OCBC SECURITIES PRIVATE LIMITED	1,403,200	0.46
19	CHUA CHENG ANN	1,017,000	0.33
20	SHANGHAI TUNNEL ENGINEERING CO (SINGAPORE) PTE LTD	984,814	0.32
TOTAL		167,380,705	54.60

PUBLIC SHAREHOLDING

As at 19 March 2014, based on the registers of shareholders and to the best knowledge of the Company, approximately 65.98% 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.

TREASURY SHARES

As at 19 March 2014, 1,621,000 ordinary shares are held as treasury shares, representing 0.53% of the total number of issued shares excluding treasury shares.

SUBSTANTIAL SHAREHOLDERS AS AT 19 MARCH 2014

NAME	NUMBER OF SHARES HELD		
	DIRECT INTEREST	DEEMED INTEREST	TOTAL INTEREST
BBR Holding Ltd, Switzerland	85,632,978	–	85,632,978
Tectus S.A. ⁽¹⁾	–	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
Vesna Eckert-Brandestini ⁽²⁾	–	85,632,978	85,632,978
Nick Brandestini ⁽²⁾	–	85,632,978	85,632,978
Tan Kheng Hwee Andrew ⁽⁴⁾	17,050,474	228,400	17,278,874

Notes:

- (1) Tectus S.A. is deemed to have interests in the Company's shares held by BBR Holding Ltd, Switzerland by virtue of its holding in aggregate not less than 20% of the voting shares of BBR Holding Ltd, Switzerland.
- (2) Mrs Claudia Valsangiacomo-Brandestini, Mrs Vesna Eckert-Brandestini and Mr Nick Brandestini are each deemed to have an interest in the Company's shares held by BBR Holding Ltd, Switzerland by virtue of each of them 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 in 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

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BBR HOLDINGS (S) LTD ANNUAL REPORT 2013

BBR HOLDINGS (S) LTD

(Incorporated in the Republic of Singapore)
Company Registration No. 199304349M

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of BBR HOLDINGS (S) LTD (the "Company") will be held at 50 Changi South Street 1, BBR Building, Singapore 486126 on Friday, 25 April 2014 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 2013 together with the Auditors' Report thereto. **(Resolution 1)**
2. To declare a first and final (tax exempt one-tier) dividend of 0.8 cents per ordinary share for the financial year ended 31 December 2013. (2012: 0.8 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 and 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 the 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 the 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 \$280,000.00 as Directors' fees for the year ended 31 December 2013. (2012: \$280,000.00) **(Resolution 5)**
5. To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix the auditors' remuneration. **(Resolution 6)**
6. To transact any other ordinary business that may be properly transacted at an Annual General Meeting.

SPECIAL BUSINESS

7. 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 share 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 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.”

(Resolution 7)

(See Explanatory Note 1)

8. 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.”

(Resolution 8)

(See Explanatory Note 2)

By Order of the Board

Chiang Chai Foong
Company Secretary

Singapore, 9 April 2014



NOTICE OF ANNUAL GENERAL MEETING

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BBR HOLDINGS (S) LTD ANNUAL REPORT 2013

Explanatory Notes to the Notice of Annual General Meeting

- (1) Ordinary Resolution 7 in item 7, 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 8, if passed, will empower the Directors of the Company to grant awards in accordance with the provisions of The BBR Share Plan and to allot and issue shares thereunder.

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 executed 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 from 7 May 2014 to 8 May 2014, both dates inclusive for the purpose of determining members' entitlements to the first and final (tax exempt one-tier) dividend of 0.8 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 2014 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 2014 will be entitled to the Proposed Dividend.

The Proposed Dividend, if approved at the Twentieth Annual General Meeting to be held on 25 April 2014, will be paid on 23 May 2014.

By Order of the Board

Chiang Chai Foong
Company Secretary

Singapore, 9 April 2014

PROXY FORM

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Important:

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

*I/We _____

of _____

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

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

*and/or

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

as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the Twentieth Annual General Meeting ("**AGM**") of the Company to be held at 50 Changi South Street 1, BBR Building, Singapore 486126 on Friday, 25 April 2014 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 hand		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 ended 31 December 2013, Directors and Auditors' Reports				
2.	Approval of First and Final Dividend – 0.8 cents per share				
3.	Re-election of Mr. Bruno Sergio Valsangiacomo as a Director				
4.	Re-election of Prof. Yong Kwet Yew as a Director				
5.	Approval of Directors' Fees – S\$280,000.00				
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				

* Delete where applicable

(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 _____ 2014

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

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

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AFFIX
STAMP

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

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Notes:

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

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BBR HOLDINGS (S) LTD

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Reg. No.: 199304349M