



HOLDINGS (S) LTD

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

PROPOSED SHARE CONSOLIDATION

1. INTRODUCTION

The Board of Directors (the “**Directors**”) of BBR Holdings (S) Ltd (the “**Company**”) wishes to announce that the Company proposes to undertake a share consolidation (the “**Proposed Share Consolidation**”) of every five (5) ordinary shares in the capital of the Company (the “**Shares**”) registered in the name of each shareholder of the Company (“**Shareholder**”) as at a books closure date to be determined by the Directors (the “**Books Closure Date**”) into one (1) consolidated share (“**Consolidated Share**”), fractional entitlements to be disregarded.

2. RATIONALE

The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders.

For the past six months, the absolute price of the Shares had traded in a range of between S\$0.08 and S\$0.06. The highest and lowest market prices for each month, the last transacted price for each month and the transacted volume of the Shares traded on the SGX-ST for each month, for the period from 1 June 2009 to 22 December 2009, are as follows:-

	Highest (cents)	Lowest (cents)	Last transacted (cents)	Volume of traded Shares ('000)
June	8.0	6.0	6.5	35,247
July	8.0	6.0	7.5	48,443
August	8.0	7.0	7.5	80,243
September	7.5	6.5	7.0	23,203
October	7.5	6.5	6.5	18,895
November	7.0	6.0	6.0	8,821
1 December 2009 to 22 December 2009	6.5	6.0	6.0	8,106

Source: Bloomberg L.P.

The minimum bid size prescribed by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for trades done on the SGX-ST in respect of shares at prices below S\$1 is S\$0.005 per share. Each such movement of S\$0.005 in the traded price of the Shares has a substantial effect on the market capitalization of the Company. Hence, based on the current total issued share capital of the Company of 1,541,052,278 Shares, every movement of S\$0.005 in the trading price will cause a fluctuation of about S\$7.71 million in the Company’s market capitalization. In view of the high percentage change in pricing and valuation for each trading spread of the Shares, the Directors believe that it has generally hindered the trading activities and interest in the Shares.

Low traded share prices also translate into higher transaction costs relative to the trading price, for each trading of one board lot of Shares.

The Directors believe that the Proposed Share Consolidation may serve to reduce the fluctuation in magnitude of the Company’s share price and market capitalization and reduce the percentage transaction cost for trading in each board lot of Shares. The Proposed Share Consolidation may

also increase the profile of the Company amongst the institutional investors and the coverage of the Company amongst research houses and fund managers. This may, in turn, increase market interest and activity in the Shares, and generally make the Shares more attractive to investors. Shareholders should note, however, that there can be no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

3. DETAILS

Under the Proposed Share Consolidation, every five (5) Shares registered in the name of each Shareholder as at the Books Closure Date will be consolidated into one (1) Consolidated Share. Each Consolidated Share will rank *pari passu* in all respects with the existing Shares and with each other. The Consolidated Shares will be traded in board lots of 1,000 Consolidated Shares.

Shareholders should note that the number of Consolidated Shares which they are entitled to, based on their holdings of the Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including aggregating and selling the same and retaining the net profits for the benefit of the Company.

As at the date of this Announcement, the issued share capital of the Company is S\$43,967,199 divided into 1,541,052,278 Shares. Following the completion of the Proposed Share Consolidation, the Company will have an issued share capital of S\$43,967,199 divided into approximately 308,210,455 Consolidated Shares.

The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the equity of the Company and its subsidiaries.

Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation.

4. APPROVALS

The Proposed Share Consolidation is subject to, *inter alia*:-

- (a) the approval of the SGX-ST and
- (b) the approval of Shareholders by ordinary resolution at an extraordinary general meeting ("**EGM**") of the Company to be convened.

An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Consolidated Shares on the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

A circular containing, *inter alia*, the notice of the EGM and the details of the Proposed Share Consolidation will be despatched to Shareholders in due course.

By Order of the Board of Directors
BBR Holdings (S) Ltd

Tan Kheng Hwee Andrew
Director
23 December 2009