HOLDINGS (S) LTD
Registration No.: 199304349M

RESPONSE TO SGX-ST'S QUERIES ON THE FULL YEAR FINANCIAL RESULTS ENDED 31 DECEMBER 2011

The Board of Directors of BBR Holdings (S) Ltd (the "Company") wishes to respond to queries raised by the SGX-ST on 6 March 2012 in relation to the Company's full year financial results ended 31 December 2011:

1. SGX-ST's query
We note that administrative costs increased by 65%, from $4.6 million for FY10 to $7.6 million for FY11. The Company has explained that the increase was attributable to commissions for housing agents relating to the Group's property development projects and higher depreciation charges from purchases of construction equipment for FY11. In this respect, please provide a breakdown of the material items contributing to the increase.

Company's response
Material items contributing to the increase are as follows:

	FY 2011	FY 2010	Increase	
	$'000	$'000	$'000	%
Administrative costs	**7,565**	**4,584**	**2,981**	**65**
Sales commissions	1,588	-	1,588	N.A.
Depreciation of property, plant & equipment	3,874	2,523	1,351	54
Total			2,939	

Commissions for housing agents were incurred for sold units at Bliss@Kovan, the Group's latest property development project launched in September 2011. Depreciation expense increased because the Group acquired new leasehold land and construction equipment in 2011.

2. SGX-ST's query
We note that allowance for doubtful receivables increased by 619.3% from $83,000 for FY10 to $597,000 for FY11. Please provide the reasons for the significant increase in the provision.

Company's response
Allowance for doubtful receivables of $597,000 and $83,000 for FY2011 and FY2010, respectively, are net figures after setting off write-backs of allowance for doubtful receivables against allowances made. See breakdown as follows:

	FY 2011	FY 2010	Increase/(decrease)	
	$'000	$'000	$'000	%
Allowance for doubtful receivables	1,108	840	268	32
Write-back of allowance for doubtful receivables	(511)	(757)	(246)	(32)
Net	597	83	514	619

In FY2011, management assessed the collectability of certain trade receivables which have been long outstanding to our Malaysia subsidiary, BBR Construction Systems (Malaysia) Sdn Bhd ("BBRM") and deemed that it is prudent to provide for S$1,023,000 of doubtful receivables. In FY2010, allowance for doubtful receivables were provided by the Sri Lanka branch and BBR Construction Systems Pte Ltd ("BBRCS"), a Singapore subsidiary.

In FY2010, BBRM collected certain doubtful debts that have been provided for and wrote-back $702,000 of allowances for doubtful receivables accordingly, whereas write-backs in FY2011 was mainly attributable to debts collected by BBRCS which were provided for in FY2010.

3. SGX-ST's query

   We note that other receivables (non-current) amounted to $1 million as at 31 December 2011. What are the reasons for this balance when there was none in the preceding financial year?

   Company's response

   Other non-current receivables relate to a $1,000,000 cash advance to Takenaka-Singapore Piling Joint Venture to finance preliminary project expenses at the National Art Gallery in FY2011. The joint venture was registered in December 2010 by Takenaka Corporation (75%) and Singapore Piling & Civil Engineering Pte Ltd (25%) to undertake restoration works to the former Supreme Court and City Hall buildings. As per the Joint Venture agreement, both parties are obliged to furnish funds when required to the Joint Venture according to the respective parties' percentage of participation. We do not expect the advance to be repaid within 12 months.

4. SGX-ST's query

   We note that trade receivables (non-current) increased by 38%, from $5.2 million as at 31 December 2010 to $7.2 million as at 31 December 2011. Please provide the reasons for the significant increase.

   Company's response

   Non-current trade receivables relate to contractual retention of monies by customers for work done, which is not due within 12 months. During 2011, BBR executed more projects which were in their active stage of construction as compared to 2010, which resulted in increased certification of work and accordingly, higher retention by customers. As a guide, 50% of retention sum shall be due for payment upon substantial completion of the project and the balance shall be released after the defects liability period expires which is typically 12 to 24 months after completion of the project.

BY ORDER OF THE BOARD

Andrew Tan
Chief Executive Officer

6 March 2012