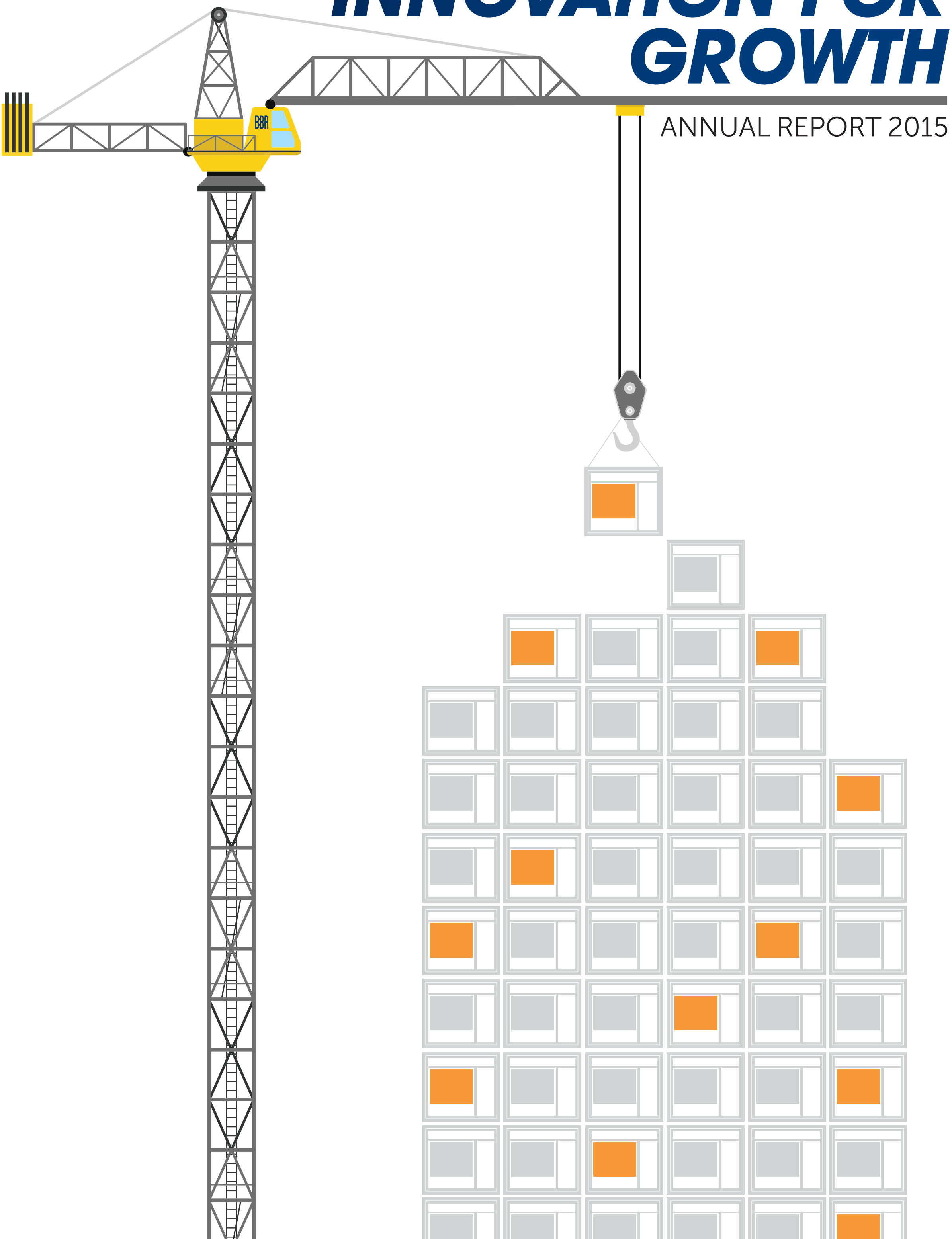
BBR HOLDINGS (S) LTD

INNOVATION FOR GROWTH

ANNUAL REPORT 2015



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OUR MISSION

To strengthen our capabilities continuously in order to compete in the building and construction, 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 enhance greater opportunities in new markets, so as to further expand our geographical presence and intensify all efforts to bid for both building and infrastructure projects in the region.

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 four core business segments spanning across General Construction, Specialised Engineering, Property Development and Green Technology.

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

Listed in 1997 on SESDAQ, SGX's then second board, BBR 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 in 1944 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 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.

In September 2014, the Group acquired a 75% shareholding interest in Moderna Homes Pte.Ltd., which specialises in prefabricated pre-finished volumetric modular construction ("PPVC"). PPVC entails modular construction whereby entire PPVC modules are made in multiple units complete with all internal finishes, fixtures and fittings. They are prefabricated in a factory and transported to the site for installation, similar to a 'lego-like' assembly.

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 ("Singa").

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 has a "A2" and "B2" classification for CW01 and CW02 respectively.

Property Development

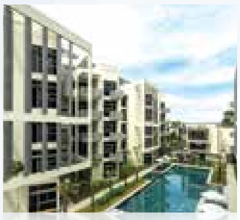
Highly synergetic to the Group's broad construction activities, its Property Development business segment has been actively engaged in five development projects since 2006.

Lush on Holland Hill, a freehold condominium development with 56 spacious units in two 12-storey blocks, was completed in 2012. 8 Nassim Hill is an upmarket freehold development which comprises 16 super luxury triplex units with basement carparks completed in 2010. Bliss @Kovan is the third freehold site which was developed into a five-storey condominium with 140 luxurious residential units in November 2015.

To date, Lush on Holland Hill and 8 Nassim Hill are fully sold, while 134 units have been sold at Bliss@Kovan.

BBR's fourth project is the proposed development of Lake Life, comprising 546 units of executive condominium which will offer modern and lifestyle design features on a 99-year leasehold HDB land site at Yuan Ching Road/ Tao Ching Road, Jurong. The development is 98% sold and expected to be completed in the second half of 2016.

BBR's most recent project is a mixed residential and commercial development on a 99-year leasehold land parcel at Yishun Avenue 4. The Wisteria comprises 3 towers of 9 storeys housing 72 units of condominium each from level 4 to 12. The residences are directly connected to Wisteria Mall consisting of 2 levels of retail spaces at basement and level 1, comprising food & beverage and retail outlets, including a supermarket and food court. The Wisteria residences was successfully launched in March 2016 with approximately 59% of units sold.

Green Technology

In 2013, BBR established a Green Technology division to carry out system integration and distribution of renewable energy. The Group has bid for projects to supply, install and lease solar panels and grid connected systems for statutory boards and private sector customers.

In 2014, BBR was awarded its first two major solar leasing projects for 20 years and 25 years, from HDB and a commercial company, respectively. Construction for the 490kW peak-grid tied system for the latter was successfully completed in 2015 and revenue recognition has commenced for electricity generated. BBR's construction of a 6MW peak grid-tied system for HDB is in progress and is expected to be completed in the second quarter of 2016. The project involves engineering, procurement and construction works and installation of solar panels on the rooftops of approximately 80 blocks of HDB flats in Ang Mo Kio Town. A power purchase agreement has been signed with Ang Mo Kio Town Council to lease and buy all the electricity generated by the system for a tenure of 20 years.

In 2015, BBR is among one of nine consortia selected to participate in the floating photovoltaic ("PV") testbed project at Tengeh reservoir jointly led by Singapore Economic Development Board and the Public Utilities Board. The test-bed project at Tengeh reservoir allow companies to develop, test and evaluate the economic and technical feasibility of installing floating solar PV systems on water, as an alternative to deploying solar systems on rooftops.

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
- PPVC

Property Development

- Boutique developer for residential as well as mixed commercial and residential development

Green Technology

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

KEY FINANCIAL HIGHLIGHTS

		FY2011	FY2012	FY2013	FY2014	**FY2015**
Revenue	($'000)	413,323	274,235	426,251	671,572	**425,508**
Gross Profit	($'000)	41,674	35,406	43,588	28,655	**25,207**
Profit Before Taxation	($'000)	23,060	14,536	22,956	14,805	**5,277**
Profit After Taxation (PAT)	($'000)	20,367	13,407	22,028	11,799	**2,611**
Profit Attributable to Equity Holders of the Company	($'000)	20,120	12,963	21,839	11,230	**2,332**
Earnings Per Share	(Cents)	6.57	4.24	7.13	3.66	**0.76**
Dividend Per Share	(Cents)	0.8	1.2	0.8	0.8	**0.4**
Dividend Payout	(%)	12.2	28.3	11.2	21.9	**52.6**
Net Assets (NAV)	($'000)	97,012	107,545	125,639	134,317	**132,808**
NAV Per Share	(Cents)	31.73	35.10	40.98	43.61	**43.12**
Net Debt To Equity[1]	(%)	58.0	10.7	28.0	N.M.	**0.6**
Return On Equity[2]	(%)	20.7	12.3	17.3	8.6	**1.9**
Return On Total Assets[3]	(%)	6.8	5.2	7.1	3.7	**0.9**
Revenue by Business Segment						
General Construction	($'000)	243,168	131,481	273,055	458,326	**215,458**
Specialised Engineering	($'000)	78,871	84,699	111,971	134,626	**151,335**
Property Development	($'000)	91,256	58,027	41,197	78,592	**58,569**
Green Technology	($'000)	–	–	–	–	**118**
Revenue by Geographical Segment						
Singapore	($'000)	386,336	238,893	381,843	570,999	**319,317**
Malaysia	($'000)	26,987	35,342	44,408	100,573	**106,191**

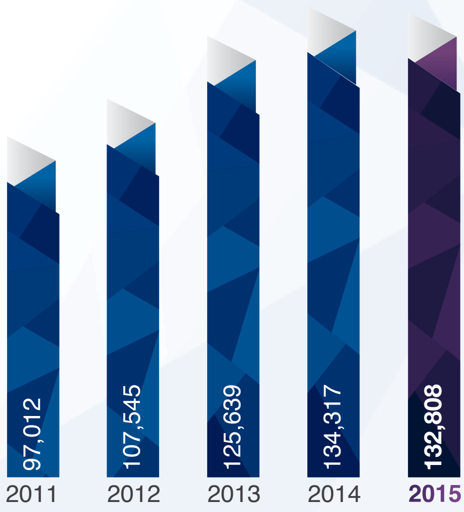
Notes:
1. Net Debt To Equity = Current and non-current loans and borrowings less cash and cash equivalents divided by total equity
2. Return On Equity = PAT divided by total equity
3. Return On Total Assets = PAT divided by total assets

Revenue

$'000

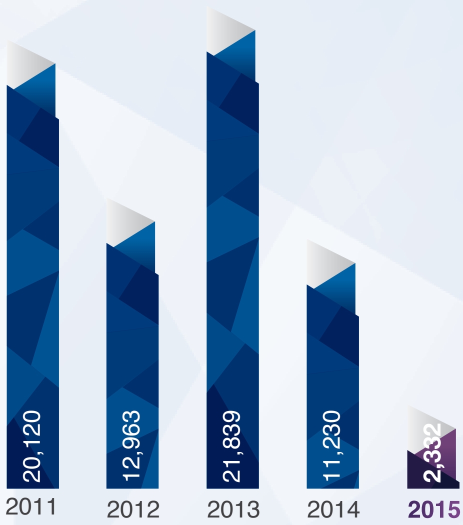
Net Assets

$'000



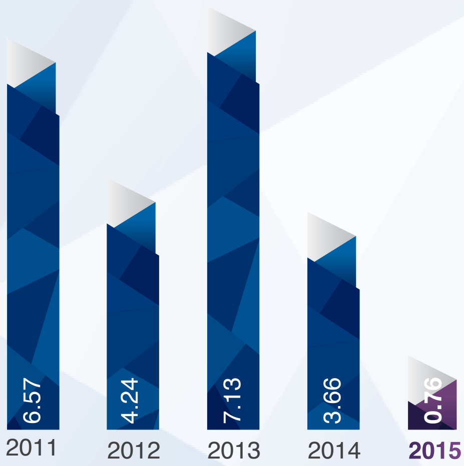
Profit Attributable to Equity Holders of the Company

$'000

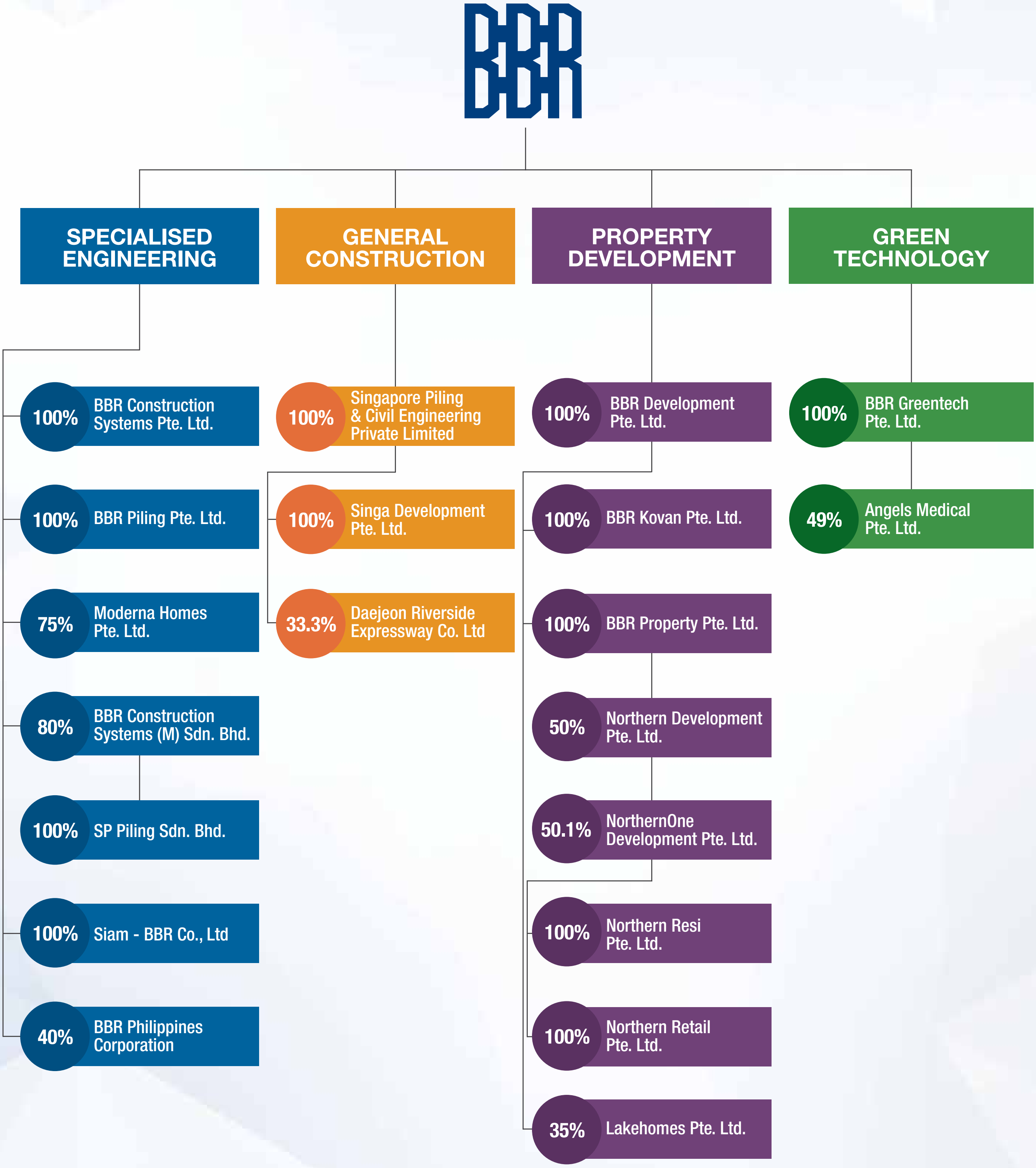


Earnings Per Share

Cents



CORPORATE STRUCTURE



CHAIRMAN'S MESSAGE

PROF. YONG KWET YEW

We remain focused and vigilant in strengthening our core competencies while staying invested in the technology of the future.

DEAR SHAREHOLDERS,

With the prevailing global economic uncertainty, BBR is striving to reach for higher grounds and leverage on innovation as the growth strategy for the Company.

Armed with more than 20 years of excellent track record and a strong reputation, BBR is geared up for sustainable growth which encompasses not only strengthening our robust business model, but harnessing stronger revenue growth. We remain focused and vigilant in strengthening our core competencies while staying invested in the technology of the future.

YEAR IN REVIEW

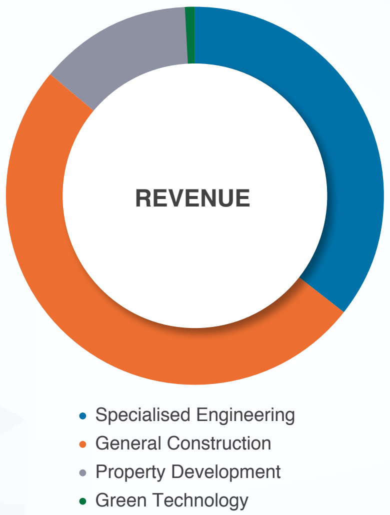
In financial year 2015 ("FY2015"), the Group reported $425.5 million in revenue, which is a 36.6% decrease compared to financial year 2014 ("FY2014"). General Construction and Specialised Engineering segments contributed 50.6% and 35.6% respectively to group revenue, while Property Development generated 13.8%. Revenue from Green Technology was not yet significant in FY2015.

The Singapore business units contributed $319.3 million or 75% of the total revenue while the Malaysia division generated $106.2 million or 25% of the total revenue.

The decrease in revenue for FY2015 was due to lower revenue recorded for the general construction and property development segments, offset by higher specialised engineering revenue which is derived mainly from Malaysia. With the completion of a few major general construction projects at the end of 2014, the remaining projects under construction contributed to lower revenue in the current year. Construction at Bliss @Kovan was very active in FY2014 which accounted

CHAIRMAN'S MESSAGE

for higher property development revenue contribution in FY2014 compared to FY2015. Bliss @Kovan attained temporary occupation permit ("TOP") in November 2015 and the remaining revenue for sold units were recognised.



Gross profit for FY2015 declined to $25.2 million from $28.7 million in FY2014, largely weighed down by lower profit contributions from specialised engineering and property development segments, even though it was partially offset by improved returns for general construction activities in FY2015. While gross profit for its property development in Singapore fell due to lower revenue, contribution from specialised engineering also decreased as it was affected by the Groups new business, i.e. prefabricated pre-finished volumetric construction. Overall, the Group's gross margin grew to 5.9% for FY2015 from 4.3% in FY2014, due mainly to improved performance by the general construction segment.

INNOVATION FOR GROWTH

Casting our sights over the growth horizons, BBR seeks to keep abreast of the building and construction technology innovation curve by investing in Prefabricated Pre-finished Volumetric Construction ("PPVC") method through the acquisition of Moderna Homes Pte. Ltd. ("Moderna Homes") in September 2014. Currently a 75% owned subsidiary of BBR, Moderna Homes possesses the competence to design and assemble prefabricated buildings and Prefabricated Bathroom Units ("PBU").

PPVC technology is slated to be the key smart technology for boosting productivity in the building & construction sector. The recent spike in construction project tenders by government agencies in Singapore specifying PPVC applications attests to the upturn of the growth cycle for the adoption of PPVC construction technology.

In addition, Moderna Homes is proud to be one of four selected companies which has been awarded In-Principle Acceptance Certificates for its PPVC design system by seven Singapore government agencies for use in local projects, through the Building Innovation Panel. PPVC system has been recognised for its level of innovation and the expected 20% improvement in construction productivity. As the bulk of prefabrication works are moved to a controlled environment off-site within a factory, not only will there be reduced noise and dust pollution, site safety will also be improved. Moderna Homes has carved a unique market leadership in the steel PPVC method which can deliver up to 40% improvement in labour productivity and shortened construction timeframe.

BBR's first win came in the form of the Hall of Residence in Nanyang Technological University for 1,582 hostel rooms. Hailed as the first public high-rise development in Singapore using PPVC, the project is due to be completed in the third quarter of 2016.

Moderna Homes is also involved in another residence hall construction project by Nanyang Technological University at Western Water Catchment, for supply of 712 hostel rooms. Delivery and installation of the boxes at the site are expected to be completed in the first half of 2017.

Another project, The Wisteria, is the first residential development under the Government Land Sale programme to adopt PPVC technology and PBU. This initiative by the Singapore government is a further testament of PPVC methodology which will reduce construction time and dust, increase productivity and improve quality of construction.

DELIVERING GREEN ENERGY

With the current prevailing lows in oil prices globally, the outlook of the green technology segment has momentarily been dampened by the lowered tariff surcharge rates for solar energy. We hold the long term view that renewable energy will increasingly be the alternative source to fossil fuels in Singapore and will continue to seek new projects in the implementation.

BBR's first major solar leasing contract was with the HDB for the design, installation, operation and maintenance of a 6 MW peak grid-tied solar photovoltaic ("PV") system to be installed on the rooftops of 80 HDB flats in Ang Mo Kio Town. In a power purchase agreement signed with Ang Mo Kio Town Council, electricity generated from the solar panels over 20 years will be translated into revenue upon commissioning of completed blocks over time, commencing in the last quarter of 2015.

Another exciting solar project embarked by BBR is our participation in the floating PV testbed project at Tengeh reservoir jointly led by Singapore Economic Development Board and the Public Utilities Board. The PV test-bed project at Tengeh reservoir will allow companies to develop, test and evaluate the economic and technical feasibility of installing floating solar PV systems on water, as an alternative to deploying solar systems on rooftops.

Implemented over two phases, BBR is among one of the nine consortia which have been chosen to participate in the deployment of ten floating PV systems, each with a capacity of around 100 kWp.

FINANCIAL POSITION

The Group's financial position continues to be stable, with net assets at $132.8 million as at 31 December 2015, as compared to $134.3 million as at 31 December 2014. Net asset value per share is at 43.12 cents.

Cash and cash equivalents and pledged deposits decreased to $29.2 million as at 31 December 2015 from $44.6 million as at 31 December 2014, mainly attributable to repayment of property development land loan, purchase of land and buildings, construction costs of solar leasing infrastructure atop HDB flats and loans to a joint venture to partially finance a mixed residential and commercial development along Yishun Avenue 4. The disbursements were partially offset by net cash from operations, long-term loans to finance property, plant and equipment purchases and loan repayments by an associate. Cash received from operations was $22.7 million, attributable to sales proceeds from sold units at Bliss @ Kovan upon TOP and partially offset by reductions in cash arising from higher trade receivables.

Market capitalisation was approximately $56.0 million based on the closing share price of 18.2 Singapore cents as at 31 December 2015.

BBR CORPORATE HEADQUARTERS

In September 2015, the Company has completed the acquisition of its existing offices premises, which is a leasehold property located at 50 Changi South Street 1, Singapore 486126. Named BBR Building, it will be the nerve centre of all BBR business operations and future growth.

The management plans to enhance the energy efficiency of the building by installing solar panels on the rooftop to tap solar energy and reduce its reliance on electricity generated by fossil fuels. This marks our support for environmental sustainability in built environments, subject to approvals by the relevant government authorities for the proposed installation.

REWARDING SHAREHOLDERS

Over the years, BBR has consistently delivered good returns to our shareholders. This year, the Board has proposed a final dividend of 0.4 cents per share. This translates to a dividend yield of 2.2 per cent based on the closing share price of 18.2 Singapore cents as at 31 December 2015 and a dividend payout ratio of 52.6 per cent for FY2015.

BUSINESS OUTLOOK FOR 2016

On 24 February 2016, the Ministry of Trade and Industry announced that the Singapore economy grew by 1.8 per cent on a year-on-year basis in the fourth quarter of 2015, unchanged from the third quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 6.2 per cent, extending the 2.3 per cent growth in the previous quarter.

The construction sector grew by 4.9 per cent year-on-year, faster than the 3.0 per cent growth in the previous quarter. Growth was supported by public sector construction activities. On a quarter-on-quarter seasonally-adjusted annualised basis, growth in the sector accelerated to 6.0 per cent, from 0.2 per cent in the preceding quarter.

Bliss @Kovan


Compassvale Broadwalk

CHAIRMAN'S MESSAGE

The industry outlook in Singapore remains challenging in the next 12 months with increasing competition and manpower shortages. The Group will continue to focus on its core business by leveraging its strong track record in building construction and civil engineering to secure more projects as well as enhancing cost effectiveness and efficiency optimisation in the management of on-going projects. BBR will also continue to conduct feasibility studies to undertake new property development projects.

Our ongoing projects in Malaysia are progressing well and current order book is healthy. However, the local government has been reviewing future expenditures on infrastructure, and the spending budget is expected to decrease, in line with a slowdown in global economy, as well as sharp falls in state revenue as a result of depressed oil prices. Likewise, the construction industry outlook in Malaysia is expected to encounter challenging times.

A NOTE OF APPRECIATION

On behalf of the Board, I would like to express my deepest appreciation to all stakeholders who have been instrumental in BBR's success over the past years – customers, business associates, management team, staff and shareholders.

Geared up for sustainable growth, BBR is ready for the new opportunities and challenges which the future holds. We will grow from strength to strength in building our market leadership in the construction industry to meet the urbanisation needs of Singapore and beyond.

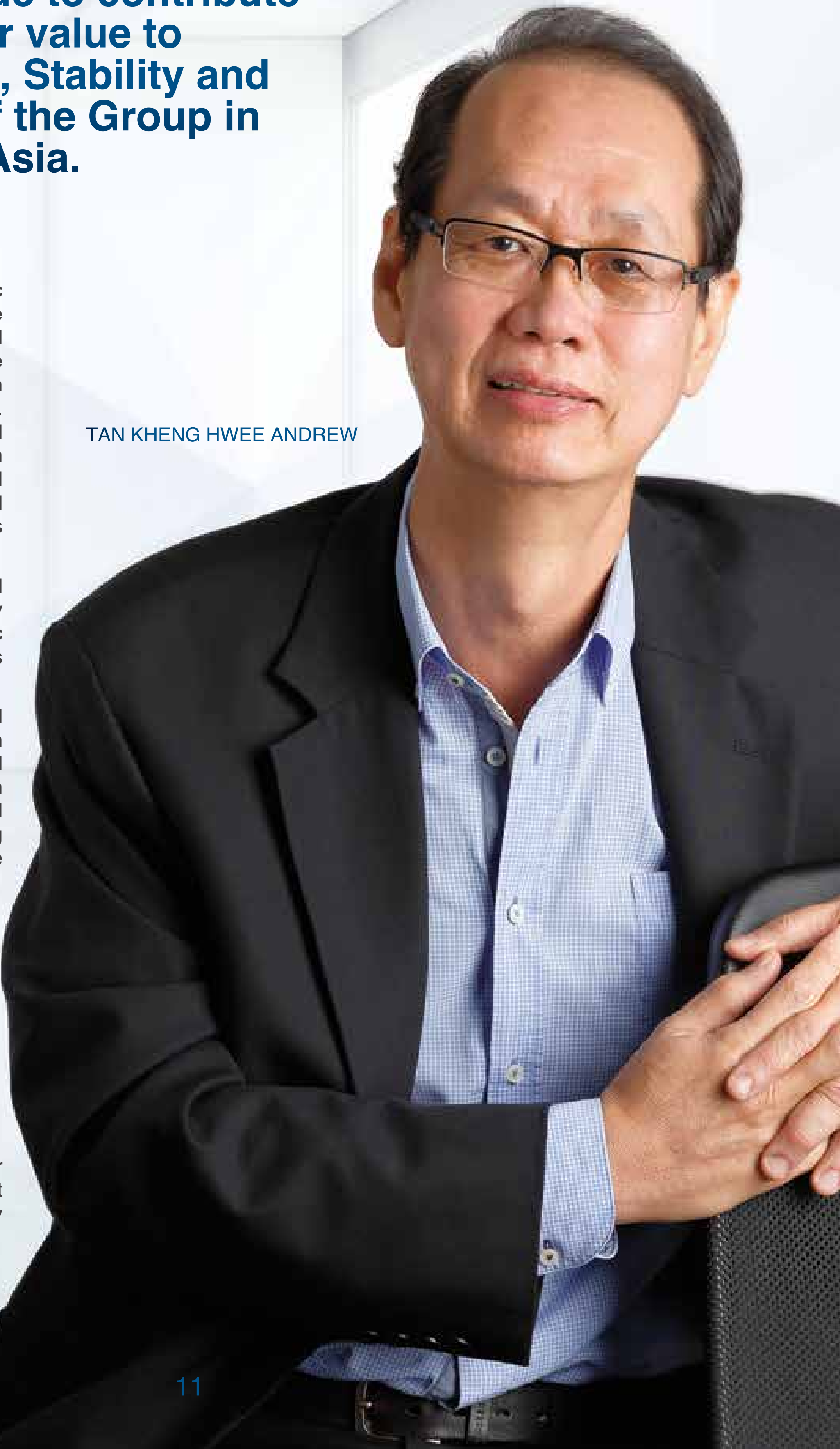
Prof. Yong Kwet Yew
Independent Director
Non-Executive Chairman

Lake Life Executive Condominium

Singapore University Of Technology And Design

CEO'S BUSINESS REVIEW

BBR will continue to contribute and enhance our value to ensure Strength, Stability and Sustainability of the Group in Singapore and Asia.



TAN KHENG HWEE ANDREW

With the global economic uncertainty and the prevailing depressed oil prices, we are experiencing headwinds in both markets in Singapore and Malaysia. In Singapore, the building and construction industry is facing an oversupply of private residential development which has presented a challenge to developers as well as building and construction players.

During the year, the Group sustained its active business presence by tendering for private and public projects, as well as new land parcels for property development.

In FY2015, BBR has recorded $425.5 million in revenue, which reflects a 36.6% decrease compared to FY2014. The contributions from the three segments – general construction, specialised engineering and property development were 50.6%, 35.6% and 13.8% respectively. Revenue from Green Technology was not yet significant in FY2015.

Of the $415 million order book, the bulk of the construction projects are in their active stage of construction, while the volume of specialised projects in Singapore and Malaysia has remained stable.

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

CEO'S BUSINESS REVIEW

Galaxis, Fusionopolis

Solar Panels

GENERAL CONSTRUCTION

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

For FY2015, the Group's General Construction business remained the top revenue generator amongst the four business segments. The revenue of $215.5 million constitutes 50.6% of the total revenue generated. It reflects a decline of 53% compared to the previous year.

Located at Nanyang Avenue, BBR's hallmark project in the form of the new hall of residence for Nanyang Technological University ("NTU") scores as the first public high-rise development in Singapore to deploy a Prefabricated Pre-finished Volumetric Construction technology. To be built at NTU North Hill precinct, there will be six blocks of 13-storey student hostel comprising 1,582 hostel rooms, as well as a full range of recreational facilities catering to over 1,800 students. The project is scheduled for completion by the third quarter of 2016. Awarded the Building and Construction Authority ("BCA") Green Mark Platinum Award, the project boasts unique green and sustainability features which can be traced through the construction system and process, as well as the adoption of state-of-the-art green and information technology systems to encourage sustainability practice and mindset among the residents of the hostel.

During the year, the Group was awarded the design and build contract for the construction of the Wisteria Mall and The Wisteria (apartments) (the "Mixed Development") for $116 million located at Yishun Avenue 4. Construction of the Mixed Development will comprise three 9-storey residential blocks with 216 units, a 3-storey podium with commercial facilities and carparks and a single level of basement. The residential component have been stipulated to use prefabricated pre-finished volumetric construction and prefabricated bathroom units which will naturally be undertaken by BBR's 75% owned subsidiary, Moderna Homes Pte Ltd ("Moderna Homes"), whose "Modular Cube Design System" has been approved for use by projects in Singapore. Construction has commenced and will take approximately 32 months to complete. BBR has an effective equity interest of 25% in the Mixed Development in Yishun via a joint venture with a consortium of partners.

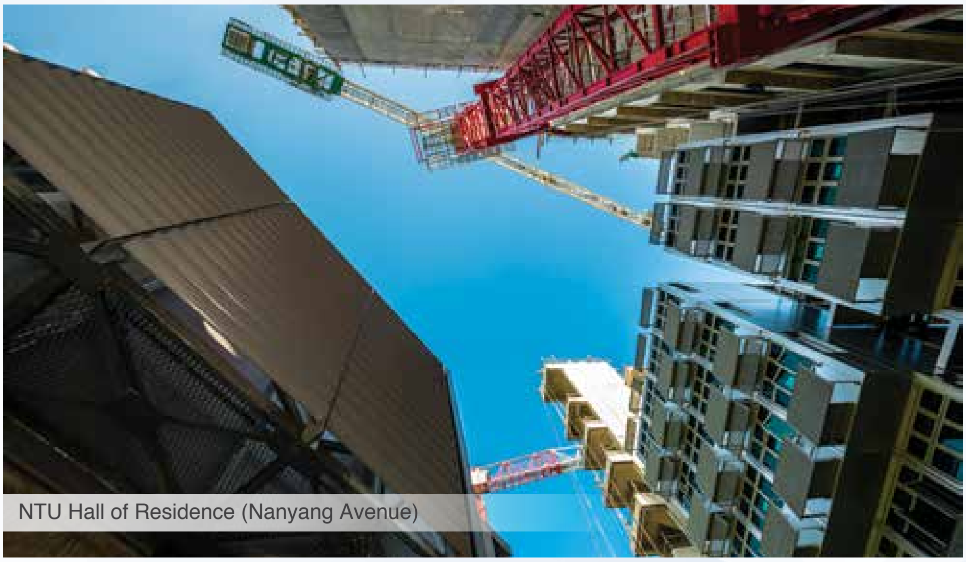
SPECIALISED ENGINEERING

BBR's Specialised Engineering business encompasses piling and foundation systems, post tensioning, stay cable systems, heavy lifting, bridge design and construction, maintenance repair, strengthening and retrofitting works, and prefabricated pre-finished volumetric construction ("PPVC").

The revenue from specialised engineering amounted to $151.3 million and constituted 35.6% of total revenue for FY2015.

PPVC

The Group's first application of PPVC technology was at a new hall of residence housing six blocks of 13-storey student hostel comprising 1,582 rooms at NTU. Being BBR's maiden PPVC project, we have overcome initial challenges in the fabrication and fit-out installation processes of the boxes and the production rate has improved after a steep learning curve. Now into its final


NTU Hall of Residence (Nanyang Avenue)

stage of installation, BBR is on target to achieve an overall manpower savings of approximately 30% as compared to conventional design.

In July 2015, BBR successfully secured its second PPVC contract from main contractor Santarli – Zheng Keng JV, for the erection of one block of 11-storey and three blocks of 13-storey student hostel development at Nanyang Crescent, NTU (Western Water Catchment). Consisting of 712 hostel rooms, the supply and installation project is scheduled to be completed in the first quarter of 2017.

With respect to the construction of residential units at The Wisteria in the Mixed Development along Yishun Avenue 4, PPVC and prefabricated bathroom units are required to be adopted for at least 65% of the constructed floor area and bathroom units, respectively. This move is part of the government's initiative to use labour-efficient construction methods and building design to improve construction productivity, which brings synergistic benefits to the Group's PPVC business.

Deploying the PPVC system will catapult BBR ahead to the next lap in terms of a breakthrough in labour productivity and operational efficiency.

This is especially significant as the Singapore construction and building industry is at a crossroad whereby it is challenged by the tight labour market and increased foreign worker levies. The PPVC system fits within the construction industry's initiative to promote green sustainability in the built environment as well as greater environmental awareness in Singapore.

POST-TENSIONING

Throughout the year, we have been actively involved in a number of post-tensioning and structural repair projects in both Singapore and Malaysia. Malaysia contributed a significant 25% to our top-line in FY2015, compared to 15% in FY2014. Our expertise in specialised engineering works, in particular for bridge construction, puts us in good stead to tap on the strong demand for such projects in Malaysia.

Across the causeway, noteworthy projects in progress include two bridge construction projects in Terengganu, Malaysia with combined contract values of approximately RM470 million. Both projects were awarded by Class "A" Bumiputra Contractors to BBR Construction Systems (M) Sdn. Bhd., a Malaysia subsidiary which is 80% owned by the Group.

The first project is for the construction of Pulau Sekati Bridge across Sungai Terengganu and Pulau Sekati, providing an access link from Kuala Terengganu to Telok Pasu and Jeram, Malaysia. There will be two bridges side-by-side, with bridge lengths of 174-metre and 600-metre each, including a walkway for pedestrians. The target date of completion is April 2017.

The second project involves the design and construction of a new marina base at Pulau Poh and the bridge connecting Pulau Poh to existing Pengkalan Gawi jetty in Kenyir Lake in Terengganu. Targeted for completion in June 2017, the scope of the project include the construction of main facilities, such as, floating passenger jetty, cargo jetty and cable bridge at Poh Island.

These two projects, among other infrastructure projects, augmented the strength of our strong track record and have certainly marked a new milestone in our decade of strong track record of general construction and specialised engineering projects in Malaysia.

PROPERTY DEVELOPMENT

BBR ventured into the property development segment in 2003 and carved a niche for itself as a boutique developer of contemporary residential properties. This year, BBR has steadily broadened its stronghold in the property development business by investing in a mixed commercial and residential development in Yishun, Singapore.

The revenue from property development amounted to $58.6 million and constituted 13.8% of total revenue for FY2015.

Bliss @Kovan, a freehold site, has been developed into a five storey condominium with 140 units of superior design concept and received Temporary Occupation Permit ("TOP") in November 2015. The development is 100% owned by the Group and is 96% sold.

CEO'S BUSINESS REVIEW

Likewise, BBR's 35% venture in Lakehomes Pte. Ltd. is expected to reap sound returns with 98% of the 546 units at Lake Life Executive Condominium sold since its rousing successful sales launch on 8 November 2014. Construction at the development is approximately 70% completed and being scheduled for TOP at the end of 2016, BBR is tailored to recognise its 35% share of profits in Lakehomes Pte. Ltd. at the same time.

The 99-year leasehold HDB land site at Yuan Ching/Tao Ching Road in Jurong, Singapore was awarded by The Housing & Development Board on 2 August 2013. Lake Life boasts of modern and lifestyle design elements to be built on a land area of 217,304 square metres.

Another highlight is a proposed mixed 60% residential and 40% commercial development by Northern Resi Pte. Ltd. ("Resi") and Northern Retail Pte. Ltd. ("Retail"), respectively, along Yishun Avenue 4. The consortium partners in this mixed development are BBR, Hexacon Construction Pte. Ltd., Santarli Venture Pte. Ltd., MUSE Capital Pte. Ltd. and AHPL (Investments) Pte. Ltd. in the proportion 25.05%, 25.05%, 29.9%, 18% and 2% respectively.

The 99-year leasehold site has an area of approximately 9,759.8 square metres and is expected to obtain TOP by first half of 2018. Resi will develop and sell 216 units of condominium units at The Wisteria and Retail, being a company incorporated for long-term property investment purposes, will develop the commercial segment named Wisteria Mall and be the single strata owner upon completion.

GREEN TECHNOLOGY

Established in 2013, the new Green Technology division incorporated a wholly-owned subsidiary, BBR Greentech Pte. Ltd. to carry out system integration and distribution of renewable energy. Revenue contribution from this segment in FY2015 is not yet significant.

The Group sets to bid for projects to supply, install and lease solar panels and grid connected systems for statutory boards and private sector customers. Riding on the wave 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.

In FY2015, the Green Technology segment has constructed photovoltaic ("PV") systems for two customers. Firstly, it designed, installed and will maintain a 490 kW peak grid-tied PV system for GKE Warehousing & Logistics Pte Ltd. Upon commissioning, the 25-year solar leasing contract commenced and revenue is earned by BBR for electricity generated by solar panels on the rooftop of its warehouse. Next, BBR designed, installed and commissioned a glass-to-glass solar canopy PV system at The People's Buddhism Study Society premise in Geylang, Singapore.

BBR will be completing the design and installation of a 6 MW peak grid-tied solar PV system on the rooftops of HDB flats for Ang Mo Kio Town Council ("AMKTC") in the first half of 2016. BBR has signed a 20-years power purchase agreement with AMKTC whereby AMKTC is to purchase and BBR is able to earn revenue from the electricity generated from the solar panels.

Towards the end of 2015, BBR participated in a Floating PV test-bed pilot project in Singapore which is led by the Singapore Economic Development Board and the Public Utilities Board. Revenue from this project has yet to be earned in FY2015.

CONCLUDING REMARKS

During the year, BBR has expanded both in breadth and depth its core competencies.

Beyond the growth in business revenue, the newly-acquired building competencies in PPVC will put BBR in good stead for future new tender requirements and harness the increase in construction productivity.

BBR will continue to contribute and enhance our value to ensure Strength, Stability and Sustainability of the Group in Singapore and Asia.

Tan Kheng Hwee Andrew
Executive Director and
Chief Executive Officer

BOARD OF DIRECTORS

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 HWEE 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 associated companies. He is a founder of Tectus Dreamlab Pte Ltd, a cross-functional research centre in Fusionopolis, Singapore, leading various next-generation initiatives including VIP - a holistic platform for asset monitoring and maintenance to serve global markets in partnership with Singapore research and government agencies.

Mr Valsangiacomo is a founding shareholder and Executive Chairman of ITI Holdings S.A., Luxembourg. Since its formation in 1991, ITI Group built the largest broadcasting, media and entertainment group in Poland, and its core company, publicly-listed TVN Group, was sold to Scripps Networks Interactive Inc. in 2015.

Mr Valsangiacomo is a founding partner of Metaverse Holding Ltd., a virtual reality company specialised in virtual live event experiences, NeuroPro Ltd, a company developing next generation tools for applied brain science and The Brain Forum, an independent charitable foundation dedicated to helping fulfil the potential of brain science to benefit humanity.

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

4 MR MARCEL POSER

Non-Executive Director

Mr Marcel Poser was appointed a Director of BBR Holdings (S) Ltd on 24 April 2015. Prior to this appointment, he was an Alternate Director of the Company since 4 August 2011.

Mr Poser has been Chief Executive Officer and Director of Tectus SA since 2011. He is also concurrently the Chairman of BBR VT International Ltd, Executive Co-Chairman of Proceq SA and Director of BBR Holding Ltd (Switzerland), Moderna Homes Pte Ltd (Singapore) and other Tectus Group associated companies. He is founding partner and Director of Tectus Dreamlab Pte Ltd, a cross-functional research centre in Fusionopolis, Singapore, leading various next-generation research and development projects.

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.

5 MR ROMANO WILLIAM FANCONI

Alternate Director to Mr Marcel Poser

Mr Romano William Fanconi was appointed an Alternate Director to Mr Marcel Poser on 24 April 2015.

Mr Fanconi has been Managing Partner of FFC Fincoord Finance Coordinators AG since 1995 and within the Tectus Group of companies, he is responsible for M&A, legal, finance and administration. He is also concurrently a member of the board of directors of Tectus S.A., BBR Holding Ltd., BBR VT International, Proceq S.A. and other Tectus Group associated companies.

He initially focused on media as Corporate Secretary of leading Polish media and entertainment group ITI Group. ITI Group built the largest broadcasting, media and entertainment group in Poland, and its core company, publicly-listed TVN Group, was sold to Scripps Networks Interactive Inc. in 2015. Mr Fanconi is also a founding partner of Metaverse Holding Ltd., a virtual reality company specialised in virtual live event experiences.

Mr. Fanconi holds a Bachelor Degree in Business Administration from the Lucerne School of Economics and Business Administration.

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 member of the Institute of Singapore Chartered Accountants, 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.

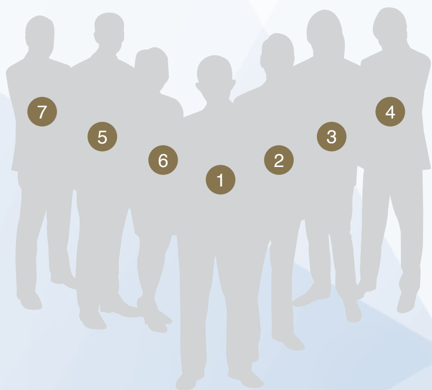
7 MR SOH GIM TEIK

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 38 years of extensive industry experience in corporate governance, finance and general management, he is currently a member of the Institute of Singapore Chartered Accountants and a Fellow of the Singapore Institute of Directors where he serves on its Governing Council as 2nd Vice Chairman.

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, including a new specialised service, prefabricated pre-finished volumetric construction. He is also a Director of Siam-BBR Co., Ltd., BBR Philippines Corporation, BBR Piling Pte. Ltd. and Moderna Homes 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 40 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 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 member of the Institute of Singapore Chartered Accountants.

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 the restoration of 9 King George's Avenue (Peoples' Association Headquarters)
2003	Architectural Heritage Award from the URA for the restoration of Asian Civilisation Museum, Empress Place
2001	Architectural Heritage Award from the URA for the Restoration of 101 Penang Road (House of Tan Yeok Nee)
1998	Architectural Heritage Award from the URA for the Restoration of 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 (HDB) Quality Partners Award for Building Improvement Works to Void Deck Columns using Polymer Fibre Wrapping

CONSTRUCTION ENVIRONMENT

2014	Green and Gracious Builder Star Award
2013	Green and Gracious Builder Merit Award
2012	Construction Environmental Award – Certificate of Merit from the Land Transport Authority (LTA) for Contract ER361 (Widening of Keppel Viaduct)

CONSTRUCTION PRODUCTIVITY

2015	BCA BIM Gold Award as the Builder for the Galaxis (Fusionopolis 5)
2014	Construction Productivity Gold Award from the BCA for Lush on Holland Hill
2014	BCA BIM Gold Award as the Builder for Residential Halls at North Hill, Nanyang Technological University

SAFETY

2013	Certificate of Recognition for Million Accident Free Man-hours from LTA for Contract 937B Tai Seng Facility Building
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

GREEN MARK

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

COMPANY RANKING

2015	ANZ Global Business Excellence Award
2014	Singapore 1000 Company - Emerging 2014 Award from DP Information Group
2013	Singapore 1000 Company – Emerging 2013 Award from DP Information Group
2012	Singapore 1000 Company – Emerging 2012 Award from DP Information Group

BEST BUILDABLE DESIGN

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

ON-GOING PROJECTS

HALL OF RESIDENCE (NANYANG AVENUE) AT NANYANG TECHNOLOGICAL UNIVERSITY, SINGAPORE

Located at Nanyang Avenue, the $196 million contract for the construction of the new hall of residence for Nanyang Technological University ("NTU") scored as the first public high-rise development in Singapore using Prefabricated Pre-finished Volumetric Construction ("PPVC") system with up to 40% improvement in labour productivity and shortened construction timeframe.

Spanned over the NTU North Hill precinct, there will be six blocks of 13-storey student hostel comprising 1,582 hostel rooms, as well as a full range of recreational facilities catering to over 1,800 students. The project is scheduled to be completed in the third quarter of 2016.

THE WISTERIA AND WISTERIA MALL, SINGAPORE

BBR has been awarded the construction contract for The Wisteria and Wisteria Mall, a mixed residential and commercial development, respectively, at Yishun Avenue 4. The Wisteria comprises 3 towers of 9 storeys housing 72 units of condominium each from level 4 to 12. The residences are directly connected to Wisteria Mall which consists of 2 levels of retail spaces at basement and level 1, comprising food and beverage and retail outlets, including a supermarket and food court.

As part of the government's initiative to use labour-efficient construction methods and building design to improve construction productivity, PPVC and Prefabricated Bathroom Units are required to be adopted for at least 65% of the constructed floor area and bathroom units, respectively, for The Wisteria. Construction for the mixed development has commenced in early 2016 and will take approximately 32 months to complete.

PULAU POH AT TERENGGANU, MALAYSIA

The project involves the design and construction of a new marina base at Pulau Poh and the bridge connecting Pulau Poh to existing Pengkalan Gawi jetty in Kenyir Lake in Terengganu. The project was awarded by a Class "A" Bumiputra contractor in 2014.

Targeted for completion in June 2017, the scope of the project include the construction of main facilities, such as, floating passenger jetty, cargo jetty and cable bridge at Poh Island.

HALL OF RESIDENCE (NANYANG CRESCENT) AT NANYANG TECHNOLOGICAL UNIVERSITY, SINGAPORE

This project is BBR's second PPVC contract for the fabrication, supply and installation of 712 hostel rooms within one block of 11-storey and three blocks of 13-storey student hostel development and one block of 4-storey multi-storey car park with ancillary facilities at Nanyang Crescent, NTU (Western Water Catchment). The project was awarded by Santarli – Zheng Keng JV and is scheduled to be completed in the first quarter of 2017.

PROJECTS GALLERY

ON-GOING PROJECTS

HDB SOLAR LEASING @ ANG MO KIO TOWN, SINGAPORE

Under a solar leasing model, BBR will design, install, operate and maintain a 6MWp (Megawatt peak) grid-tied solar photovoltaic system to be installed on the rooftops of 80 HDB residential blocks in Ang Mo Kio Town. The Ang Mo Kio Town Council will undertake a power purchase agreement over a 20-year tenure to pay for the solar generated electricity, at a preferential rate that is not higher than retail electricity tariff rate.

The approximately 22,000 solar panels to be installed are expected to generate more than 7GWh of electricity annually. The electricity generated will be used to power public services in common areas such as lift operations, corridor and staircase lightings, and water pumps.

LAKE LIFE EXECUTIVE CONDOMINIUM DEVELOPMENT, SINGAPORE

The 99-year leasehold development, Lake Life Executive Condominum, is a prestigious development project led by Lakehomes Pte. Ltd, a 35% owned associate of the Group.

Located at Yuan Ching Road/Tao Ching Road in Jurong West, it is the first executive condominium in the Jurong district after 17 years. At the heart of the URA Masterplan for Jurong Lake District, the project spans 217,304 square feet of land which will be developed into 546 units of executive condominium with modern and lifestyle design features.

Due for TOP at the end of 2016, 98% of the 546 units were sold since the sales launch on 8 November 2014.

OUR PEOPLE

Pivotal to our success is our people performing at their best. We value the vital contributions by all employees towards sustaining BBR's long term success.

To underscore our care and commitment towards our employees, BBR drives a holistic Human Resource ("HR") strategy focused on fair remuneration and equal opportunities, training and development, employee wellness and engagement, and work-life harmony.

We are taking progressive steps to go beyond compliance with labour laws in Singapore to develop and implement policies and staff engagement programmes that aim to help employees build long-term, fulfilling careers with BBR.

Open Recruitment & Retention Strategy

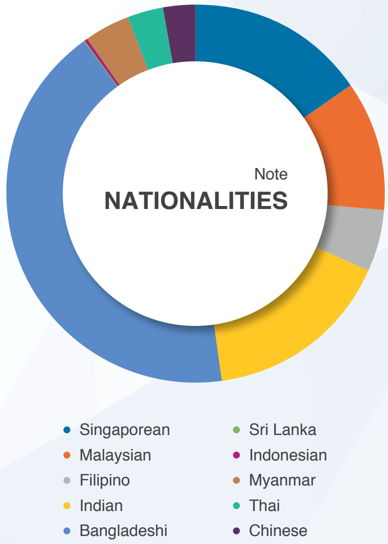
Identifying, recognising and rewarding quality employees is essential in our hiring and retention strategy. We advocate fair employment practices by ensuring equal opportunities for recruitment, fair compensation, career progression and training opportunities.

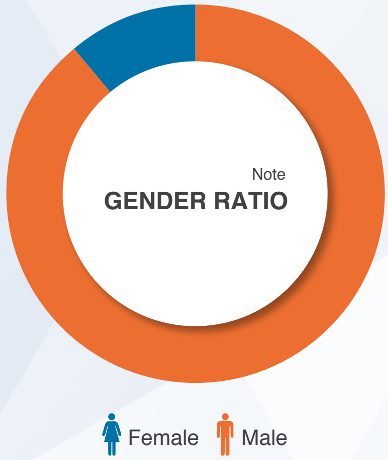
We provide fair employment opportunities to all, regardless of age, gender, race, or nationality. BBR advocates a policy of harnessing diversity in human resource as evidenced by a fair distribution of employees from varied nationalities and age groups to support our key markets in Singapore and Malaysia.

We maintain a policy of employee diversity through providing employment opportunities to young and older workers beyond the official retirement age of 65. As at January 2016, the youngest staff is 22 years old while we have 2 senior staff of age 70 and above.

Age profile of employees[Note] :

Staff	Proportion %
Below 30 Years	13
31 to 50 Years	59
51 to 65 Years	25
Above 65 Years	3
Workers	**Proportion %**
Below 30 Years	48
31 to 50 Years	50
51 to 60 Years	2





[Note] Statistics in this section relates to employees of Singapore incorporated companies only.

SUSTAINABILITY REPORT

In terms of employee skills profile, we have maintained a fair proportion of professional and management team to lead and drive the business growth in our four business segments[Note] :

PMET classification for staff as at 31 Dec 2015	Proportion %
Professional	29
Management	1
Executive	8
Technical	60
Others	2
Total	**100**

BBR employs a merits-focused approach in its annual performance appraisal process, rewarding our staff on the basis of contribution, abilities and experience, regardless of age, gender, race, or nationality.

Our staff also enjoy an attractive remuneration package with benefits and a bonus scheme designed to enhance overall job satisfaction, morale and motivation. This is reflected in the strong retention rate of staff within our ranks and file, with over 35% of staff being with the firm for more than 5 years.

Years of service record [Note]

Staff as at 31 Dec 2015	Proportion %
Below 5 years	65
6 to 10 years	16
10 to 20 years	10
> 20 years	9
Total	**100**

Developing Human Capital

The training roadmap for our employees comprises induction, on-the-job training and strategic skills development roadmap.

New employees undergo an orientation programme to help them understand the Company's policies, procedures as well as immerse in BBR's core values.

In line with the organisation's strategic objectives as well as the individual's areas of responsibility and growth track, staff are encouraged to upgrade and improve their skill sets by undergoing personal, professional as well as technical training courses at the Company's expenses.

Training and development not only ensure that employees are adequately equipped to perform their functional roles, but also raise their overall competencies and productivity levels, and prepare them to serve in larger capacities in the future. We are committed to invest in the training and further education of our staff as seen in the following table[Note]:

	2015
Total (average) no. of employees	907
Total training hours	11,873
Average training hours per employee	13.09

"BBR is buttressed by a growing and diverse workforce of more than 900 comprising staff and foreign workers spanning more than 10 nationalities. We invested an average of **13 hours per employee in 2015** as part of our human capital development strategy. We believe strongly in continuously **upskilling** our employees in order for them and the organisation as a whole to be well-positioned to take on the challenges of the future." said Mr Andrew Tan Kheng Hwee, CEO of BBR.

Reaching for Industry Standards.

BBR is fully committed to compliance on all applicable labour laws where we operate and ensure compliance through on-going monitoring and auditing.

BBR not only complies with all mandatory labour laws and training requirements stipulated by the Singapore Ministry of Manpower ("MOM") and the Building and Construction Authority ("BCA"), we also take steps to meet prevailing industry standards and plan ahead to meet future targets.

By 2017, MOM will require all construction firms to have at least 10% of their work permit holders ("WPHs") to be qualified as "Higher Skilled" R1 workers. As of 2015, BBR Group has already met with this minimum requirement. As at January 2016, 28.8% of WPHs are now "Higher Skilled" R1 and foreign workers in this category are given a monthly skills incentive allowance of $100.

[Note] Statistics in this section relates to employees of Singapore incorporated companies only.

Training & Further Education

Since 2011, BBR has been sponsoring potential and current employee for further education through its scholarship programme.

To-date, two eligible staff have been sponsored postgraduate scholarships while six undergraduate scholarships had been offered by BBR in partnership with BCA under the BCA-Industry Built Environment Undergraduate Scholarship Programme.

During the course of their studies, the undergraduates will undertake industrial attachment programmes (internship) at BBR in various departments to give them a broad overview of the Company's operations, hands-on working experience and insightful on-the-job learning opportunities.

Upon graduation, the scholars will embark on their new careers with BBR, thereby augmenting the growing talent pool under BBR's banner. BBR plans to widen its scholarship programme to include students from polytechnics and Institute of Technical Education in the near future.

The Company organises both local and overseas industry immersion programmes for its staff as part of its learning journey. In addition, support staff and colleagues from the different business segments are urged to attend orientation sessions conducted at different project sites to raise general awareness of construction processes and latest construction methods.

Work-Life Harmony & Wellness

Healthy and happy employees make a productive and effective workforce. As such, promoting employee wellness and work-life harmony is another important aspect of our HR strategy.

To promote staff engagement and team spirit, we encourage all staff to take part in year-round activities such as community service and volunteerism events organised under BBR CARE, as well as festive get-together celebrations organised by the HR department during Hari Raya, Chinese New Year, Deepavali and Christmas. As a token of appreciation, every employee receives an auspicious red packet from the management during Chinese New Year.

In addition to a comprehensive group medical insurance programme implemented since 2014, the Company also sponsors health screening and dental care of up to $350 per employee per annum.

Employees are also treated to Healthy Fruits/Snacks Day programme which aims to inculcate good and healthy eating habits.

Towards creating a more conducive working environment, working hours for staff at project sites have improved in 2014 with the switch from a six-day work week to having alternate Saturdays off.

Gearing Up

At BBR, we strive to develop a strong talent pipeline and a resilient workforce, united by values of teamwork which is geared towards bringing the organisation into its next phase of growth.

Looking ahead, BBR will continue to invest in human capital development to bolster the Group's core competencies and drive for sustainable growth. In particular, a key focus revolves around continuous skills enhancement to raise the competitiveness, employability and job satisfaction of our workforce, in order to achieve the best possible outcomes for our employees and customers.

▼ CEO, Andrew Tan, receiving the BCA Awards 2014 from Minister Lee Yi Shyan, Senior Minister of State, Ministry of Trade & Industry

▼ Overseas Industry Immersion Trip 2015 to Terengganu, Malaysia

▼ Joint BCA-NTU-JSP students visit to NTU Halls of Residence project site

ENVIRONMENTAL & WORKPLACE, HEALTH & SAFETY

Building Workplace Health, Safety and Environmental Awareness

The BBR Group is committed to embracing the highest standards of Workplace, Safety and Health ("WSH") and environmental practices and inculcating the best practices in the BBR Group. We are guided by the steadfast commitment to our employees for a safe working environment in which one can work and excel with full confidence.

The management team sets a strong foundation by providing clear direction within the organisation of the value of an effective occupational health and safety management approach to foster risk-free and environmentally-friendly premises. Our Quality, Environment, Health and Safety ("QEHS") department is responsible for leading the Group in adhering to all WSH regulations as stipulated by the Ministry of Manpower ("MOM").

At BBR, we have adhered fully to the WSH requirements set out by MOM and we have rigorously put in place not only the safety measures, but also the risk management guidelines for WSH Hazards in Construction and Landscape Industries. They are Work at Heights, Crane Safety, Confined Space, Asbestos, Noisy Environments, Ergonomics Risk Factors and Heat Stress.

In addition to the adoption of local as well as international WSH systems and practices, we have attained bizSAFE and CultureSAFE certifications for our General Construction and Specialised Engineering divisions. At the same time, major operating subsidiaries of BBR have adopted ISO 9001 and OHSAS 18001 systems.

We conduct bizSAFE risk assessments on all aspects of our work programme and project implementation. Surveillance and monitoring programmes such as observation and intervention are conducted to improve safety and health at workplace.

BBR practices Safety Time Out regularly, which is a planned event to take stock of and review the existing WSH systems and work processes or particular activity and thereafter implement necessary measures to keep safety practices in check and uphold good WSH standards.

We have implemented regular safety training and regular safety system review for all our operation sites. Occupational, safety and health induction courses are conducted for all site personnel and subcontractors. In 2015 alone, we have invested 11,873 hours of skilled-based and technical training for our employees.

Our management is committed to ensure Safety First by regular inspection of project sites and review of safety implementations on site with the project members. Our subcontractors are required to submit risk assessment and safe work procedures prior to the commencement of work.

Promoting A Safety Culture

The Group remains committed to enhancing and achieving a strong and sound safety culture and instilling a positive mindset among our employees that encourage responsibility towards oneself and one's co-workers. Safety management starts from the project planning stage and is practised through the various stages of design, construction and management till project completion.

Over the past years, our comprehensive construction safety programme has evolved and the principles and processes behind this programme have also been refined.

Some of these include:

- A rigorous subcontractor and supplier selection and approval process, which shortlists companies with good safety track records.
- Risk assessment procedures to identify among other things, situations and processes that may potentially cause injury to staff. After identification, we will evaluate the likelihood of the risk and the severity of its impact, and devise preventive measures to be put in place.
- Field regular safety audits at construction worksites.
- Prior to any work commencement, BBR requires vendors to submit Safe Work Procedure ("SWP") and Risk Assessment ("RA") on the works they are to carry out. Respective project and safety personnel will then review these submissions to ensure that the vendors are cognisant of their procedures and safety measures set out. Only approved SWP and RA will be given Permit-To-Work to start work.
- Safety Induction Courses are conducted for authorised persons prior to entry of construction sites to raise awareness of WSH and site safety regulations.
- Regular Toolbox meetings are conducted to instil safety culture to employees and vendors. During the meetings, the safety officer will highlight safety offences and incidences, and remind attendees on safety measures and regulations.
- BBR implemented a composite fine system to deter poor WSH behaviour or practices on-site by employees and vendors.
- All construction sites have an Emergency Preparedness and Response Plan in-place. This plan is introduced during Safety Induction Courses and Toolbox meetings. The plan will also be on display on notice boards around the site.

We also maintain a QEHS Journal via our intranet in order to share the key learning points from our daily operations with our team of safety officers.

Occupational Health

In 2015, BBR has adopted the guidelines set by Guide to Total Workplace Safety and Health whose objectives are to actively encourage staff health and wellness promotion programmes. Total Workplace Safety and Health ("TWSH") is an integrated approach which views a safe and healthy workplace as one that has workers and managers collaborating in a continual improvement process to protect and promote the health, safety, and well-being of all workers as well as sustainability of the workplace.

Through the TWSH approach, risk assessment processes take individual risk factors into consideration. Integrating programmes that control risks in the workplace together with the promotion of health can create synergies that result in improved productivity, performance, staff attendance, employee retention, financial performance, return on investment and quality of life.

In conjunction with TWSH, BBR's QEHS team has organised health and sports programme such as 5 km marathon runs and soccer tournaments for participation by the team and project staff.

Winning QEHS Awards

Green and Gracious Builders Award has been introduced by the BCA to raise environmental consciousness and professionalism of builders. It is also a benchmark of a builder's corporate social responsibility to the environment and the general public. Apart from setting standards for green practices, it also sets standards for gracious practices.

Singapore Piling & Civil Engineering Private Limited ("Singapore Piling") has received The Green and Gracious Builders Award Star 2014 and Green and Gracious Builders Award Merit 2013. Singa Development Pte Ltd ("Singa") was also awarded the same in 2013.

Likewise, Singapore Piling received BCA Green Mark Awards for its projects, Galaxis and Kallang Trivista, in 2014.

Promoting Environmental Consciousness

To reduce environmental hazards and be environmentally friendly, BBR seeks to carry out its daily business operations in a socially responsible way and contribute positively to the communities in which it operates.

Four subsidiaries, namely Singapore Piling, Singa, BBR Construction Systems Pte Ltd and BBR Piling Pte Ltd, have been given due recognition in planning and implementing environmental initiatives through the attainment of ISO 14001.

BBR supports Earth Hour which is the annual energy savings day whereby companies pledged to switch off lighting and air-conditioning in their premises. This measure is extended to regular days when the premise is not in use.

BBR site teams are trained to treat and remove water pollutants at worksites before discharging the treated water into the public water drainage system. All site teams provide recycling bins on site to encourage recycling.

BBR has adopted the Happy Toilet Programme which is supported by the National Environment Agency. This is a star-grading initiative centred on Design, Cleanliness, Effectiveness, Maintenance and User Satisfaction of toilets, and it serves to maintain good hygiene standards at the worksites. To-date, BBR has consecutively received 5-star gradings (out of a maximum of 6-star) in 2013 and 2014 for its toilets at Galaxis worksite. In addition, toilets at construction site, Lush on Holland Hill, received a similar 5-star grading in 2012.

▼ Deputy Prime Minister Tharman Shanmugaratnam's visit to NTU Hall of Residence project site

CORPORATE SOCIAL RESPONSIBILITY

MAKING A DIFFERENCE

At BBR, we play our part in caring for the community and lending a helping hand to those in need. Responsible corporate citizenry is a core pillar of our business approach and sustainability strategy.

We recognise the importance of encouraging our employees to play an active role in the communities of which we are a part of, and in doing so, develop their leadership potential, corporate camaraderie, community spirit and environmental awareness.

Our corporate social responsibility ("CSR") philosophy and vision took shape in 2014 with the formation of BBR CARE, with the mission of "Making a Difference".

BBR CARE

A Group-wide CSR platform led and championed by our Chief Executive Officer, Mr Andrew Tan Kheng Hwee, BBR CARE aims to foster community initiative and involvement across all levels of the organisation. The core themes of BBR CARE encompass encouraging employee volunteerism, empowering community engagement and enhancing the environment.

Realising our vision, we embarked on several local and overseas employee-led community-enhancing initiatives over the years. In 2015, more than 300 volunteer hours were contributed by employees to the Group's community engagement programmes.

IMPROVING COMMUNITY WELFARE

In support of charity, BBR also matched employees' donations dollar for dollar in a fund-raising campaign that raised about $6,000 for Asian Women's Welfare Association ("AWWA"). With the funds, the BBR CARE team purchased and distributed Chinese New Year goodie packs to the residents to liven the festive mood in the community home.

▼ Caring and sharing with the less privileged under AWWA's community initiatives

On 5 November 2015, BBR rallied some 50 employees to participate in the *Walk for Rice* programme organised by Ernst & Young LLP under the initiative of South East Community Development Council and sponsored by the NTUC FairPrice Co-operative Limited. Covering a distance of 5 km, our participation helped to raise some 2,500 bowls of rice for needy families.

▼ Raising 2,500 bowls of rice for needy families under *Walk for Rice* Programme

> "We at BBR are proud to support Lien AID's programme in Cambodia, aimed at mitigating the water and sanitation crisis plaguing the villagers in order to give them hope for a better future," said Mr Andrew Tan Kheng Hwee, CEO of BBR.

ENABLING ACCESS TO WATER

In the region, we are also supporters of initiatives that boost local accessibility to necessary resources essential to safe and sustainable living.

In Cambodia, BBR partnered Lien AID, a registered charity headquartered in Singapore that provides water and sanitation solutions for Asia's rural poor. In 2013, BBR contributed S$38,000 in support of Lien AID's *Gift for Water* Programme to help poor rural floating communities living on the Ton Le Sap Lake have improved access to affordable drinking water. The donation went towards the setup of water treatment plants for the residents. BBR strongly encouraged its staff to perform community services in these villages.

▼ Enabling access to clean water to the communities in Cambodia

SHAPING THE FUTURE

In our journey to sustainability, the Group's community outreach and engagement efforts are evolving towards a long-term social investment strategy incorporating clear, sustainable objectives to contribute meaningfully to communities where we operate. We constantly seek to bolster the comprehensiveness of our CSR framework, by driving the sustainability agenda at the core and across all areas of our businesses.

Plans are underway to implement an assessment framework to measure the effectiveness of our monetary investments and people-time contributions so as to improve BBR's involvement in social projects in the long run.

BBR CARE will continue its mission to make a difference by deepening existing community engagement efforts such as our Care-and-Share Programme with the AWWA. We also continue efforts to actively scan across a broad spectrum of opportunities locally and in the region to widen our engagement for a positive impact to those in need.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

Mr Bruno Sergio Valsangiacomo
Non-Executive Director
BBA

Mr Marcel Poser
Non-Executive Director
M.Sc. Eng./Dipl.Ing.SIA

Mr Romano William Fanconi
Alternate Director to Mr Marcel Poser
BBA

Ms Luk Ka Lai Carrie
Independent Director
MBA, FCCA, ACIS, CA (Singapore), MSID, MSIM

Mr Soh Gim Teik
Independent Director
BAcc, CA (Singapore), FSID

AUDIT COMMITTEE AND RISK MANAGEMENT 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

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
United Overseas Bank Limited
AFC Merchant Bank
Australia and New Zealand Banking Group Limited
CIMB Bank Bhd
Ambank Bhd
AmIslamic Bank Bhd

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DIRECTORS' STATEMENT

The directors are pleased to present their statement 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 2015.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the statements of financial position and statements of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and 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.

DIRECTORS

The directors of the Company in office at the date of this statement 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	
Marcel Poser	
Romano William Fanconi	(Alternate Director to Marcel Poser; appointed on 24 April 2015)

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:

	Direct interest		Deemed interest	
Name of director	**At the beginning of financial year/At date of appointment**	**At the end of financial year**	**At the beginning of financial year/At date of appointment**	**At the end of financial year**
The Company **BBR Holdings (S) Ltd** **Ordinary shares**				
Tan Kheng Hwee Andrew	17,250,474	17,250,474	228,400	228,400
Bruno Sergio Valsangiacomo	–	–	85,632,978	85,632,978
Romano William Fanconi	80,000	80,000	–	–

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES *(cont'd)*

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2016.

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 statement, 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 date of appointment if later, or at the end of the financial year.

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' STATEMENT

THE BBR SHARE PLAN *(cont'd)*

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

Name of participant	Granted in financial year ended 31.12.15	Aggregate granted since commencement of Plan to 31.12.15	Aggregate released since commencement of Plan to 31.12.15	Aggregate outstanding as at 31.12.15
Director of the Company				
- Tan Kheng Hwee Andrew	–	650,000	650,000	–
Key management and executives of the Group	–	3,210,000	3,210,000	–
As at 31 December 2015	**–**	**3,860,000**	**3,860,000**	**–**

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

24 March 2016

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 38 to 102, which comprise the statements of financial position of the Group and the Company as at 31 December 2015, 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 financial statements 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 financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, 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 subsidiary corporations 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
24 March 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 $'000	2014 $'000
Revenue	4	425,508	671,572
Cost of sales		(400,301)	(642,917)
Gross profit		25,207	28,655
Other operating income	5	3,651	9,299
Other income		31	135
Administrative costs		(9,297)	(9,151)
Other operating costs		(13,153)	(13,810)
Finance costs	6	(557)	(592)
Share of results of joint ventures		(669)	–
Share of results of associates		64	269
Profit before taxation	7	5,277	14,805
Income tax expense	8	(2,666)	(3,006)
Profit for the year		2,611	11,799
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation loss		(1,734)	(351)
Other comprehensive income for the year		(1,734)	(351)
Total comprehensive income for the year		877	11,448
Profit attributable to:			
Equity holders of the Company		2,332	11,230
Non-controlling interests		279	569
		2,611	11,799
Total comprehensive income attributable to:			
Equity holders of the Company		955	10,927
Non-controlling interests		(78)	521
		877	11,448
Earnings per share	9		
Basic earnings per share		0.76 cents	3.66 cents
Fully diluted earnings per share		0.76 cents	3.66 cents

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Non-current assets					
Property, plant and equipment	10	44,258	25,222	20,171	7,264
Intangible assets	11	419	419	–	–
Investments in subsidiaries	12	–	–	56,099	68,549
Investments in associates	13	1,115	8,195	260	260
Investments in joint ventures	14	–	–	–	–
Other investments	15	–	–	–	–
Deferred tax assets	16	735	1,085	–	–
Trade receivables	17	7,520	13,698	–	–
Loans to an associate	18	19,257	31,952	–	–
Loans to a joint venture	18	17,360	–	–	–
Current assets					
Amounts due from subsidiaries	19	–	–	12,858	18,805
Development properties	20	–	75,200	–	–
Properties held for sale		8,395	–	–	–
Gross amount due from customers for contract work-in-progress	21	30,532	31,890	–	–
Inventories	22	10,156	3,944	–	–
Trade receivables	17	113,617	75,706	–	–
Other receivables	23	3,393	4,741	291	122
Pledged deposits	24	5,275	6,638	–	–
Cash and cash equivalents	24	23,935	38,002	1,226	729
		195,303	236,121	14,375	19,656
Current liabilities					
Amounts due to subsidiaries	19	–	–	12,490	11,161
Gross amount due to customers for contract work-in-progress	21	28,968	35,171	–	–
Trade and other payables	25	80,582	88,653	279	165
Other liabilities	26	2,661	3,656	677	1,461
Loans and borrowings	27	12,591	33,139	3,109	1,640
Income tax payables		640	1,139	–	213
		125,442	161,758	16,555	14,640
Net current assets/(liabilities)		69,861	74,363	(2,180)	5,016
Non-current liabilities					
Trade payables	25	8,180	10,923	–	–
Deferred tax liabilities	16	4,864	4,045	–	–
Loans and borrowings	27	12,137	3,035	10,557	1,640
		135,344	136,931	63,793	79,449
Equity attributable to equity holders of the Company					
Share capital	28	43,967	43,967	43,967	43,967
Treasury shares	29	(69)	(69)	(69)	(69)
Foreign currency translation reserve		(2,257)	(880)	–	–
Retained earnings		91,167	91,299	19,895	35,551
		132,808	134,317	63,793	79,449
Non-controlling interests		2,536	2,614	–	–
Total equity		135,344	136,931	63,793	79,449

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 2015

	Attributable to equity holders of the Parent						
Group	**Share capital (Note 28)**	**Treasury shares (Note 29)**	**Share plan reserve (Note 30)**	**Foreign currency translation reserve**	**Retained earnings**	**Non-controlling interests**	**Total equity**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2015	43,967	(69)	–	(880)	91,299	2,614	**136,931**
Total comprehensive income							
Profit for the year	–	–	–	–	2,332	279	**2,611**
Other comprehensive income for the year	–	–	–	(1,377)	–	(357)	**(1,734)**
Total comprehensive income for the year	–	–	–	(1,377)	2,332	(78)	**877**
Contributions by and distributions to owners							
Dividends paid on ordinary shares (Note 31)	–	–	–	–	(2,464)	–	**(2,464)**
Total transactions with owners in their capacity as owners	–	–	–	–	(2,464)	–	**(2,464)**
Balance at 31 December 2015	43,967	(69)	–	(2,257)	91,167	2,536	**135,344**

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

Group	Share capital (Note 28)	Treasury shares (Note 29)	Share plan reserve (Note 30)	Foreign currency translation reserve	Retained earnings	Non-controlling interests	Total equity
	Attributable to equity holders of the Parent						
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2014	43,967	(450)	172	(577)	82,527	1,843	**127,482**
Total comprehensive income							
Profit for the year	–	–	–	–	11,230	569	**11,799**
Other comprehensive income for the year	–	–	–	(303)	–	(48)	**(351)**
Total comprehensive income for the year	–	–	–	(303)	11,230	521	**11,448**
Contributions by and distributions to owners							
Share based compensation expense	–	–	209	–	–	–	**209**
Treasury shares reissued pursuant to employee share plan	–	381	(381)	–	–	–	**–**
Dividends paid on ordinary shares (Note 31)	–	–	–	–	(2,458)	–	**(2,458)**
Total transactions with owners in their capacity as owners	–	381	(172)	–	(2,458)	–	**(2,249)**
Others							
Acquisition of a subsidiary (Note 12)	–	–	–	–	–	250	**250**
Balance at 31 December 2014	43,967	(69)	–	(880)	91,299	2,614	**136,931**

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 2015

Company	Attributable to equity holders of the Company				
	Share capital (Note 28)	Treasury shares (Note 29)	Share plan reserve (Note 30)	Retained earnings	Total equity
	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2015	43,967	(69)	–	35,551	**79,449**
Loss for the year	–	–	–	(13,192)	**(13,192)**
Total comprehensive income for the year	–	–	–	(13,192)	**(13,192)**
Contributions by and distributions to owners					
Dividends paid on ordinary shares (Note 31)	–	–	–	(2,464)	**(2,464)**
Total transactions with owners in their capacity as owners	–	–	–	(2,464)	**(2,464)**
Balance at 31 December 2015	43,967	(69)	–	19,895	**63,793**
Balance at 1 January 2014	43,967	(450)	172	21,222	**64,911**
Profit for the year	–	–	–	16,787	**16,787**
Total comprehensive income for the year	–	–	–	16,787	**16,787**
Contributions by and distributions to owners					
Share based compensation expense	–	–	209	–	**209**
Treasury shares reissued pursuant to employee share plan	–	381	(381)	–	**–**
Dividends paid on ordinary shares (Note 31)	–	–	–	(2,458)	**(2,458)**
Total transactions with owners in their capacity as owners	–	381	(172)	(2,458)	**(2,249)**
Balance at 31 December 2014	43,967	(69)	–	35,551	**79,449**

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 2015

	2015 $'000	2014 $'000
Cash flows from operating activities		
Profit before taxation	5,277	14,805
Adjustments for:		
Depreciation of property, plant and equipment	5,335	6,368
Interest expense	509	407
Write-back of allowance for doubtful receivables (net)	(705)	(1,280)
Allowance for inventories obsolescence	73	156
Write-off of trade payables	(87)	–
Share based compensation expense	–	209
Share of results of joint ventures	669	–
Share of results of associates	(64)	(269)
Interest expense arising from the discount implicit in non-current trade receivables	48	185
Fair value adjustment on derivative	(57)	–
Gain on disposal of property, plant and equipment	(164)	(2,980)
Liquidation/disposal of an associate	576	(1,518)
Gain on liquidation and deregistration of subsidiaries	–	(440)
Interest income	(634)	(188)
Net effect of exchange rate changes in consolidating subsidiaries	(1,802)	(441)
Operating cash flows before working capital changes	8,974	15,014
Decrease/(increase) in development properties	75,715	(3,463)
Increase in properties held for sale	(8,395)	–
(Increase)/decrease in amount due from customers for work-in-progress (net)	(4,067)	20,890
(Increase)/decrease in trade receivables	(33,711)	8,360
Decrease/(increase) in other receivables	1,303	(1,083)
Increase in inventories	(6,643)	(818)
(Decrease)/increase in trade and other payables	(8,503)	7,110
Decrease in other liabilities	(2,008)	(2,278)
Cash generated from operations	22,665	43,732
Interest paid	(1,057)	(1,043)
Interest received	634	188
Income tax paid	(1,996)	(1,770)
Net cash generated from operating activities	20,246	41,107
Cash flows from investing activities		
Purchase of property, plant and equipment (Note 24)	(24,853)	(3,081)
Proceeds from disposal of property, plant and equipment	329	4,300
Proceeds from liquidation/disposal of an associate	638	2,380
Net cash inflow arising on liquidation and deregistration of subsidiaries, representing cash and cash equivalents of subsidiaries liquidated and deregistered (Note 12)	–	440
Dividends received from an associate	4,800	–
Investment in associates	–	(218)
Investment in a joint venture	(250)	–
Distribution of profits from a joint venture	315	–
Net cash outflow on acquisition of a subsidiary (Note 12)	–	(50)
Net cash (used in)/generated from investing activities	(19,021)	3,771
Cash flows from financing activities		
Loans to an associate	–	(3,220)
Repayment of loans from an associate	13,825	3,150
Loans to a joint venture	(19,865)	–
Repayment from a joint venture	2,505	–
Proceeds from/(repayment of) bank borrowings, secured	4,092	(1,390)
Dividends paid on ordinary shares	(2,464)	(2,458)
Proceeds from long term borrowings	16,448	–
Repayment of long term borrowings	(29,706)	(18,140)
Repayment of finance leases	(2,020)	(1,950)
Decrease/(increase) in pledged deposits	628	(3,038)
Net effect of exchange rate changes in consolidating subsidiaries	270	–
Net cash used in financing activities	(16,287)	(27,046)
Net (decrease)/increase in cash and cash equivalents	(15,062)	17,832
Net effect of exchange rate changes on cash and cash equivalents	706	(22)
Cash and cash equivalents at beginning of the year	38,002	20,192
Cash and cash equivalents at end of the year (Note 24)	23,646	38,002

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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, associates and joint ventures are set out in Notes 12, 13 and 14 to the financial statements.

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 2015. The adoption of these standards and interpretations did not have a material effect on the financial performance or position of the Group and the Company.

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:

Description	*Effective for annual periods beginning on or after*
FRS 114 Regulatory Deferral Accounts	1 January 2016
FRS 16 & 41 Amendments to FRS 16 Property, Plant and Equipment & FRS 41 Agriculture	1 January 2016
FRS 27 Amendments to FRS 27 Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 110 & FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 1: Disclosure Initiative	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

Except for FRS 115 and FRS 109, the directors expect that the adoption of the standards 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 FRS 115 and FRS 109 are described below.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

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.

(a) ***Transactions and balances***

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 measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of reporting period 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 subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.4 Foreign currency *(cont'd)*

(b) ***Consolidated financial statements***

For consolidation purposes, 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.

2.5 Basis of consolidation and business combinations

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

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

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

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.

(b) ***Business combinations and goodwill***

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.

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 the statement of comprehensive income.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, 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. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.5 Basis of consolidation and business combinations *(cont'd)*

(b) ***Business combinations and goodwill*** *(cont'd)*

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 the statement of comprehensive income on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

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 Company.

2.7 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

2.8 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.8 Joint arrangements *(cont'd)*

(a) ***Joint operations***

The Group recognises in relation to its interest in a joint operation,

(i) its assets, including its share of any assets held jointly;
(ii) its liabilities, including its share of any liabilities incurred jointly;
(iii) its revenue from the sale of its share of the output arising from the joint operation;
(iv) its share of the revenue from the sale of the output by the joint operation; and
(v) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

(b) ***Joint ventures***

The Group recognises its interest in joint ventures as investments and accounts for the investment using the equity method. The accounting policy for investments in joint ventures is set out in 2.9.

2.9 Joint ventures and associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures 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 or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

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

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 associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in the statement of comprehensive income.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.10 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.

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	8 to 42 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.

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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 and adjusted prospectively, if appropriate.

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

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an 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 of disposal 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 or groups of 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 or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in the statement of comprehensive income.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.12 Financial assets

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

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.

All regular way purchases and sales of financial assets are recognised or de-recognised 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 which are held for trading***

Non-derivative 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 as held-to-maturity investments or available-for-sale financial assets.

(b) ***Loans and receivables***

Non-derivative 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, less impairment. 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.

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition 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.

2.13 Cash and cash equivalents

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.14 Development properties and properties held for sale

(a) ***Development properties***

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.

Net realisable value of development properties is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date 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.

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.

(b) ***Properties held for sale***

Properties held for sale are those completed properties which are intended for sale in the ordinary course of business. They are stated at the lower of cost and net realisable value. Costs capitalised include cost of land and other directly related development expenditure, including borrowing costs incurred in developing the properties.

2.15 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) ***Financial assets carried at amortised cost***

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.15 Impairment of financial assets *(cont'd)*

(a) ***Financial assets carried at amortised cost*** *(cont'd)*

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) ***Financial 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.

2.16 Inventories

Inventories are stated 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.

2.17 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 (principally during the early stages of a contract), contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised only 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.

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that 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 substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.19 Financial liabilities

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

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

The Group does not designate any financial liabilities upon initial recognition as fair value through profit or loss.

After 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 de-recognised when the obligation under the liability is discharged or cancelled or expires. 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.

2.20 Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) 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 resources embodying economic benefits 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.

2.21 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 are accrued to employees. The estimated liability for leave is recognised for services rendered by employees up to statement of financial position date.

(c) ***Performance share plan***

Eligible employees of the Group may be 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.22 Leases

(a) ***As lessee***

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

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

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

(b) ***As lessor***

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.24 (e).

2.23 Taxation

(a) ***Current tax***

Current tax assets and liabilities for the current and prior periods 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, in the countries where the Group operates and generate taxable income.

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

(b) ***Deferred tax***

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

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

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss;
- In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.23 Taxation *(cont'd)*

(b) ***Deferred tax*** *(cont'd)*

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 recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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 on 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.

2.24 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 2.17.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.24 Revenue *(cont'd)*

(b) ***Sale of development properties under construction*** *(cont'd)*

(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. For Singapore trading properties under deferred payment scheme, executive condominiums and overseas trading properties, revenue and profit are recognised upon transfer of significant risks and rewards of ownership of the properties to the purchases using the completion of construction method.

(c) ***Sale of goods***

Revenue is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on 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.

(e) ***Rental income***

Rental income arising on commercial property sub-leases and the Group's plant and equipment rented 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.

(h) ***Leasing income from solar systems installations***

Revenue is recognised for electricity generated by solar panels and grid-connected systems installed and leased over a period of time.

2.25 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

2.26 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 in 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.

2.27 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, if issued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.28 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 debtor 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.

2.29 Government grants

Government grants are recognised when 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 consolidated 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 end of each 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 periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Income taxes

The Group has exposure to income taxes in several jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax, deferred tax provisions and deferred tax assets in the period in which such determination is made. The carrying amounts of the Group's income tax payables, deferred tax assets and deferred tax liabilities at 31 December 2015 were $640,000 (2014: $1,139,000), $735,000 (2014: $1,085,000) and $4,864,000 (2014: $4,045,000), respectively.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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 3% (2014: 1%) variance in the Group's profit before taxation for the year.

In 2015, the Group revised the estimated useful lives of certain machinery. This change in accounting estimates was accounted for prospectively from 1 January 2015, and the effect of this change was a decrease in depreciation charge of $839,000 for 2015.

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 and estimates by management are required in assessing the progress of the contracts, including evaluation of contractual adjustments to revenue due to variation works, key material price adjustments and back-charges from subcontractors. The carrying amounts of assets and liabilities as well as the construction revenue are disclosed in Note 21 Gross amount due from/(to) contract work-in-progress and Note 4 Revenue to the financial statements, respectively.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS *(cont'd)*

3.2 Key sources of estimation uncertainty *(cont'd)*

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.

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 costs will exceed total contract revenue. This assessment process involves significant management estimates, and expectations of the negotiations with various parties involved in the projects. The reasons is that such estimation uncertainty may arise from many factors that are outside the control of the Group, including but not limited to non-performance of subcontractors, increase in cost of construction materials and foreign worker levies, inclement weather or restricted working hours leading to project delays. As at 31 December 2015, the carrying amount of provision for foreseeable losses was $2,874,000 (2014: $3,568,000) in respect of work-in-progress for projects.

4. REVENUE

	Group	
	2015	**2014**
	$'000	$'000
Construction revenue	365,412	592,745
Sale of development properties	58,569	78,592
Sale of goods	1,381	207
Solar leasing income	118	–
Management fee from an associate	28	28
	425,508	671,572

5. OTHER OPERATING INCOME

	Group	
	2015	**2014**
	$'000	$'000
Gain on disposal of property, plant and equipment	164	2,980
Training and testing fees	914	1,569
Gain on disposal of an associate	–	1,518
Rental income of premises	1,085	1,417
Gain on liquidation and deregistration of subsidiaries	–	440
Sale of scrap	23	323
Rental income of equipment	406	306
Interest income from deposits	634	188
Management service fees	88	78
Others	337	480
	3,651	9,299

6. FINANCE COSTS

	Group	
	2015	**2014**
	$'000	$'000
Interest expense on:		
Bank loans and bank overdrafts	393	195
Finance leases	116	212
Interest expense arising from the discount implicit in non-current trade receivables	48	185
	557	592

7. PROFIT BEFORE TAXATION

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

	Group	
	2015	**2014**
	$'000	$'000
Audit fees to:		
Auditors of the Company	246	209
Other auditors	20	25
Depreciation of property, plant and equipment	5,335	6,368
Inventories recognised as expenses in cost of sales (Note 22)	78,184	100,254
Fair value adjustment on derivative	(57)	–
Liquidation/disposal of an associate	576	(1,518)
Foreign exchange loss/(gain) (net)	26	(135)
Grant income from government authorities	(179)	(312)
Allowance for inventories obsolescence	73	156
Write-back of allowance for doubtful receivables (net)	(705)	(1,280)
Share based compensation expense	–	209
Write-off of trade payables	(87)	–
Rental expenses in relation to:		
Premises	2,251	2,343
Equipment	24	37

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	
	2015	**2014**
	$'000	$'000
Statement of comprehensive income		
Current income tax:		
– Singapore	65	33
– Foreign	1,536	1,113
(Over)/under provision in respect of previous years	(104)	139
	1,497	1,285
Deferred income tax:		
Origination and reversal of temporary differences	1,088	1,773
Under/(over) provision of deferred income tax in respect of previous year	81	(52)
	1,169	1,721
Income tax expense recognised in the statement of comprehensive income	2,666	3,006

8. INCOME TAX EXPENSE *(cont'd)*

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	
	2015	**2014**
	$'000	$'000
Profit before taxation	5,277	14,805
Tax at the domestic rates applicable to profits		
in the countries where the Group operates	1,251	2,998
Adjustments:		
Income not subject to tax	(330)	(1,536)
(Over)/under provision of income tax in respect of previous years	(104)	139
Under/(over) provision of deferred income tax in respect of previous year	81	(52)
Benefits from previously unrecognised tax losses and deferred tax assets	(141)	(988)
Utilisation of investment and enhanced allowances	(246)	(151)
Non-deductible expenses	581	322
Effect of partial tax exemption and tax relief	(26)	(138)
Deferred tax assets not recognised	1,497	2,434
Share of results of associates and joint ventures	103	(46)
Others	–	24
Income tax expense recognised in the statement of comprehensive income	2,666	3,006

During the financial year, in relation to the Singapore group relief system, the Group utilised tax losses of $1,194,000 (2014: $1,702,000) 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 $735,000 (2014: $1,085,000) arising from unutilised tax losses amounting to $4,324,000 (2014: $6,382,000) as disclosed in Note 16. The Group has unutilised tax losses of approximately $27,737,000 (2014: $20,897,000) 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 tax losses have no expiry date.

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

Tax consequence of proposed dividends

There are no income tax consequences (2014: $Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 31).

9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to 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 equity holders of the Company by the weighted average number of 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:

	2015	**2014**
	$'000	$'000
Profit attributable to equity holders of the Company used in computation of basic and diluted earnings per share	2,332	11,230
	No. of Shares	**No. of Shares**
Weighted average number of ordinary shares for basic and diluted earnings per share computation	307,999,418	307,122,514*

* 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

10. PROPERTY, PLANT AND EQUIPMENT

Group	Plant and equipment	Freehold properties	Leasehold properties	Motor vehicles	Construction-in-progress	Other assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost							
Balance at 1 January 2014	36,566	–	10,641	4,596	–	1,505	**53,308**
Additions	2,774	–	–	1,124	824	59	**4,781**
Disposals	(123)	–	(2,200)	(165)	–	(65)	**(2,553)**
Write-off	–	–	–	(21)	–	–	**(21)**
Translation adjustments	(89)	–	–	(35)	–	(12)	**(136)**
Balance at 31 December 2014 and 1 January 2015	39,128	–	8,441	5,499	824	1,487	**55,379**
Additions	268	1,731	14,315	372	8,321	82	**25,089**
Disposals	(556)	–	–	(299)	–	(10)	**(865)**
Reclassification	796	–	–	–	(796)	–	**–**
Translation adjustments	(950)	–	–	(334)	–	(84)	**(1,368)**
Balance at 31 December 2015	38,686	1,731	22,756	5,238	8,349	1,475	**78,235**
Accumulated depreciation							
Balance at 1 January 2014	20,241	–	876	2,917	–	1,122	**25,156**
Depreciation charge for the year	4,087	–	1,411	660	–	210	**6,368**
Disposals	(123)	–	(880)	(165)	–	(65)	**(1,233)**
Translation adjustments	(72)	–	–	(30)	–	(11)	**(113)**
Balance at 31 December 2014 and 1 January 2015	24,133	–	1,407	3,361	–	1,256	**30,157**
Depreciation charge for the year	3,126	–	1,384	693	–	132	**5,335**
Disposals	(411)	–	–	(280)	–	(9)	**(700)**
Translation adjustments	(528)	–	–	(215)	–	(72)	**(815)**
Balance at 31 December 2015	26,320	–	2,791	3,559	–	1,307	**33,977**
Net carrying amount							
Balance at 31 December 2014	14,995	–	7,034	2,138	824	231	**25,222**
Balance at 31 December 2015	12,366	1,731	19,965	1,679	8,349	168	**44,258**

10. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

Company	Plant and equipment	Leasehold property	Motor vehicles	Other assets	Total
	$'000	$'000	$'000	$'000	$'000
Cost					
Balance at 1 January 2014	–	8,441	348	33	**8,822**
Additions	73	–	–	8	**81**
Balance at 31 December 2014 and 1 January 2015	73	8,441	348	41	**8,903**
Additions	–	14,315	105	–	**14,420**
Balance at 31 December 2015	73	22,756	453	41	**23,323**
Accumulated depreciation					
Balance at 1 January 2014	–	128	87	31	**246**
Depreciation charge for the year	36	1,279	70	8	**1,393**
Balance at 31 December 2014 and 1 January 2015	36	1,407	157	39	**1,639**
Depreciation charge for the year	37	1,384	90	2	**1,513**
Balance at 31 December 2015	73	2,791	247	41	**3,152**
Net carrying amount					
Balance at 31 December 2014	37	7,034	191	2	**7,264**
Balance at 31 December 2015	–	19,965	206	–	**20,171**

Construction-in-progress

Construction-in-progress relates to costs incurred for the construction of solar leasing infrastructure and installations at the clients' premises. Upon completion and commissioning of respective projects, the corresponding construction costs will be classified to plant and equipment, and amortised over the lease period.

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 $246,000 (2014: $2,181,000) by means of finance leases. The carrying amounts of property, plant and equipment held under finance leases for the Group as at 31 December 2015 were $3,861,000 (2014: $6,393,000).

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

Assets pledged as securities

As at 31 December 2015, property, plant and equipment of the Group and the Company with net book value of $30,045,000 (2014: $7,034,000) and $19,965,000 (2014: $7,034,000), respectively were mortgaged as securities for the banking facilities.

11. INTANGIBLE ASSETS

	Group	
	2015	**2014**
	$'000	$'000
Goodwill on consolidation		
Balance at 1 January	419	119
Acquisition of a subsidiary (Note 12)	–	300
Balance at 31 December	419	419

Goodwill acquired through business combinations has been allocated to the Group's cash-generating units identified, General construction and Specialised engineering, 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 two-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 4.7% (2014: 5.4%) 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	
	2015	**2014**
	$'000	$'000
Unquoted shares, at cost	80,406	79,916
Additional investment *	109	109
Impairment losses	(24,416)	(11,476)
Carrying amount	56,099	68,549

* 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.

12. INVESTMENTS IN SUBSIDIARIES *(cont'd)*

Details of subsidiaries at the end of the financial year are as follows:

Name of company	Proportion of ownership interest		Country of incorporation	Cost of investment		Principal activities
	2015	2014		2015	2014	
	%	%		$'000	$'000	
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	100	Singapore	500	10	System integration and distribution of renewable energy
Moderna Homes Pte. Ltd. [1]	75	75	Singapore	1,050	1,050	Design and assembly of prefabricated buildings
Siam-BBR Co., Ltd [3]	100	100	Thailand	432	432	Dormant
				80,406	79,916	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

12. INVESTMENTS IN SUBSIDIARIES *(cont'd)*

Name of company	Proportion of ownership interest		Country of incorporation	Cost of investment		Principal activities
	2015	2014		2015	2014	
	%	%		$'000	$'000	
Held by Singapore Piling & Civil Engineering Private Limited						
Singa Development Pte Ltd [(1)]	100	100	Singapore	6,100	3,600	Building contractors, project and contract managers for all kinds of building and civil engineering works
Held by BBR Construction Systems (M) Sdn. Bhd.						
SP Piling Sdn. Bhd. [(2)]	100	100	Malaysia	15	15	Building contractor
Held by BBR Development Pte. Ltd.						
BBR Property Pte. Ltd. [(1)]	100	100	Singapore	+	+	Investment holding
BBR Kovan Pte. Ltd. [(1)]	100	100	Singapore	1,000	1,000	Property development

(1) Audited by Ernst & Young LLP, Singapore.
(2) Audited by member firms of Ernst & Young Global in the respective countries.
(3) Audited by Audit Wise Co., Ltd.
\+ Cost of investment is $2.

Investment in a subsidiary

On 9 September 2014, the Company and BBR Construction Systems Pte Ltd, a wholly owned subsidiary of the Company, acquired a total equity interest of 75% in Moderna Homes Pte. Ltd. ("Moderna") by subscribing for 1,499,999 shares and 1 share, respectively in Moderna. Moderna is in the business of Pre-fabricated Pre-finished Volumetric Construction, Pre-fabricated bathroom units and other related businesses.

The fair values of the identifiable assets and liabilities of Moderna as at the date of acquisition were as follows:

	2014
	$'000
Other receivables	19
Cash and cash equivalents	1,000
Less: Trade payables	(4)
Other liabilities	(15)
Net identifiable assets	1,000
Non-controlling interests	(250)
Goodwill on consolidation	300
Total purchase consideration settled in cash	1,050
Less: Cash and cash equivalents of subsidiary acquired	(1,000)
Net cash outflow on acquisition	50

12. INVESTMENTS IN SUBSIDIARIES *(cont'd)*

As at 9 September 2014, the fair values of the assets and liabilities arising from the acquisition of Moderna have been determined on a provisional basis. The fair values of the assets and liabilities have subsequently been finalised. There is no adjustment arising from the finalisation of such provisional purchase price allocation.

Impairment losses

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

	Company	
	2015	**2014**
	$'000	$'000
Balance at 1 January	11,476	25,280
Charge to statement of comprehensive income	12,940	–
Write-back to statement of comprehensive income	–	(13,804)
Balance at 31 December	24,416	11,476

An impairment loss of $12,940,000 was charged to statement of comprehensive income (2014: written back of $13,804,000) subsequent to an assessment performed on recoverable amount of the investments in subsidiaries at the end of the financial year.

The recoverable amounts of the subsidiaries have been determined based on value in use calculations using the cash flow projections from financial budgets approved by the management. Cash flow projections are based on outstanding order book and forecasted growth of the subsidiaries, pre–tax discount rate of 4.7% (2014: 5.4%) and the terminal growth rates of 0.5% (2014: 0.6%).

Interest in subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiary	**Principal place of business**	**Proportion of ownership interest held by NCI**	**Profit/(loss) allocated to NCI during the reporting period**	**Accumulated NCI at the end of reporting period**
			$'000	$'000
31 December 2015:				
BBR Construction Systems (M) Sdn Bhd	Malaysia	20%	968	3,310
Moderna Homes Pte Ltd	Singapore	25%	(689)	(510)
31 December 2014:				
BBR Construction Systems (M) Sdn Bhd	Malaysia	20%	627	2,699
Moderna Homes Pte Ltd	Singapore	25%	(72)	(178)

12. INVESTMENTS IN SUBSIDIARIES *(cont'd)*

(a) ***Summarised financial information***

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material NCI are as follows:

	BBR Construction Systems (M) Sdn Bhd		Moderna Homes Pte Ltd	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Summarised statement of financial position				
Current				
Assets	32,042	37,222	9,950	718
Liabilities	(23,212)	(31,797)	(11,937)	(7)
Net current assets/(liabilities)	8,830	5,425	(1,987)	711
Non-current				
Assets	7,461	8,030	39	3
Liabilities	(1,125)	(1,111)	(92)	–
Net non-current assets/(liabilities)	6,336	6,919	(53)	3
Net assets/(liabilities)	15,166	12,344	(2,040)	714
Summarised statement of comprehensive income				
Revenue	106,232	100,618	14,284	–
Profit/(loss) before taxation	6,196	4,595	(2,755)	(405)
Profit/(loss) for the year	4,605	3,308	(2,755)	(405)
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	4,605	3,308	(2,755)	(405)
Other summarised information				
Net cash flows generated from/(used in) operating activities	5,533	11,142	(12,046)	(651)
Acquisition of property, plant and equipment	2,184	3,396	51	3

13. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Unquoted shares, at cost	660	1,140	260	260
Share of post-acquisition reserves	4,591	5,261	–	–
Dividends received from an associate	(4,800)	–	–	–
Discount implicit in the interest-free loans to an associate	664	1,794	–	–
Carrying amount	1,115	8,195	260	260

Details of associates at the end of the financial year are as follows:

Name of company	Proportion of ownership interest		Country of incorporation	Cost of Investment		Principal activities
	2015	**2014**		**2015**	**2014**	
	%	%		$'000	$'000	
Held by the Company						
BBR Philippines Corporation [(1)]	40	40	Philippines	260	260	Structural engineering
Held by BBR Development Pte. Ltd.						
Tennessee Pte Ltd [(2)]	–	48	Singapore	–	480	Property development
Lakehomes Pte. Ltd. [(3)]	35	35	Singapore	350	350	Property development
Held by BBR Greentech Pte. Ltd.						
Angels Medical Pte. Ltd. [(4)]	49	49	Singapore	50	50	Provision of healthcare products and services

(1) Not required to be audited by the law of its country of incorporation.
(2) Voluntarily liquidated on 11 September 2015.
(3) Audited by Ernst & Young LLP, Singapore
(4) Audited by Odds & Even Associates

13. INVESTMENTS IN ASSOCIATES *(cont'd)*

The summarised financial information of the associates and the reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows:

	2015		2014	
	Lakehomes Pte Ltd	Total	Lakehomes Pte Ltd	Total
	$'000	$'000	$'000	$'000
Summarised statement of financial position				
Assets and liabilities:				
Current assets, representing total assets	243,672		317,052	
Non-current liabilities	(181,533)		(299,897)	
Current liabilities	(57,225)		(10,377)	
Net assets	4,914		6,778	
Proportion of the Group's ownership	35%		35%	
Group's share of net assets	1,720		2,372	
Less: Notional interests adjustment	(1,236)		(771)	
Carrying amount of a significant associate	484	484	1,601	1,601
Carrying amount of other associates		631		6,594
Carrying amount of the investments in associates		1,115		8,195
Summarised statement of comprehensive income				
Profit/(loss) after tax for the year, representing total comprehensive income	36		(75)	
Group's share of profit/(loss) of a significant associate	13	13	(26)	(26)
Group's share of profit of other associates, representing the Group's share of total comprehensive income of other associates		51		295
Group's share of profit of associates for the year, representing the Group's share of total comprehensive income for the year		64		269

Liquidation of associate – Tennessee Pte Ltd

Tennessee Pte Ltd, a 48% owned associate of the Group, was placed under member's voluntary liquidation after its single property development project, 8 Nassim Hill, sold out completely and received Certificate of Statutory Completion in 2010. The liquidation process was completed on 11 September 2015 and proceeds received was $638,000.

14. INVESTMENTS IN JOINT VENTURES

	Group 2015 $'000	Group 2014 $'000
Unquoted shares, at cost	250	–
Share of post-acquisition reserves	(250)	–
Carrying amount	–	–

Details of joint ventures at the end of the financial year are as follows:

Name of company	Proportion of ownership interest 2015 %	Proportion of ownership interest 2014 %	Country of incorporation	Cost of Investment 2015 $'000	Cost of Investment 2014 $'000	Principal activities
Held by Singapore Piling & Civil Engineering Private Limited						
Singapore Piling – Shincon JV [(1)]	51	51	Singapore	–	–	Design and construction of covered linkways
Held by BBR Property Pte Ltd						
Northern Development Pte Ltd	50	–	Singapore	+	–	Investment holding for property development
Held by Northern Development Pte. Ltd.						
NorthernOne Development Pte. Ltd.	50.1	–	Singapore	501	–	Investment holding for property development
Held by NorthernOne Development Pte. Ltd.						
Northern Resi Pte. Ltd.	100	–	Singapore	1,000	–	Residential property development
Northern Retail Pte. Ltd.	100	–	Singapore	1,000	–	Commercial property development

(1) An unincorporated partnership.

\+ Cost of investment is $2.

14. INVESTMENTS IN JOINT VENTURES *(cont'd)*

(1) On 9 January 2015, BBR Property Pte Ltd ("BBR Property"), a wholly-owned subsidiary of the Group incorporated a subsidiary, Northern Development Pte. Ltd. ("Northern"). Northern owns NorthernOne Development Pte. Ltd, ("NorthernOne"), which is the immediate holding company of Northern Resi Pte. Ltd. ("Resi") and Northern Retail Pte. Ltd. ("Retail").

Resi and Retail jointly submitted a winning bid of $185,090,000 to The Housing & Development Board for the acquisition of land parcel at Yishun Avenue 4 for a proposed mixed commercial and residential development. Resi will develop and sell 216 units of residential dwelling units and Retail, being a company incorporated for long-term property investment purposes, will develop the commercial units and be the single strata owner upon completion.

In February 2015, NorthernOne alloted and issued 999,998 new shares (the "Allotment") at $1 per share to consortium partners to jointly develop the site. The consortium partners are Northern Development Pte. Ltd., Santarli Venture Pte. Ltd., MUSE Capital Pte. Ltd. and AHPL (Investments) Pte. Ltd. and their respective equity interests in NorthernOne after the Allotment are 50.1%, 29.9%, 18% and 2%.

Subsequently, the paid up capital of Resi and Retail were increased with the allotment and issue of 999,998 new shares at $1 per share respectively, to the immediate holding company, NorthernOne.

In March 2015, BBR Property together with Northern, has entered into a Subscription Agreement with Hexacon Construction Pte Ltd ("Hexacon") whereby Northern shall allot and issue 2 new shares, representing 50% equity interest, to Hexacon for an aggregate cash consideration of $2.

NorthernOne prepares consolidated financial statements for its financial period ended 31 December 2015.

(2) On 28 May 2014, Singapore Piling & Civil Engineering Private Limited, a wholly owned subsidiary of the Company, entered into a joint venture agreement with Shincon Industrial Pte Ltd for the purpose of undertaking a construction project. The Group has 51% interest and equal voting rights in the unincorporated partnership, Singapore Piling – Shincon JV ("Piling – Shincon"). The Group jointly controls the venture with Shincon Industrial Pte Ltd under the contractual agreement and requires unanimous consent for all major decisions over the relevant activities.

There was no profit or loss recorded by Piling – Shincon for the financial year ended 31 December 2014.

14. INVESTMENTS IN JOINT VENTURES *(cont'd)*

The summarised financial information in respect of the joint ventures for the financial year ended 31 December 2015 and the reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows:

	2015
	NorthernOne
	$'000
Summarised statement of financial position	
Assets and liabilities:	
Non-current assets	501
Current assets	200,034
Total assets	200,535
Non-current liabilities	202,573
Current liabilities	900
Total liabilities	203,473
Net liabilities	(2,938)
Proportion of the Group's ownership	25%
Group's share of net liabilities	(734)
Carrying amount of investments in joint ventures	–

In 2015, the Group has equity accounted for additional losses in excess of the Group's equity interest based on its contractual obligations for NorthernOne. This adjustment of $734,000 has been taken up in other liabilities.

	2015	
	NorthernOne	**Total**
	$'000	$'000
Summarised statement of comprehensive income		
Loss after tax for the year, representing total comprehensive income	(3,937)	
Proportion of the Group's ownership	25%	
Group's share of loss of NorthernOne for the year, representing the Group's share of total comprehensive income for the year	(984)	(984)
Group's share of profit of Piling – Shincon for the year, representing the Group's share of total comprehensive income for the year		315
Group's share of loss of joint ventures, representing the Group's share of total comprehensive income for the year		(669)

15. OTHER INVESTMENTS

	Group	
	2015	**2014**
	$'000	$'000
Non-current:		
Unquoted equity shares, at cost	3,981	3,981
Impairment in value of unquoted equity shares	(3,981)	(3,981)
	–	–

Analysis of impairment losses in other investments are as follows:

Balance at 1 January and 31 December	3,981	3,981

Unquoted equity shares relates to the following:

(a) 33.3% (2014: 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 Singapore Piling & Civil Engineering Pte Ltd ("Singapore Piling"), a wholly-owned subsidiary of the Company, 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.

(b) 1% (2014: 1%) equity interest held via Singapore Piling in Takenaka-Singapore Piling JV, an unincorporated and fully integrated jointly controlled entity in Singapore to undertake restoration works to the former Supreme Court and City Hall buildings. In prior years, the Group recognised an impairment loss of $1,000,000.

On 18 August 2014, Singapore Piling entered into a Supplementary Agreement with the other shareholder for the reduction of equity interest in Takenaka-Singapore Piling JV from 25% to 1% with effect from 1 July 2013.

16. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2015	**2014**
	$'000	$'000
Deferred tax assets:		
Balance at 1 January	1,085	1,318
Charge to statement of comprehensive income (Note 8)	(350)	(233)
Balance at 31 December	735	1,085
Deferred tax liabilities:		
Balance at 1 January	(4,045)	(2,557)
Charge to statement of comprehensive income (Note 8)	(819)	(1,488)
Balance at 31 December	(4,864)	(4,045)

Deferred tax as at 31 December related to the following:

	Group	
	2015	**2014**
	$'000	$'000
Deferred tax assets:		
Unutilised tax losses	735	1,085
Gross deferred tax assets	735	1,085
Deferred tax liabilities:		
Differences in depreciation for tax purposes	(946)	(1,295)
Income taxed on completion basis for development properties	(3,918)	(2,756)
Others	–	6
Gross deferred tax liabilities	(4,864)	(4,045)
Net deferred tax liabilities	(4,129)	(2,960)

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17. TRADE RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Non-current:				
Retention receivables	7,520	13,698	–	–
Current:				
Contract receivables	101,996	67,641	–	–
Less: Allowance for doubtful receivables	(918)	(1,749)	–	–
	101,078	65,892	–	–
Retention receivables	12,644	10,049	–	–
Less: Allowance for doubtful receivables	(105)	(235)	–	–
	12,539	9,814	–	–
Total current receivables	113,617	75,706	–	–
Total trade receivables	121,137	89,404	–	–
Add:				
– Loans to an associate (Note 18)	19,257	31,952	–	–
– Loans to a joint venture (Note 18)	17,360	–	–	–
– Amounts due from subsidiaries (Note 19)	–	–	12,858	18,805
– Other receivables (Note 23)	3,393	4,741	291	122
– Pledged deposits (Note 24)	5,275	6,638	–	–
– Cash and cash equivalents (Note 24)	23,935	38,002	1,226	729
Total loans and receivables	190,357	170,737	14,375	19,656

Retention receivables

Retention receivables from external parties are non-interest bearing, unsecured and relate to construction contracts. Retention receivables are classified as current or non-current based on the contractual terms of the respective construction contracts.

Contract receivables

Contract receivables are non-interest bearing, unsecured and are generally on 30 to 90 days' (2014: 30 to 90 days') terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

17. TRADE RECEIVABLESS *(cont'd)*

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to $7,487,000 (2014: $13,732,000) 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 are as follows:

	Group	
	2015	**2014**
	$'000	$'000
Trade receivables past due:		
Lesser than 30 days	3,530	3,783
30 to 60 days	449	2,536
61 to 90 days	323	1,078
91 to 120 days	51	840
More than 120 days	3,134	5,495
	7,487	13,732

Trade receivables that are impaired

Trade receivables – nominal amounts	1,023	1,984
Less: Allowance for doubtful receivables	(1,023)	(1,984)
	–	–

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.

Allowance for doubtful receivables

Analysis of allowance for doubtful receivables are as follows:

	Group	
	2015	**2014**
	$'000	$'000
Contract receivables		
Balance at 1 January	1,749	3,120
Write-back to statement of comprehensive income	(632)	(1,343)
Written off against allowance	(65)	–
Reclassification from retention receivable	57	–
Translation adjustments	(191)	(28)
Balance at 31 December	918	1,749
Retention receivables		
Balance at 1 January	235	172
Charge to statement of comprehensive income	37	80
Write-back to statement of comprehensive income	(110)	(17)
Reclassification to contract receivable	(57)	–
Balance at 31 December	105	235
Total allowance for doubtful receivables	1,023	1,984

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17. TRADE RECEIVABLES *(cont'd)*

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
2015				
Trade receivables - third party	a	9,912	(6,941)	2,971
Trade payables	b	(4,473)	2,084	(2,389)
2014				
Trade receivables - third party	a	18,036	(1,284)	16,752
Trade payables	b	(9,235)	1,344	(7,891)

(a) The Group purchases 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' (2014: 60 days') term basis.

(b) Suppliers are backcharged for work performed on their behalf and 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' (2014: 30 to 60 days') term basis.

18. LOANS TO AN ASSOCIATE AND A JOINT VENTURE

	Group	
	2015	2014
	$'000	$'000
Non-current		
Loans to an associate	19,257	31,952
Loans to a joint venture	17,360	–

(a) ***Loans to an associate***

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 purposes of the loans are to partially 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 the fair values were treated as additional investment in the associate.

18. LOANS TO AN ASSOCIATE AND A JOINT VENTURE *(cont'd)*

(b) ***Loans to a joint venture***

Loans to a joint venture of the Group, Northern Development Pte Ltd ("Northern"), are non-trade, unsecured, interest bearing at an average interest rate of 2.48% per annum and are to be settled in cash. The purposes of the loans are to partially finance the land acquisition, development charge and construction costs of a property development project undertaken by Northern. The loans are not expected to be repaid within 12 months from the statement of financial position date.

19. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2015	**2014**
	$'000	$'000
Amounts due from subsidiaries	12,904	18,851
Less: Allowance for doubtful receivables	(46)	(46)
	12,858	18,805
Amounts due to subsidiaries	(12,490)	(11,161)

The amounts due from/(to) subsidiaries are non-trade related, unsecured, non-interest bearing, repayable on demand and are to be settled in cash, except for $2,800,000 (2014: $Nil) of amounts due to a subsidiary that bears interest at an average interest rate of 2.68% per annum.

Analysis of allowance for doubtful receivables are as follows:

	Company	
	2015	**2014**
	$'000	$'000
Balance at 1 January and 31 December	46	46

20. DEVELOPMENT PROPERTIES

	Group	
	2015	**2014**
	$'000	$'000
Land and related costs	88,945	88,217
Construction costs	58,800	37,990
Interest costs	2,400	1,884
Stamp duties	2,575	2,575
Others	10,954	7,813
	163,674	138,479
Add: Attributable profits	31,615	21,762
Less: Progress billings	(186,894)	(85,041)
	8,395	75,200
Less: Transfer to Properties held for sale	(8,395)	–
	–	75,200

20. DEVELOPMENT PROPERTIES *(cont'd)*

		Group	
		2015	2014
		$'000	$'000
(i)	Interest capitalised during the financial year at an average rate of 2.18% (2014: 1.76%) paid/payable to financial institutions	515	636

(ii) In 2014, land with carrying amount of $86,000,000 was pledged to the bank in respect of the Group's long term borrowings (Note 27).

Details of development properties:

Description and location	% owned	Site area (sq.m)	Gross floor area (sq.m)	Stage of completion as at 31 December 2015 (expected year of completion)
Bliss @Kovan				
A 5-storey condominium development on Nos. 2A/B/C/D Simon Lane, Singapore	100%	9,110	14,030	100% (2014: 69%)

The development property attained temporary occupation permit on 16 November 2015 and the cost of the remaining unsold units amounting to $8,395,000 was reclassified to "Properties held for sale".

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

	Group	
	2015	2014
	$'000	$'000
Contract costs to date	1,175,838	906,509
Recognised profits (net of recognised losses)	33,404	30,624
Less: Provision for foreseeable losses	(2,874)	(3,568)
Aggregate amount of costs incurred and recognised profits less recognised losses to date	1,206,368	933,565
Less: Progress billings	(1,204,804)	(936,846)
	1,564	(3,281)
Presented as:		
Gross amount due from customers for contract work-in-progress	30,532	31,890
Gross amount due to customers for contract work-in-progress	(28,968)	(35,171)
	1,564	(3,281)
Retention sums on construction contract (included in trade receivables), net of allowance for doubtful debt	20,059	23,512

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

Provision for foreseeable losses

Analysis of provision for foreseeable losses are as follows:

	Group	
	2015	**2014**
	$'000	$'000
Balance at 1 January	3,568	5,000
Charge to statement of comprehensive income	1,181	3,504
Foreseeable losses realised and incurred during the year	(1,875)	(4,936)
Balance at 31 December	2,874	3,568

22. INVENTORIES

	Group	
	2015	**2014**
	$'000	$'000
Statement of financial position:		
Construction materials, at cost	10,156	3,944
Statement of comprehensive income:		
Construction materials recognised as expenses in cost of sales (Note 7)	78,184	100,254

23. OTHER RECEIVABLES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Other deposits	1,591	1,948	10	10
Other receivables	260	1,294	253	–
Other recoverables	668	624	–	–
Loans to a director of a subsidiary	595	550	–	–
Amounts due from associates	212	278	28	112
Staff loans	10	47	–	–
Fair value derivative asset	57	–	–	–
	3,393	4,741	291	122

23. OTHER RECEIVABLES *(cont'd)*

Loans to a director of a subsidiary

Loans to a director of a subsidiary are to be settled in cash. The terms of the loans are:

(i) Loan 1 – unsecured and bears interest at SIBOR + 1% per annum; and

(ii) Loan 2 – secured on shares held by the director in the subsidiary and bears interest at a flat rate of 5.0% per annum.

Amounts due from associates

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

24. CASH AND CASH EQUIVALENTS/PLEDGED DEPOSITS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Cash at bank and in hand	18,359	26,170	1,226	729
Fixed deposits	10,851	18,470	–	–
	29,210	44,640	1,226	729

Fixed deposits are mainly short-term deposits made for varying periods of varying terms, and bears interest ranging from 0.3% to 3.2% (2014: 0.04% to 3.5%) per annum during the year.

As at 31 December 2015, cash at bank of the Group of $609,000 (2014: $596,000) are denominated in United States Dollar.

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	
	2015	**2014**
	$'000	$'000
Cash and bank balances	18,359	26,170
Fixed deposits	10,851	18,470
	29,210	44,640
Less: Deposits pledged with financial institutions	(5,275)	(6,638)
Maintenance funds from owners of Bliss @Kovan received on behalf of property managing agent	(289)	–
Cash and cash equivalents	23,646	38,002

Pledged fixed deposits include $4,275,000 (2014: $5,638,000) placed as security for banking facilities granted to a subsidiary by various banks (Note 27) and $1,000,000 (2014: $1,000,000) for the issue of a performance bond by a bank.

24. CASH AND CASH EQUIVALENTS/PLEDGED DEPOSITS *(cont'd)*

Note to the consolidated statement of cash flows

	Group	
	2015	**2014**
	$'000	$'000
Purchase of property, plant and equipment (Note 10)	25,089	4,781
Less:		
Finance leases	(203)	(1,700)
Interest cost paid	(33)	–
Cash payments to acquire property, plant and equipment	24,853	3,081

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Non-current:				
Trade payables	8,180	10,923	–	–
Current:				
Trade payables	77,836	86,095	–	–
Other payables	2,746	2,558	279	165
	80,582	88,653	279	165
Total trade and other payables	88,762	99,576	279	165
Add:				
Amounts due to subsidiaries (Note 19)	–	–	12,490	11,161
Other liabilities (Note 26)	2,661	3,656	677	1,461
Loans and borrowings (Note 27)	24,728	36,174	13,666	3,280
	116,151	139,406	27,112	16,067
Less: Finance leases (Note 27)	(1,380)	(3,461)	(17)	–
Total financial liabilities carried at amortised cost	114,771	135,945	27,095	16,067

Trade payables

Trade payables are non-interest bearing and are generally on 30 to 90 days' (2014: 30 to 90 days') terms.

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

	Group	
	2015	**2014**
	$'000	$'000
United States Dollar	1,052	595
Hongkong Dollar	489	–

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26. OTHER LIABILITIES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Accrued operating expenses	1,228	501	345	408
Accrued staff costs	94	2,137	94	977
Deposits	434	776	43	52
Sundry creditors	905	242	195	24
	2,661	3,656	677	1,461

27. LOANS AND BORROWINGS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Non-current:				
Finance leases	375	1,395	–	–
Long term borrowings (secured)	11,762	1,640	10,557	1,640
	12,137	3,035	10,557	1,640
Current:				
Finance leases	1,005	2,066	17	–
Bankers' acceptances (secured)	426	1,533	–	–
Short term borrowings	5,000	–	1,000	–
Current portion of long term borrowings (secured)	6,160	29,540	2,092	1,640
	12,591	33,139	3,109	1,640
Total loans and borrowings	24,728	36,174	13,666	3,280

The Group has undrawn loans and guarantee facilities of $60,063,000 (2014: $76,589,000) 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 $459,000 (2014: $1,244,000) are secured by a corporate guarantee from the Company. The average discount rate implicit in the leases is 2.3% to 7.0% (2014: 2.3% to 7.0%) per annum.

27. LOANS AND BORROWINGS *(cont'd)*

Finance leases *(cont'd)*

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

	2015 $'000		2014 $'000	
	Minimum lease payments	**Present value of payments**	**Minimum lease payments**	**Present value of payments**
Group				
Not later than one year	1,050	1,005	2,186	2,066
Later than one year but not later than five years	400	375	1,462	1,395
Total minimum lease payments	1,450	1,380	3,648	3,461
Less: Amounts representing finance charges	(70)	–	(187)	–
Present value of minimum lease payments	1,380	1,380	3,461	3,461
Company				
Not later than one year	18	17	–	–
Less: Amounts representing finance charges	(1)	–	–	–
Present value of minimum lease payments	17	17	–	–

Long term borrowings (secured)

	Group		Company	
	2015 $'000	**2014** $'000	**2015** $'000	**2014** $'000
Non-current:				
Term loan 2	–	1,640	–	1,640
Term loan 3	10,557	–	10,557	–
Term loan 4	606	–	–	–
Term loan 5	599	–	–	–
	11,762	1,640	10,557	1,640
Current:				
Term loan 1	–	27,900	–	–
Term loan 2	1,640	1,640	1,640	1,640
Term loan 3	452	–	452	–
Term loan 4	3,737	–	–	–
Term loan 5	331	–	–	–
	6,160	29,540	2,092	1,640
Total long term borrowings	17,922	31,180	12,649	3,280

27. LOANS AND BORROWINGS *(cont'd)*

Term loan 1

Term loan 1 was 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 average interest rate was 2.18% (2014: 1.76%) per annum and was secured by land with a carrying amount of $86,000,000 (2014: $86,000,000) (Note 20) and a corporate guarantee from the Company. The loan was fully repaid on 15 December 2015 and the charge was released by the bank on 17 February 2016.

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 2.58% (2014: 1.83%) per annum and is secured by the leasehold land with a carrying amount of $5,735,000 (2014: $7,034,000) (Note 10) and corporate guarantees from two subsidiaries.

Term loan 3

Term loan 3 is a Singapore dollar denominated loan of $11,120,000 secured in 2015 to finance the purchase of leasehold land and building at 50 Changi South Street 1 Singapore 486126. The loan is repayable over 240 monthly instalments commencing on 9 October 2015.

The interest rate has been fixed at 2.2% per annum for the first year and is secured by the leasehold premises with a carrying amount of $14,230,000 (Note 10).

Term loan 4

Term loan 4 is a Singapore dollar denominated loan of up to $9,600,000 secured in 2014 to finance the construction of solar leasing infrastructure and installations on the rooftops of HDB flats. The loan is to be reduced by $3,185,000 upon reimbursement from HDB for the commissioning of the Ang Mo Kio Town Council project or 31 March 2016 whichever is earlier. The remaining loan will be payable by 71 monthly instalments one month after the final disbursement date or by 31 March 2016 whichever is earlier.

The average interest rate was 3.0% per annum and was secured by an assignment and first fixed charge of the leasing contract and solar leasing equipment with a carrying value of $8,349,000 (Note 10) and a corporate guarantee from the Company.

Term loan 5

Term loan 5 is a Ringgit Malaysia denominated loan not exceeding RM3,000,000 (S$985,500 equivalent) secured in 2014 by a Malaysia subsidiary to finance the purchase of a freehold land in Kuala Lumpur for storage of construction equipment and materials. The loan is repayable over 36 monthly instalments commencing on 2 November 2015.

The average interest rate was 7.85% per annum and is secured by the freehold land with a carrying amount of $1,731,000 (Note 10) and personal guarantees from the minority shareholder and director of the subsidiary.

Multicurrency Medium Term Note

The Group has established a $200 million Multicurrency Medium Term Note programme ("MTN") on 13 November 2014. The net proceeds arising from the issue of the notes under the MTN programme will be used for general corporate purposes, including financing investments, general working capital and capital expenditure.

There was no drawdown of the notes under the MTN programme for the year ended 31 December 2015 and 2014.

28. SHARE CAPITAL

	Group and Company			
	2015		**2014**	
	No. of shares ‘000	$’000	**No. of shares** ‘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			
	2015		**2014**	
	No. of shares ‘000	$’000	**No. of shares** ‘000	$’000
Balance at 1 January	(211)	(69)	(1,621)	(450)
Reissued pursuant to employee share plan	–	–	1,410	381
Balance at 31 December	(211)	(69)	(211)	(69)

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

The Company did not acquire any share of the Company by way of market acquisitions on the Singapore Exchange during 2015 and 2014.

30. SHARE PLAN RESERVE

	Group and Company			
	2015		**2014**	
	No. of shares ‘000	$’000	**No. of shares** ‘000	$’000
Balance at 1 January	–	–	1,410	172
Performance shares granted	–	–	–	209
Reissued pursuant to employee share plan	–	–	(1,410)	(381)
Balance at 31 December	–	–	–	–

The Company did not grant any performance shares to eligible employees in 2015 and 2014.

31. DIVIDENDS

	Group and Company	
	2015	2014
	$'000	$'000
Declared and paid during the financial year:		
First and final (tax exempt one-tier) dividend for 2014 of 0.8 cents (2013: 0.8 cents) per ordinary share	2,464	2,458
Proposed but not recognised as a liability as at 31 December:		
First and final (tax exempt one-tier) dividend for 2015 of 0.4 cents (2014: 0.8 cents) per ordinary share	1,232	2,464

Proposed dividend per ordinary share for 2015 is based on 307,999,418 (2014: 307,999,418) shares (excluding treasury shares) as disclosed in Note 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	
	2015	2014
	$'000	$'000
Capital commitments in respect of:		
Property, plant and equipment	184	2,002
Office renovations	47	–
Solar leasing construction project	4,281	11,778

(b) ***Operating lease commitments – as lessor***

The Group has entered into various non-cancellable lease commitments in respect of office premises and solar leasing projects for a period of up to 25 years. The leases have varying terms and renewal rights.

Operating lease income recognised in the statement of comprehensive income during the year amounted to $1,153,000 (2014: $1,417,000).

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

	Group	
	2015	2014
	$'000	$'000
Not later than one year	1,270	258
Later than one year but not later than five years	4,378	–
Later than five years	16,025	–
	21,673	258

32. COMMITMENTS AND CONTINGENCIES *(cont'd)*

(c) ***Operating lease commitments – as lessee***

The Group has entered into various non-cancellable lease commitments in respect of equipment and land lease period of up to 42 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. Certain 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 $1,887,000 (2014: $2,343,000).

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Not later than one year	2,548	2,013	879	688
Later than one year but not later than five years	3,965	3,239	3,363	3,152
Later than five years	5,196	375	5,196	375
	11,709	5,627	9,438	4,215

(d) ***Contingent liabilities***

	Company	
	2015	**2014**
	$'000	$'000
Corporate guarantees given to banks for credit facilities granted	31,759	53,801

The Company provided corporate guarantees to banks as securities for credit and guarantee facilities granted to subsidiaries. The subsidiaries have utilised the credit and guarantee facilities of $31,759,000 (2014: $53,801,000) as of 31 December 2015.

33. EMPLOYEE BENEFITS

	Group	
	2015	**2014**
	$'000	$'000
Employee benefits expense (including executive directors)		
– Salaries and bonuses	33,649	36,554
– Central Provident Fund	5,940	5,947
– Share-based compensation	–	209
– Others	1,061	1,108
	40,650	43,818

Employee benefits expenses capitalised during the year under contract work-in-progress amounted to $31,223,000 (2014: $34,285,000).

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34. DIRECTORS' REMUNERATION

The number of directors in remuneration bands are as follows:

	Company	
	2015	2014
$500,000 and above	1	1
$250,000 to $499,999	–	–
Below $250,000	5	5
	6	6

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	
	2015	2014
	$'000	$'000
Repayment of loans from an associate	(13,825)	(3,150)
Project management fees income from a related party	(88)	(96)
From an associate:		
Accounting services income	(96)	(96)
Licence fees income	(29)	(33)
Management fees income	(28)	(28)
Accounting services income from joint ventures	(93)	–
Loans to an associate	–	3,220
Interest income on loans to a joint venture	(347)	–
Interest income on loans to a director of a subsidiary	(12)	(1)
Repayment of loans from a joint venture	(2,505)	–
Loans to a joint venture	17,013	–
Loan to a director of a subsidiary	120	550
License fees to a related party	297	157
Professional fees to a firm in which a director has an interest	60	60

(b) ***Compensation of key management personnel***

	Group	
	2015	2014
	$'000	$'000
Short-term employee benefits	2,594	3,575
Central Provident Fund	65	69
Share-based compensation	–	175
	2,659	3,819
Comprise amounts paid/payable to:		
– Directors of the Company	1,078	1,939
– Other key management personnel	1,581	1,880
	2,659	3,819

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.

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			
	2015		**2014**	
	$'000	% of total	$'000	% of total
By country:				
Singapore	103,880	85.75	69,163	77.36
Malaysia	17,257	14.25	20,241	22.64
	121,137	100.00	89,404	100.00

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy receivables with good payment record with the Group. Cash and fixed deposits 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.

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(cont'd)*

(b) ***Liquidity risk***

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

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

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

	Within 1 year	2 - 5 Years	After 5 years	Total
	$'000	$'000	$'000	$'000
2015				
Financial assets:				
Loans to an associate	–	19,257	–	**19,257**
Loans to a joint venture	–	18,689	–	**18,689**
Trade receivables	113,617	7,720	–	**121,337**
Other receivables	3,393	–	–	**3,393**
Pledged deposits	5,275	–	–	**5,275**
Cash and cash equivalents	23,935	–	–	**23,935**
Total undiscounted financial assets	146,220	45,666	–	**191,886**
Financial liabilities:				
Trade and other payables	80,582	8,180	–	**88,762**
Other liabilities	2,661	–	–	**2,661**
Finance leases	1,050	400	–	**1,450**
Short term borrowings	5,452	–	–	**5,452**
Long term borrowings	6,548	4,544	12,702	**23,794**
Total undiscounted financial liabilities	96,293	13,124	12,702	**122,119**
Total net undiscounted financial assets/(liabilities)	49,927	32,542	(12,702)	**69,767**

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(cont'd)*

(b) ***Liquidity risk*** *(cont'd)*

	Within 1 year	2 - 5 Years	Total
	$'000	$'000	$'000
2014			
Financial assets:			
Loans to an associate	–	33,746	**33,746**
Trade receivables	75,706	13,883	**89,589**
Other receivables	4,741	–	**4,741**
Pledged deposits	6,638	–	**6,638**
Cash and cash equivalents	38,002	–	**38,002**
Total undiscounted financial assets	125,087	47,629	**172,716**
Financial liabilities:			
Trade and other payables	88,653	10,923	**99,576**
Other liabilities	3,656	–	**3,656**
Finance leases	2,186	1,462	**3,648**
Short term borrowings	1,533	–	**1,533**
Long term borrowings	29,860	1,673	**31,533**
Total undiscounted financial liabilities	125,888	14,058	**139,946**
Total net undiscounted financial (liabilities)/assets	(801)	33,571	**32,770**

(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% (2014: 10%) lower/higher with all other variables held constant, the Group's profit before taxation would have been $74,000 (2014: $77,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(cont'd)*

(d) ***Foreign currency risk***

The Group has transactional currency exposures arising from its ordinary course of business that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD. The foreign currency in which these transactions are denominated is mainly the United States Dollar ("USD"). As at 31 December 2015, trade payables denominated in USD is $1,052,000 (2014: $595,000) (Note 25).

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	
	2015	**2014**
	$'000	$'000
USD - strengthened 5% (2014: 5%)	22	–
USD - weakened 5% (2014: 5%)	(22)	–

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 2015 and 2014. There is no external capital requirement imposed by a regulator or a prudential supervisor.

37. CAPITAL MANAGEMENT *(cont'd)*

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 Company.

	Group	
	2015	**2014**
	$'000	$'000
Trade and other payables (Note 25)	88,762	99,576
Other liabilities (Note 26)	2,661	3,656
Loans and borrowings (Note 27)	24,728	36,174
Less: Cash and fixed deposits (Note 24)	(29,210)	(44,640)
Net debt	86,941	94,766
Equity attributable to the equity holders of the parent	132,808	134,317
Total capital	132,808	134,317
Capital and net debt	219,749	229,083
Gearing ratio	40%	41%

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 have carried other investments 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 2015 and 2014.

Current trade and other receivables and payables (Note 17, 23 and 25), other liabilities (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.

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38. FAIR VALUES OF FINANCIAL INSTRUMENTS *(cont'd)*

Financial instruments whose carrying amounts approximate fair value *(cont'd)*

Loans to a joint venture (Note 18), loans and borrowings at floating rate (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 2).

There were no significant differences between the fair values and the carrying amounts of the loans to a joint venture and loans and borrowings of the Group as at 31 December 2015 and 2014.

Derivatives

Foreign currency contracts are valued using a valuation technique with market observable input (Level 2 inputs) including the credit quality of counter parties and foreign exchange spot and forward rates.

39. SEGMENT INFORMATION

Business information

For management purposes, the Group is organised into business units based on their products and services and has four 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, retrofitting and prefabricated pre-finished volumetric construction system.

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, as well as mixed commercial and residential developments.

Green technology

This segment is in the business of system integration and distribution of renewable energy, and supply, installation and leasing of solar panels and grid connected systems.

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.

39. SEGMENT INFORMATION *(cont'd)*

Business information *(cont'd)*

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.

(a) ***Analysis by business segment***

	Specialised engineering $'000	General construction $'000	Property development $'000	Green technology $'000	Total $'000
2015					
Revenue					
External revenue	151,335	215,458	58,569	118	**425,480**
Inter-segment revenue	299	38,959	–	7,854	**47,112**
Total revenue	151,634	254,417	58,569	7,972	**472,592**
Results:					
Interest income	157	36	441	–	**634**
Interest expense	163	53	67	–	**283**
Depreciation of property, plant and equipment	2,777	1,023	4	18	**3,822**
Share of results of associates	21	–	44	(1)	**64**
Share of results of joint ventures	–	315	(984)	–	**(669)**
Other non-cash items:					
Allowance for inventories obsolescence	73	–	–	–	**73**
Interest expense arising from the discount implicit in non-current trade receivables	48	–	–	–	**48**
Fair value gain on derivative	–	(57)	–	–	**(57)**
Write-back of allowance for doubtful receivables, net	(705)	–	–	–	**(705)**
Write-off of trade payables	–	87	–	–	**87**
Liquidation of an associate	–	–	576	–	**576**
Segment profit/(loss) before taxation	5,212	(4,431)	7,390	(127)	**8,044**
Income tax expense/(credit)	1,449	(170)	1,202	–	**2,481**
Assets					
Investments in associates	588	–	484	43	**1,115**
Additions to property, plant and equipment	2,349	–	–	8,320	**10,669**
Segment assets	69,897	108,253	83,514	2,616	**264,280**
Segment liabilities	35,502	98,309	1,180	1,010	**136,001**

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39. SEGMENT INFORMATION *(cont'd)*

(a) ***Analysis by business segment*** *(cont'd)*

	Specialised engineering $'000	General construction $'000	Property development $'000	Green technology $'000	Total $'000
2014					
Revenue					
External revenue	134,626	458,326	78,592	–	**671,544**
Inter-segment revenue	328	36,907	–	–	**37,235**
Total revenue	134,954	495,233	78,592	–	**708,779**
Results:					
Interest income	145	37	6	–	**188**
Interest expense	292	38	–	–	**330**
Depreciation of property, plant and equipment	3,883	1,085	6	–	**4,974**
Share of results of associates	148	–	127	(6)	**269**
Other non-cash items:					
Allowance for inventories obsolescence	156	–	–	–	**156**
Interest expense arising from the discount implicit in non-current trade receivables	185	–	–	–	**185**
Write-back of allowance for doubtful receivables, net	(1,280)	–	–	–	**(1,280)**
Share based compensation expense	56	94	7	–	**157**
Gain on disposal of an associate	–	–	1,518	–	**1,518**
Segment profit/(loss) before taxation	11,332	(5,828)	10,019	(275)	**15,248**
Income tax expense	658	410	1,741	–	**2,809**
Assets					
Investments in associates	567	–	7,584	44	**8,195**
Additions to property, plant and equipment	3,565	303	8	824	**4,700**
Segment assets	73,691	111,749	121,729	1,409	**308,578**
Segment liabilities	45,613	98,176	30,752	100	**174,641**

39. SEGMENT INFORMATION *(cont'd)*

(a) ***Analysis by business segment*** *(cont'd)*

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

	2015 $'000	2014 $'000
Revenue		
Total revenues for reportable segments	472,592	708,779
Management fee from an associate	28	28
Elimination of intersegment revenue	(47,112)	(37,235)
	425,508	671,572
Profit before taxation		
Total profit before taxation for reportable segments	8,044	15,248
Management fee from an associate	28	28
Unallocated amounts:		
Other corporate income	2,708	5,458
Other corporate expenses	(5,503)	(5,929)
	5,277	14,805
Assets		
Total assets for reportable segments	264,280	308,578
Other unallocated amounts	21,687	8,114
	285,967	316,692
Liabilities		
Total liabilities for reportable segments	136,001	174,641
Other unallocated amounts	14,622	5,120
	150,623	179,761

39. SEGMENT INFORMATION *(cont'd)*

(a) ***Analysis by business segment** (cont'd)*

Other material items	2015 Reportable segment totals	2015 Adjustments	2015 Entity totals	2014 Reportable segment totals	2014 Adjustments	2014 Entity totals
	$'000	$'000	$'000	$'000	$'000	$'000
Interest income	634	–	**634**	188	–	**188**
Interest expense	283	226	**509**	330	77	**407**
Allowance for inventories obsolescence	73	–	**73**	156	–	**156**
Interest expense arising from the discount implicit in non-current trade receivables	48	–	**48**	185	–	**185**
Fair value gain on derivative	(57)	–	**(57)**	–	–	**–**
Depreciation of property, plant and equipment	3,822	1,513	**5,335**	4,974	1,394	**6,368**
Write-back of allowance for doubtful receivables, net	(705)	–	**(705)**	(1,280)	–	**(1,280)**
Share based compensation expense	–	–	**–**	157	52	**209**
Additions to property, plant and equipment	10,669	14,420	**25,089**	4,700	81	**4,781**
Income tax expense	2,481	185	**2,666**	2,809	197	**3,006**

(b) ***Analysis by geographical segment***

	Revenue		Non-current assets	
	2015	**2014**	**2015**	**2014**
	$'000	$'000	$'000	$'000
Countries				
Singapore	319,317	570,999	83,258	72,023
Malaysia	106,191	100,573	7,125	8,182
Others	–	–	281	366
	425,508	671,572	90,664	80,571

Information about a major customer

Revenue from one major customer amount to $97,032,000 (2014: $189,174,000) arising from specialised engineering and provision of building works.

40. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 24 March 2016.

CORPORATE GOVERNANCE

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

Board of Directors (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. Marcel Poser** **Mr. Romano William Fanconi (alternate to Mr. Marcel Poser)**
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 2015 and the attendance of each Board member at those meetings were as follows:

	Board	**AC**	**RC**	**NC**
Number of meetings held	**6**	**4**	**1**	**2**
Name of Director				
Tan Kheng Hwee Andrew	6	N.A.	N.A.	N.A.
Bruno Sergio Valsangiacomo	4	N.A.	1	N.A.
Peter Michael Ekberg	2*	N.A.	N.A.	N.A.
Marcel Poser/Romano William Fanconi	5	N.A.	N.A.	N.A.
Prof. Yong Kwet Yew	6	4	1	2
Luk Ka Lai Carrie	6	4	1	2
Soh Gim Teik	5	4	N.A.	2

* Mr Peter Michael Ekberg attended 2 board meetings held prior to his resignation as Non-executive Director on 24 April 2015

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 of and updated on the following:

- developments in accounting standards and code of corporate governance;
- 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 and seminars conducted by external trainers, circulation of memoranda by Ernst & Young LLP, company secretary and the Company, including briefings at Board and committee 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 ("IDs"). 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 2015.

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

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 2015 that will prejudice their independence and objectivity.

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

The Company's internal audit function is out-sourced to One e-Risk Services Pte Ltd. Their appointment, removal, evaluation and compensation are 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 AC meetings 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 2015.

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 directors of key operating units of the Group.

The Risk Management Report is on pages 112 to 115.

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 MLR of SGX-ST;
- 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;
- For financial year 2015, 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 systems has been put in place; and
- All directors and executive officers have submitted undertakings that they have complied with Rule 720(1) of the MLR of SGX-ST.

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

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 reports 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) IDs. The Chairman is not directly associated with the substantial shareholders and 10% shareholders of the Company.

Prof. Yong Kwet Yew - Chairman
Ms. Luk Ka Lai Carrie
Mr. Soh Gim Teik

Two (2) NC meetings were held in financial year 2015 to advise and recommend:

- the re-election of retiring directors at annual general meeting; and
- the appointment of Mr. Marcel Poser as a Non-executive Director ("NED") and Mr. Romano William Fanconi as alternate director to Mr. Marcel Poser.

The duties and responsibilities of the NC include those described in the CCG.

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 Prof. Yong Kwet Yew, Ms. Luk Ka Lai Carrie and Mr. Soh Gim Teik and are satisfied that there are no relationships identified by the CCG in the current and past financial years which would deem any of them not to be independent.

Although Prof. Yong Kwet Yew and Ms. Luk Ka Lai Carrie have served as IDs of the Company for more than nine (9) years, both are found to be independent in character, judgement and conduct of Board affairs, and due to their familiarity with the businesses of BBR, have contributed invaluable advice to the Group.

The IDs are also independent of the substantial shareholders and 10% shareholders of the Company.

The Company has adopted the recommendations set out in the CCG 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
Mr. Tan Kheng Hwee Andrew	01/04/1994	26/04/2013
Mr. Bruno Sergio Valsangiacomo	11/02/1997	25/04/2014
Prof. Yong Kwet Yew	19/08/1997	25/04/2014
Ms. Luk Ka Lai Carrie	24/09/1997	24/04/2015
Mr. Soh Gim Teik	08/08/2008	24/04/2015
Mr. Marcel Poser	*24/04/2015	–
Mr. Romano William Fanconi (alternate to Mr. Marcel Poser)	24/04/2015	–

* Mr. Marcel Poser was appointed as a Director on 24 April 2015. He was an alternate director to Mr. Peter Michael Ekberg prior to the latter's resignation on 24 April 2015.

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 annual general meeting.

In accordance with the Constitution of the Company, the following Directors are due to retire at the AGM:

Mr. Tan Kheng Hwee Andrew (pursuant to Article 117)
Mr. Bruno Sergio Valsangiacomo (pursuant to Article 117)
Mr. Marcel Poser (pursuant to Article 121)

The NC has recommended Mr. Tan Kheng Hwee Andrew, Mr. Bruno Sergio Valsangiacomo and Mr. Marcel Poser for re-election as Directors of the Company at the 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 AGM, Mr. Tan Kheng Hwee Andrew, being the Executive Director, will remain as the Executive Director and CEO of the Company and a member of The BBR Share Plan Committee.

If re-elected at the AGM, Mr. Bruno Sergio Valsangiacomo, being a NED, will remain as a member of the Remuneration Committee and BBR Share Plan Committee.

Mr. Marcel Poser, being a NED appointed on 24 April 2015, will upon re-election as a director of the Company, remain as a NED. The appointment of Mr. Romano William Fanconi as the alternate director to Mr. Marcel Poser will continue upon the re-election of Mr. Marcel Poser as a director of the Company.

Mr. Romano William Fanconi has been appointed the alternate director to Mr. Marcel Poser on 24 April 2015 to facilitate full board attendance and representation by the controlling shareholders at each board meeting. Mr. Marcel Poser is a foreign NED and his alternate shall attend board meetings should he be unable to do so.

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

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

Remuneration Committee (Principles 7, 8 and 9)

The Remuneration Committee ("RC") comprises three (3) NEDs, 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

The Board has reviewed the composition of the RC which comprises entirely NEDs 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 CCG.

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 (5) years. His Service Agreement is renewable on re-negotiated terms every five (5) years.

The IDs and NEDs 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 members at each annual general meeting.

Directors' Remuneration

The remuneration bands and components of the Directors' Remuneration based on amounts received in financial year 2015 are as follows:

Name of Director	Basic salary	Variable performance bonus	Benefits-in-kind and others	Director's fee	**Total**
	%	%	%	%	**%**
Above $1,500,000 and below $1,750,000					
Mr. Tan Kheng Hwee Andrew	35	61	2	2	**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 (1)	–	–	–	100	**100**
Mr. Marcel Poser/Mr. Romano William Fanconi (2)	–	–	–	–	**–**

Notes:

(1) Mr. Peter Michael Ekberg resigned as Non-executive Director of the Company on 24 April 2015

(2) Mr. Marcel Poser was appointed as Non-executive Director of the Company on 24 April 2015 and Mr. Romano William Fanconi was appointed as his alternate

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

The Directors' fees were approved at annual general meeting.

Key Executives

The Company does not have any employee who is an immediate family member or a relative of a director or the CEO or substantial shareholder in the financial year 2015. 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	2015	2014
$250,000 to below $500,000	3	3
Below $250,000	2	2
Total	5	5

The Company is of the view that due to competitive reasons and internal sensitivities, 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 the financial year 2015 is approximately $1,316,000.

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 NEDs 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 committee abstain from discussions relating to their own performance and award of performance shares, respectively.

Information relating to the Plan are disclosed in the Directors' Statement on page 35.

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 are 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 within prescribed period before the scheduled date of such meetings via notices in annual reports or circulars, announcements on SGXNET and advertisements in the Business Times.

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. The CEO and CFO regularly hold analysts' briefings on the Company's financial results and business updates 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 annually since 2009, after putting aside sufficient fund for investments, capital expenditure, working capital and other requirements as the Board may deem fit for the best interests of the Company.

Conduct at Shareholder Meetings (Principle 16)

The general meetings, annual general meetings 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 and members 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 annual general meetings, to assist the Directors in addressing any relevant queries by the members.

Dealings in the Company's Shares (Rule 1207(18) of the MLR of SGX-ST)

The Company has adopted policies in line with the requirements of the MLR of 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 (2) weeks before the announcement of the Company's quarterly financial statements and one (1) month before the announcement of the Company's full year financial statements.

Risk Management Policies and Processes (Rule 1207(4)(d) of the MLR of SGX-ST)

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 as well as Risks Management Report on pages 112 to 115.

Material Contracts (Rule 1207(8) of the MLR of SGX-ST)

There were no material contracts entered into by the Company and its subsidiaries in financial year 2015 which involved the interests of the CEO, any director or controlling shareholders of the Company, except as disclosed in the financial statements.

Interested Person Transactions (Rule 907 of the MLR of SGX-ST)

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	
	2015 $'000	2014 $'000
Licence Fee paid to BBR VT International Ltd (A related corporation of BBR Holding Ltd, Switzerland, a controlling shareholder of the Company)	297	157

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

RISK MANAGEMENT REPORT

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 ("RMC") in 2013 to oversee risk governance. The members of the RMC are directors of key operating units of the Group who report to the Audit Committee.

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 a regular basis.

The following sections outline key risks within the Group's ERM framework that may impact the financial status and operational effectiveness of BBR's businesses.

STRATEGIC RISKS

Competition risk

Singapore is a key market for BBR's businesses. The availability of public sector as well as private sector construction projects constantly 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 availability of capital for funding the acquisition of suitable plots of land is a strategic business risk which must be addressed prior to investment commitment.

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, policy and regulatory changes in the construction and property development industries.

Changes to government policies

The Group operates amid a backdrop of government legislation, regulations and policies governing, among other things, employment of foreign workers, licensing of builders, approval and execution of plans and building works, workplace safety and health. Of late, the Singapore government has legislated the adoption of more productive construction methods for certain public sector projects and selected government land sales sites. To keep abreast of changing policies, the business development team holds regular dialogues with the regulatory authorities and participates in industry workgroups to lobby and give feedback on potential regulatory changes.

Sales of the Group's development properties have been affected by the series of measures to cool the Singapore residential property market. To this end, the Group have reviewed its pricing policies and worked with reputable advertising firms to produce more creative marketing collaterals so as to foster greater interests in the Group's developments.

OPERATIONAL RISKS

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.

RISK MANAGEMENT REPORT

Technical risks and management

The Group's technical risks exposure is minimal as it has highly qualified technical personnel and it also engages external 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.

Partnership alliances to undertake projects jointly

The Group may enter into joint ventures to further its business plans. Disagreements regarding the conduct of business or operations, inconsistent economic or business goals, dispute as to the scope of responsibilities and obligations and differing financial capacities among partners may adversely affect the performance of the joint ventures. Further, amid deteriorating economic and/or financial conditions, joint venture partners may be unable to fulfil their respective contractual obligations, such as capital calls, as well as experience a decline in their creditworthiness.

The Group has addressed these risks by providing for executive committees ("Exco") to be set up in joint ventures and appointing its own personnel to participate actively in the progress of the project via the Exco. Key policy matters are defined and agreed upfront in contractual documents, stipulating detriments of defaulting parties for specific events. Prior to forming an alliance, there will be due diligence performed on the potential partners.

Performance, cost overruns and liquidated damages for project delays

Ease of project execution is affected by factors such as, fluctuations in costs of materials, equipment and labour, accidents at work-sites, environmental impacts, delays in approval from the relevant authorities, stop-work orders by authorities, cost overruns and unfavourable weather conditions. Projects may also be slapped with liquidated damages if delays due to factors attributable to the Group occur, leading to non-completion within the construction period.

Initiatives by the Group to mitigate the above risks include periodic project milestone monitoring and regular budget review and update meetings involving project execution teams and management. Construction budgets may also include buffers in anticipation of cost overruns. BBR's centralised procurement facilitates the consolidation of purchases across projects to achieve economies of scale. The purchasing department is also tasked with pre-qualifying vendors for different work heads, followed by annual evaluation of each vendor's performance. Vendors who do not measure up are dropped from the pre-approved list. To ease the effect of cost fluctuations, contract terms may include a price fluctuation clause for key construction materials, such as rebar and concrete.

ISO 9001 accreditations govern project and quality management across the Group. Delay events are formally notified in writing on a timely basis to clients to minimise liquidated damages, while extension of time applications are judiciously pursued with proper documentation of delay events, site minutes of meeting, photographs and project correspondences.

Non-performance by subcontractors

The Group engages third-party contractors to provide various services for every project. These subcontractors may default or fall back on scheduled progress or quality standards may be below par. If their services are discontinued, alternative subcontractors are appointed and more often than not, at higher costs and longer completion duration, for which such additional costs cannot be recovered from the defaulting contractor.

BBR minimises this risk by assessing all subcontractors' quality of work after each project and maintains a list of pre-approved subcontractors for each work head. Other insurances include retention sums and submission of performance bonds to BBR.

FINANCIAL RISKS

Foreign Exchange risks

The business of prefabricated prefinished volumetric construction ("PPVC") entails engaging fabricators outside of Singapore to supply modular units to local projects. The transactions may be denominated in currencies other than the Singapore dollar, giving rise to foreign exchange differences as a result of movements in exchange rates for mainly the United States Dollars against the Singapore Dollar. The Group closely monitors for fluctuations and has entered into forward currency contracts to partially hedge its USD purchases.

In addition to transactional exposure, the Group is exposed to currency translation risk, mainly in Malaysian ringgit from net investments in its foreign subsidiary, BBR Construction Systems (M) Sdn Bhd.

Capital management

BBR recognises the importance of prudent capital management to support the Group's overall business operations and strategic investments. To remain competitive, BBR must have adequate financing on terms acceptable to the Group to continually invest in capital equipment, facilities and technological improvements for its businesses, aside from sufficient working capital facilities to finance the completion of its projects. A key condition for project awards is the procurement of a performance bond by an acceptable financial institution to guarantee the Group's contractual performance in the project.

Financial institutions grant facilities to companies based on its financial performance and other factors that are beyond its control, such as general economic and political conditions. Hence, the importance of open communications with BBR's relationship managers at major banks and other financial institutions so as to maintain available lines of credit facilities. By aligning the Group's capital management strategy with its short and mid-term goals, investment and expansion plans need not be curtailed in the event financing is unsuccessful or withdrawn. Also, the Group negotiates with banks and other financial institutions to establish loan covenants, where required, with ample headroom and monitors the outcome on a quarterly basis.

Tariff for Production of Solar Energy

For the Group's green technology segment, it is involved in projects to supply, install and lease solar panels and grid connected systems to customers on a long-term basis. Power purchase agreements ("PPAs") are entered into for up to 25 years where the selling price of solar energy is pegged to the prevailing Singapore electricity tariff set by the Energy Market Authority ("EMA") and there may be no floor price set. As a key component in determining the cost of electricity is fuel cost, the income stream derived from the PPAs over the lease period would be affected by movements in oil prices, as a result of EMA adjusting the electricity tariff.

SGX has launched the electricity futures market on 1 April 2015, which is a platform for the electricity industry to partially hedge its risks by allowing the trading of standardised contracts of electricity products up to 2 years into the future at specified prices. BBR is able to derive more certainty on cashflows by hedging against any low spot prices or cover unplanned or maintenance outages of its panel installations, thereby protecting its revenues.

COMPLIANCE RISKS

Workplace Safety and Health

Accidents at work sites may disrupt operations as a result of partial or full stop-work orders, fines, claims from injured parties for damages, and any claims which may not be covered by the Group's insurance policies. If an offence is committed under the Workplace Safety and Health Act, BBR and/or its officers may be liable to fines or imprisonment, as well as demerit points imposed by the Ministry of Manpower ("MOM") on the company. If the company continues to breach workplace safety and health rules and regulations, applications for new and/or renewal of work passes for foreign employees will be rejected by MOM.

BBR has placed great emphasis on workplace safety and health by establishing safety programmes, standard operating procedures and protocols for staff. These safety measures have been extended to subcontractors who are obliged to conform to these practices or face fines for breaches. Apart from appointment of qualified Safety Officers who performs regular site safety inspections, safe practices are reinforced by conducting mandatory safety induction sessions for site staff to familiarise themselves with safety policies, thus taking ownership for personal safety.

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2016

Number of ordinary shares in issue	:	308,210,418
Number of ordinary shares in issue with voting rights	:	307,999,418
Voting Rights	:	1 vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	39	0.45	1,362	0.00
100 - 1,000	2,173	24.88	1,361,620	0.44
1,001 - 10,000	4,289	49.11	20,866,087	6.78
10,001 - 1,000,000	2,210	25.31	109,199,958	35.45
1,000,001 AND ABOVE	22	0.25	176,570,391	57.33
TOTAL	**8,733**	**100.00**	**307,999,418**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	BBR HOLDING LTD	85,632,978	27.80
2	TAN KHENG HWEE ANDREW	17,250,474	5.60
3	DB NOMINEES (SINGAPORE) PTE LTD	11,577,000	3.76
4	DBS NOMINEES (PRIVATE) LIMITED	8,534,500	2.77
5	ONG KIAN KOK	6,744,200	2.19
6	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	6,531,300	2.12
7	RAFFLES NOMINEES (PTE) LIMITED	5,891,500	1.91
8	HONG LEONG FINANCE NOMINEES PTE LTD	5,867,000	1.90
9	KOH SEOW NGANG	4,235,000	1.38
10	PHILLIP SECURITIES PTE LTD	3,417,900	1.11
11	DUNCAN PRODUCTS PTE LTD	2,700,073	0.88
12	MAYBANK KIM ENG SECURITIES PTE. LTD.	2,354,400	0.76
13	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,024,800	0.66
14	JONATHAN CHADWICK	2,000,000	0.65
15	TAN YEW MENG	1,919,600	0.62
16	TIONG WOON CRANE & TRANSPORT (PTE) LTD	1,696,788	0.55
17	TYT BUILDERS PTE LTD	1,560,182	0.51
18	TAN BAN PIN	1,522,700	0.49
19	RYOBI-KISO (S) PTE LTD	1,481,200	0.48
20	ABN AMRO CLEARING BANK N.V.	1,354,000	0.44
	TOTAL	**174,295,595**	**56.58**

PUBLIC SHAREHOLDING

As at 18 March 2016, based on the registers of shareholders and to the best knowledge of the Company, approximately 66.12% 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 18 March 2016, 211,000 ordinary shares are held as treasury shares, representing 0.07% of the total number of issued shares excluding treasury shares.

SUBSTANTIAL SHAREHOLDERS

AS AT 18 MARCH 2016

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)]	17,250,474	228,400	17,478,874

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, Ms 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

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

NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting of BBR HOLDINGS (S) LTD (the "**Company**") will be held at 50 Changi South Street 1, BBR Building, Singapore 486126 on Monday, 25 April 2016 at 10.00 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the audited Financial Statements of the Company for the year ended 31 December 2015 together with the Auditors' Report thereto. **(Resolution 1)**

2. To declare a first and final (tax exempt one-tier) dividend of 0.4 cents per ordinary share for the financial year ended 31 December 2015. (2014: 0.8 cents) **(Resolution 2)**

3. To re-elect the following Directors retiring pursuant to Article 117 of the Company's Constitution:-

   3.1 Mr. Tan Kheng Hwee Andrew
   (Note: Mr. Tan Kheng Hwee Andrew is the Executive Director, Chief Executive Officer and a member of The BBR Share Plan Committee. He will, upon re-election as a Director of the Company, remain as the Executive Director, Chief Executive Officer and a member of The BBR Share Plan Committee.) **(Resolution 3)**

   3.2 Mr. Bruno Sergio Valsangiacomo
   (Note: Mr. Bruno Sergio Valsangiacomo is a Non-Executive Director, a member of the Remuneration Committee and The BBR Share Plan Committee. He will, upon re-election as a Director of the Company, remain as a Non-Executive Director, a member of the Remuneration Committee and The BBR Share Plan Committee.) **(Resolution 4)**

4. To re-elect Mr. Marcel Poser, a Director retiring pursuant to Article 121 of the Company's Constitution.
   (Note: Mr. Marcel Poser is a Non-Executive Director appointed on 24 April 2015. He will, upon re-election as a Director of the Company, remain as a Non-Executive Director. The appointment of Mr. Romano William Fanconi as the Alternate Director to Mr. Marcel Poser shall continue upon re-election of Mr. Marcel Poser as a Director of the Company.)

   More information about the retiring Directors can be found on pages 16 and 107. **(Resolution 5)**

5. To approve payment of $280,000.00 as Directors' fees for the year ended 31 December 2015. (2014: $280,000.00) **(Resolution 6)**

6. To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix the auditors' remuneration. **(Resolution 7)**

7. To transact any other ordinary business that may be properly transacted at an annual general meeting.

SPECIAL BUSINESS

8. 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 Companies Act, Chapter 50 of Singapore ("**Companies Act**") 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 the 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 share 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 Constitution for the time being of the Company; and

(4) unless revoked or varied by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to this Resolution may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of passing of this Resolution and expiring on the earliest of:

(A) the date on which the next annual general meeting of the Company is held; or

(B) the date by which the next annual general meeting of the Company is required by law to be held." **(Resolution 8)**

(See Explanatory Note 1)

NOTICE OF ANNUAL GENERAL MEETING

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

   Authority to Allot and 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 share 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 9)**

   (See Explanatory Note 2)

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

    Proposed Renewal of The Share Purchase Mandate

    "THAT:

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

    (i) market purchases (each a "**Market Purchase**") on the SGX-ST; and/or

    (ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

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

    (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate in paragraph (a) of this Resolution may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

    (i) the date on which the next annual general meeting of the Company is held;

    (ii) the date by which the next annual general meeting of the Company is required by law to be held; or

    (iii) the date on which purchases or acquisitions of Shares are carried out to the full extent mandated;

    (c) in this Resolution:

    "**Prescribed Limit**" means 10% of the total number of issued Shares of the Company (excluding any Shares which are held as treasury shares) as at the date of the passing of this Resolution; and

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

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

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

Where:

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

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

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

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

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution." **(Resolution 10)**

All capitalised terms used in this Notice which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the appendix dated 8 April 2016 (the "**Appendix**") (including supplements and modifications thereto). Shareholders should refer to the Appendix for information relating to the proposed renewal of the Share Purchase Mandate.

(See Explanatory Note 3)

By Order of the Board

Chiang Chai Foong
Company Secretary

Singapore, 8 April 2016

Explanatory Notes to the Notice of Annual General Meeting

(1) Ordinary Resolution 8 in item 8, 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 9 in item 9, 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 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.

NOTICE OF ANNUAL GENERAL MEETING

(3) Ordinary Resolution 10 in item 10, if passed, will give the Company the flexibility to undertake purchases or acquisitions of its issued Shares during the period when the Share Purchase Mandate is in force, if and when circumstances permit. The purchases or acquisitions of Shares may, depending on market conditions and funding arrangements at the time, allow the Directors to better manage the Company's capital structure with a view to enhancing the EPS and/or NAV per share of the Group. The purchases or acquisitions of Shares may, in appropriate circumstances, also help to mitigate short-term market volatility in the Company's share price, offset the effects of short-term speculation.

Notes:

1. (a) A member of the Company who is not a relevant intermediary entitled to attend, speak and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, speak and vote on his behalf at the meeting. Where a member appoints more than one proxy, the appointment shall be invalid unless the proportion of shareholding represented by each proxy is specified in the proxy form.

   (b) A member who is a relevant intermediary entitled to attend, speak and vote at the meeting is entitled to appoint more than two (2) proxies to attend, speak and vote instead of the member at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

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 holding of the meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnity the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATES

As announced on SGXNET on 24 February 2016 and subject to members' approval at the Twenty-Second Annual General Meeting of the Company; the Transfer Book and the Register of Members of the Company will be closed from 5 May 2016 to 6 May 2016, both dates inclusive for the purpose of determining members' entitlements to the first and final (tax exempt one-tier) dividend of 0.4 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 4 May 2016 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 4 May 2016 will be entitled to the Proposed Dividend.

The Proposed Dividend, if approved at the Twenty-Second Annual General Meeting, will be paid on 20 May 2016.

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

Important:
1. For CPF/SRS investors who have used their CPF monies to buy the shares of BBR Holdings (S) Ltd, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks if they have any queries regarding their appointment as proxies.
2. By submitting an instrument appointing a proxy or proxies, a member accepts and agrees to the personal data privacy terms set out in the Notice of Meeting

PROXY FORM

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

*I/We ______________________________

of ______________________________

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

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

*and/or

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

as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the Twenty-Second Annual General Meeting ("AGM") of the Company to be held at 50 Changi South Street 1, BBR Building, Singapore 486126 on Monday, 25 April 2016 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.

		By way of a poll	
No	Resolution relating to	**No. of Votes For #**	**No. of Votes Against #**
	Ordinary Business		
1.	Adoption of audited Financial Statements ended 31 December 2015, Directors' Statement and Auditor's Report		
2.	Approval of First and Final Dividend – 0.4 cents per share		
3.	Re-election of Mr. Tan Kheng Hwee Andrew as a Director		
4.	Re-election of Mr. Bruno Sergio Valsangiacomo as a Director		
5.	Re-election of Mr. Marcel Poser as a Director		
6.	Approval of Directors' Fees – S$280,000.00		
7.	Re-appointment of Auditors and authority to fix their remuneration		
	Special Business		
8.	General Share Issue Mandate		
9.	Authority to Allot and Issue shares under The BBR Share Plan		
10.	Renewal of the Share Purchase Mandate		

* *Delete where applicable*

\# *If you wish to use all your votes* ***"For"*** *or* ***"Against"****, please indicate with an* ***"X"*** *within the box provided. Otherwise, please indicate the number of votes.*

Dated this __________ day of __________ 2016

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

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

Notes:

1. A member of the Company who is not a relevant intermediary entitled to attend, speak and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, speak and vote on his behalf at the meeting. 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 the proportion of shareholding represented by each proxy is specified in the proxy form.

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, 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. A member who is a relevant intermediary entitled to attend, speak and vote at the meeting is entitled to appoint more than two (2) proxies to attend, speak and vote instead of the member at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means

   (a) a banking corporation licensed under the Banking Act, Chapter 19 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 and who holds shares in that capacity; or

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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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   (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. 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.

6. 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.

7. 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 meeting, in accordance with Section 179 of the Companies Act, Chapter 50.

8. 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.

9. 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.

10. 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.

BBR HOLDINGS (S) LTD

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