BBR HOLDINGS (S) LTD

INNOVATIVE CONSTRUCTION ENGINEERING

ANNUAL REPORT 2021

CONTENTS

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 for green and sustainable buildings by leveraging on our strengths and 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 25 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 its 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, Thailand and the 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, BBR flourished to take on larger projects in both the public and private sectors in Singapore and the region. BBR's Specialised Engineering arm operates via its subsidiaries, BBR Construction Systems Pte. Ltd. and BBR Piling Pte. Ltd. in Singapore, and BBR Construction Systems (M) Sdn. Bhd. in Malaysia. BBR has also invested in prefabricated pre-finished volumetric modular construction ("PPVC"), whereby entire PPVC modules are built in multiple units complete with all internal finishes, fixtures and fittings. The prefabrication process takes place in a factory and is then 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 Engineering & Construction Pte. Ltd. ("SEC") (formerly known as Singapore Piling & Civil Engineering Private Limited) and Singa Development Pte. Ltd. ("Singa").

Acquired in 2001, SEC and Singa each has more than 50 years and 40 years of history, respectively, in the construction sector, and have successfully completed wide range of projects from infrastructure works such as tunnel and underground structures, bridge construction, power stations, toll roads and aircraft hangar, to building works for institutions, commercial and residential developments. Special projects for conservation and restoration works of heritage buildings have also been undertaken successfully.

Since 1984, SEC and Singa have been registered with the Building and Construction Authority of Singapore under the classification workheads for General Building (CW01) and Civil Engineering (CW02).

PROPERTY DEVELOPMENT

Highly synergetic to the Group's broad construction activities, its Property Development business segment has been actively engaged in six 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 comprised 16 super luxury triplex units with basement carparks was completed in 2010. Bliss@Kovan, completed in November 2015, was the third freehold site which was developed into a condominium with 6 blocks of five-storey building comprising 140 luxurious residential units in total.

All the units in these three freehold developments were fully sold.

BBR's fourth project is Lake Life Executive Condominium, a development comprising 546 units of executive condominium which offers modern and lifestyle design features on a 99-year leasehold HDB land site at Yuan Ching Road/Tao Ching Road, Jurong. The development was 100% sold and Temporary Occupation Permit ("TOP") was obtained on 30 December 2016.

CORPORATE PROFILE

The Wisteria and Wisteria Mall, developed through a joint venture, is a 99-year leasehold residential and commercial development located at Yishun Avenue 4. The Wisteria residences was 100% sold and TOP was obtained in July 2018. The Wisteria comprises 3 blocks of 9-storey residential building, each tower consisting of 72 apartment units from levels 4 to 12. The residences are directly connected to Wisteria Mall, which consists of 2 levels of retail space at basement and level 1, comprising food & beverage and retail outlets.

In February 2022, the Group disposed off the Wisteria Mall through share sale of the joint venture company which owned this investment property, at a consideration of $205 million.

BBR's latest property development project is The LINQ @ Beauty World, a freehold mixed development developed through a joint venture. This development comprises a 2-storey commercial podium and a 20-storey residential apartment tower above with 120 apartment units, with a direct access to the Beauty World MRT station.

Public sales was launched on 14 November 2020, and all 120 apartment units have since been 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.

To date, BBR has successfully delivered two major solar leasing projects for 20 years and 25 years, to the HDB and a commercial company, respectively. Construction for a 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 which involved engineering, procurement and construction works and installation of solar panels on the rooftops of 80 blocks of HDB flats in Ang Mo Kio Town was completed in 2016. A power purchase agreement has been signed with Ang Mo Kio Town Council to maintain, 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") test-bed project at Tengeh Reservoir jointly led by Singapore Economic Development Board and the Public Utilities Board. The test-bed project at Tengeh Reservoir allowed 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. The project was completed in the last quarter of 2016.

In 2021, BBR completed another project for the construction of two 1.5 megawatt-peak ("MWp") floating solar PV systems at Bedok Reservoir and Lower Seletar Reservoir for the Public Utilities Board.

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
- Conservation and Restoration

Specialised Engineering

- Piling and Foundation Systems
- Post-tensioning
- Stay Cable Systems
- Heavy Lifting
- Bridge Design and Construction
- Maintenance Repair and Retrofitting
- Prefabricated Prefinished Volumetric Construction ("PPVC")

Property Development

- Boutique developer for residential as well as mixed commercial and residential development
- Property management and consultancy services

Green Technology

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

TAN KHENG HWEE ANDREW
Executive Director and
Chief Executive Officer

PROF. YONG KWET YEW
Independent Director and
Non-Executive Chairman

DEAR SHAREHOLDERS,

The evolution of the Covid-19 pandemic in 2021 continued to have an impact on economic activities, including construction, in Singapore. The deadlier Delta variant was followed by the more transmissible Omicron variant and led to protracted controls on travel, quarantine, safe distancing measures and mobility. These two events resulted in a shortage of construction workers and disruption to supply chain of materials and equipment. With the partial resumption of economic activities, the supply of manpower and materials continue to be challenging.

On 3 January 2022, the Ministry of Trade and Industry ("MTI") announced that the Singapore economy grew by 5.9 per cent on a year-on-year basis in the fourth quarter of 2021, moderating from the 7.1 per cent growth in the previous quarter. For the whole of 2021, the economy grew by 7.2 per cent, rebounding from the 5.4 per cent contraction in 2020.

The construction sector grew by 2.0 per cent on a year-on-year basis in the fourth quarter of 2021. But the value-add of the sector in dollar terms remained 26.0 per cent below its pre-pandemic level, as activity at construction worksites continued to be weighed down by labour shortages due to border restrictions on the entry of migrant workers. The construction industry will continue to face various challenges including competition, supply chain issues, labour shortage and increased cost of materials.

For the year ahead, factors that will have the most impact on the Group's business are labour force shortages, rising foreign labour wage costs and new regulations on the hiring of foreign labour as announced in the Singapore Budget 2022 on 18 February 2022. The increase in property taxes for higher value and non-owner occupied properties announced in the 2022 Budget may also have an impact on BBR's construction business. We expect property developers to be more cautious in tendering for land and in starting new projects.

Nevertheless, despite the very challenging operational and business environment that we faced in 2021, our order book as at 31 December 2021 remains healthy at approximately $187 million. Our current projects, those completed in 2021 and upcoming projects include:

- Specialised Engineering - Prefabricated Prefinished Volumetric Construction ("PPVC"): Design and supply, installation, and commissioning of PPVC module system at Expo Singapore which was completed recently;
- Specialised Engineering - Piling: Tuas Water Reclamation Plant which was substantially completed subject to next phase in 2023; hotel and condominium developments and several other factory buildings and manufacturing plants;

CHAIRMAN'S AND CEO'S MESSAGE

- Specialised Engineering - Post-tensioning: Post-tensioning works for several residential, industrial and civil projects including the Mass Rapid Transit (MRT) system and the HDB improvement works to the void deck using polymer fibre wrapping;
- General Construction: Educational institution buildings for Singapore Management University and social community facility for Ministry of Social and Family Development, both to obtain Temporary Occupancy Permit in 2022;
- General Construction: New contract award for Pasir Ris East Station of Cross-Island Line 1 to our subsidiary, Singapore Engineering & Construction Pte. Ltd., and Sinohydro Corporation Limited (Singapore Branch) Joint Venture;
- Green Technology: PUB floating solar photovoltaic systems on Bedok Reservoir and Lower Seletar Reservoir were completed;
- Malaysia: Infrastructural civil works for Pan Borneo Highway and Sungai Bintangor Bridge, Sarawak; and
- Thailand: Specialised Engineering: Post-tensioning works for various civil projects comprising LRT monorails, expressway and overpass

FINANCIAL REVIEW

We are pleased to report that against the backdrop of a very challenging business environment for the construction industry, the Group recorded a net profit attributable to equity holders of $1.6 million for FY2021 as compared with a loss of $26.4 million for FY2020. Earnings per share for FY2021 was 0.50 cents against a loss per share of 8.20 cents in FY2020.

The Group's revenue increased by 48.0% from $121.6 million in FY2020 to $180.0 million in FY2021, as the Covid-19 "Circuit Breaker" restrictions were relaxed and construction activities on the Group's projects resumed. All segments of the Group's business showed an improvement in revenue except for Green Technology. Revenue from the General Construction business segment recorded an increase of 202.9% from $22.4 million in FY2020 to $67.8 million in FY2021. Specialised Engineering revenue increased by 12.9% from $90.5 million in FY2020 to $102.1 million in FY2021. Construction work at The LINQ @ Beauty World in Bukit Timah is progressing and in FY2021 the Group's Property Development business segment recognised a revenue of $5.9 million on a Percentage of Completion basis. In the Green Technology business segment, the construction of the two floating solar photovoltaic systems on Bedok Reservoir and Lower Seletar Reservoir were completed. Together with a mix of small-scale projects, a revenue of $4.0 million was recorded for FY2021 as compared to $6.0 million in FY2020. Performance of all business segments has improved and a gross profit margin of 11.7% was achieved.

The Group's financial position and cash flow remained healthy with a high current ratio of 3.1 and a net asset value per share of 29.92 cents as at 31 December 2021. Cash and cash equivalents as 31 December 2021 stood at $59.5 million.

DIVIDENDS

The Group appreciates the strong support of its Shareholders. Their trust and confidence inspire the Board and Management to perform their best to create value for shareholders.

As a token of appreciation, the Board is recommending a first and final tax-exempt cash dividend of 0.3 cents per ordinary share for FY2021, subject to approval by shareholders at the forthcoming Annual General Meeting.

BUSINESS OUTLOOK

Despite the gloomy big picture, there are bright spots for the construction industry in Singapore. According to the Building and Construction Authority, construction demand in Singapore for 2022 is projected to be between $27 billion and $32 billion, with the public sector expected to contribute about 60 per cent of the total demand. This is supported by the strong pipeline of public housing projects including those under the HDB Home Improvement Programme, healthcare developments and infrastructure works such as the Cross Island MRT Line.

In the medium term between 2023 and 2026, public sector projects include Phases 2 and 3 of the Cross Island Line and its Punggol Extension, and the Downtown Line extension to Sungei Kadut and the Toa Payoh Integrated Development. For public healthcare developments, there is the redevelopment of Alexandra Hospital and a new integrated hospital in Bedok.

CHAIRMAN'S AND CEO'S MESSAGE

BRR's established track record in innovative construction engineering places it in a competitive position for the bidding of projects. In today's construction industry environment of high labour and raw material costs, the keys for success lie in high productivity and high value-add work. The Group's proprietary technologies in PPVC and the complementary use of Building Information Modeling in PPVC will be a factor in preserving margins in a challenging operating and business environment.

The Group will continue to exercise a disciplined approach to the managing of project costs and operating expenses. We will also explore strategic partnerships with suitable parties for the bidding of contracts. As the regional economies recover, it is expected to generate opportunities in specialised engineering and infrastructure works. The Group will explore opportunities to expand its business footprint in the region.

We are cautiously optimistic that by focusing on our core strengths and competitive advantages we will be able to overcome the daunting challenges that lie ahead.

BOARD RENEWAL AND CONTINUED LEADERSHIP

In the past year, we welcomed two new members to our Board, namely Mr Lim Boon Cheng as an Independent Non-Executive Director, and Dr Pietro Brenni as a Non-Executive Director. With their impressive background and experience, we are certain that the counsel and insights from them will be invaluable to the Group.

As part of the Board renewal process, Prof. Yong Kwet Yew had indicated previously his intention not to seek re-election at the forthcoming Annual General Meeting when he is due for retirement. Prof. Yong is a reputable professional in the engineering and construction field and has provided excellent advice on the Group's businesses and corporate governance due to his vast experience in the construction industry as well as in other organisations and government agencies. Amidst the challenges being faced by the Group brought on by the Covid-19 pandemic, all Board members (save for Prof Yong himself), requested that he serves one more term on the Board to ensure stability and continued leadership of the Group to ride through these turbulent times. Nonetheless, the Board is mindful of our commitment for Board renewal. The Board is delighted that Prof Yong has agreed to stand for re-election as a non-independent and non-executive director. If re-elected, he will remain as Chairman of the Board and the Board will induct a new member to serve as an independent director of the Company and reconstitute the Board committees to comply with the SGX listing rules. The Board believes that this is in the best interests of the Company and wish to seek the support of all shareholders in this respect.

ACKNOWLEDGEMENTS

The Group's creditable performance in FY2021, notwithstanding the daunting challenges in the economic and business environment, could not have been achieved without the contribution from many people. Our deep felt thanks go to the Board of Directors for their guidance in steering the Group through another difficult year. On behalf of the Board, we would also like to thank our business partners and customers for their support during this difficult period. Our thanks also go to our Shareholders for their trust and confidence in our ability to overcome the challenges. Last, but not least, we would like to personally thank all management and staff for their sacrifices, dedication, and hard work during the year.

Prof. Yong Kwet Yew

Independent Director

Non-Executive Chairman

Tan Kheng Hwee Andrew

Executive Director and

Chief Executive Officer

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(1) Ministry of Trade and Industry Singapore Press Release "Singapore's GDP Grew by 5.9 Per Cent in the Fourth Quarter of 2021 and by 7.2 Per Cent In 2021", 3 January 2022

(2) Building and Construction Authority Media Release "Sustained Construction Demand in 2022 supported by Public Sector Projects", 26 January 2022

(3) Singapore Budget, 18 February 2022

KEY FINANCIAL HIGHLIGHTS

		FY2017*	FY2018	FY2019	FY2020	**FY2021**
Revenue	($'000)	195,736	118,048	127,805	121,595	**179,954**
Gross Profit/(Loss)	($'000)	27,570	14,976	16,651	(2,036)	**20,968**
Profit/(Loss) Before Taxation	($'000)	9,280	(4,658)	(13,632)	(31,398)	**(215)**
Profit/(Loss) After Taxation (PAT)	($'000)	10,141	(5,174)	(14,225)	(28,559)	**(79)**
Profit/(Loss) Attributable to Equity Holders of the Company	($'000)	10,412	(3,363)	(12,822)	(26,441)	**1,598**
Earnings/(Loss) Per Share	(Cents)	3.28	(1.04)	(3.98)	(8.20)	**0.50**
Dividend Per Share	(Cents)	0.6	–	–	–	**0.30**
Dividend Payout	(%)	18.3	–	–	–	**60.0**
Net Assets (NAV)	($'000)	139,946	134,566	121,309	94,915	**96,471**
NAV Per Share	(Cents)	43.41	41.74	37.63	29.44	**29.92**
Net Debt To Equity[1]	(%)	39.3	21.3	38.8	79.2	**59.9**
Return On Equity[2]	(%)	7.2	–	–	–	**–**
Return On Total Assets[3]	(%)	3.3	–	–	–	**–**
Revenue by Business Segment						
General Construction	($'000)	70,535	27,161	31,685	22,375	**67,779**
Specialised Engineering	($'000)	114,658	89,324	92,251	90,455	**102,096**
Property Development	($'000)	9,165	–	–	2,584	**5,895**
Green Technology	($'000)	1,350	1,502	3,775	6,087	**4,090**
Revenue by Geographical Segment						
Singapore	($'000)	138,845	72,789	72,370	72,499	**133,422**
Malaysia	($'000)	56,891	43,886	49,063	40,716	**36,624**
Others	($'000)	–	1,373	6,372	8,380	**9,814**

* Restated in view of the adoption of the Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 January 2018.

Notes:

1. Net Debt To Equity = Current and non-current loans and borrowings (excluding loans from non-controlling interest) 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

FINANCIAL REVIEW

REVENUE

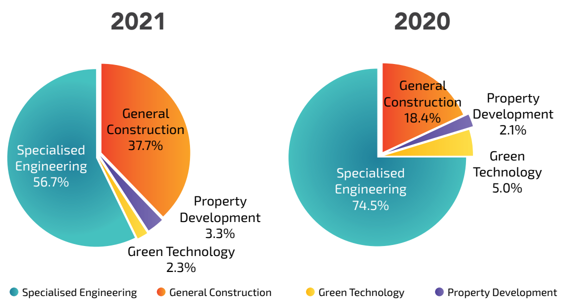
The Group saw a 48.0% increase in revenue from $121.6 million in FY2020 to $180.0 million in FY2021. Net profit attributable to equity holders was $1.6 million, reversing from a net loss attributable to equity holders of $26.4 million in FY2020.

The General Construction business segment recorded the highest increase in revenue of 202.9% as the project awarded in September 2020 for the construction of educational buildings for Singapore Management University is in active stage of construction during FY2021. Besides, the General Construction project for the Ministry of Social and Family Development was also ongoing during FY2021 and both projects are expected to be completed in the first half of 2022.

In terms of business segment, the highest contribution of revenue was from Specialised Engineering which accounted for 56.7% of total revenue. Next was General Construction which contributed 37.7%, followed by Property Development and Green Technology which contributed 3.3% and 2.3% respectively.

Revenue from the Specialised Engineering business segment increased by 12.9% with higher revenue generated from post-tensioning as well as piling and foundation works. The piling works for a hotel and a condominium as well as the Tuas Water Reclamation Plant was completed except for the biogas burners and greasy waste-receiving facilities which will recommence work in 2023 according to the owner's project calendar. Piling works are also in progress for several factory buildings and manufacturing facilities. Post-tensioning works were carried out for several residential and industrial buildings and MRT projects. Besides, the Group also carried out HDB improvement works to void decks using polymer fibre wrapping.

Revenue by Business Segment

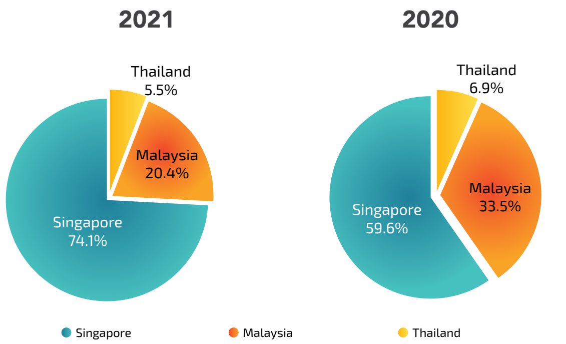


As construction work of The LINQ progresses, the Property Development business segment recognised a revenue of $5.9 million on a Percentage of Completion basis. As at 31 December 2021, 98.5% of the units have been sold, while the remaining unit was sold in the first quarter of 2022.

Revenue from Green Technology business segment decreased by approximately $2.0 million as the ongoing projects are relatively small-scale projects. The construction of the two floating solar photovoltaic systems on Bedok Reservoir and Lower Seletar Reservoir were completed in 2021.

In terms of geographical segments, Singapore contributed 74.1% to revenue, and Malaysia and Thailand contributed 20.4% and 5.5% respectively. Revenue in Singapore and Thailand increased by 84.3% and 17.1% respectively as construction activities increased with new projects awarded. Revenue in Malaysia decreased by 10.1% as some key projects were completed in FY2020.

Revenue by Geographical Segment



REVIEW OF INCOME STATEMENT

The Group reported a net profit attributable to equity holders of the Company of $1.6 million for FY2021. This was a reversal of the net loss of $26.4 million attributable to equity holders that was reported in FY2020. Earnings per share was 0.50 cents as compared to a loss per share of 8.20 cents in FY2020.

The Group's construction activities in Singapore increased substantially in FY2021 from FY2020 as the strategy of 'living with Covid-19' replaced the 'Circuit Breaker' strategy of 2020, during which lockdowns in worker dormitories, restrictions on working group size and adherence to safe distancing rules led to a near-standstill in construction activities.

The 48.0% increase in revenue from $121.6 million to $180.0 million generated by the Group's construction activities saw only a corresponding 28.6% increase in cost of sales, resulting in a gross profit margin of 11.7% as compared to the negative gross profit margin in FY2020.

FINANCIAL REVIEW

Administrative costs decreased by $1.0 million or 22.5% mainly due to lower depreciation cost for the current financial year as some property, plant and equipment had been fully depreciated. In particular, the lease term of one of the Group's leasehold properties had expired in May 2020 and hence no depreciation was provided for this leasehold property since then.

Other operating costs decreased by $8.4 million or 36.5%. The drop was partly attributable to the non-recurring $2.9 million in expenses for the show flat construction and sales launch incurred for The LINQ in FY2020.

In addition, loss provision on trade receivables and contract assets and other receivables had decreased by $3.9 million. Finance costs decreased by $0.3 million or 7.6%. Share of results of joint ventures amounted to a loss of $3.4 million due to fair value adjustment of investment property. Share of results of associates yielded a profit of $0.4 million in FY2021 as compared to $0.1 million in FY2020.

REVIEW OF FINANCIAL POSITION AND CASH FLOW STATEMENTS

Non-current contract assets increased from $7.6 million as at 31 December 2020 to $15.6 million as at 31 December 2021 as a result of an increase in retention receivables for ongoing projects.

The value of development properties as current assets as at 31 December 2021 was $73.6 million, with a decrease of $3.4 million from the previous year end. This was attributed to the capitalised land and land related costs apportioned to the remaining unsold units as at the last financial year being reclassified to current contract assets and amortised to cost of sales on a Percentage of Completion basis when they were sold in FY2021. The increase in current contract assets of $7.9 million arose mainly from the property development sales contract.

Trade receivables decreased by $30.2 million mainly due to collection of receivables subsequent to the last financial year end, and in particular, receipts relating to The LINQ amounted to $25.8 million. Other receivables also decreased as the grant receivable in respect of the Job Support Scheme was received after the last financial year end.

Current trade and other payables increased by $7.8 million with the increase in construction activities. Other liabilities decreased by $8.0 million as the accrued commission payable to property agents for the sale of units at The LINQ had been settled. Deferred grant income recognised in respect of the Job Support Scheme was reversed upon recognition of the grant income.

Non-current borrowings decreased by $8.9 million. Additional loans of $5.0 million and $3.1 million were obtained from a bank and non-controlling interests respectively for the Group's property development project. These were offset by a repayment of $17.9 million, out of which $15.0 million was repayment from the sales proceeds of units in The LINQ .

For the financial year ended 31 December 2021, the Group generated cash amounting to $19.5 million from operations. This was mainly due to the collection of trade receivables relating to The LINQ during the current financial year. Net cash of $0.5 million was used in investing activities for the current financial year comprising mainly net cash outflow for purchase of property, plant and equipment, partially offset by sales proceeds from disposal of property, plant and equipment and distribution of profits from a joint venture. Net cash used in financing activities amounted to $9.4 million. This was mainly due to net repayment of $17.9 million for both short and long term borrowings and lease liabilities, offset by additional loans of $5.0 million and $3.1 million obtained from a bank and the non-controlling interests respectively.

The Group's cash holding was $59.5 million as at 31 December 2021, up by $5.9 million from $53.6 million as at the end of the last financial year. Net Asset Value per share was 29.92 cents.

The financial and cash flow position of the Group recorded an improvement for FY2021 over FY2020. The order book of the Group as at 31 December 2021 stands at approximately $187 million.

BOARD OF DIRECTORS

PROF YONG KWET YEW, BBM PhD

Independent Non-Executive Director, Chairman of the Board, Chairman of the Nominating Committee, Chairman of the Remuneration 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 and Environmental Engineering at the National University of Singapore. He has conducted extensive research in infrastructure and geotechnical engineering and has delivered over 36 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 200 major construction projects in Singapore, China and the ASEAN region.

Prof Yong chairs several government advisory and professional committees. He is a Life Long Fellow of The Institution of Engineers Singapore and past Chairman of the Association of Geotechnical Societies in Southeast Asia. He is an Independent Director of Tritech Group Limited, and Boustead Projects Ltd.

For his significant contributions to the university, construction safety and land transport development, he was conferred the Public Administration Medal (Silver) (2000), the Public Service Medal (2004) and the Public Service Star (2008) respectively. He was also awarded the MND Medallion (2016) for distinguished service to the MND group of agencies, the GeoSS Outstanding Geotechnical Engineer (2017) and the Institution of Civil Engineers, UK ICE200 Commemorative Medallion (2018).

MR TAN KHENG HWEE ANDREW

Executive Director, Chief Executive Officer 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 Executive 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 Degree of Engineering (Honours) from the then University of Singapore (now the National University of Singapore) and a Master of Science in Civil Engineering from the National University of Singapore. He is also a registered Professional Engineer with the Professional Engineers Board Singapore, and Life Member of The Institution of Engineers, Singapore.

BOARD OF DIRECTORS

MR BRUNO SERGIO VALSANGIACOMO

Non-Executive Director and Member of the Remuneration Committee

Mr Bruno Sergio Valsangiacomo was appointed a Director of BBR Holdings (S) Ltd on 11 February 1997. He is the Executive Chairman of Tectus S.A., BBR Holding AG, Screening Eagle Technologies S.A. and FFC Fincoord Finance Coordinators Ltd., as well as a Board member of other TectusGroup.com associated companies.

He is a founder of Screening Eagle Dreamlab Pte. Ltd., a cross-functional research centre in Fusionopolis, Singapore, leading various next-generation initiatives including ScreeningEagle.com, a technology for the monitoring of the health condition and the efficient maintenance of infrastructure and property assets to serve global markets in partnership with Singapore research and government agencies.

Mr Valsangiacomo started his career in 1972 in corporate banking and trade finance with UBS and Paribas Switzerland, and in 1991 became a founding shareholder and member of the Executive Committee of the ITI Group in Poland, the leading television, digital media and entertainment Group in Central Europe, which was sold in 2015 to various strategic investors.

Mr Valsangiacomo is also a founding partner of Virtually Live, 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.

DR PIETRO BRENNI

Non-Executive Director

Dr Pietro Brenni was appointed a Director of BBR Holdings (S) Ltd on 3 May 2021. He is currently the Chief Executive Office and Board President of Brenni Engineering SA. He is also a Board Member of BBR Holding AG, Stahlton AG and Stahlton Bauteile AG.

Dr Brenni has strong engineering background and extensive experience in the international market. He holds a Master of Science and PhD in Structural Engineering ETHZ.

He is a Member of Swiss Engineer and Architect Professional Association SIA, a Member of Swiss Association of Consulting Engineers USIC, a Member of Canton Ticino Engineer and Architect Professional Association OTIA, and also a Member of International Association for Bridges and Structural Engineering IABSE.

BOARD OF DIRECTORS

MR ROMANO WILLIAM FANCONI

Alternate Director to Dr Pietro Brenni

Mr Romano William Fanconi was appointed an Alternate Director to Dr Pietro Brenni on 3 May 2021.

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 AG, BBR VT International, Screening Eagle Technologies 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 Virtually Live, 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.

MS LUK KA LAI CARRIE (MRS CARRIE CHEONG)

Independent Non-Executive Director, Chairperson of the Audit Committee, Member of the Nominating 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 Degree of Business Administration from the University of Brunel, United Kingdom, and a Bachelor Degree of Laws (Honours) from the University of London, United Kingdom. She is a Fellow of the Association of Chartered Certified Accountant and a member of the Institute of Singapore Chartered Accountants. She is also a practising Chartered Secretary, an Associate of the Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators), United Kingdom, and an Associate of the Chartered Secretaries Institute of Singapore.

Ms Luk also serves as an Independent Director on the board of another public-listed company in Singapore.

BOARD OF DIRECTORS

MR LIM BOON CHENG

Independent Non-Executive Director, Chairman of the Investment Committee, Member of the Audit Committee and Member of the Nominating Committee

Mr Lim Boon Cheng was appointed as a Director of BBR Holdings (S) Ltd on 3 May 2021. He is a Fellow of the Institute of Singapore Chartered Accountants and a Fellow of Chartered Accountants Ireland. He has a Master of Business Administration degree from the University of Ulster, Northern Ireland, United Kingdom.

Mr Lim has more than 30 years of extensive industry experience in the public accounting and auditing industry, where he trained and worked in major accounting firms in the United Kingdom and Singapore. He was the managing partner and chairman of a public accounting firm in Singapore until his retirement from the practice in 2012.

Mr Lim is an Independent Director on the boards of two other public-listed companies, one in Singapore and the other in Hong Kong.

Mr Lim serves as a Panel Member of the Strata Titles Boards of Singapore and also as a Lay Member of the Inquiry Panel of the Law Society of Singapore.

MR VOON YOK LIN

Executive Director

Mr Voon Yok Lin was appointed a Director of BBR Holdings (S) Ltd on 21 June 2017. He is currently 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.

Mr Voon holds a Bachelor Degree 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.

BOARD OF DIRECTORS

MR VOON CHET CHIE

Alternate Director to Mr Voon Yok Lin

Mr Voon Chet Chie was appointed an Alternate Director to Mr Voon Yok Lin on 21 June 2017.

Prior to joining the Group, he worked as a Pipeline Engineer with the national oil and gas company in Malaysia and was involved in offshore pipelines and facilities rejuvenation projects. He joined BBR Construction Systems (M) Sdn. Bhd. in 2012 as a Project Engineer in-charge of MRT and LRT projects. In 2017, he was then appointed the role of Manager (Special Task) where he led key projects such as MRT2, LRT3 and Cable-stayed bridge. He is currently Director (Operations) at BBR Construction Systems (M) Sdn. Bhd. tasked with overseeing the company's operation and technical functions, in addition to business improvement initiatives.

Mr Voon holds a Bachelor Degree of Engineering (Honours) from Universiti Teknologi PETRONAS, Malaysia and a Master of Science (Construction Project Management) from Robert Gordon University, Scotland, in the United Kingdom. He is a registered Graduate Engineer with the Board of Engineers Malaysia and a member of The Institution of Engineers Malaysia.

He is the son of Executive Director, Mr Voon Yok Lin.

SENIOR MANAGEMENT

MR MO KUAN SHENG JOHN

Managing Director, BBR Construction Systems Pte. Ltd. / Moderna Homes Pte. Ltd.

Director, BBR Modular Construction Sdn. Bhd. / Moderna Homes (Hong Kong) Limited

Mr Mo Kuan Sheng John is the Managing Director of BBR Construction Systems Pte. Ltd. since 1999. He is also the Managing Director of Moderna Homes Pte. Ltd.. He is in charge of day-to-day operations, marketing and business development for the Specialised Engineering business, which includes mainly post-tensioning, structural strengthening and modular construction.

Prior to joining the Group in 1994, Mr Mo worked in several companies including a public listed specialist company from 1988 to 1993.

Mr Mo holds a Bachelor Degree of Engineering (Civil) from the National University of Singapore.

SENIOR MANAGEMENT

MR CHEONG KIN FOO PAUL

Director, BBR Construction Systems (M) Sdn. Bhd. / Strengthened Soil Wall (M) Sdn. Bhd. / BBR Modular Construction Sdn. Bhd.

Mr Cheong Kin Foo Paul 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.

Mr Cheong 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 CHEW NAM YEO

Chief Financial Officer, BBR Holdings (S) Ltd

Director, BBR Development Pte. Ltd. / BBR Kovan Pte. Ltd. / BBR Property Pte. Ltd. / BBR Greentech Pte. Ltd. / Alika Properties Pte. Ltd. / Singapore Engineering & Construction Pte. Ltd. / Singa Development Pte. Ltd. / Wisteria Mall Management Pte. Ltd.

Ms Chew Nam Yeo was appointed the Chief Financial Officer of BBR Holdings (S) Ltd on 2 May 2017. She oversees the Group's finance and corporate functions covering financial reporting, treasury, tax, investor relations and corporate secretarial matters. Before joining the Company, she was the Chief Financial Officer of a listed company providing engineering equipment and services to oil & gas and petrochemical companies. Adding to her breadth of experience, she spent more than 10 years in various financial capacities in other listed companies and several years as an auditor in an established public accounting firm.

Ms Chew holds a Bachelor Degree of Accountancy (Honours) from the National University of Singapore and is a member of the Institute of Singapore Chartered Accountants.

CORPORATE STRUCTURE

BBR

SPECIALISED ENGINEERING

- 100% BBR Construction Systems Pte. Ltd.
- 100% BBR Piling Pte. Ltd.
- 100% Moderna Homes Pte. Ltd.
  - 100% BBR Modular Construction Sdn. Bhd.
- 100% Moderna Homes (HK) Limited
- 100% BBR Construction Systems (M) Sdn. Bhd.
  - 30% Global Eco BBR JV Sdn Bhd.
  - 100% Strengthened Soil Wall (M) Sdn. Bhd.[2]
- 100% Siam - BBR Co., Ltd.
- 49% Siam BBR Systems Co., Ltd.
- 40% BBR Philippines Corporation

GENERAL CONSTRUCTION

- 100% Singapore Engineering & Construction Pte. Ltd.[1]
  - 51% Singapore Piling - Shincon JV.
  - 50% Singapore E&C - Shincon JV.
  - 50% Sinohydro-Singapore Engineering & Construction Joint Venture
  - 33.3% Daejeon Riverside Expressway Co. Ltd.
- 100% Singa Development Pte. Ltd.

PROPERTY DEVELOPMENT

- BBR Development Pte. Ltd. 100%
  - BBR Kovan Pte. Ltd. 100%
  - Alika Properties Pte. Ltd. 62%
  - BBR Property Pte. Ltd. 100%
    - Northern Development Pte. Ltd. 50%
      - NorthernOne Development Pte. Ltd. 50.1%
        - Northern Resi Pte. Ltd. 100%
        - Northern Retail Pte. Ltd.[3] 100%
        - Wisteria Mall Management Pte. Ltd. 50%
  - Lakehomes Pte. Ltd. 35%
  - Trendsteq Pte. Ltd. 40%
    - 50% Wisteria Mall Management Pte. Ltd.

GREEN TECHNOLOGY

- BBR Greentech Pte. Ltd. 100%

Note
[1] formerly known as Singapore Piling & Civil Engineering Private Limited
[2] formerly known as SP Piling Sdn. Bhd.
[3] disposal of Northern Retail Pte. Ltd. was completed on 28 February 2022

CORPORATE INFORMATION

BOARD OF DIRECTORS

Prof. Yong Kwet Yew
Independent Director and Non-Executive Chairman
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 Voon Yok Lin
Executive Director
B.Sc. (Hons)

Mr Voon Chet Chie
Alternate Director to Mr Voon Yok Lin
B.Eng. (Hons), M.Sc.

Mr Bruno Sergio Valsangiacomo
Non-Executive Director
BBA

Dr Pietro Brenni
Non-Executive Director
PhD, M.Sc. Eng

Mr Romano William Fanconi
Alternate Director to Mr Pietro Brenni
BBA

Ms Luk Ka Lai Carrie
Independent Director
MBA, LLB (Hons), FCCA, CA (Singapore), ACG, ACS, MSID

Mr Lim Boon Cheng
Independent Director
FCA (Singapore), FCA (Ireland), MBA

AUDIT COMMITTEE AND RISK MANAGEMENT COMMITTEE

Ms Luk Ka Lai Carrie (Chairperson)
Prof. Yong Kwet Yew
Mr Lim Boon Cheng

NOMINATING COMMITTEE

Prof. Yong Kwet Yew (Chairman)
Ms Luk Ka Lai Carrie
Mr Lim Boon Cheng

REMUNERATION COMMITTEE

Prof. Yong Kwet Yew (Chairman)
Mr Bruno Sergio Valsangiacomo
Ms Luk Ka Lai Carrie

INVESTMENT COMMITTEE

Mr Lim Boon Cheng (Chairman)
Mr Tan Kheng Hwee Andrew
Ms Luk Ka Lai Carrie

COMPANY SECRETARY

Ms Chiang Chai Foong
FCG, FCS, MSID

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.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Tel : (65) 6536 5355
Fax : (65) 6536 1360

AUDITORS

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner in-charge: Alvin Phua Chun Yen
(Appointed with effect from financial year ended 31 December 2021)

BANKERS

Oversea-Chinese Banking Corporation Limited
DBS Bank Ltd
Malayan Banking Berhad
Standard Chartered Bank
United Overseas Bank Limited
Resona Merchant Bank Asia Limited
The Hongkong & Shanghai Banking Corporation Limited
CIMB Bank Bhd
Ambank Bhd
AmIslamic Bank Bhd
United Overseas Bank (Thai) Public Company Limited

AWARDS & ACCOLADES

ARCHITECTURAL HERITAGE

2017	BCA Universal Design Mark GoldPlus 2017 for Kallang Trivista
2016	International Architecture Award from the Chicago Athenaeum Museum of Architecture and Design, the European Centre Architecture Art Design and Urban Studies for Bliss @Kovan
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

GREEN MARK

2014	Green Mark Platinum from the BCA for Galaxis (Fusionopolis 5)
2014	Green Mark Platinum from the BCA for Residential Hall at North Hill Nanyang Technological University
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

BEST BUILDABLE DESIGN

2006	Best Buildable Design Award from the Building and Construction Authority (BCA) for Yu Neng Primary School
2001	Best Buildable Design Award from the BCA for North Spring Primary School and Poi Ching School

CONSTRUCTION EXCELLENCE

2020	Award for Construction Excellence (Excellence) from the BCA for The Wisteria & Wisteria Mall
2016	Award for Construction Excellence (Merit) from the BCA for Galaxis (Fusionopolis 5)
2014	Award for Construction Excellence from the 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

CONSTRUCTION PRODUCTIVITY

2018	BCA Construction Productivity Platinum Award for NTU Residential Halls at Nanyang Crescent
2018	BCA Construction Productivity Gold Award for NTU Residential Halls at North Hill
2018	Innovation & Productivity Gold Award for The Wisteria & Wisteria Mall by the Singapore Contractors' Association Ltd (SCAL)
2018	Most Innovative Project Award (Merit) for The Wisteria & Wisteria Mall by the Singapore Structural Steel Society (SSSS)
2017	BCA BIM GoldPlus Award as the Builder for The Wisteria & Wisteria Mall
2016	BCA Construction Productivity Gold Award for the Galaxis (Fusionopolis 5)
2015	BCA BIM Gold Award as the Builder for the Galaxis (Fusionopolis 5)
2015	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

AWARDS & ACCOLADES

QUALITY

2019	BCA Quality Mark (QM) Excellence Award for Good Workmanship for The Wisteria
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

SAFETY

2021	SCAL WSH Award for SLOTS Registered Contractors 2021 (Merit) by Singapore Contractors Association Ltd
2020	WSH Performance Awards 2020 (Silver) by WSH Council & Ministry of Manpower
2019	WSH Performance Awards 2019 (Silver) by WSH Council & Ministry of Manpower
2018	2018 - WSH Performance Awards 2018 (Silver) by WSH Council & Ministry of Manpower
2018	WSH SHARP Award for The Wisteria & Wisteria Mall by WSH Council & Ministry of Manpower
2018	Health & Safety Awards 2018 (Gold) by the Royal Society for the Prevention of Accidents (RoSPA)
2017	WSH Performance Awards 2017 Certificate of Commendation for Commitment to Workplace Safety & Health from the WSH Council
2016	WSH Performance Awards 2016 (Silver) by WSH Council & Ministry of Manpower (MOM)
2016	CultureSAFE Certificate of Commendation by WSH Council
2016	RoSPA Health & Safety Awards 2016 (Silver) by the Royal Society for the Prevention of Accidents for Bliss @Kovan, HDB Kallang Whampoa Contract 28B and Residential Hall at North Hill Nanyang Technological University
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 MOM for Temasek Secondary School
1998	Safety Performance Merit Award from the MOM for Raffles Girls' Primary School
1996	Safety Management Bronze Award from Concord Associates for Central Ministries Building

CONSTRUCTION ENVIRONMENT

2021	Green and Gracious Builder Star Award
2020	Green and Gracious Builder Star Award
2019	Green and Gracious Builder Star Award
2018	Green and Gracious Builder Star Award
2017	Green and Gracious Builder Star Award
2016	Green and Gracious Builder Star Award
2016	ASEAN Energy Awards, Winner in the ASEAN Best Practices Awards for Energy Efficient Buildings for the Galaxis (Fusionopolis 5)
2015	Green and Gracious Builder Star Award
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 ER 361 (Widening of Keppel Viaduct)

COMPANY RANKING

2019	Singapore 1000 Company - Public Listed Companies 2019 from DP Information Group
2018	Singapore 1000 Company - Public Listed Companies 2018 from DP Information Group
2018	Singapore 1000 Company - Emerging 2018 Award from DP Information Group
2017	Singapore 1000 Company - Public Listed Companies 2017 from DP Information Group
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

OTHERS

2017	NSMark Gold Certificate for Exemplary Support for Total Defence & National Service by MINDEF

REGIONAL PRESENCE

SINGAPORE

- BBR Holdings (S) Ltd.
- BBR Construction Systems Pte. Ltd.
- BBR Development Pte. Ltd.
- BBR Greentech Pte. Ltd.
- BBR Kovan Pte. Ltd.
- BBR Piling Pte. Ltd.
- BBR Property Pte. Ltd.
- Alika Properties Pte. Ltd.
- Lakehomes Pte. Ltd.
- Moderna Homes Pte. Ltd.
- Northern Development Pte. Ltd.
- NorthernOne Development Pte. Ltd.
- Northern Resi Pte. Ltd.
- Singa Development Pte. Ltd.
- Singapore Engineering & Construction Pte. Ltd.
- Singapore Piling-Shincon JV.
- Singapore E&C-Shincon JV.
- Sinohydro-Singapore Engineering & Construction Joint Venture
- Trendsteq Pte. Ltd.
- Wisteria Mall Management Pte. Ltd.

50 Changi South Street 1
BBR Building
Singapore 486126

Tel: (65) 6546 2280
Fax: (65) 6546 2268
www.bbr.com.sg

MALAYSIA

- BBR Construction Systems (M) Sdn. Bhd.
- Strengthened Soil Wall (M) Sdn. Bhd.
- Global Eco BBR JV Sdn. Bhd.

No. 17 Jalan Sg. Jeluh 32/191
Kawasan Perindustrian
Kemuning, Seksyen 32
40460 Shah Alam, Selangor
Darul Ehsan
Malaysia

Tel: (603) 5525 3270
Fax: (603) 5525 3285
www.bbr.com.my

- BBR Modular Construction Sdn. Bhd.

PTD 72658, Jalan Seelong Jaya
15, 81400 Seelong, Johor,
Malaysia

Tel: (65) 6546 2280
Fax: (65) 6546 2268

PHILIPPINES

- BBR Philippines Corporation

Suite 502,
7 East Capitol Building
No. 7 East Capitol Drive
Barangay Kapitolyo
1603 Pasig City, Metro Manila
Philippines

Tel: (63) 2638 7261
Fax: (63) 2638 7260

THAILAND

- Siam-BBR Co., Ltd.
- Siam-BBR Systems Co., Ltd

449, 2nd Floor, 59 Building
Muang Thong Thani,
Bond Street Road,
Bangpood Sub-district,
Pakkred District
Nonthaburi 11120
Thailand

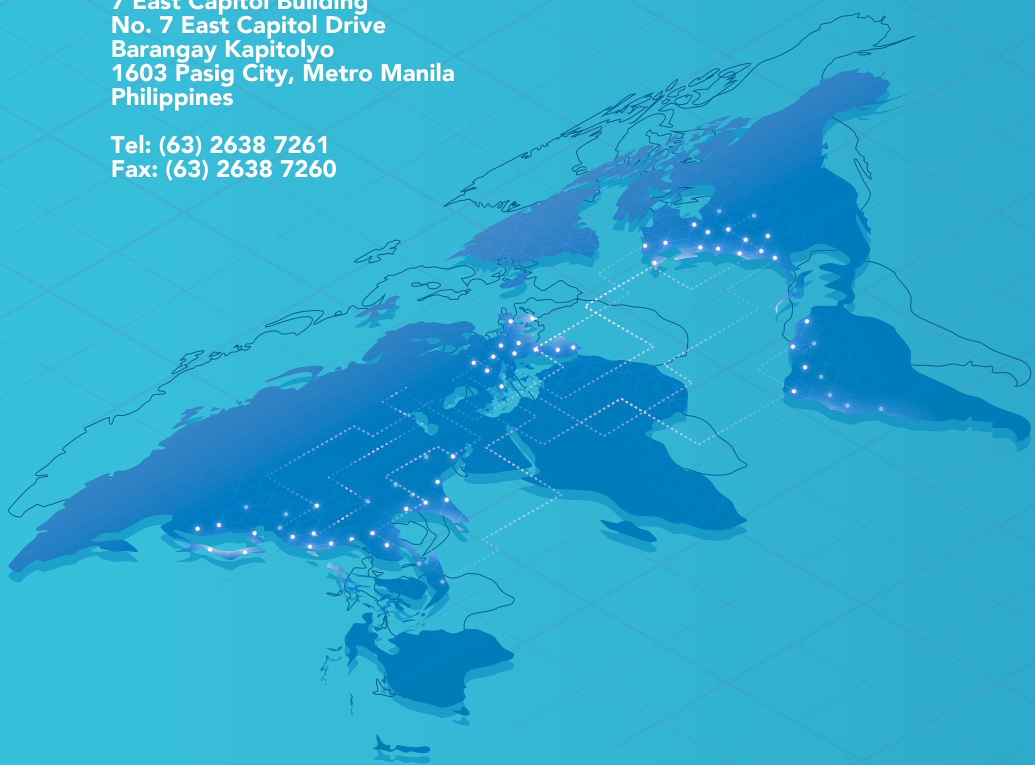
Tel: (66) 02-046-8522
Fax: (66) 02-046-8522

HONG KONG

- Moderna Homes (HK) Limited

Flat C, 8/F, King Palace Plaza
No. 55 King Yip Street
Kwun Tong, Kowloon
Hong Kong

Tel: (65) 6546 2280
Fax: (65) 6546 2268



FINANCIAL REPORT CONTENTS

DIRECTORS' STATEMENT

The directors 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 2021.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the statement of financial position and statement 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 2021 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	
Lim Boon Cheng	(Appointed on 3 May 2021)
Pietro Brenni	(Appointed on 3 May 2021)
Romano William Fanconi	(Alternate Director to Pietro Brenni)
Voon Yok Lin	
Voon Chet Chie	(Alternate Director to Voon Yok Lin)

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' STATEMENT

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 1967 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 the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
The Company				
BBR Holdings (S) Ltd				
<u>Ordinary shares</u>				
Tan Kheng Hwee Andrew	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	–	–
Voon Yok Lin	16,690,000	16,690,000	–	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2022.

By virtue of section 7 of the Singapore Companies Act 1967, Bruno Sergio Valsangiacomo is deemed to have interests in shares 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.

AUDIT COMMITTEE

The Audit Committee ("AC") carried out its functions in accordance with section 201B(5) of the Singapore Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;
- Reviewed the half-yearly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors;
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

DIRECTORS' STATEMENT

AUDIT COMMITTEE *(cont'd)*

- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- Reviewed the nature and extent of non-audit services provided by the external auditor;
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

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

31 March 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BBR HOLDINGS (S) LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of BBR Holdings (S) Ltd (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2021, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

<u>Revenue recognition on construction contracts</u>

Please refer to Note 2.25(a) Construction contracts, Note 3.1 Key sources of estimation uncertainty and Note 4 Revenue.

For the year ended 31 December 2021, the Group recognised revenue amounting to $169,286,000 from its specialised engineering and general construction contracts, where revenue is recognised over time by reference to the Group's progress towards completing the performance obligations in the contracts based on the Percentage of Completion ("POC") method. The POC for these contracts were measured based on the contract costs incurred to-date as a proportion of estimated total contract costs (input method). Significant judgments and estimation by management are required in determining the estimated total contract costs, including the evaluation of contractual adjustments to costs due to variation works and key material price adjustments, which accordingly determines the progress and amount of revenue to be recognised during the year. There are also higher levels of estimation uncertainty and judgement required due to the changes in market and economic conditions brought on by the COVID-19 pandemic. Accordingly, we identified revenue recognition on construction contracts to be a key audit matter.

We carried out procedures to understand the Group's processes for evaluating contractual arrangements, and management's assessment of contractual adjustments arising from variation works and key material price adjustments. We obtained an understanding and reviewed management's internal costing, budgeting processes and the determination of estimated total contract costs. We traced significant components of estimated total contract costs for selected projects to the underlying supporting documents such as project budgets and agreements. On a sampling basis, we reviewed correspondences with contractors and discussed the progress of the projects with management for any potential disputes, variation order claims, known technical issues or significant events that could impact the estimated total contract costs or recognition of onerous contract, if any. We have considered the adequacy of the Group's disclosures in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BBR HOLDINGS (S) LTD

Key Audit Matters *(cont'd)*

Provision for expected credit loss on trade receivables and contract assets

Please refer to Note 2.16 Impairment of financial assets, Note 3.1 Key sources of estimation uncertainty and Note 33(a) Credit Risk.

As at 31 December 2021, the Group recognised trade receivables and contract assets of $11,642,000 and $102,818,000 respectively. The collectability of trade receivables and contract assets are integral to the Group's working capital management. The COVID-19 pandemic and related business disruptions and operational changes to the construction and property development industry have also increased the estimation uncertainty relating to the recoverability of the trade receivables and contract assets with customers. Accordingly, we identified the recoverability of trade receivables and contract assets to be a key audit matter.

The Group determines expected credit losses on default of trade receivables and contract assets by making debtor-specific assessment for debtors identified to be credit-impaired. For the remaining group of debtors, the Group provides for lifetime expected credit losses using a provision matrix. The provision rates are determined based on the Group's historical default rates analysed in accordance to debtors grouped based on customer profiles and days past due, adjusted for current and forward-looking information.

We carried out procedures to understand the Group's processes and key controls relating to the monitoring of trade receivables and contract assets, including the process in determining whether a debtor is credit impaired. We inquired and discussed with management on the recoverability of long outstanding balances, on-going discussion with debtors to recover long outstanding balances, and known disputes or adverse information about the debtor's ability to repay the outstanding balances.

We reviewed the key data sources and assumptions made with consideration of changes in market and economic conditions brought on by the COVID-19 pandemic in determining the default rates. We considered the age of the balances as well as the trend of collections to identify the collection risks, reviewed for collectability by obtaining evidence of receipts from a selection of debtors on a sampling basis subsequent to year end, and the review of legal case files. We have considered the adequacy of the Group's disclosures in respect of this matter.

Recoverability of investments in development properties

Please refer to Note 2.18 Development properties, Note 3.1 Key sources of estimation uncertainty and Note 20 Development properties.

As at 31 December 2021, the carrying amount of the Group's development properties from its mixed commercial and residential development project amounted to $73,641,000. Development properties are stated at the lower of cost and net realisable value. Significant management judgement is involved in estimating the future financial performance of the development project and the net realisable value of the development properties as at 31 December 2021. There are also higher levels of estimation uncertainty and judgement required due to the changes in market and economic conditions brought on by the COVID-19 pandemic. Accordingly, we have identified the recoverability of investments in development properties as a key audit matter.

We inquired and discussed with management to understand the business plans, current progress and potential delays to the development project and its expected financial performance. We performed audit procedures on relevant financial information, including but not limited to, appropriateness of the cost capitalised to development properties and expected future development and sales costs by checking to relevant supporting documents, making inquiries with relevant project executives and reviewing the computations and estimation of the progress of the development project.

Our audit procedures on the estimated net realisable value of development properties included, amongst others, reviewing management's assessment and the valuation report from the external professional valuer. We assessed the reasonableness of the key assumptions used by management, such as subsequent sale transactions and the future development costs expected to be incurred.

We assessed the objectivity and competency of the external professional valuer and held discussions with the valuer to understand the valuation methodologies, key assumptions used in the valuation and their scope of work. We involved our internal real estate valuation specialists to assist us in assessing the appropriateness of the valuation methodologies by considering the valuation methodologies adopted for similar property types, and the reasonableness of the key assumptions used by the external professional valuer such as recent transacted prices of comparable properties and industry data. We have also considered the adequacy of the Group's disclosures in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BBR HOLDINGS (S) LTD

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors 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 Act and SFRS(I), 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BBR HOLDINGS (S) LTD

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and 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.

The engagement partner on the audit resulting in this independent auditor's report is Alvin Phua Chun Yen.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
31 March 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		$'000	$'000
Revenue	4	179,954	121,595
Cost of sales		(158,986)	(123,631)
Gross profit/(loss)		20,968	(2,036)
Other operating income	5	3,091	2,863
Other income/(expense)		958	(470)
Administrative costs		(3,561)	(4,595)
Other operating costs		(14,676)	(23,122)
Finance costs	6	(3,949)	(4,275)
Share of results of joint ventures	13	(3,447)	148
Share of results of associates		401	89
Loss before taxation	7	(215)	(31,398)
Income tax credit	8	136	2,839
Loss for the year		(79)	(28,559)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation (loss)/gain		(53)	47
Other comprehensive income for the year		(53)	47
Total comprehensive income for the year		(132)	(28,512)
Profit/(Loss) attributable to:			
Equity holders of the Company		1,598	(26,441)
Non-controlling interests		(1,677)	(2,118)
		(79)	(28,559)
Total comprehensive income attributable to:			
Equity holders of the Company		1,556	(26,394)
Non-controlling interests		(1,688)	(2,118)
		(132)	(28,512)
Earnings/(Loss) per share (cents per share)			
Basic	9	0.50	(8.20)
Diluted	9	0.50	(8.20)

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		Group		Company	
	Note	2021	2020	2021	2020
		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	10	27,134	28,887	12,230	12,593
Right-of-use assets	11	3,497	4,287	1,853	1,905
Investments in subsidiaries	12	–	–	61,059	53,932
Investments in joint ventures	13	5,993	9,590	–	–
Investments in associates	14	1,476	1,075	260	260
Deferred tax assets	16	3,198	3,100	–	–
Contract assets	4	15,612	7,645	–	–
Loans to a joint venture	18	8,725	8,643	–	–
		65,635	63,227	75,402	68,690
Current assets					
Trade receivables	17	11,942	42,117	–	28
Amounts due from subsidiaries	19	–	–	5,145	6,089
Contract assets	4	87,206	79,257	–	–
Capitalised contract costs	4	5,684	5,557	–	–
Development properties	20	73,641	77,074	–	–
Properties held for sale	21	1,749	1,598	–	–
Inventories	21	4,163	3,747	–	–
Investment securities	15	8	8	–	–
Other receivables	22	6,048	6,747	190	142
Pledged deposits	24	4,033	4,267	–	–
Cash and cash equivalents	24	59,474	53,566	520	1,901
Income tax recoverable		314	59	–	–
		254,262	273,997	5,855	8,160
Total assets		319,897	337,224	81,257	76,850
Current liabilities					
Amounts due to subsidiaries	19	–	–	14,290	9,113
Contract liabilities	4	16,947	23,901	–	–
Trade and other payables	25	44,240	40,342	208	93
Provisions	26	8,645	4,729	–	–
Deferred income	26	193	187	–	–
Other liabilities	26	5,627	13,617	755	1,015
Derivatives	23	–	1,431	–	–
Lease liabilities	11	921	1,101	26	25
Loans and borrowings	27	4,773	4,330	541	462
Income tax payables		279	164	5	5
		81,625	89,802	15,825	10,713
Net current assets/(liabilities)		172,637	184,195	(9,970)	(2,553)

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		Group		Company	
	Note	2021	2020	2021	2020
		$'000	$'000	$'000	$'000
Non-current liabilities					
Trade payables	25	3,879	3,118	–	–
Deferred income	26	2,592	2,690	–	–
Deferred tax liabilities	16	–	241	–	–
Lease liabilities	11	2,676	3,252	2,016	2,041
Loans and borrowings	27	139,251	148,115	7,754	8,307
		148,398	157,416	9,770	10,348
Total liabilities		230,023	247,218	25,595	21,061
Net assets		89,874	90,006	55,662	55,789
Equity attributable to equity holders of the Company					
Share capital	28	49,082	49,082	49,082	49,082
Treasury shares	29	(566)	(566)	(566)	(566)
Retained earnings		47,876	46,278	7,146	7,273
Foreign currency translation reserve		79	121	–	–
		96,471	94,915	55,662	55,789
Non-controlling interests		(6,597)	(4,909)	–	–
Total equity		89,874	90,006	55,662	55,789

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 2021

	Attributable to equity holders of the Company						
Group	**Share capital (Note 28)**	**Treasury shares (Note 29)**	**Retained earnings**	**Foreign currency translation reserve**	**Total**	**Non-controlling interests**	**Total equity**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2021	49,082	(566)	46,278	121	94,915	(4,909)	90,006
Total comprehensive income							
Loss for the year	–	–	1,598	–	1,598	(1,677)	(79)
Other comprehensive income for the year	–	–	–	(42)	(42)	(11)	(53)
Total comprehensive income for the year	–	–	1,598	(42)	1,556	(1,688)	(132)
At 31 December 2021	**49,082**	**(566)**	**47,876**	**79**	**96,471**	**(6,597)**	**89,874**
At 1 January 2020	49,082	(566)	72,719	74	121,309	(2,791)	118,518
Total comprehensive income							
Loss for the year	–	–	(26,441)	–	(26,441)	(2,118)	(28,559)
Other comprehensive income for the year	–	–	–	47	47	–	47
Total comprehensive income for the year	–	–	(26,441)	47	(26,394)	(2,118)	(28,512)
At 31 December 2020	**49,082**	**(566)**	**46,278**	**121**	**94,915**	**(4,909)**	**90,006**

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 2021

Company	Share capital (Note 28)	Treasury shares (Note 29)	Retained earnings	Total equity
	$'000	$'000	$'000	$'000
At 1 January 2021	49,082	(566)	7,273	55,789
Loss for the year, representing total comprehensive income for the year	–	–	(127)	(127)
At 31 December 2021	49,082	(566)	7,146	55,662
At 1 January 2020	49,082	(566)	11,292	59,808
Loss for the year, representing total comprehensive income for the year	–	–	(4,019)	(4,019)
At 31 December 2020	49,082	(566)	7,273	55,789

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 2021

	Note	2021	2020
		$'000	$'000
Cash flows from operating activities			
Loss before taxation		(215)	(31,398)
Adjustments for:			
Depreciation of property, plant and equipment		2,336	3,200
Depreciation of right-of-use assets		1,197	1,490
Amortisation of deferred income		(193)	(187)
Amortisation of capitalised contract costs		178	78
Write-down/(write-back) for inventory obsolescence		8	(27)
Impairment loss on properties held for sale		–	173
Loss provision on trade receivables, contract assets and other receivables		1,273	5,220
Share of results of joint ventures		3,447	(148)
Share of results of associates		(401)	(89)
Accreted interest		301	156
Fair value gain/(loss) on derivatives		(1,431)	225
Gain on disposal of property, plant and equipment		(63)	(881)
Interest income		(110)	(398)
Interest expense		3,648	4,119
Operating cash flows before working capital changes		9,975	(18,467)
(Increase)/decrease in:			
Development properties		3,433	43,960
Properties held for sale		224	–
Contract assets		(17,633)	(46,779)
Capitalised contract costs		(305)	
Trade receivables		29,477	(27,631)
Other receivables		646	(2,795)
Inventories		(429)	3,316
Increase/(decrease) in:			
Trade and other payables		4,646	5,236
Contract liabilities		(6,754)	8,354
Provisions and other liabilities		(3,811)	5,825
Cash generated from/(used in) operations		19,469	(28,981)
Interest paid		(3,178)	(4,595)
Interest received		28	388
Income tax paid		(351)	(416)
Net cash generated from/(used in) operating activities		15,968	(33,604)
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(745)	(2,366)
Proceeds from disposal of property, plant and equipment		75	958
Investment in a joint venture		–	(74)
Return of share capital from an associate	14	–	350
Distribution of profits from an associate	14	–	350
Distribution of profits from joint ventures	13	150	1,063
Net cash (used in)/generated from investing activities		(520)	281

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		$'000	$'000
Cash flows from financing activities			
Proceeds from/(repayment of) short term borrowings	27	191	(20)
Proceeds from long-term borrowings	27	5,000	31,520
Repayment of long-term borrowings	27	(16,553)	(1,579)
Repayment of lease liabilities	11	(1,346)	(1,671)
Decrease in pledged deposits		188	561
Loans from non-controlling interests	27	3,078	9,120
Net cash (used in)/generated from financing activities		(9,442)	37,931
Net increase in cash and cash equivalents		6,006	4,608
Net effect of exchange rate changes on cash and cash equivalents		(98)	(6)
Cash and cash equivalents at beginning of the year		53,566	48,964
Cash and cash equivalents at end of the year	24	59,474	53,566

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

BBR Holdings (S) Ltd ("the Company") is a limited liability company, which is incorporated and domiciled in the Republic of Singapore and publicly traded on the mainboard of Singapore Exchange.

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, joint ventures and associates are set out in Notes 12, 13 and 14 respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

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.

As at 31 December 2021, the Company's current liabilities exceeded its current assets by $9,970,000 (2020: $2,553,000). The financial statements have been prepared on a going concern basis as the Company is able to control the timing of dividends from its investments and borrowings can be obtained from its subsidiaries to meet its liabilities as and when they fall due.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group and the Company have adopted all the new and amended standards and interpretations that are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards 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 that have been issued but not yet effective:

Description	***Effective for annual periods beginning on or after***
Amendments to SFRS(I) 3 *Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-16 *Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37 *Onerous Contracts – Costs of Fulfilling a Contract*	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONT'D)*

2.4 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 end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

(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 an asset or liability are recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquire are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONT'D)*

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's 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.

2.6 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 and 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 end of the reporting period. 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 profit or loss 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 other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(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 end of the reporting period and their profit or loss are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

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 impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONT'D)*

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.

Joint ventures

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investments in joint ventures is set out in Note 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 represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the 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 profit or loss.

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.

NOTES
TO THE FINANCIAL STATEMENTS

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 measured at cost less accumulated depreciation and accumulated impairment losses.

Freehold land have unlimited useful life and therefore is not depreciated.

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 25 years
Motor vehicles	5 years
Other assets	1 to 10 years

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

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 profit or loss in the year the asset is de-recognised.

2.11 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	3 to 38 years
Leasehold building	1 to 5 years
Plant and equipment	5 years
Motor vehicles	5 years

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONT'D)*

2.11 *Leases* *(cont'd)*

(a) ***As lessee*** *(cont'd)*

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment testing.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(b) ***As lessor***

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The accounting policy for rental income is set out in Note 2.25.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONT'D)*

2.12 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

2.13 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 testing 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. 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 profit or loss.

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 profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

2.14 Financial assets

<u>Initial recognition and measurement</u>

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

<u>Subsequent measurement</u>

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. Debt instruments carried at amortised cost comprise trade receivables, loans to a joint venture, amounts due from subsidiaries, other receivables, pledged deposits and cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONT'D)*

2.14 Financial assets (cont'd)

Debt instruments (cont'd)

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through amortisation process.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

De-recognition

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 had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

2.15 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.

NOTES
TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONT'D)*

2.16 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

2.17 Financial liabilities

Initial recognition and measurement

Financial liabilities 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 liabilities at initial recognition.

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.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONT'D)*

2.17 Financial liabilities (cont'd)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

Subsequent to initial recognition, financial liabilities 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 liabilities are recognised in profit or loss.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.18 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 held as inventories and are measured at the lower of cost and net realisable value.

Net realisable value of development properties is the estimated selling price in the ordinary course of 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 recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.19 Properties held for sale

Properties held for sale are 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 the purchase price of the properties or cost of land and other directly related development expenditure, including borrowing costs incurred in developing the properties.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONT'D)*

2.20 Inventories

Inventories are stated at the lower of cost which is determined using the 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. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value. 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.

2.21 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.

2.22 Provisions

General

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 resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

Rectification costs

A provision is recognised for expected claims of rectification costs on completed projects, based on past experience of the level of major repairs. Provisions for rectification costs for the year are charged to cost of sales. The estimate of such provision is revised annually.

Assumptions used to calculate the provision for rectification costs are based on current and historical information available about major repairs based on the defect liability periods for all completed projects.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONT'D)*

2.23 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 the end of the reporting period.

(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 profit or loss, with a corresponding increase in equity.

2.24 Taxation

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

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

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONT'D)*

2.24 Taxation (cont'd)

(b) Deferred tax (cont'd)

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

- Where the deferred tax arises from the initial recognition of goodwill or 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; and

- In respect of taxable 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.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference 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; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 the end of each reporting period 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 end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONT'D)*

2.24 Taxation (cont'd)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred 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.

2.25 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Construction contracts

Contract revenue is recognised over time by reference to the Group's progress towards completing the performance obligation in the contract. The measure of progress is determined based on the proportion of contract costs incurred to-date to the estimated total contract costs (input method).

Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress.

Costs incurred in fulfilling the contract which are within the scope of another SFRS(I) shall be accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will recognise these as contract assets only if (a) these cost relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these cost generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONT'D)*

2.25 Revenue (cont'd)

(a) Construction contracts *(cont'd)*

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced on a progressive payment schedule. If the value of the goods and services transferred by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the goods and services transferred, a contract liability is recognised.

Significant financing component

In determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money for contracts with customers that include a significant financing component. In adjusting for the significant financing component, the Group uses a discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception, such that it reflects the credit characteristics of the party receiving financing in the contract.

The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is one year or less.

Contract modifications

The Group accounts for contract modifications arising from change orders to modify the scope or price of the contract as separate contracts if the modification adds distinct goods or services at their standalone selling prices. For contract modifications that add distinct goods or services but not at their standalone selling prices, the Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and is recognised as a cumulative adjustment to revenue at the date of modification.

(b) Sale of development properties under construction

The Group develops and sells development properties before completion of construction of the properties.

Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONT'D)*

2.25 Revenue *(cont'd)*

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

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

For development properties whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

(c) *Sale of goods*

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

(d) *Interest income*

Interest income is recognised using the effective interest method.

(e) *Rental income*

Rental income arising from operating leases of commercial property sub-leases and the Group's plant and equipment rented is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONT'D)*

2.25 *Revenue* *(cont'd)*

(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 over the lease period.

2.26 *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.

2.27 *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 profit or loss 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 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

- (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

- (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONT'D)*

2.29 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 measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.16 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.30 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 profit or loss over the expected useful life of the relevant asset by equal annual instalments.

3. SIGNIFICANT ACCOUNTING ESTIMATES

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 period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period 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.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING ESTIMATES *(CONT'D)*

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

(a) Revenue recognition on construction contracts

The Group recognises contract revenue over time by reference to the Group's progress towards completing the contract work. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs.

Management has to estimate the total contract costs to complete, which are used in the input method to determine the Group's recognition of construction revenue. Additionally, management is required to evaluate adjustments to contract consideration due to variation works and key material price adjustments. When it is probable that the total contract costs will exceed the total contract consideration, a provision for onerous contracts is recognised immediately.

Significant judgements are used to estimate these total contract costs to complete and total contract consideration. In making these estimates, management has relied on the expertise of the project directors to determine the progress of the construction and also on past experience of completed projects.

The carrying amounts of contract assets and contract liabilities as well as revenue from construction contracts are disclosed in Note 4 to the financial statements.

(b) Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 33(a).

The carrying amount of contract assets and trade receivables are disclosed in Note 4 and Note 17 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING ESTIMATES *(CONT'D)*

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

(c) Estimation of net realisable value of development properties

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

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

The carrying amount of development properties is disclosed in Note 20 to the financial statements.

4. REVENUE

	Group	
	2021	**2020**
	$'000	$'000
Revenue from contracts with customers	178,628	120,250
Other revenue:		
Management fee from an associate	94	94
Solar leasing income	1,232	1,251
	179,954	121,595

NOTES TO THE FINANCIAL STATEMENTS

4. REVENUE *(CONT'D)*

(a) Disaggregation of revenue from contracts with customers

Segments	Specialised engineering		General construction		Property development		Green technology		Total revenue from contracts with customers	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Primary geographical markets										
Singapore	55,658	41,359	67,779	22,375	5,895	2,584	2,858	4,836	132,190	71,154
Malaysia	36,624	40,716	–	–	–	–	–	–	36,624	40,716
Thailand	9,814	8,380	–	–	–	–	–	–	9,814	8,380
	102,096	90,455	67,779	22,375	5,895	2,584	2,858	4,836	178,628	120,250
Timing of transfer of goods or services										
At a point in time	589	1,620	–	3,281	–	–	142	81	731	4,982
Over time	101,507	88,835	67,779	19,094	5,895	2,584	2,716	4,755	177,897	115,268
	102,096	90,455	67,779	22,375	5,895	2,584	2,858	4,836	178,628	120,250

Revenue recognised at a point in time arose from the sale of goods.

NOTES TO THE FINANCIAL STATEMENTS

4. REVENUE *(CONT'D)*

(b) Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group		
	2021	**2020**	**1.1.2020**
	$'000	$'000	$'000
Receivables from contracts with customers	11,642	38,642	18,367
Contract assets from construction contracts			
Current			
Unbilled revenue	22,844	18,229	28,800
Retention receivables	4,485	7,108	7,115
Less: Provision for onerous contracts	(296)	(67)	(942)
	27,033	25,270	34,973
Non-current			
Retention receivables	15,612	7,645	7,136
	42,645	32,915	42,109
Contract assets from sale of development properties			
Current			
Capitalised fulfilment costs	91,199	88,846	–
Contract liabilities	(31,026)	(34,859)	–
	60,173	53,987	–
Total contract assets	102,818	86,902	42,109
Contract liabilities			
Contract liabilities	16,139	19,852	14,108
Add: Provision for onerous contracts	808	4,049	1,458
Total contract liabilities	16,947	23,901	15,566

(i) Contract assets

Unbilled revenue primarily relates to the Group's right to consideration for work completed but not yet billed at reporting date for construction contracts. Contract assets are transferred to receivables when the rights become unconditional.

Retention receivables 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.

NOTES TO THE FINANCIAL STATEMENTS

4. REVENUE *(CONT'D)*

(b) ***Contract assets and contract liabilities*** *(cont'd)*

(i) ***Contract assets*** *(cont'd)*

The changes in contract assets are due to the differences between certified work completed and revenue recognised on the construction contracts and movement in allowance for expected credit losses.

Capitalised fulfilment costs relate to land and land related costs of sold units. These capitalised costs are amortised to profit or loss when the related revenue are recognised.

The changes in contract assets from the sale of development properties are due to the differences between progress billings and revenue recognised, transfers of land and land related costs within development properties to capitalised fulfilment costs upon sale of development properties and the amortisation of capitalised fulfilment costs to profit or loss.

(ii) ***Contract liabilities***

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for construction contracts and sale of development properties. Contract liabilities are recognised as revenue as the Group performs under the contract.

The significant changes in the contract liabilities during the year are as follows:

	Group	
	2021	**2020**
	$'000	$'000
Revenue recognised from performance obligations satisfied in previous years due to changes in the estimated transaction price	4,622	36
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	15,230	14,072

Significant changes in provision for onerous contracts are explained as follows:

	Group	
	2021	**2020**
	$'000	$'000
At 1 January	4,116	2,400
(Credited)/charged to profit or loss	(683)	10,169
Utilisation	(2,329)	(8,453)
At 31 December	1,104	4,116

NOTES TO THE FINANCIAL STATEMENTS

4. REVENUE *(CONT'D)*

(c) Capitalised contract costs and fulfilment costs

	Group	
	2021	**2020**
	$'000	$'000
Capitalised contract costs – commission costs paid to property agents		
At 1 January	5,557	–
Additions	305	5,635
Amortisation	(178)	(78)
At 31 December	5,684	5,557
Capitalised fulfilment costs		
At 1 January	88,846	–
Additions	5,216	90,089
Amortisation	(2,863)	(1,243)
At 31 December	91,199	88,846

(d) Transaction price allocated to remaining performance obligation

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance as at 31 December 2021 is $380,429,000 (2020: $479,334,000). The Group expects full transaction price allocated to the unsatisfied obligations as at 31 December 2021 to be recognised as revenue by the financial period ended 2025 (2020: 2024).

5. OTHER OPERATING INCOME

	Group	
	2021	**2020**
	$'000	$'000
Gain on disposal of property, plant and equipment	63	881
Training and testing fees	278	247
Accounting services income	169	169
Rental income from:		
Premises	787	330
Equipment	67	15
Sale of scrap	188	546
Interest income	110	398
Government grant income	–	131
Forfeiture income	486	–
Management fee income	124	119
Others	819	27
	3,091	2,863

The Group's government grant income includes the COVID-Safe firm-based support of $Nil (2020: $111,000) under the Construction Restart Booster from the Singapore Government. The Construction Support Package was announced on 27 June 2020 which aims to help construction firms defray costs in procuring additional material or equipment to comply with COVID-Safe Worksite requirements to ensure works resume safely.

NOTES TO THE FINANCIAL STATEMENTS

6. FINANCE COSTS

	Group 2021	Group 2020
	$'000	$'000
Interest expense on:		
Bank loans	1,712	3,271
Lease liabilities	184	235
Loans from non-controlling interests	1,752	613
Accreted interest	301	156
	3,949	4,275

7. LOSS BEFORE TAXATION

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

	Note	Group 2021	Group 2020
		$'000	$'000
Auditors of the Company:			
Audit fees		216	219
Non-audit fees		2	2
Depreciation of:			
Property, plant and equipment	10	2,336	3,200
Right-of-use assets	11	1,197	1,490
Impairment loss on properties held for sale	21	–	173
Inventories recognised as expenses in cost of sales	21	22,041	31,235
Write-down/(write-back) for inventories obsolescence	21	8	(27)
Fair value (gain)/loss on derivative		(1,431)	225
Foreign exchange loss		472	246
Loss provision on financial assets:			
Trade receivables	17	131	3,261
Contract assets	17	1,135	1,959
Other receivables	22	7	–
Rental expenses in relation to:			
Premises		218	289
Equipment		16	17
Employee benefits	31	19,301	17,950

Loss provision on financial assets allocated by function are as follows:

	Group 2021	Group 2020
	$'000	$'000
Other operating costs	1,273	5,220

NOTES TO THE FINANCIAL STATEMENTS

8. INCOME TAX CREDIT

Major components of income tax credit

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

	Group	
	2021	**2020**
	$'000	$'000
Consolidated statement of comprehensive income		
Current income tax:		
- Foreign	223	324
(Over)/under provision of income tax in respect of previous years	(20)	11
	203	335
Deferred income tax:		
Origination and reversal of temporary differences	(663)	(1,584)
Under/(over) provision of deferred tax in respect of previous years	324	(56)
Benefits from previously unrecognised deferred tax assets	–	(1,534)
	(339)	(3,174)
Income tax credit recognised in profit or loss	(136)	(2,839)

Relationship between income tax credit and accounting loss

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

	Group	
	2021	**2020**
	$'000	$'000
Loss before taxation	(215)	(31,398)
Tax at the domestic rates applicable to profits in the countries where the Group operates	(142)	(5,236)
Adjustments:		
Income not subject to tax	(322)	(382)
(Over)/under provision of income tax in respect of previous years	(20)	11
Under/(over) provision of deferred tax in respect of previous years	324	(56)
Benefits from previously unrecognised tax losses and capital allowances	(1,094)	(134)
Benefits from previously unrecognised deferred tax assets	–	(1,534)
Non-deductible expenses	278	464
Deferred tax assets not recognised	322	4,068
Share of results of associates and joint ventures	518	(40)
Income tax credit recognised in profit or loss	(136)	(2,839)

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

NOTES TO THE FINANCIAL STATEMENTS

8. INCOME TAX CREDIT *(CONT'D)*

During the financial year, in relation to the Singapore group relief system, the Group utilised tax losses and capital allowances of $2,943,000 (2020: $2,472,000) to set off the assessable income of certain companies within the Group.

The Group has unutilised tax losses and capital allowances of approximately $62,683,000 (2020: $67,224,000) 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 and capital allowances have no expiry date.

9. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The basic and diluted earnings/(loss) per share for the financial years ended 31 December 2021 and 2020 are the same as there were no potential dilutive ordinary shares in existence.

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

	2021	**2020**
	$'000	$'000
Profit/(Loss) attributable to equity holders of the Company used in computation of basic and diluted earnings/(loss) per share	1,598	(26,441)
	Number of shares	**Number of shares**
Weighted average number of ordinary shares for basic and diluted earnings per share computation	322,388,218	322,388,218

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

NOTES TO THE FINANCIAL STATEMENTS

10. PROPERTY, PLANT AND EQUIPMENT

Group	Plant and equipment	Freehold land	Leasehold properties	Motor vehicles	Other assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
At 1 January 2020	50,768	2,681	22,756	4,659	4,585	85,449
Additions	1,927	–	–	30	409	2,366
Transfer from right-of-use assets (Note 11)	–	–	–	107	–	107
Disposals	(4,728)	–	(8,441)	(432)	(2,014)	(15,615)
Translation adjustments	(19)	(4)	–	(2)	(3)	(28)
At 31 December 2020 and 1 January 2021	47,948	2,677	14,315	4,362	2,977	72,279
Additions	673	6	–	–	66	745
Disposals	(847)	–	–	(456)	–	(1,303)
Translation adjustments	(221)	(33)	–	(31)	(44)	(329)
At 31 December 2021	47,553	2,650	14,315	3,875	2,999	71,392
Accumulated depreciation and impairment loss						
At 1 January 2020	38,296	–	9,348	4,329	3,661	55,634
Depreciation charge	1,859	–	882	117	342	3,200
Transfer from right-of-use assets (Note 11)	–	–	–	107	–	107
Disposals	(4,669)	–	(8,441)	(415)	(2,013)	(15,538)
Translation adjustments	(8)	–	–	(2)	(1)	(11)
At 31 December 2020 and 1 January 2021	35,478	–	1,789	4,136	1,989	43,392
Depreciation charge	1,689	–	342	94	211	2,336
Disposals	(847)	–	–	(444)	–	(1,291)
Translation adjustments	(138)	–	–	(26)	(15)	(179)
At 31 December 2021	36,182	–	2,131	3,760	2,185	44,258
Net carrying amount						
At 31 December 2020	12,470	2,677	12,526	226	988	28,887
At 31 December 2021	11,371	2,650	12,184	115	814	27,134

NOTES TO THE FINANCIAL STATEMENTS

10. PROPERTY, PLANT AND EQUIPMENT *(CONT'D)*

Company	Plant and equipment	Leasehold property	Motor vehicles	Other assets	Total
	$'000	$'000	$'000	$'000	$'000
Cost					
At 1 January 2020	73	22,756	453	2,165	25,447
Additions	–	–	–	19	19
Disposal	–	(8,441)	–	(2,013)	(10,454)
At 31 December 2020 and 1 January 2021	73	14,315	453	171	15,012
Additions	–	–	–	11	11
Disposal	(73)	–	–	–	(73)
At 31 December 2021	–	14,315	453	182	14,950
Accumulated depreciation					
At 1 January 2020	73	9,348	453	1,919	11,793
Depreciation charge	–	882	–	198	1,080
Disposal	–	(8,441)	–	(2,013)	(10,454)
At 31 December 2020 and 1 January 2021	73	1,789	453	104	2,419
Depreciation charge		342	–	32	374
Disposal	(73)	–	–	–	(73)
At 31 December 2021	–	2,131	453	136	2,720
Net carrying amount					
At 31 December 2020	–	12,526	–	67	12,593
At 31 December 2021	–	12,184	–	46	12,230

Transfer from right-of-use assets

The transfer represents assets that had been previously used under lease agreements and were transferred to the Group at the end of the lease term, now used as its own property, plant and equipment.

Other assets

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

Impairment of assets

No impairment loss on property, plant and equipment was recognised during the financial year ended 31 December 2021 and 2020.

Assets pledged as securities

As at 31 December 2021, property, plant and equipment of the Group and the Company with carrying amount of $12,184,000 (2020: $22,226,000) and $12,184,000 (2020: $12,526,000), respectively were mortgaged as securities for the banking facilities.

NOTES TO THE FINANCIAL STATEMENTS

11. LEASES

As lessee

The Group has lease contracts for leasehold land and buildings, plant and equipment, and motor vehicles. The Group's obligations under these leases are secured by the lessor's title to the leased assets or leased assets pledged as security. The Group is restricted from assigning and subleasing the leased assets. The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value.

(a) Carrying amounts of right-of-use assets

Group	Leasehold land	Leasehold buildings	Plant and equipment	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000
Cost					
At 1 January 2020	6,851	1,389	285	715	9,240
Additions	–	275	5	284	564
Transfer to property, plant and equipment (Note 10)	–	–	–	(107)	(107)
Disposal	(2,919)	–	–	–	(2,919)
Translation adjustments	–	4	–	–	4
At 31 December 2020 and 1 January 2021	3,932	1,668	290	892	6,782
Additions	–	145	4	279	428
Disposal	–	(559)	–	–	(559)
Translation adjustments	–	(37)	(3)	(9)	(49)
At 31 December 2021	3,932	1,217	291	1,162	6,602
Accumulated depreciation					
At 1 January 2020	3,067	630	62	267	4,026
Depreciation charge	851	430	58	151	1,490
Transfer to property, plant and equipment (Note 10)	–	–	–	(107)	(107)
Disposal	(2,919)	–	–	–	(2,919)
Translation adjustments	–	5	–	–	5
At 31 December 2020 and 1 January 2021	999	1,065	120	311	2,495
Depreciation charge	643	307	58	189	1,197
Disposal	–	(559)	–	–	(559)
Translation adjustments	–	(24)	(2)	(2)	(28)
At 31 December 2021	1,642	789	176	498	3,105
Net carrying amount					
At 31 December 2020	2,933	603	170	581	4,287
At 31 December 2021	2,290	428	115	664	3,497

NOTES TO THE FINANCIAL STATEMENTS

11. LEASES *(CONT'D)*

As lessee *(cont'd)*

(a) Carrying amounts of right-of-use assets *(cont'd)*

Company	Leasehold land
	$'000
Cost	
At 1 January 2020	5,100
Disposal	(2,919)
At 31 December 2020, 1 January 2021 and 31 December 2021	2,181
Accumulated depreciation	
At 1 January 2020	2,921
Depreciation charge	274
Disposal	(2,919)
At 31 December 2020 and 1 January 2021	276
Depreciation charge	52
At 31 December 2021	328
Net carrying amount	
At 31 December 2020	1,905
At 31 December 2021	1,853

(b) Lease liabilities

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Current	921	1,101	26	25
Non-current	2,676	3,252	2,016	2,041
	3,597	4,353	2,042	2,066

NOTES TO THE FINANCIAL STATEMENTS

11. LEASES *(CONT'D)*

As lessee *(cont'd)*

(b) ***Lease liabilities*** *(cont'd)*

Reconciliation of liabilities arising from financing activities

A reconciliation of liabilities arising from financing activities is as follows:

Group	2020	Cash flows	Non-cash items: Accretion of interest	Non-cash items: New leases	Other	2021
	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities						
- Current	1,101	(1,346)	184	428	554	921
- Non-current	3,252	–	–	–	(576)	2,676
	4,353	(1,346)	184	428	(22)	3,597

Group	2019	Cash flows	Non-cash items: Accretion of interest	Non-cash items: New leases	Other	2020
	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities						
- Current	1,360	(1,671)	235	564	613	1,101
- Non-current	3,865	–	–	–	(613)	3,252
	5,225	(1,671)	235	564	–	4,353

The 'other' column relates to reclassification of non-current portion of lease liabilities due to passage of time and foreign exchange movements.

The maturity analysis of lease liabilities is disclosed in Note 33(b).

(c) ***Amounts recognised in consolidated statement of comprehensive income***

	Group 2021	Group 2020
	$'000	$'000
Depreciation of right-of-use assets	1,197	1,490
Interest expense on lease liabilities	184	235
Lease expense not capitalised in lease liabilities:		
Expenses relating to short-term leases (included in cost of sales and other operating expenses)	3,218	5,141
Expenses relating to leases of low value assets (included in administrative and other expenses)	16	17

NOTES TO THE FINANCIAL STATEMENTS

11. LEASES *(CONT'D)*

As lessee *(cont'd)*

(d) Total cash outflow

The Group had total cash outflows for leases of $1,346,000 in 2021 (2020: $1,671,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of $428,000 (2020: $564,000) and $428,000 (2020: $564,000) respectively during the financial year ended 31 December 2021.

(e) Extension options

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised.

(f) Variable lease payments that depend on an index or rate

The Group has lease contract that contain variable lease payments arising from rent adjustments by Jurong Town Corporation ("JTC"). The rent will be revised to the prevailing JTC's posted rates with a 5.5% escalation cap annually.

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 profit or loss during the year amounted to $2,086,000 (2020: $1,596,000).

Future minimum lease receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Not later than one year	1,339	1,351	172	89
Later than one year but not later than five years	4,239	4,388	85	–
Later than five years	10,375	11,683	–	–
	15,953	17,422	257	89

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021	2020
	$'000	$'000
Unquoted shares, at cost *	97,072	95,447
Additional investment	6,127	1,625
	103,199	97,072
Impairment losses	(42,140)	(43,140)
Carrying amount	61,059	53,932

* Includes $109,000 which arose 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.

(a) *Composition of the Group*

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
	2021	2020		2021	2020	
	%	%		$'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
BBR Construction Systems (M) Sdn. Bhd. [(2)]	100	100	Malaysia	5,908	5,908	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	5,450	5,450	Bored piling works

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENTS IN SUBSIDIARIES *(CONT'D)*

***(a) Composition of the Group** (cont'd)*

Name of company	Proportion of ownership interest		Country of incorporation	Cost of investment		Principal activities
	2021	2020		2021	2020	
	%	%		$'000	$'000	
***Held by the Company** (cont'd)*						
Singapore Engineering & Construction Pte. Ltd. (1) (5)	100	100	Singapore	28,912	26,112	General building, civil and structural engineering, renovation and retro-fitting and investment holding
BBR Greentech Pte. Ltd. (1)	100	100	Singapore	950	950	System integration and distribution of renewable energy
Moderna Homes Pte. Ltd. (1)	100	100	Singapore	1,949	1,949	Design and assembly of prefabricated buildings
Singa Development Pte. Ltd. (1) (6)	100	100	Singapore	3,327	–	Building contractors, project and contract managers for all kinds of building and civil engineering works
Siam-BBR Co., Ltd (3)	100	100	Thailand	432	432	Dormant
Siam BBR Systems Co., Ltd (4)	49*	49*	Thailand	133	133	Structural engineering and design and build services
Moderna Homes (HK) Limited (7)	100	100	Hong Kong	17	17	Design and assembly of prefabricated buildings
				103,090	96,963	

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENTS IN SUBSIDIARIES *(CONT'D)*

(a) ***Composition of the Group*** *(cont'd)*

Name of company	Proportion of ownership interest 2021 %	Proportion of ownership interest 2020 %	Country of incorporation	Principal activities
Held by Singapore Engineering & Construction Pte. Ltd.				
Singa Development Pte. Ltd. [1] [6]	–	100	Singapore	Building contractors, project and contract managers for all kinds of building and civil engineering works
Held by BBR Construction Systems (M) Sdn. Bhd.				
Strengthened Soil Wall (M) Sdn. Bhd. [2]	100	100	Malaysia	Building contractor
Held by BBR Development Pte. Ltd.				
BBR Property Pte. Ltd. [1]	100	100	Singapore	Investment holding
BBR Kovan Pte. Ltd. [9]	100	100	Singapore	Property development
Alika Properties Pte. Ltd. [1]	62	62	Singapore	Property development
Held by Moderna Homes Pte. Ltd.				
BBR Modular Construction Sdn. Bhd. [2]	100	100	Malaysia	Assembly of prefabricated buildings
Held by BBR Greentech Pte. Ltd				
Angels Medical Private Limited [8]	–	100	Singapore	Provision of healthcare products and services

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENTS IN SUBSIDIARIES *(CONT'D)*

(a) ***Composition of the Group*** *(cont'd)*

(1) Audited by Ernst & Young LLP, Singapore.
(2) Audited by member firms of EY Global in the respective countries.
(3) Audited by Audit Wise Co., Ltd.
(4) Audited by Samnakngan Professional Management Co.,Ltd.
(5) During the financial year ended 31 December 2021, the Company increased its investment in Singapore Engineering & Construction Pte. Ltd. by subscribing an additional 2,800,000 ordinary shares in the subsidiary at an issue price of $1 per share.
(6) During the financial year ended 31 December 2021, the Company acquired the entire equity interest in Singa Development Pte. Ltd. from its subsidiary, Singapore Engineering & Construction Pte. Ltd., for an aggregate consideration of $3,327,000. As a result, Singa Development Pte. Ltd. became the wholly-owned subsidiary of the Company.
(7) Not required to be audited.
(8) Angels Medical Private Limited was struck off during the financial year ended 31 December 2021.
(9) Not required to be audited as the entity is in the process of striking off.
* Notwithstanding that the Group holds less than 50% of the voting power in the Company, the Group controls the Company by virtue of its representation of the board of the Company or through its participation in business/policy-making processes in the Company.

(b) ***Impairment losses on investments in subsidiaries***

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

	Company	
	2021	**2020**
	$'000	$'000
At 1 January	43,140	39,890
(Credited)/charged to profit or loss	(1,000)	3,250
At 31 December	42,140	43,140

During the financial year ended 31 December 2021, a write back of impairment loss amounted to $1,000,000 (2020: impairment loss of $3,250,000) was credited/charged to profit or loss 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. The impairment loss was derived based on cash flow projections for potential contracts and forecasted growth of the subsidiaries, pre-tax discount rate of 9.5% (2020: 9.0%) and a terminal growth rate of 1% (2020: 0%).

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENTS IN SUBSIDIARIES *(CONT'D)*

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

The Group has the following subsidiary that have NCI that are material to the Group:

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI	Loss allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period
			$'000	$'000
31 December 2021				
Alika Properties Pte. Ltd.	Singapore	38%	(833)	(6,009)
31 December 2020				
Alika Properties Pte. Ltd.	Singapore	38%	(2,363)	(5,177)

Summarised financial information about subsidiary with material NCI

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

	Alika Properties Pte. Ltd. 2021	Alika Properties Pte. Ltd. 2020
	$'000	$'000
Summarised statement of financial position		
Current assets	170,915	181,094
Current liabilities	(8,333)	(12,935)
Net current assets	162,582	168,159
Non-current asset	3,198	3,100
Non-current liabilities	(181,593)	(184,882)
Net liabilities	(15,813)	(13,623)
Summarised statement of comprehensive income		
Revenue	5,895	2,583
Loss before taxation	(2,289)	(9,318)
Income tax credit	98	3,100
Loss for the year	(2,191)	(6,218)
Other comprehensive income for the year	–	–
Total comprehensive income for the year	(2,191)	(6,218)
Other summarised information		
Net cash flows generated from/ (used) in operating activities	9,624	(43,363)
Net cash inflows (used in)/generated from financing activities	(1,900)	55,520

NOTES TO THE FINANCIAL STATEMENTS

13. INVESTMENTS IN JOINT VENTURES

	Group	
	2021	**2020**
	$'000	$'000
Unquoted shares, at cost	324	324
Share of post-acquisition reserves	5,669	9,266
Carrying amount	5,993	9,590

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

Name of company	Proportion of ownership interest		Country of incorporation	Principal activities
	2021	**2020**		
	%	%		
Held by Singapore Engineering & Construction Pte. Ltd.				
Singapore Piling – Shincon JV [(1)]	51	51	Singapore	Design and construction of covered linkways
Singapore E&C – Shincon JV [(1)]	50	50	Singapore	Provision of civil engineering and infrastructure works
Held by BBR Property Pte. Ltd.				
Northern Development Pte. Ltd. [(2)]	50	50	Singapore	Investment holding for property development
Held by Northern Development Pte. Ltd.				
NorthernOne Development Pte. Ltd. [(2)]	50.1	50.1	Singapore	Investment holding for property development
Held by NorthernOne Development Pte. Ltd.				
Northern Resi Pte. Ltd. [(2)]	100	100	Singapore	Residential property development
Northern Retail Pte. Ltd. [(2)]	100	100	Singapore	Commercial property development
Wisteria Mall Management Pte. Ltd [(4)]	50	50	Singapore	Property management services
Held by BBR Construction Systems (M) Sdn. Bhd.				
Global Eco BBR Joint Venture Sdn. Bhd. [(3)]	30	30	Malaysia	Construction of bridges including elevated highways

(1) An unincorporated partnership
(2) Audited by Ernst & Young LLP, Singapore
(3) Audited by member firms of EY Global in the respective countries.
(4) Not required to be audited as the entity is in the process of striking off.

NOTES TO THE FINANCIAL STATEMENTS

13. INVESTMENTS IN JOINT VENTURES *(CONT'D)*

The summarised financial information in respect of the significant joint venture, based on its SFRS(I) financial statements, and the reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows:

	NorthernOne Development Pte. Ltd. and its subsidiaries	
	2021	**2020**
	$'000	$'000
Summarised statement of financial position		
Cash and cash equivalents	29,223	13,458
Current assets (other than cash and cash equivalents)	265	15,170
Non-current assets	204,241	226,623
Total assets	233,729	255,251
Current liabilities	209,608	180,749
Non-current liabilities	479	36,677
Total liabilities	210,087	217,426
Net assets	23,642	37,825
Proportion of the Group's ownership	25.05%	25.05%
Carrying amount of the investment	5,922	9,475
Carrying amount of other joint ventures	71	115
Carrying amount of investments in joint ventures	5,993	9,590

NOTES TO THE FINANCIAL STATEMENTS

13. INVESTMENTS IN JOINT VENTURES *(CONT'D)*

	NorthernOne Development Pte. Ltd. and its subsidiaries	
	2021	**2020**
	$'000	$'000
Summarised statement of comprehensive income		
Revenue	9,746	7,475
Cost of sales	(1,454)	(2,207)
Other income	363	166
Operating expenses	(468)	(473)
Interest income	20	77
Interest expense	(1,797)	(5,164)
Fair value loss on investment property	(20,080)	(124)
Share of results of a joint venture	7	4
Loss before taxation	(13,663)	(246)
Income tax (expense)/credit	(520)	14
Loss after tax for the year, representing total comprehensive income	(14,183)	(232)
Proportion of the Group's ownership	25.05%	25.05%
Group's share of loss for the year, representing the Group's share of total comprehensive income for the year	(3,553)	(58)
Group's share of profit of other joint ventures, representing the Group's share of total comprehensive income for the year	106	206
Group's share of (loss)/profit of joint ventures, representing the Group's share of total comprehensive income for the year	(3,447)	148

Distribution of profits of $150,000 (2020: $1,063,000) were received from joint ventures during the financial year ended 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

14. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
BBR Philippines Corporation	1,194	891	260	260
Lakehomes Pte. Ltd.	61	57	–	–
Trendsteq Pte. Ltd.	221	127	–	–
	1,476	1,075	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	Principal activities
	2021	**2020**		
	%	%		
Held by the Company				
BBR Philippines Corporation [3]	40	40	Philippines	Structural engineering
Held by BBR Development Pte. Ltd.				
Lakehomes Pte. Ltd. [1]	35	35	Singapore	Property development
Trendsteq Pte. Ltd. [2]	40	40	Singapore	Consultancy services

(1) Not required to be audited as the entity is in the process of striking off.
(2) Audited by Ernst & Young LLP, Singapore
(3) Not required to be audited

During the previous financial year ended 31 December 2020, the Group has received return of share capital of $350,000 and dividends of $350,000 from Lakehomes Pte. Ltd.

NOTES TO THE FINANCIAL STATEMENTS

15. INVESTMENT SECURITIES

	Group	
	2021	**2020**
	$'000	$'000
At fair value through profit or loss		
- Unquoted equity securities	–	–
- Quoted equity securities	8	8
	8	8

Unquoted equity securities relate to the following:

(i) 33.3% (2020: 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 Engineering & Construction Pte. Ltd. ("Singapore Engineering"), 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 financial assets at fair value through profit or loss. In the prior financial years, the Group has recognised an impairment loss of $2,981,000.

(ii) 1% (2020: 1%) equity interest held via Singapore Engineering 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 the previous years, the Group has recognised an impairment loss of $1,000,000.

Quoted equity securities relate to ordinary shares listed on Bursa Malaysia.

16. DEFERRED TAX

Deferred tax as at 31 December relates to the following:

	Group			
	Consolidated statement of financial position		Consolidated statement of comprehensive income	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Deferred tax assets				
Unutilised tax losses	3,198	3,100	(98)	(3,100)
Deferred tax liabilities				
Differences in depreciation for tax purposes	–	(241)	(241)	(74)
Deferred income tax credit (Note 8)			(339)	(3,174)

Deferred tax assets are recognised for tax losses carried forward from property development segment to the extent that realisation of the related tax benefits through future taxable profits is probable.

Tax consequences of proposed dividends

There are no income tax consequences (2020: $Nil) attached to the dividends of the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 38).

NOTES TO THE FINANCIAL STATEMENTS

17. TRADE RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Trade receivables				
- External parties	17,800	44,756	–	–
- Less: Allowance for expected credit losses	(6,158)	(6,114)	–	–
Goods and services tax receivable	300	3,475	–	28
Total trade receivables	11,942	42,117	–	28
Less:				
- Goods and services tax receivable	(300)	(3,475)	–	(28)
Add:				
- Loans to a joint venture (Note 18)	8,725	8,643	–	–
- Amounts due from subsidiaries (Note 19)	–	–	5,145	6,089
- Other receivables, excluding prepayments (Note 22)	5,463	6,302	121	142
- Pledged deposits (Note 24)	4,033	4,267	–	–
- Cash and cash equivalents (Note 24)	59,474	53,566	520	1,901
Total financial assets carried at amortised cost	89,337	111,420	5,786	8,132

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

Expected credit losses

The movement in allowance for expected credit losses of trade receivables and contract assets computed based on lifetime ECL are as follows:

	Group	
	Trade receivables	Contract assets
	$'000	$'000
At 1 January 2020	2,854	3,980
Charge for the year	3,261	1,959
Exchange differences	(1)	1
At 31 December 2020 and 1 January 2021	6,114	5,940
Charge for the year	131	1,135
Written off against provision	(38)	(76)
Exchange differences	(49)	(17)
At 31 December 2021	6,158	6,982

NOTES TO THE FINANCIAL STATEMENTS

17. TRADE RECEIVABLES *(CONT'D)*

Trade receivables and payables subject to offsetting arrangements

The Group's trade receivables and trade 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
2021				
Trade receivables - third party	a	285	(33)	252
Trade payables	b	2,102	(1,392)	710
2020				
Trade receivables - third party	a	2,987	(45)	2,942
Trade payables	b	2,367	(1,291)	1,076

(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' term basis.

(b) Suppliers are back charged 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' term basis.

18. LOANS TO A JOINT VENTURE

Loans to a joint venture of the Group, Northern Development Pte. Ltd., are non-trade, unsecured, interest bearing at an average interest rate of 1.1% (2020: 1.6%) per annum and are to be settled in cash. The purposes of the loans are to partially finance the land acquisition, development charges and construction costs of a property development project. The loans are not expected to be repaid within 12 months from the end of the reporting period.

There is no allowance for doubtful debts arising from these outstanding balances as the expected credit loss is not material.

NOTES TO THE FINANCIAL STATEMENTS

19. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2021	**2020**
	$'000	$'000
Amounts due from subsidiaries	13,234	12,973
Less: Allowance for expected credit losses	(8,089)	(6,884)
	5,145	6,089
Amounts due to subsidiaries	(14,290)	(9,113)

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 $3,126,000 (2020: $2,172,000) of amounts due from subsidiaries that bear interest ranging from 5.4% to 6.7% (2020: 5.4% to 6.7%) per annum and $3,400,000 (2020: $3,400,000) of amounts due to subsidiaries that bear interest at an average interest rate of 3.0% (2020: 3.0%) per annum.

Expected credit losses

The movement in allowance for expected credit losses of amounts due from subsidiaries computed based on lifetime ECL is as follows:

	Company	
	2021	**2020**
	$'000	$'000
At 1 January	6,884	5,024
Charge for the year	1,205	3,660
Write back for the year	–	(1,800)
At 31 December	8,089	6,884

20. DEVELOPMENT PROPERTIES

	Group	
	2021	**2020**
	$'000	$'000
Development costs	73,641	77,074

Assets pledged as security

The freehold land under development has been pledged as security for a bank loan (Note 27).

NOTES TO THE FINANCIAL STATEMENTS

20. DEVELOPMENT PROPERTIES *(CONT'D)*

Capitalisation of borrowing costs

The interest on bank borrowings and loans from external shareholders capitalised in the current financial year amounted to $Nil (2020: $980,000). Interest ceases to be capitalised when the development properties are ready for their intended sale.

Details of the Group's development properties are as follows:

Description and location	**Tenure**	**Site area (square metres)**		**Stage of development/ expected completion date**	**Proportion of ownership interest**	
		2021	**2020**		**2021**	**2020**
					%	**%**
Proposed development of a 20-storey mixed development (The LINQ @ Beauty World) located at 118 Upper Bukit Timah Road	Freehold	4,251	4,251	Construction stage and expected to obtain TOP in FY2025	62	62

21. PROPERTIES HELD FOR SALE AND INVENTORIES

	Group	
	2021	**2020**
	$'000	$'000
Statement of financial position		
Properties held for sale, at lower of cost and net realisable value	1,749	1,598
Construction materials, at lower of cost and net realisable value	4,163	3,747
Statement of comprehensive income		
Inventories recognised as expenses in cost of sales (Note 7)	22,041	31,235
Write-down/(write-back) for inventories obsolescence (Note 7)	8	(27)
Impairment loss on properties held for sale (Note 7)	–	173

NOTES TO THE FINANCIAL STATEMENTS

22. OTHER RECEIVABLES

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Deposits	4,104	3,898	8	12
Grant receivable	–	1,197	–	28
Prepayments	585	445	69	–
Amounts due from associates	655	696	35	56
Other receivables	835	635	78	46
	6,179	6,871	190	142
Less: Allowance for expected credit losses	(131)	(124)	–	–
	6,048	6,747	190	142

Grant receivable relates to a grant provided by the Singapore Government for wages paid to local employees under the Jobs Support Scheme.

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

Expected credit losses

The movement in allowance for expected credit losses of other receivables computed based on lifetime ECL is as follows:

	Group	
	2021	**2020**
	$'000	$'000
At 1 January	124	124
Charge for the year	7	–
At 31 December	131	124

NOTES TO THE FINANCIAL STATEMENTS

23. DERIVATIVES

	Group					
	2021			2020		
	Contract/ Notional amount	Assets	Liabilities	Contract/ Notional amount	Assets	Liabilities
	$'000	$'000	$'000	$'000	$'000	$'000
Current:						
Interest rate swap	–	–	–	65,000	–	(1,431)
Total derivatives		–	–		–	(1,431)
Add:						
- Investment securities (Note 15)		8	–		8	–
Total financial assets/(liabilities) carried at fair value through profit or loss		8	–		8	(1,431)

The interest rate swap receives floating interest equal to Singapore Swap Offer Rate and pays a fixed rate of interest of 2.35% per annum. The interest rate swap has matured on 23 November 2021.

The Group does not apply hedge accounting.

24. CASH AND BANK BALANCES

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Cash at banks and on hand	26,174	42,173	520	1,901
Fixed deposits	37,333	15,660	–	–
	63,507	57,833	520	1,901

Fixed deposits are mainly short-term deposits made for varying periods of varying terms, and bear interest ranging from 0.1% to 3.0% (2020: from 0.1% to 3.0%) per annum.

As at 31 December 2021, the Group's cash at bank of $2,029,000 (2020: $2,026,000) are denominated in United States Dollar.

NOTES TO THE FINANCIAL STATEMENTS

24. CASH AND BANK BALANCES *(CONT'D)*

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2021	**2020**
	$'000	$'000
Cash at banks and on hand	26,174	42,173
Fixed deposits	37,333	15,660
	63,507	57,833
Less: Deposits pledged with financial institutions	(4,033)	(4,267)
Cash and cash equivalents	59,474	53,566

Pledged fixed deposits include $4,033,000 (2020: $4,267,000) placed as security for banking facilities granted to subsidiaries by various banks.

Included in cash and cash equivalents are amounts of $20,148,000 (2020: $14,748,000) maintained in project accounts, withdrawals from which are restricted to payments for expenditure incurred on the Group's property development project.

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Non-current:				
Retention payables	3,879	3,118	–	–
Current:				
Trade payables	37,497	34,436	53	7
Retention payables	4,409	3,767	–	–
Other payables	1,713	1,406	153	86
Goods and services tax payable	621	733	2	–
	44,240	40,342	208	93
Total trade and other payables	48,119	43,460	208	93
Less:				
- Goods and services tax payable	(621)	(733)	(2)	–
Add:				
- Amounts due to subsidiaries (Note 19)	–	–	14,290	9,113
- Other liabilities, excluding deferred grant income (Note 26)	5,627	11,920	755	964
- Lease liabilities (Note 11)	3,597	4,353	2,042	2,066
- Loans and borrowings (Note 27)	144,024	152,445	8,295	8,769
Total financial liabilities carried at amortised cost	200,746	211,445	25,588	21,005

NOTES TO THE FINANCIAL STATEMENTS

25. TRADE AND OTHER PAYABLES *(CONT'D)*

Retention payables

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

Trade payables

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

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

	Group	
	2021	**2020**
	$'000	$'000
Chinese Renminbi	100	95
Euro	8	9
United States Dollar	38	37

26. DEFERRED INCOME, PROVISIONS AND OTHER LIABILITIES

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Deferred income:				
Non-current	2,592	2,690	–	–
Current	193	187	–	–
	2,785	2,877	–	–
Provisions for rectification costs	8,645	4,729	–	–
Other liabilities:				
Accrued operating expenses	2,032	8,566	460	596
Accrued staff costs	1,274	1,396	227	300
Deposits	1,714	1,364	27	27
Sundry creditors	607	594	41	41
Deferred grant income relating to the Jobs Support Scheme	–	1,697	–	51
Total other liabilities	5,627	13,617	755	1,015

Deferred income of $2,785,000 (2020: $2,877,000) was in relation to an upfront payment received from a lessee, which will be amortised over the duration of 20 years in accordance with the solar leasing contract.

NOTES TO THE FINANCIAL STATEMENTS

26. DEFERRED INCOME, PROVISIONS AND OTHER LIABILITIES *(CONT'D)*

The changes in provisions for rectification costs are explained as follows:

	Group	
	2021	**2020**
	$'000	$'000
At 1 January	4,729	3,679
Charged to profit or loss	4,266	2,957
Utilisation	(350)	(1,907)
At 31 December	8,645	4,729

27. LOANS AND BORROWINGS

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Non-current:				
Long term borrowings (secured)	108,547	120,489	7,754	8,307
Loans from non-controlling interests	30,704	27,626	–	–
	139,251	148,115	7,754	8,307
Current:				
Short term borrowings (unsecured)	2,843	2,789	–	–
Current portion of long term borrowings (secured)	1,930	1,541	541	462
	4,773	4,330	541	462
Total loans and borrowings	144,024	152,445	8,295	8,769

The Group has undrawn credit facilities of $85,297,000 (2020: $100,656,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

27. LOANS AND BORROWINGS *(CONT'D)*

Long term borrowings (secured)

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Non-current:				
Term loan 1	7,754	8,307	7,754	8,307
Term loan 3	97,182	112,182	–	–
Temporary Bridging Loan	3,611	–	–	–
	108,547	120,489	7,754	8,307
Current:				
Term loan 1	541	462	541	462
Term loan 2	–	1,079	–	–
Temporary Bridging Loan	1,389	–	–	–
	1,930	1,541	541	462
Total long term borrowings	110,477	122,030	8,295	8,769

Term loan 1

Term loan 1 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 average interest rate was 2.6% (2020: 2.8%) per annum and the loan is secured by the leasehold premises with a carrying amount of $12,184,000 (2020: $12,526,000) (Note 10).

Term loan 2

Term loan 2 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 was fully repaid during the financial year ended 31 December 2021.

Term loan 3

Term loan 3 consists of Singapore dollar denominated land loan of $99,995,000 and development charge loan of $13,433,000 secured in 2017 to finance the acquisition and development of a property comprising a 4-storey mixed-use development known as the Goh & Goh Building situated in Singapore.

The average interest rate for land loan was 1.4% (2020: 2.1%) per annum and the loan is secured by the freehold land (Note 20). The average interest for development charge loan was 1.4% (2020: 2.1%) during the financial year ended 31 December 2021.

Temporary Bridging Loan ("TBL")

This relates a $5,000,000 Temporary Bridging Loan under Enterprise Financing Scheme ("EFS"), secured by a corporate guarantee provided by the Company. Interest rate fixed is at 2.0% per annum and repayable 13 month from the date of the first disbursement. The loan will mature 4 years from date of first drawdown.

NOTES TO THE FINANCIAL STATEMENTS

27. LOANS AND BORROWINGS *(CONT'D)*

Loans from non-controlling interests

Loans from non-controlling interests are non-trade, unsecured, interest bearing at an average interest rate of 1.4% (2020: 2.2%) per annum and are to be settled in cash. The purposes of the loans are to partially finance the land acquisition and development charges of a property development project undertaken by Alika Properties Pte. Ltd., a subsidiary of the Company. The loans are not expected to be repaid within 12 months from the end of the reporting period.

Reconciliation of liabilities arising from financing activities

A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash item	
Group	**2020**	**Cash flows**	**Others**	**2021**
	$'000	$'000	$'000	$'000
Long term borrowings				
- Non-current	120,489	(9,974)	(1,968)	108,547
- Current	1,541	(1,579)	1,968	1,930
Short term borrowings				
- Current	2,789	191	(137)	2,843
Loans from non-controlling interest				
- Non-current	27,626	3,078	–	30,704
	152,445	(8,284)	(137)	144,024

			Non-cash item	
Group	**2019**	**Cash flows**	**Others**	**2020**
	$'000	$'000	$'000	$'000
Long term borrowings				
- Non-current	90,508	31,520	(1,539)	120,489
- Current	1,581	(1,579)	1,539	1,541
Short term borrowings				
- Current	2,833	(20)	(24)	2,789
Loans from non-controlling interest				
- Non-current	18,506	9,120	–	27,626
	113,428	39,041	(24)	152,445

The 'others' column relates to reclassification of reclassification of non-current portion of loans and borrowings due to passage of time and foreign exchange movements.

NOTES TO THE FINANCIAL STATEMENTS

28. SHARE CAPITAL

	Group and Company			
	2021		2020	
	No. of shares		No. of shares	
	'000	$'000	'000	$'000
Issued and fully paid ordinary shares:				
At 1 January and 31 December	324,710	49,082	324,710	49,082

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			
	2021		2020	
	No. of shares		No. of shares	
	'000	$'000	'000	$'000
At 1 January and 31 December	(2,322)	(566)	(2,322)	(566)

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

The Company did not acquire any treasury shares during the financial years ended 31 December 2021 and 2020.

30. CONTINGENT LIABILITIES

	Company	
	2021	2020
	$'000	$'000
Corporate guarantees given to banks for credit and guarantee facilities utilised	40,028	39,731

The Company provided corporate guarantees to banks as securities for credit and guarantee facilities granted to subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

31. EMPLOYEE BENEFITS

	Group 2021	Group 2020
	$'000	$'000
Employee benefits expense (including directors)		
- Salaries and bonuses	18,986	18,296
- Central Provident Fund	2,228	1,885
- Others	726	988
	21,940	21,169
Less: Government grant income	(2,639)	(3,219)
	19,301	17,950

Included in employee benefits are government grants of $2,001,000 (2020: $1,876,000) and $638,000 (2020: $983,000) under the Jobs Support Scheme and Foreign Worker Levy rebates from the Singapore Government. The government grants are presented as a deduction against the employee benefits expense.

32. RELATED PARTY TRANSACTIONS

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties who are not members of the Group took place at terms agreed between the parties during the financial year:

	Group 2021	Group 2020
	$'000	$'000
From an associate:		
Accounting services income	(67)	(67)
Recovery of license and other fees paid to a related party	(121)	(122)
Management fees income	(94)	(94)
From joint ventures:		
Construction revenue	–	(77)
Accounting services income	(102)	(102)
Interest income on loans	(81)	(114)
License and other fees to a related party	483	480
Purchases from a related party	736	374
Management fee income from a related party	(124)	(119)
Rental expense paid to a director of the Company	97	94
Purchase of a property unit by a director of the Company	–	(1,914)

NOTES TO THE FINANCIAL STATEMENTS

32. RELATED PARTY TRANSACTIONS *(CONT'D)*

(b) Compensation of key management personnel

	Group	
	2021	**2020**
	$'000	$'000
Short-term employee benefits	2,804	2,576
Central Provident Fund	132	127
	2,936	2,703
Comprise amounts paid/payable to:		
- Directors of the Company	1,188	1,127
- Other key management personnel	1,748	1,576
	2,936	2,703

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. It is, and has been the Group's policy throughout the current and previous financial year, that no trading in derivatives for speculative purposes shall be undertaken. 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 and the Company's exposure to credit risk arises primarily from trade and other receivables, contract assets and loans to a joint venture. For other financial assets (including cash and bank balances), 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 and receivable balances are monitored on an ongoing basis.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONT'D)*

(a) ***Credit risk*** *(cont'd)*

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write off when a debtor fails to make contractual payments more than 180 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONT'D)*

(a) ***Credit risk*** *(cont'd)*

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

(i) ***Debt securities and loans at amortised cost***

The Group uses three categories of internal credit risk ratings for debt instruments and loans which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information, supplemented with information specific to the counterparty and other external information that could affect the counterparty's behaviour.

The Group computes expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default from historical loss rates for each category of counterparty, and adjusts for forward looking macroeconomic data such as GDP growth and central bank base rates.

A summary of the Group's internal grading category in the computation of the Group's expected credit loss model for the debt instruments and loans is as follows:

Category	Definition of category	Basis for recognition of expected credit loss provision	Basis for calculating interest revenue
Grade I	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12-month expected credit losses	Gross carrying amount
Grade II	There is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 90 days past due.	Lifetime expected credit losses	Gross carrying amount
Grade III	Interest and/or principal repayments are 120 days past due.	Lifetime expected credit losses	Amortised cost of carrying amount (net of credit allowance)

There are no significant changes to estimation techniques or assumptions made during the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONT'D)*

(a) *Credit risk (cont'd)*

(i) *Debt securities and loans at amortised cost (cont'd)*

The gross carrying amount of debt securities and loans at amortised cost, without taking into account of any collaterals held or other credit enhancements which represents the maximum exposure to loss, is as follows:

		Group		Company	
		2021	**2020**	**2021**	**2020**
		$'000	$'000	$ '000	$ '000
12-month ECL	Debt securities at amortised cost	6,048	6,747	190	142
Lifetime ECL	Debt securities at amortised cost	131	124	–	–
12-month ECL	Loans at amortised cost	8,725	8,643	5,145	4,749
Lifetime ECL	Loans at amortised cost	–	–	8,089	8,224
		14,904	15,514	13,424	13,116

The movement in allowance for expected credit losses of debt securities and loans at amortised cost are as disclosed in Note 19 and Note 22.

(ii) *Trade receivables and contract assets*

The Group provides for lifetime expected credit losses for all trade receivables and contract assets using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The provision rates also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONT'D)*

(a) Credit risk *(cont'd)*

(ii) Trade receivables and contract assets *(cont'd)*

Summarised below is information about the credit risk exposure on the Group's trade receivables and contract assets using provision matrix, grouped by geographical region:

	Contract assets	Current	Past due Within 30 days	Past due More than 30 to 90 days	Past due More than 90 days	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Singapore						
31 December 2021						
Gross carrying amount	78,702	6,631	99	–	338	85,770
Loss allowance provision	747	240	34	–	19	1,040
31 December 2020						
Gross carrying amount	67,523	29,000	2,223	–	840	99,586
Loss allowance provision	539	251	122	–	102	1,014
Other geographical areas						
31 December 2021						
Gross carrying amount	25,952	270	637	309	4,120	31,288
Loss allowance provision	1,089	29	11	25	404	1,558
31 December 2020						
Gross carrying amount	20,571	2,929	1,111	1,078	2,307	27,996
Loss allowance provision	653	46	21	35	269	1,024

Information regarding loss allowance movement of trade receivables and contract assets are disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONT'D)*

(a) ***Credit risk*** *(cont'd)*

(ii) ***Trade receivables and contract assets*** *(cont'd)*

As at 31 December 2021 and 2020, management has identified a group of debtors to be credit impaired as they experienced significant financial difficulties. Hence, management has assessed the recoverability of the outstanding balances separately from the provision matrix above.

	2021		2020	
	Trade receivables	**Contract assets**	**Trade receivables**	**Contract assets**
Group	$'000	$'000	$'000	$'000
Gross carrying amount	5,396	5,146	5,268	4,748
Loss allowance provision	(5,396)	(5,146)	(5,268)	(4,748)
Carrying amount	–	–	–	–

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Exposure to credit risk

At the end of the reporting period, 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 end of the reporting period is as follows:

	Group			
	2021		2020	
	$'000	% of total	$'000	% of total
By country:				
Singapore	6,775	59	35,063	83
Malaysia	3,434	29	5,575	13
Thailand	1,433	12	1,479	4
	11,642	100	42,117	100

NOTES TO THE FINANCIAL STATEMENTS

33. 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.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and Company's financial assets and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Within 1 year	**1 - 5 years**	**After 5 years**	**Total**
	$'000	$'000	$'000	$'000
Group				
2021				
Financial assets:				
Loans to a joint venture	–	9,230	–	9,230
Trade receivables (1)	11,642	–	–	11,642
Other receivables (2)	5,463	–	–	5,463
Pledged deposits	4,033	–	–	4,033
Cash and cash equivalents	59,474	–	–	59,474
Total undiscounted financial assets	80,612	9,230	–	89,842
Financial liabilities:				
Trade and other payables (1)	43,619	3,879	–	47,498
Other liabilities	5,627	–	–	5,627
Lease liabilities	1,073	1,155	3,355	5,583
Loans and borrowings	6,874	137,306	6,048	150,228
Total undiscounted financial liabilities	57,193	142,340	9,403	208,936
Total net undiscounted financial assets/ (liabilities)	23,419	(133,110)	(9,403)	(119,094)

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONT'D)*

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

	Within 1 year	1 - 5 years	After 5 years	Total
Group				
2020	$'000	$'000	$'000	$'000
Financial assets:				
Loans to a joint venture	–	8,936	–	8,936
Trade receivables (1)	38,642	–	–	38,642
Other receivables (2)	6,302	–	–	6,302
Pledged deposits	4,267	–	–	4,267
Cash and cash equivalents	53,566	–	–	53,566
Total undiscounted financial assets	102,777	8,936	–	111,713
Financial liabilities:				
Trade and other payables (1)	39,609	3,118	–	42,727
Other liabilities (3)	11,920	–	–	11,920
Derivatives	1,436	–	–	1,436
Lease liabilities	1,294	1,713	3,551	6,558
Loans and borrowings	6,484	148,393	8,928	163,805
Total undiscounted financial liabilities	60,743	153,224	12,479	226,446
Total net undiscounted financial assets/ (liabilities)	42,034	(144,288)	(12,479)	(114,733)

NOTES
TO THE FINANCIAL STATEMENTS

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONT'D)*

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

	Within 1 year	1 - 5 years	After 5 years	Total
	$'000	$'000	$'000	$'000
Company				
2021				
Financial assets:				
Amounts due from subsidiaries	5,145	–	–	5,145
Other receivables [(2)]	121	–	–	121
Cash and cash equivalents	520	–	–	520
Total undiscounted financial assets	5,786	–	–	5,786
Financial liabilities:				
Amounts due to subsidiaries	14,290	–	–	14,290
Trade and other payables [(1)]	206	–	–	206
Other liabilities [(3)]	755	–	–	755
Lease liabilities	109	437	3,355	3,901
Loans and borrowings	649	2,477	6,048	9,174
Total undiscounted financial liabilities	16,009	2,914	9,403	28,326
Total net undiscounted financial liabilities	(10,223)	(2,914)	(9,403)	(22,540)
2020				
Financial assets:				
Amounts due from subsidiaries	6,089	–	–	6,089
Other receivables [(2)]	142	–	–	142
Cash and cash equivalents	1,901	–	–	1,901
Total undiscounted financial assets	8,132	–	–	8,132
Financial liabilities:				
Amounts due to subsidiaries	9,113	–	–	9,113
Trade and other payables [(1)]	93	–	–	93
Other liabilities [(3)]	964	–	–	964
Lease liabilities	109	437	3,551	4,097
Loans and borrowings	765	3,660	8,929	13,354
Total undiscounted financial liabilities	11,044	4,097	12,480	27,621
Total net undiscounted financial liabilities	(2,912)	(4,097)	(12,480)	(19,489)

(1) Excluding goods and services tax receivable and payable
(2) Excluding prepayments
(3) Excluding deferred grant income

NOTES TO THE FINANCIAL STATEMENTS

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONT'D)*

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

The table below shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called. The Group does not provide financial guarantees for external parties.

	Within 1 year	1 - 5 years	After 5 years	Total
	$'000	$'000	$'000	$'000
Company				
2021				
Financial guarantees	16,311	23,717	–	40,028
2020				
Financial guarantees	6,401	31,858	1,472	39,731

(c) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company'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.

At the end of the reporting period, after taking into account the effect of an interest rate swap, approximately 3% (2020: 43%) of the Group's borrowings are at fixed rates of interest.

<u>Sensitivity analysis for interest rate risk</u>

At the end of the reporting period, if interest rates had been 10% (2020: 10%) lower/higher with all other variables held constant, the Group's loss before taxation would have been $68,200 (2020: $32,000) lower/higher, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility as in prior years.

(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 and Malaysian Ringgit (Ringgit). The foreign currency in which these transactions are denominated is mainly the United States Dollar ("USD").

<u>Sensitivity analysis for foreign currency risk</u>

The following table demonstrates the sensitivity of 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	
	2021	**2020**
	$'000	$'000
USD - strengthened 5% (2020: 5%)	100	99
USD - weakened 5% (2020: 5%)	(100)	(99)

NOTES TO THE FINANCIAL STATEMENTS

34. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes during the financial years ended 31 December 2021 and 2020. There is no external capital requirement imposed by a regulator or a prudential supervisor.

35. FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

- Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE FINANCIAL STATEMENTS

35. FAIR VALUES OF FINANCIAL INSTRUMENTS *(CONT'D)*

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	2021 $'000			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	Total
Group	(Level 1)	(Level 2)	(Level 3)	
Assets measured at fair value				
Financial assets:				
Investment securities at fair value through profit or loss (Note 15)				
Unquoted equity securities	–	–	–	–
Quoted equity securities	8	–	–	8
	8	–	–	8

	2020 $'000			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	Total
Group	(Level 1)	(Level 2)	(Level 3)	
Assets measured at fair value				
Financial assets:				
Investment securities at fair value through profit or loss (Note 15)				
Unquoted equity securities	–	–	–	–
Quoted equity securities	8	–	–	8
	8	–	–	8
Liabilities measured at fair value				
Financial liabilities:				
Derivatives (Note 23)				
Interest rate swap	–	(1,431)	–	(1,431)

NOTES TO THE FINANCIAL STATEMENTS

35. FAIR VALUES OF FINANCIAL INSTRUMENTS *(CONT'D)*

(c) *Level 2 fair value measurements*

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

Interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, interest rate curves and forward rate curves.

(d) *Level 3 fair value measurements*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	**Fair value $'000**	**Valuation techniques**	**Unobservable inputs**
31 December 2021 and 2020			
Recurring fair value measurements			
<u>At fair value through profit or loss</u>			
Unquoted equity securities (Note 15)	–	Income approach	Dividend yield: Nil %

(e) *Assets and liabilities not measured at fair value, for which fair value is disclosed*

<u>Non-current trade payables (Note 25)</u>

The carrying amounts of these financial liabilities are reasonable approximation of fair values estimated by discounting expected future cash flows, at the market rate of interest as at 31 December 2021 and 2020.

<u>Current trade and other receivables and payables (Notes 17, 22 and 25), other liabilities (Note 26), cash and bank balances (Note 24) and amounts due from/(to) subsidiaries (Note 19)</u>

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

<u>Non-current loans to a joint venture (Note 18) and loans and borrowings (Note 27)</u>

The carrying amount of these financial instruments are reasonable approximation of their fair values as they are floating rate instruments that re-priced to market interest rates on or near the end of the reporting period.

36. SEGMENT INFORMATION

Business information

For management purposes, the Group has four reportable segments organised based on their products and services 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 systems.

General construction

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

Property development

This segment is in the business of property development, focusing on developing residential properties and mixed developments, and the provision of property management and consultancy services.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

36. SEGMENT INFORMATION *(CONT'D)*

(a) Analysis by business segment

	Specialised engineering	General construction	Property development	Green technology	Total
	$'000	$'000	$'000	77$'000	$'000
31 December 2021					
Revenue					
External revenue	102,096	67,779	5,895	4,090	179,860
Inter-segment revenue	4,133	240	–	130	4,503
Total revenue	106,229	68,019	5,895	4,220	184,363
Results:					
Interest income	(89)	(6)	(15)	–	(110)
Interest expense	234	–	3,094	14	3,342
Depreciation of property, plant and equipment	1,286	26	15	625	1,962
Depreciation of right-of-use assets	1,145	–	–	–	1,145
Share of results of associates	304	–	97	–	401
Share of results of joint ventures	(6)	149	(3,590)	–	(3,447)
Other non-cash items:					
Write down for inventories obsolescence	8	–	–	–	8
Amortisation of deferred income	–	–	–	(193)	(193)
Amortisation of capitalised contract costs	–	–	178	–	178
Accreted interest	200	–	–	101	301
Fair value gain on derivative	–	–	(1,431)	–	(1,431)
Loss provision on trade receivables, contract assets and other receivables	1,256	(3)	–	20	1,273
Segment profit/(loss) before taxation	3,897	3,608	(5,042)	768	3,231
Income tax credit	(50)	–	(86)	–	(136)
Assets					
Investments in joint venture	68	–	5,925	–	5,993
Investments in associates	1,195	–	281	–	1,476
Additions to property, plant and equipment	757	12	(40)	5	734
Segment assets	79,610	28,799	185,153	11,529	305,091
Segment liabilities	44,748	35,113	135,258	3,601	218,720

NOTES TO THE FINANCIAL STATEMENTS

36. SEGMENT INFORMATION *(CONT'D)*

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

	Specialised engineering	General construction	Property development	Green technology	Total
	$'000	$'000	$'000	$'000	$'000
31 December 2020					
Revenue					
External revenue	90,455	22,375	2,584	6,087	121,501
Inter-segment revenue	3,747	2,732	–	142	6,621
Total revenue	94,202	25,107	2,584	6,229	128,122
Results:					
Interest income	(157)	(16)	(159)	–	(332)
Interest expense	354	–	3,377	52	3,783
Depreciation of property, plant and equipment	1,204	269	7	641	2,121
Depreciation of right-of-use assets	1,216	–	–	–	1,216
Share of results of associates	–	–	89	–	89
Share of results of joint ventures	–	189	(41)	–	148
Other non-cash items:					
Write back allowance for inventories obsolescence	(27)	–	–	–	(27)
Write back for impairment loss on properties held for sale	173	–	–	–	173
Amortisation of deferred income	–	–	–	(187)	(187)
Amortisation of capitalised contract costs	–	–	78	–	78
Accreted interest	51	–	–	105	156
Fair value loss on derivative	–	–	225	–	225
Loss provision on trade receivables, contract assets and other receivables	5,147	17	–	56	5,220
Segment loss before taxation	(6,740)	(10,968)	(8,250)	(1,392)	(27,350)
Income tax expense/(credit)	261	–	(3,100)	–	(2,839)
Assets					
Investments in joint venture	74	–	9,516	–	9,590
Investments in associates	891	–	184	–	1,075
Additions to property, plant and equipment	2,208	28	90	22	2,348
Segment assets	82,316	31,470	205,377	1,477	320,640
Segment liabilities	47,993	35,988	149,121	2,169	235,271

NOTES TO THE FINANCIAL STATEMENTS

36. SEGMENT INFORMATION *(CONT'D)*

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

Reconciliations of reported segment revenue, loss before taxation, and other material items

	Group	
	2021	**2020**
	$'000	$'000
Revenue		
Total revenue for reportable segments	184,363	128,122
Management fee from an associate	94	94
Elimination of intersegment revenue	(4,503)	(6,621)
	179,954	121,595
Profit/ (Loss) before taxation		
Total profit/(loss) before taxation for reportable segments	3,231	(27,350)
Management fee from an associate	94	94
Unallocated amounts:		
Other corporate income	173	386
Other corporate expenses	(3,713)	(4,528)
	(215)	(31,398)

Reconciliations of reported segment assets and liabilities

Assets		
Total assets for reportable segments	305,091	320,640
Other unallocated amounts	14,806	16,584
	319,897	337,224
Liabilities		
Total liabilities for reportable segments	218,720	235,271
Other unallocated amounts	11,303	11,947
	230,023	247,218

NOTES TO THE FINANCIAL STATEMENTS

36. SEGMENT INFORMATION *(CONT'D)*

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

	2021			2020		
Other material items	**Reportable segment totals**	**Adjustments**	**Entity totals**	**Reportable segment totals**	**Adjustments**	**Entity totals**
	$'000	$'000	$'000	$'000	$'000	$'000
Interest income	(110)	–	(110)	(332)	(66)	(398)
Interest expense	3,342	306	3,648	3,783	336	4,119
Write-down/(write-back) for inventory obsolescence	8	–	8	(27)	–	(27)
Impairment loss on properties held for sale	–	–	–	173	–	173
Accreted interest	301	–	301	156	–	156
Fair value (gain)/loss on derivatives	(1,431)	–	(1,431)	225	–	225
Depreciation of property, plant and equipment	1,962	374	2,336	2,121	1,079	3,200
Depreciation of right-of-use assets	1,145	52	1,197	1,216	274	1,490
Loss provision on trade receivables, contract assets and other receivables	1,273	–	1,273	5,220	–	5,220
Additions to property, plant and equipment	734	11	745	2,348	18	2,366
Income tax credit	(136)	–	(136)	(2,839)	–	(2,839)

The adjustments are unallocated items comprising mainly corporate assets, liabilities and expenses.

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

	Revenue		Non-current assets	
	2021	**2020**	**2021**	**2020**
	$'000	$'000	$'000	$'000
Countries				
Singapore	133,516	72,499	55,132	51,641
Malaysia	36,624	40,716	7,450	9,003
Thailand	9,814	8,380	1,857	1,693
Others	–	–	1,196	890
	179,954	121,595	65,635	63,227

NOTES TO THE FINANCIAL STATEMENTS

36. SEGMENT INFORMATION *(CONT'D)*

(b) Analysis by geographical segment *(cont'd)*

Information about major customers

During the financial year ended 31 December 2021, revenue from two major customers amounted to $69,364,000 arising from general construction and specialised engineering works.

There were no customer contributed more than 10% of the Group's revenue for the financial year ended 31 December 2020.

37. IMPACT OF COVID-19

The global outbreak of Coronavirus Disease 2019 (COVID-19) has caused severe disruption to global economic activities, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The impact of COVID-19 on the Group's financial performance for the financial year ended 31 December 2021 is set out below, as well as in the respective notes to the financial statements:

(i) The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

(ii) During the year, the Group has received various government grants in response to COVID-19 outbreak, which includes Jobs Support Scheme and Foreign Worker Levy rebate. The effects of the government grants received are disclosed in Note 31.

(iii) The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the revenue recognition on construction contracts, provision for expected credit losses of trade receivables and contract assets, and estimation of net realisable value of development properties as at 31 December 2021. The significant estimates and judgement applied are disclosed in Note 3.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruption on its future operating and financial performance. The Group will continue to assess the impact of COVID-19 on its business performance and financial position.

38. DIVIDENDS

	2021	**2020**
	$'000	$'000
Proposed but not recognised as liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the annual general meeting		
– Final exempt (one-tier) dividend for 2021: 0.3 cents (2020: $Nil)	967	–

NOTES TO THE FINANCIAL STATEMENTS

39. SUBSEQUENT EVENTS

(a) On 24 January 2022, a sale and purchase agreement was entered by Northernone Development Pte. Ltd. ("NODPL"), a 25.05% owned joint venture company of the Group, for the sale of the entire issued and paid-up share capital of Northern Retail Pte. Ltd. ("NRPL") and assignment of the outstanding principal and all accrued interest under a shareholder's loan extended to NRPL by NODPL (the "Proposed Disposal"). NRPL is 100% owned by NODPL and it owns and operates the Wisteria Mall (the "Property"). The purchase price of the Proposed Disposal is based on an agreed property value of the Property of $205,000,000 (the "Agreed Property Value") and the estimated net asset value of NRPL (not inclusive of the Agreed Property Value, bank facilities owing by NRPL to a financial institution and the shareholder's loan which is to be assigned) as at the completion date of the Proposed Disposal on 28 February 2022.

(b) On 22 March 2022, the Group entered into an option to purchase (the "Option") to acquire a piece of freehold land measuring 15,800 square metres together with a factory erected thereon in the State of Johor, Malaysia (the "Property") at an agreed purchase price of approximately $5.2 million. Pursuant to the Option, a conditional sale and purchase agreement ("SPA") is to be executed within ninety days from the date of the Option. Completion of the acquisition of the Property is conditional upon approval being obtained from the Johor State Authority within six months from the date of the SPA and/or within any mutually agreed extended period. The Property is currently occupied by the Group on a rental basis for use as a factory and holding yard for the fabrication and installation of Prefabricated Prefinished Volumetric Construction modules. It is intended that the Group continues to use the Property for the same purpose after the acquisition.

(c) On 25 March 2022, the Group registered a joint venture partnership, Sinohydro-Singapore Engineering & Construction Joint Venture ("Sinohydro-SEC JV"), in which the Group holds 50% equity interest. There is no capital contribution currently. The principal activities of Sinohydro-SEC JV is that of construction of building, tunnel road and other civil engineering projects. In particular, it will undertake the contract awarded by Land Transport Authority in February 2022 for the design and construction of Pasir Ris East Station for Cross Island Line 1.

40. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 31 March 2022.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The Directors and Management of BBR Holdings (S) Ltd (the "Company") are committed to maintaining a high standard of corporate governance to protect the interests of shareholders as well as strengthen investors' confidence. The Company confirms that it has adhered to the principles and guidelines of the Code of Corporate Governance 2018 ("2018 Code") for the financial year ended 31 December 2021. Deviations from the 2018 Code, if any, have been explained appropriately in this report.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible, and works with Management, for the long-term success of the Company.

The Board of Directors comprises seven directors and two alternate directors, namely:

Executive	:	Mr. Tan Kheng Hwee Andrew Mr. Voon Yok Lin Mr. Voon Chet Chie (alternate to Mr. Voon Yok Lin)
Non-Executive	:	Mr. Bruno Sergio Valsangiacomo Dr. Pietro Brenni Mr. Romano William Fanconi (alternate to Dr. Pietro Brenni)
Independent	:	Prof. Yong Kwet Yew Ms. Luk Ka Lai Carrie Mr. Lim Boon Cheng

The Board has overall responsibility for the long-term success of the Company and its value creation. Apart from its statutory responsibilities, the Board is responsible for overseeing and supervising the management and corporate affairs of the Group. Board members are expected to act in good faith and exercise independent judgement in the best interests of the Group. All Directors have objectively discharged their fiduciaries duties and responsibilities in every circumstance in the best interests of the Company and hold management accountable for performance.

The principal functions of the Board are:

- set the strategic direction of the Group and ensure the necessary financial and human resources are in place for the Group to meet its objectives;
- establish a framework of prudent and effective controls so as to safeguard the shareholders' interests and the Company's assets;
- review and approve financial performance of the Group including its half-yearly and full year financial results announcements;
- review and assess the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information controls, the effectiveness of its internal audit, risk management and compliance functions, and the adequacy of the resources allocated to these functions;
- identify key stakeholder groups and set the values and standards so as to ensure that obligations to these stakeholders and shareholders are met;
- consider sustainability issues, e.g. environmental and social factors, as part of its strategic formation;
- to approve annual plan and budgets, key operational matters, major funding proposals, investment and divestment proposals, corporate and financial restructuring, material acquisitions and disposal of assets, convening of shareholders' meetings, review and approve interested person transactions, recommend dividend payments, and share buybacks, where applicable;
- review and ensure that the appropriate policies and practices on corporate governance are in place;
- review and monitor Group policies and practices on compliance with legal and regulatory requirements;
- assess annually the effectiveness of the Board and the Board Committees, and contributions of each director;
- oversee the design and operation of the Company's remuneration policy and compensation framework; and
- develop a succession plan for directors and key management personnel of the Company, including the Chief Executive Officer ("CEO"), through the Nominating Committee.

CORPORATE GOVERNANCE

Under the terms of reference of the Board of Directors, a Director shall avoid any conflict of interest to the fullest extent possible, and declare any actual and potential conflicts of interest. He/she should not vote on any matter in which he/she has any direct or indirect interest and should recuse himself/herself from the portion of the meeting where there is a potential conflict. In addition, his/her presence should not be counted towards the quorum of any meeting for any resolution where he/she is recused or refrained from voting.

The Group has in place a Code of Conduct and all employees are to demonstrate integrity and professionalism in the workplace. All staff are also required to declare any conflict of interest that he/she may have with the Group.

Every new Director will receive appropriate induction 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.

Upon appointment of each director, the Company will provide a formal letter to the director, setting out the director's duties and obligations.

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; and
- relevant new legislation, regulations and changing commercial risks.

The updates and briefings were facilitated via attendance at conferences and seminars conducted by The Singapore Exchange Securities Trading Limited ("SGX-ST"), other external trainers, circulation of memoranda by Ernst & Young LLP, company secretary, and the Company, including briefings at Board and committee meetings.

Directors are encouraged to attend training courses and conferences conducted by professional organisations or institutions to keep abreast of changes in laws, regulations and financial reporting standards, at the Company's expense.

Any new director who has no prior experience as a director of a listed company must undergo the mandatory training in the roles and responsibilities of a director of a listed company according to Rule 210(5)(a) of the Mainboard Listing Manual. Dr. Pietro Brenni who was appointed to the Board on 3 May 2021 had attended the Listed Entity Directors Programme organised by the Singapore Institute of Directors and completed the following four modules:

LED 1 – Listed Entity Director Essentials
LED 2 – Board Dynamics
LED 3 – Board Performance
LED 4 – Stakeholder Engagement

The approval of the Board is required for certain material transactions, which include the following:

- policy or strategic matters affecting the Group;
- major investment proposals or divestitures;
- reorganisation or substantial transactions which have a material impact on the Group;
- periodic announcements of financial results and annual reports;
- declaration of dividends to shareholders;
- approve the organisational structure of the Company and its key management positions;
- the compensation packages and incentive payment structure for key management positions in consultation with the Remuneration Committee;
- share buyback;
- recommendations for any issuance of shares and subdivision of shares;
- borrowing of funds;
- provision of any corporate guarantees by the Company; and
- any change to the terms of reference of any Board Committee.

CORPORATE GOVERNANCE

All the directors have objectively discharged their duties and responsibilities in every circumstance as fiduciaries in the interests of the Company. To facilitate effective management, the Board has delegated the authority to make certain decisions to the various Board Committees, namely the Audit Committee, Remuneration Committee, Nominating Committee, Investment Committee, and Risk Management Committee. The effectiveness of each Board Committee is also closely monitored. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decision and/or recommendations, it has not abdicated its ultimate responsibilities. The composition of each Board Committee, the terms of reference for the respective Board Committees and their activities are disclosed in the following paragraphs.

Board and Board Committee meetings have been held regularly and as required by the particular circumstances in each financial year. The Company's Constitution has provided for meetings of Directors and Board Committees to be conducted by means of telephone and video-conference and other methods of simultaneous communication by electronic, telegraphic or other similar means, where applicable, by which the foreign directors who reside overseas could participate in the meetings. Where appropriate, decisions may be taken by way of Directors' circulating resolutions in writing.

The number of meetings held in 2021 and the attendance of each Board member at these meetings was as follows:

NAME OF DIRECTOR	Board	Audit Committee	Remuneration Committee	Nominating Committee
Number of meetings held	**4**	**4**	**1**	**3**
Number of meetings attended:				
Mr. Tan Kheng Hwee Andrew	4	4*	1*	3*
Mr. Voon Yok Lin/Voon Chet Chie	4	N.A.	N.A.	N.A.
Mr. Bruno Sergio Valsangiacomo	4	N.A.	1	N.A.
Dr. Pietro Brenni/Romano William Fanconi (appointed on 3 May 2021)	3	N.A.	N.A.	N.A.
Prof. Yong Kwet Yew	4	4	1	3
Ms. Luk Ka Lai Carrie	4	4	1	3
Mr. Lim Boon Cheng (appointed on 3 May 2021)	3	3	N.A.	-
Mr. Marcel Poser (resigned on 30 April 2021)	-	N.A.	N.A.	N.A.
Mr. Soh Gim Teik (retired on 26 April 2021)	1	1	N.A.	3

* Attendance by invitation

The Nominating Committee has considered each Director's other board representations and principal commitments and is satisfied that each Director is able to carry out and has been adequately carrying out their duties as a Director of the Company and that each Director has given sufficient time and attention to the affairs of the Company and the Group.

The Nominating Committee also determined that each Director has attended and actively participated in the discussions and deliberations of the Board and, where they hold Board Committee membership, of the Board Committees.

Management assists in the preparation of the formal papers for the Board and Board Committee meetings and such papers are circulated in advance of the meetings so as to provide complete, adequate and timely information prior to the meetings. The Management makes available to the Board quarterly management accounts, including explanations for variances between projected and actual results, annual budget reports, and yearly review of business segments and prospects.

CORPORATE GOVERNANCE

In between Board meetings, the Board receives updates on important matters affecting the business from the CEO. The CEO is always available to answer questions from the Directors. In order to ensure that the Board is able to fulfil its responsibilities, the Management is required to provide timely information on matters that require the Board's decision and reports on material operational and financial matters of the Group on an on-going basis. The Directors also have unrestricted access to the Company's records and information.

Management is invited to attend relevant discussions at Board and Board Committee meetings, where applicable, to address any queries which the Board may have. The Board has separate and independent access to the Management, the company secretary and internal and external auditors on all matters whenever they deem necessary.

Where decisions to be taken require expert opinion or specialised knowledge, the Directors, as a group or individually, may seek independent professional advice as and when necessary at the Company's expense. The appointment of such independent professional advisory is subject to approval by the Board.

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 or a representative from the company secretary's office attends all meetings of the Board and Board Committees as well as general meetings. The Board decides on the appointment and removal of the company secretary.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Company endeavours to maintain a strong and independent element on the Board. The Board comprises five Non-Executive Directors and two Executive Directors with Non-Executive Directors making up a majority of the Board. There are three Independent Directors in the Board including the Chairman of the Board and Independent Directors make up at least one-third of the Board.

The independence of each Independent Director is reviewed annually by the Nominating Committee.

The Company has adopted guidelines set out in the 2018 Code in determining independence of directors. An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

The Nominating Committee and the Board have confirmed the independence of the Company's Independent Directors taking into consideration the following:

(a) none of the Independent Directors was employed by the Company or any of its related corporations for the current or any of the past three (3) financial years; and

(b) none of the Independent Directors have an immediate family member who is, or has been in any of the past three (3) financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the remuneration committee.

The independence of each Independent Director is reviewed and determined by the Nominating Committee annually with reference to Mainboard Rule 210(5)(d)(i) and (iii) of the SGX-ST Listing Rules and also based on guidelines set out in the 2018 Code and the individual Director's declaration.

The Board recognises that Independent Directors may over time develop significant insights into the Group's business and operations, and can continue to objectively provide significant and valuable contribution to the Board as a whole. The Board will conduct a rigorous review of the continuing contribution and independence of Independent Directors that have been in office for more than nine (9) years.

CORPORATE GOVERNANCE

The Nominating Committee takes the view that a Director's independence cannot be determined solely and arbitrarily on the basis of the length of tenure. The experience, expertise, professionalism, integrity, objectivity and independent judgement in engaging and challenging the management in the interests of the Company and other stakeholders, performing director's duties in good faith, are more critical measures in ascertaining a Director's independence than the number of years served on the Board.

The Nominating Committee (saved for Prof. Yong Kwet Yew) has assessed and evaluated the performance and contribution of Prof. Yong Kwet Yew and noted that even though Prof. Yong has served more than nine (9) years, his independence as a Director is not affected as he continues to demonstrate his independent leadership and guidance through active participation and objective questioning on matters discussed during the Board and Committee meetings, has led discussions, debated issues, objectively scrutinised and challenged Management and offered independent views on critical areas of the Group's business and governance issues, for example:

(a) Key management succession – identifying key management personnel, including CEO's succession;

(b) Strategic development / long term plan of the industry, which can be a different perspective from that of the CEO and/or management;

(c) Business landscape review and the way forward – views which may not, at the first instance, necessarily, be the same as the CEO's and/or management; and

(d) Liaising with the Non-Executive Directors and representing the majority shareholders on many issues and each time demonstrated his independence in the discussions.

Prof. Yong, had on a number of occasions gave independent, valuable and constructive feedbacks pertaining to the risk profile of projects which the management were keen to pursue, thus providing important counter-checks for the management. As a reputable professional in the engineering and construction field, Prof. Yong knows the Group's business and industry very well. He provides excellent advice on the Group's businesses and corporate governance due to his vast experience in other organisations and government agencies. As Chairman of the Board, he engages well with shareholders at annual general meetings.

The Nominating Committee (saved for Ms. Luk Ka Lai Carrie) has assessed and evaluated the performance and contribution of Ms. Luk Ka Lai Carrie and noted that even though Ms. Luk has served more than nine (9) years, she has continuously exercised independent judgement for the benefits and best interests of the Company and its stakeholders. She is an effective chairperson of the Audit Committee, very knowledgeable in finance, accounting, legal and governance matters and has many years of working experience relating to the business aspects of the construction and engineering industry. She had independently enquired on key control issues, sought clarifications, offered critical insights and independent views during the Board and Committee meetings or through direct access to the Management.

The following selective examples demonstrate her independence:

(a) As chairperson of the AC, she had independently enquired on key control and performance issues on several occasions and advised the CEO and Management to address the issues;

(b) She has offered critical insight to risks in investment proposed by the management which includes property development and acquisition of companies, and in a few instances, has requested the management to improve the terms of joint venture agreement before final approval, sometimes after a few iterations;

(c) On key management succession she offered important independent views on suitability of candidates for leadership succession and key management personnel including CEO's succession; and

(d) She has offered independent views on long term strategy or plan of the Company.

The Board is of the view that the Prof. Yong and Ms. Luk Ka Lai Carrie have over the years developed significant insights in the Group's business and operations and can continue to provide significant and valuable contribution objectively to the Board as a whole.

CORPORATE GOVERNANCE

After taking into account these factors, the views of the Nominating Committee, the Board has considered and determined that Prof. Yong Kwet Yew and Ms. Luk Ka Lai Carrie are regarded as Independent Directors of the Company during their tenure as Independent Directors, notwithstanding that they have served on the Board beyond nine years. The Board will nevertheless on a continual basis, review the need for Board renewal.

The three Independent Directors of the Company communicate regularly to discuss matters relating to the Group's financial performance, corporate governance initiatives, board processes as well as succession planning and leadership development.

Each Independent Director is required to complete a Director's Independence Declaration annually to confirm his/her independence based on the guidelines as set out in the 2018 Code. The Directors must also confirm whether they consider themselves independent despite not having any relationship identified in the 2018 Code.

Based on the declaration and review by the Nominating Committee, all the three (3) Independent Directors have no business relationship with the Company and the Group and have not been directly or indirectly interested in the shares of the Company and the Group. In situations where there may be a potential conflict of interest or lack of impartiality, the respective Independent Directors will recuse themselves completely.

The Nominating Committee and the Board concur that all the three (3) Independent Directors are independent notwithstanding the length of tenure of their service as they have continually demonstrated independence in the conduct, character and judgement, through, inter alia, their contributions to Board discussions and deliberations and the ability and preparedness to exercise independent business judgement and/or decisions for to the best interest of the Company and its stakeholders, without undue reliance, influence or consideration of the interested parties such as the CEO, other directors, controlling shareholders and/or their associates. They have demonstrated strong independent conduct, character, and judgement over the years in discharging their duties and responsibilities as independent directors of the Company with the utmost commitment in upholding the interest of the non-controlling shareholders and other stakeholders. In addition, they have expressed individual viewpoints, debated issues and objectively scrutinised and challenged Management. They have sought clarification and amplification as they deemed necessary, including through direct access to the management.

The Board is of the view that the Independent Directors have over the years developed significant insights in the Group's business and operations, and can continue to provide significant and valuable contribution objectively to the Board as a whole. The Board will nevertheless on a continual basis, review the need for progressive refreshing of its Board.

After taking into account these factors, the views of the Nominating Committee and having weighed the need for Board's refreshment against tenure, the Board has considered and determined that Prof. Yong Kwet Yew and Ms. Luk Ka Lai Carrie continue to be regarded as Independent Directors of the Company, notwithstanding that they have served on the Board beyond nine years.

The Company recognises and embraces the importance and benefits of having a diverse Board to enhance its performance and has adopted a Board Diversity Policy. The Company believes that diversity is an important attribute of a well-functioning and effective Board and will enhance the decision-making of the Board by utilising the variety of skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of the members of the Board. All director appointments will be based on merit, having due regard to the overall balance and effectiveness of the Board.

The Board has evaluated its size, composition and skills of its members to ensure an appropriate balance and diversity of skills, experience and knowledge.

The Board comprises members that possess a wealth of experience ranging from accounting and finance, engineering, industry knowledge, management and strategic planning who, as a group, provide core competencies necessary to meet the demands facing the Company and the industry and provide leadership of the Company. Key information regarding the directors is set out under the section entitled "Board of Directors" in this Annual Report.

The Board is satisfied that the current size of the Board is appropriate for effective decision-making, given the size, scope and nature of the operations of the Company. It will continue to review the size and composition of the Board for effectiveness.

During Board and Board Committee meetings, our Non-Executive Directors have participated constructively in the mapping of strategic plans and reviewed critically the performance of the CEO and management in meeting goals and objectives. They have informal meetings without the presence of the CEO and management to discuss the performance of the Company and the Group.

CORPORATE GOVERNANCE

Rule 210(5)(d)(iii) of the Mainboard Listing Manual

Rule 210(5)(d)(iii) of the Mainboard Listing Manual which has taken effect on 1 January 2022 and provides that a director will not be independent if he has been a director for an aggregate period of more than nine years and his continued appointment as an independent director has to be sought and approved in separate resolutions via a two-tier voting by (a) all shareholders, and (b) shareholders excluding directors and the chief executive officer, and their respective associates. Accordingly, in the last annual general meeting ("AGM"), the two-tier voting had been sought and approved for the continued appointment of Prof. Yong Kwet Yew and Ms. Luk Ka Lai Carrie as Independent Non-Executive Directors with effect from 1 January 2022 until their retirement or resignation.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The clear division of responsibilities between the Independent Chairman and the Chief Executive Officer ensures a proper balance of power and authority of the Group.

Prof. Yong Kwet Yew has been the Chairman of the Board since 28 April 2008.

The Chairman's role includes the following:

- scheduling meetings that enable the Board to perform its duties responsibly while not interfering with the flow of the Company's operations;
- preparing agendas for meetings in consultation with the CEO;
- exercise control over quality, quantity and timeliness of the flow of information between Management and the Board;
- assist in ensuring compliance with Company's guidelines on corporate governance;
- facilitating the effective contribution of the non-executive directors;
- ensuring effective communication with shareholders;
- encourage constructive relations within the Board and between the Board and Management; and
- promote high standards of corporate governance.

Mr. Tan Kheng Hwee Andrew, the Group CEO, and Mr. Voon Yok Lin are Executive Directors of the Company. Together with the Management, they are responsible for the daily operations and administration of the Group.

The Board is of the view that power is not unduly concentrated in the hands of one individual nor is there any unfettered powers of decision-making that may compromise accountability and independent decision-making as all decisions and policy changes are conducted through the respective Board Committees, which are chaired by Independent Directors.

The Company has not appointed a lead independent director because the Chairman and the CEO are separate persons and they are not family members. The Chairman is also an Independent Director who is not part of the management team.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Nominating Committee ("NC") comprises three Independent Directors, namely:

Prof. Yong Kwet Yew - Chairman
Ms. Luk Ka Lai Carrie
Mr. Lim Boon Cheng

The NC was established for the purpose of ensuring that there is a formal and transparent process for all board appointments.

The terms of reference of the NC are:

- To review the structure, size and composition of the Board and Board Committees;
- To review the succession plans for the Board Chairman, Directors, CEO and other senior management;
- To consider, at the request of the Board or the Chairman, all appointments to the Board and upon the appointment of a new director, provide a formal appointment letter to the director, setting out the duties and obligations as a director;
- To provide advice and recommendations to the Board and the Chairman on renomination of directors to the Board having regard to the director's contribution and performance, for example, attendance, preparedness, participation and candour including, if applicable, as an independent director;
- To determine annually, or whenever necessary during the year, whether or not a director is independent, bearing in mind the circumstances set forth in the 2018 Code and any other salient factors;
- To develop a transparent process for evaluating the performance of the Board and the contributions from the Directors on a year to year basis; and
- To review the training and professional development programmes for the Board.

Selection, appointment and re-appointment of directors

In the search for new directors, the NC will identify the key attributes that an incoming director should have based on the requirements of the Group, its nature of business, attributes of the existing Board members and Board diversity. After the Board has endorsed the key attributes, the search for potential candidates begin by first tapping on existing directors' personal contacts and recommendations of business associates, followed by a shortlisting process by the NC. The NC interviews the shortlisted candidates, before making recommendations for further interview or approval by the Board. Should a controlling shareholder nominate a candidate as a non-executive and non-independent director, the NC will perform an independent assessment as to whether he/she has the appropriate attributes to be a director of a listed company prior to approval by the Board.

In re-appointment of directors as and when their tenure of appointment is due, the NC evaluates several criteria, including qualifications and independence of the director, and his/her contribution and performance to the effectiveness of the Board.

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 years.

The NC is also tasked with deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director, particularly when he has multiple board representations, and to assess the maximum number of listed entity board representations which any one of the Directors may hold.

After conducting reviews, the NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group taking into consideration their attendance and active participation at Board meetings, and other activities besides Board meetings.

Details of the appointment of Directors, including date of initial appointment, date of last re-election, listed company directorships (other than BBR Holdings (S) Ltd) for both current and for the preceding five years, and principal appointments, are set out below:

CORPORATE GOVERNANCE

Name of Director	Date of First Appointment	Date of Last Re-election	Present Principal Commitments[3] (including Listed Directorship)	Past Five Years Principal Commitments [3] (including Listed Directorship)
Mr. Tan Kheng Hwee Andrew	01/04/1994	26/04/2021	Principal Commitments BBR Holdings (S) Ltd and its group of companies	–
Mr. Voon Yok Lin	21/06/2017	23/06/2020	Principal Commitments BBR Holdings (S) Ltd and its group of companies, in particular, BBR Construction Systems (M) Sdn. Bhd. – Managing Director Strengthened Soil Wall (M) Sdn. Bhd. – Director	Principal Commitments Voon Yok Lin Holdings Sdn. Bhd. – Director
Mr. Bruno Sergio Valsangiacomo	11/02/1997	26/04/2021	Principal Commitments Switzerland FFC Fincoord Finance Coordinators Ltd. – Chairman Proceq SA – Chairman Stahlton AG – Vice-Chairman BBR Holding AG – Chairman Tectus SA – Chairman Stahlton Bauteile AG – Vice-Chairman Virtually Live (Switzerland) GmbH – Director Brain Forum – Board member Screening Eagle Technologies AG – Chairman United Kingdom Virtually Live Holding (UK) Ltd. – Board member Vesalius Holding Ltd. – Board member Gibraltar Oximesa Holdings Ltd. – Director British Virgin Islands Voco Ltd. – Director Singapore Screening Eagle Dreamlab Pte. Ltd. – Director	Principal Commitments Switzerland FFC Fincoord Holding AG – Chairman
Dr. Pietro Brenni	03/05/2021	Not applicable	Principal Commitments Brenni Engineering SA – CEO, Board President Stahlton AG – Board member Stahlton Bauteile AG – Board Member BBR Holding AG – Board member	–
Prof. Yong Kwet Yew	19/08/1997	29/04/2019	Principal Commitments National University of Singapore – Professor and Senior Vice President Listed Directorships[4] Tritech Group Limited Boustead Projects Limited	–

CORPORATE GOVERNANCE

Ms. Luk Ka Lai Carrie	24/09/1997	23/06/2020	Principal Commitments Carrie Cheong & Ethel Low Consulting Pte. Ltd. – Director / CEO Carrie Cheong & Associates – Sole-proprietor Listed Directorship[4] Tiong Woon Corporation Holding Ltd	–
Mr. Lim Boon Cheng	03/05/2021	Not applicable	Principal Commitments Fitzroy Corporate Advisory – Owner AIB MT Fund Asia Pte. Ltd. (In Members' Voluntary Liquidation) – Director Listed Directorships[4] Advanced Holdings Ltd Design Capital Ltd, listed on Hong Kong Stock Exchange	Principal Commitments FG Investors Pte. Ltd. – Director FGPO (Singapore) Pte. Ltd. – Director FG Property No. 1 Pte. Ltd. – Director
Mr. Romano William Fanconi [1]	24/04/2015	–	Principal Commitments Switzerland FFC Fincoord Finance Coordinators Ltd. – Managing Partner Tectus S.A. – Board member Proceq S.A. – Board member BBR Holding A.G. – Board member BBR VT International Ltd – Board member GEHAG Real Estate AG – Board member Vektor AG (in Liquidation) – Liquidator Virtually Live (Switzerland) GmbH – Director NeuroPro AG – Chairman United Kingdom Virtually Live Holding Ltd. – Director Vesalius Holdings Ltd – Director Canada Contessa Development Inc. – Board member Singapore Proseq Asia Pte. Ltd. – Director	Principal Commitments Switzerland FFC Fincoord Holding AG – Board member United States Proceq US Inc. – Director China Proceq Trading (Shanghai) Co. Ltd. – Supervisor Iceland Icelandic Water Holdings hf. – Board member
Mr. Voon Chet Chie [2]	21/06/2017	-	Principal Commitments BBR Construction Systems (M) Sdn. Bhd. – Director (Operations)	Principal Commitments Voon Yok Lin Holdings Sdn. Bhd. – Director

(1) Alternate director to Mr. Marcel Poser
(2) Alternate director to Mr. Voon Yok Lin
(3) Principal appointments includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships, and involvement in non-profit organisations
(4) Listed directorships refers to directorships in companies listed on Singapore Exchange Securities Trading Limited unless otherwise indicated

All retiring directors are subject to an assessment by their peers and NC on factors such as level of participation and effectiveness in 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 Regulation 111 of the Constitution of the Company, the following Directors are due to retire by rotation and submit themselves for re-election at the forthcoming AGM:

Prof. Yong Kwet Yew
Mr. Voon Yok Lin

CORPORATE GOVERNANCE

In accordance with Regulation 115 of the Constitution of the Company, the following Directors who were appointed on 3 May 2021 shall retire and seek re-election at the forthcoming AGM:

Dr. Pietro Brenni
Mr. Lim Boon Cheng

As part of the Board renewal process, Prof. Yong Kwet Yew had indicated previously his intention not to seek re-election at the forthcoming AGM when he is due for retirement. Prof. Yong is a reputable professional in the engineering and construction field and has provided excellent advice on the Group's businesses and corporate governance due to his vast experience in the construction industry as well as in other organisations and government agencies. Amidst the challenges being faced by the Group brought on by the Covid-19 pandemic, all Board members (save for Prof. Yong himself), requested that he serves one more term on the Board to ensure stability and continued leadership of the Group to ride through these turbulent times. Nonetheless, the Board is mindful of our commitment for Board renewal. The Board is pleased that Prof. Yong has graciously agreed to stand for re-election as a Non-Independent and Non-Executive Director. If re-elected, he will remain as Chairman of the Board and a Non-Executive Director.

The NC has recommended Mr. Voon Yok Lin, Dr. Pietro Brenni and Mr. Lim Boon Cheng (saved for Mr. Lim Boon Cheng who has abstained from the evaluation and voting of his own nomination) 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, board committees, participation and any special contributions.

If re-elected at the AGM, Mr. Voon Yok Lin will remain as an Executive Director of the Company.

If re-elected at the AGM, Dr. Pietro Brenni will remain as a Non-Executive Director of the Company.

If re-elected at the AGM, Mr. Lim Boon Cheng, being an Independent Director, will remain as Chairman of the Investment Committee and a member of the Audit Committee, Remuneration and Nominating Committee.

The Board will induct a new member to serve as an Independent Director of the Company and reconstitute the Board Committees to comply with the SGX listing rules.

<u>Alternate Directors</u>

Dr. Pietro Brenni has appointed Mr. Romano William Fanconi as his alternate director on 3 May 2021 to facilitate full board attendance and representation by the controlling shareholder, BBR Holding AG, Switzerland at each Board meeting. Dr. Pietro Brenni is a foreign Non-Executive Director and his alternate shall attend Board meetings should he be unable to do so. Mr. Romano William Fanconi was appointed after the NC and the Board had reviewed and concluded that he would similarly have qualified as a Non-Executive Director. He bears all the duties and responsibilities of a director.

Similarly, Mr. Voon Yok Lin has appointed his son, Mr. Voon Chet Chie as his alternate director on 21 June 2017 to facilitate board attendance at each board meeting. Mr. Voon Yok Lin is a foreign Executive Director and his alternate shall attend Board meetings should he be unable to do so. Mr. Voon Chet Chie has building and construction experience in both public and private sectors in Malaysia and is currently the Director for Operations in the Malaysia subsidiary, BBR Construction Systems (M) Sdn. Bhd. With his qualification, experience and the industry knowledge that he possesses, the NC and the Board had approved his appointment as an alternate director.

The NC is responsible for reviewing the independence of each Director on an annual basis. The details of the review conducted is set out under Principle 2 of this report.

CORPORATE GOVERNANCE

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.

An annual board evaluation process has been implemented by the NC for assessing the effectiveness of the Board as a whole and that of each of its Board Committees, as well as the contribution by the Chairman and each individual director to the Board. The assessment parameters which had been approved by the Board include, among other things, Board's composition, performance, process and procedures, risk management and internal controls, individual director's competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience, leadership and communication skills and customer-based experience or knowledge, contributions to the Board and long-term strategies of the Company. Changes, if any, to the assessment parameters are justified by the Board.

Based on the evaluation for 2021, the NC is satisfied that the Directors have shown commitment and devoted sufficient time in discharging their responsibilities adequately towards the Group, notwithstanding that some of the Board members have multiple board representations. Since multiple board representations do not hinder them from carrying out their duties as Directors of the Company, the Board has not set a maximum limit on the number of listed companies' board representations for its Directors.

No external consultant has been engaged to facilitate the annual board evaluation process. The company secretary facilitated the evaluation without engaging an external consultant.

The Board and the NC strive 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 balanced and well-considered decisions to be made.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Remuneration Committee ("RC") comprises three Non-Executive Directors, with two of its members, including the Chairman, being Independent Directors. They are:

Prof. Yong Kwet Yew - Chairman
Mr. Bruno Sergio Valsangiacomo
Ms. Luk Ka Lai Carrie

The RC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No director is involved in deciding his own remuneration.

The duties and responsibilities of the RC include, among others:

- review and recommend to the board a framework of remuneration for the Board and key management personnel ("KMP");
- review the specific remuneration packages for each director and the CEO (or executive of equivalent rank if the CEO is not a director) as well as KMP. Remuneration includes, but not limited to director fees, salaries, allowances, bonus, options, share-based incentives and benefits in kind;
- review all aspects of remuneration, including the termination clause of the service contracts of the CEO and KMP to ensure that it is fair and reasonable and not overly generous; and
- review and recommend salary adjustments and bonuses of the CEO and KMP at each year-end.

Recommendations from the RC are submitted to the entire Board for endorsement.

The RC deems unnecessary to seek expert advice on remuneration to Directors. In its deliberations, the RC takes into consideration industry practices and norms in compensation, in addition to the Company's relative performance to the industry.

CORPORATE GOVERNANCE

The Board has reviewed the composition of the RC which comprises entirely Non-Executive Directors to minimise the risk of any potential conflict of interest. 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.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the Company.

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 individual and corporate performance conditions which are aligned with the interests of shareholders and other stakeholders and promotes long-term success of the Company and the Group.

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.

The Independent Directors and Non-Executive Directors are paid directors' fees only, the value of which has taken into consideration the effort, time spent, scope and extent of responsibilities and benchmarked against market expectations. Accordingly, the RC views that directors' fees of the Non-Executive Directors are not over-compensated. The yearly fees are recommended by the RC, endorsed by the Board and will be subject to approval by members of the Company at annual general meetings. Travelling and accommodation expenses of overseas Non-Executive Directors to board and general meetings in Singapore are reimbursed by the Company.

The RC determined that the remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship to the Company and KMP to successfully manage the Company for the long term.

DISCLOSURE ON REMUNERATION

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

<u>Directors of the Company</u>

The remuneration bands and components in percentage terms of the Directors' remuneration based on amounts received in financial year 2021 are as follows:

Name of Director	**Basic salary**	**Variable performance bonus**	**Benefits-in-kind and others**	**Director's fee**	**Total**
	%	%	%	%	**%**
Above $500,000 and below $750,000					
Mr. Tan Kheng Hwee Andrew	87	7	3	3	100
Below $250,000					
Mr. Voon Yok Lin	79	9	3	9	100
Mr. Voon Chet Chie [(1)]	91	8	1	–	100
Mr. Bruno Sergio Valsangiacomo	–	–	–	100	100
Dr. Pietro Brenni/Mr. Romano William Fanconi [(2)]	–	–	–	100	100
Prof. Yong Kwet Yew	–	–	–	100	100
Ms. Luk Ka Lai Carrie	–	–	–	100	100
Mr. Lim Boon Cheng	–	–	–	100	100

(1) Alternate director to Mr. Voon Yok Lin
(2) Alternate director to Dr. Pietro Brenni

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

The Directors' fees for financial year 2020 amounted to $255,000.00 were paid in financial year 2021 after approval by the members at the AGM held on 26 April 2021.

Key Management Personnel (**"KMP"**)

Compensation of KMP consists of salary, bonus and performance share awards that are dependent on the performance of the Company, the Group and individual performance.

The remuneration bands and components in percentage terms of the top five KMP are as follows:

Remuneration Band	**Number of key executives**	**Basic salary**	**Variable performance bonus**	**Benefits-in-kind and others**	**Total**
		%	%	%	**%**
$250,000 to below $500,000	4	85	14	1	100
Below $250,000	1	93	7	-	100

The Board is of the view that given the sensitive and confidential nature of employees' remuneration, detailed disclosure of the compensation for KMP is not in the best interests of the Company and the Group. Such disclosure would disadvantage the Group in relation to its competitors and may affect adversely the cohesion and spirit of teamwork prevailing among the employees of the Group.

The annual aggregate remuneration paid to the top five KMP (excluding the CEO) for the financial year 2021 is approximately $1,637,000.

Immediate Family Members of Director, Chief Executive Officer or Substantial Shareholder

Except for Mr. Voon Yok Lin and Mr. Voon Chet Chie who are both Directors of the Company and are related to each other, there was no employee who is an immediate family member of a Director, CEO or Substantial Shareholder of the Company and whose remuneration exceeds $100,000 for the financial year ended 31 December 2021.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

In 2013, the Board established a Risk Management Committee ("RMC") which reports to the Audit Committee ("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.

Members of the RMC comprise the management of the key operating units of the Group.

The Risk Management Report is on pages 138 to 143.

The Board and the AC are satisfied that there is adequate and effective material internal control 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;

CORPORATE GOVERNANCE

- Internal auditors ("IA") plans its internal audit schedules independently in consultation with the Management on an annual basis and submits the internal audit plan to the AC for approval. The AC also meets with the IA at least once a year without the presence of the management to gather feedback on the management's level of cooperation and other matters that warrant the AC's attention. All internal audit 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 half-yearly 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 half-yearly and annual financial statements, the auditors' report on the annual financial statements of the Group and the Company and the significant matters 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 SGX-ST Listing Manual;

- The AC and the Board are satisfied that policies and procedures for key business processes had been established. These include ISO procedures, financial policies, standard operating procedures, conflict of interest policy and a whistle blowing mechanism;

- For financial year 2021, the Board has received assurance from the CEO and the Chief Financial Officer ("CFO") that, to the best of their knowledge, the financial records have been properly maintained and the financial statements give a true and fair view of the operations and finances of the Company and the Group;

- The Board has also received assurance from the CEO and the responsible KMP, that the risk management and internal control systems are adequate and effective, based on the established risk management and internal control systems, work performed by the internal and external auditors and reviews performed by Management; and

- All directors and executive officers have submitted undertakings that they have complied with Rule 720(1) of the SGX-ST Mainboard Listing Rules.

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

Based on (i) the established risk management framework; (ii) the internal control systems in place and (iii) the work performed by the internal and external auditors, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems were adequate and effective as at 31 December 2021.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

The AC comprises three Directors, all of whom are Independent Directors, namely:
Ms. Luk Ka Lai Carrie - Chairperson
Prof. Yong Kwet Yew
Mr. Lim Boon Cheng

CORPORATE GOVERNANCE

Ms. Luk Ka Lai Carrie, the AC Chairperson and Mr. Lim Boon Cheng are well qualified to discharge their duties, as they possess the necessary recent and relevant accounting and related financial management expertise and experience.

None of the AC members were ever previous partners of the Company's external auditor, Ernst & Young LLP, nor do they have any financial interest in the auditing entity.

The duties and responsibilities of the AC include those described in the Companies Act 1967 of Singapore and the 2018 Code. The main responsibilities include:

- review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;
- review at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- review the assurance from the CEO and the CFO on the financial records and financial statements;
- review and make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors of the Company and the Group, including fixing their remuneration and terms of engagement;
- review the audit plan of the external and internal auditors;
- review the adequacy, effectiveness, independence, scope and results of the external and internal audit functions and ensure coordination between external and internal auditors and the management;
- oversee the establishment and operation of the whistleblowing process in the Company and review policies and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up;
- review the Group's financial and operating results and accounting policies;
- review the consolidated financial statements of the Group before submission to the Board together with the external auditors' report on those financial statements;
- review the half-yearly and full-year announcements as well as the related press releases (if any) on the results and financial position of the Group before submission to the Board for approval for release to SGX-ST; and
- review interested person transactions to ensure that each has been conducted on an arm's length basis.

The AC has explicit authority to investigate any matter within its charter, full access to and co-operation of 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 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 AC.

The AC has reviewed the half-yearly and full-year financial statements of the Group in conjunction with the report issued by external auditors before announcement on SGXNET. Since the cessation of quarterly reporting by the Company on SGXNET in 2020, the AC and the Board has continued to monitor the Group's quarterly results.

The following significant matters were highlighted by external auditors as key audit matters (KAMs) for the financial year ended 31 December 2021, which was discussed with management and reviewed by the AC.

Significant matters	How the AC reviewed the matter and what decision was made
Revenue recognition on construction contracts	The AC reviewed the approach and methodology applied to the revenue recognition on construction contracts where revenue is recognised over time based on the Percentage of Completion ("POC"). The AC considered the approach and methodology used to be appropriate for its nature of business and they are in line with prevailing accounting standards and business practices. The AC has also reviewed management's judgement and assumptions used in the determination of POC.
Provision for expected credit loss on trade receivables and contract assets	The AC reviewed the approach and methodology applied to the provision for credit loss on trade receivables and contract assets. This comprised recognising appropriate amounts of loss allowance, and the identification of credit impaired debtors on trade receivables and contract assets balances. The Group has established a provision matrix to calculate expected credit losses that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.
Recoverability of investments in development properties	The AC was in constant discussion with Management on the developments of the Group's property development project to understand the project's progress, sales and marketing strategies, sales results etc. The AC also reviewed the basis of capitalisation of development costs and Management's judgement and assumptions in the determination of the net realisable value of the development properties.

CORPORATE GOVERNANCE

Details on the KAMs can be found in the Independent Auditor's Report on pages 25 to 26. Based on its review as well as discussion with Management and the external auditors, the AC is satisfied that the KAMs have been properly dealt with.

In the AC meetings held quarterly during the financial year, the AC has reviewed all interested person transactions entered into by the Group. From the review, the AC is satisfied that all such transactions have been conducted on an arm's length basis and has recommended to the Board for the approval of those transactions.

The AC has reviewed the work performed by the external auditors, Ernst & Young LLP, after taking into consideration the relevant guidelines issued to the Audit Committees by Singapore Exchange Trading Limited and/or the Singapore Accounting & Corporate Regulatory Authority.

After taking into consideration the adequacy of the resources and experience of Ernst & Young LLP (including the audit partner in charge of auditing the Company), the other audit engagements of Ernst & Young LLP, the number and experience of supervisory and professional staff assigned to review the Group as well as the Group's size and structure, the Audit Committee and the Board are of the view that Ernst & Young LLP has been able to assist the Company in meeting its audit obligations.

The Company engages Ernst & Young LLP for all its Singapore incorporated subsidiaries, associate and joint venture companies as well as its significant foreign-incorporated subsidiaries.

Accordingly, the Company is in compliance with Rules 712 and 715 of the SGX-ST Mainboard Listing Rules.

In accordance with Rule 1207(6) of the SGX-ST Mainboard Listing Rules, the audit fees paid to Ernst & Young LLP for their audit and non-audit services for the financial year ended 31 December 2021 for the Group, including associates and joint ventures, amounted to $216,000 and $1,500 respectively.

The AC has conducted an annual review of non-audit services provided by the external auditors to the Group and is satisfied that the nature and extent of such services do not affect the independence of the external auditors.

The AC is satisfied with the independence and objectivity of the external auditors and recommends to the Board the nomination of the external auditors for re-appointment.

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. Staff may wish to report to his/her immediate supervisor or the Company Secretary. If these channels are not appropriate in view of the circumstance or nature of the incident, the matter can be reported to the AC Chairperson. Protection is given to the person reporting any irregularity in good faith. The whistleblower's identity is kept confidential and his/her interests will be safeguarded at all times. He/She will be protected from reprisals for whistleblowing in good faith, even if no violation is found to have occurred eventually. A review committee, comprising the AC, any senior management staff and/or professionals which the review committee may include at their discretion, will be set up to look into the concerns raised. The review committee may appoint one or more investigating officers to conduct the investigation and the findings of the investigation will be communicated to the review committee for their necessary action. There have been no reported incidents pertaining to whistle-blowing for the financial year 2021.

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., a professional risk advisory company. Their appointment, removal, evaluation and compensation are approved by the AC. The Company has given the IA full access to its documents, records, premises and personnel in the course of their work.

The internal audit function is independent and reports directly to the AC. To ensure the adequacy of the internal audit function, the AC meets at least once a year to review the internal audit findings and to approve the annual internal audit plans. Annual reviews are conducted on the adequacy and effectiveness of the Company's risk management and internal control systems, which may include financial, operational, compliance and information technology controls. The members of the AC have unrestricted access to the IA on all matters whenever they deem necessary and have met the IA without the presence of the Management at least once annually.

The IA meets 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 Company's internal audit functions and is satisfied that it is independent, effective, adequately resourced and has appropriate standing within the Company.

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

CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The 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:

- Annual reports and circulars that are prepared and issued to all shareholders;
- SGXNET announcements and press releases, where applicable;
- Half-yearly financial results and annual reports are broadcast via SGXNET within the prescribed period; Notices and explanatory notes of the general meetings; and
- the Company's website at http://www.bbr.com.sg

The Board provides shareholders with a balanced and understandable assessment of the Group's financial performance, position, and prospects through the announcement of half-yearly and annual financial results and press release (where appropriate) via SGXNET.

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

<u>Conduct of General Meetings</u>

Prior to the onset of Covid-19 pandemic in early 2020, shareholders are notified of general meetings within the 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. Members are entitled to attend all general meetings so as to participate effectively and vote. They are also given the opportunity to share and communicate their views and seek clarification with the Board on issues relating to the Group's performance either formally at or informally after the meeting. Shareholders are informed of the rules, including voting procedures that govern general meetings of members at the commencement of each meeting.

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue with provision of explanatory notes unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting. No such resolutions were tabled in the previous annual general meeting held.

All resolutions tabled at general meetings are voted by poll in the presence of scrutineers from One e-Risk Services Pte. Ltd.. Results of the polling are made known to members before the meeting is concluded and announced on the SGXNET immediately after the meeting.

All Directors and the Chief Financial Officer will strive to attend general meetings to address any questions and concerns of the shareholders. The external auditors will also be present to address shareholders' queries about the conduct of audit, the preparation and content of the auditor's report.

The Company's constitution allows for absentia voting at general meetings of shareholders. Banking corporation or subsidiary of such corporation whose business includes the provision of nominee services and person that provide custodial services for securities and who holds shares of the Company in that capacity are entitled to appoint more than two proxies to attend, speak and vote at general meetings.

<u>Conduct of 2021 AGM</u>

In view of the Covid-19 pandemic, the AGM was held on 26 April 2021 pursuant to the Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order") which was gazetted on 13 April 2020. Shareholders were invited to participate in the virtual 2021 AGM by (a) observing and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the 2021 AGM; and (c)

CORPORATE GOVERNANCE

appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the 2021 AGM. The Chairman and CEO were present in person at the virtual 2021 AGM proceedings, while the rest of the Directors joined the 2021 AGM by way of video conference. We have disclosed, on our website and SGXNET, the names of the Directors and senior executives who attended the 2021 AGM held by way of electronic means as well as detailed records of the proceedings including responses to questions raised by shareholders in advance of the 2021 AGM.

The Company publishes the minutes of general meetings on its corporate website as well as through announcements via SGXNET. The minutes will include information of the Directors, Management and, where relevant, the external auditor and advisors who attended the meeting, details of any questions raised by members and the answers given by the Board and/or Management. The minutes of the previous AGM held on 26 April 2021 was announced and published on 30 April 2021.

Conduct of 2022 AGM

The Company will continue to hold its 2022 AGM by electronic means on 29 April 2022 and shareholders are invited to participate at our virtual 2022 AGM by (a) observing and/or listening to the 2022 AGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the 2022 AGM; and (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the 2022 AGM. Details of the steps for pre-registration, submission of questions and voting at the 2022 AGM by shareholders, including CPF and SRS investors, are set out in a separate announcement released on SGXNET on 7 April 2022.

Dividend Policy

The Company does not have a fixed dividend policy in place. In determining the annual dividend payout, the Board will consider setting aside sufficient funds for investments, capital expenditure, equity contribution for property development projects, working capital and other requirements as the Board may deem fit for the best interests of the Company and the Group.

A dividend of 0.3 cents has been proposed for FY2021 representing a dividend payout of 60% of its current earnings.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The annual general meetings and extraordinary general meetings are the 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. According to the Company's constitution, a member who is not a relevant intermediary, is entitled to attend, speak and vote at general meetings may either vote in person or appoint not more than two proxies to attend, speak and vote on his behalf. Member who is a relevant intermediary, either banking corporation, its wholly-owned subsidiary that provide nominee services or a person that provide custodial services for securities, may appoint more than two proxies to attend, speak and vote at the general meetings.

The chairpersons of the respective committees 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.

In the recent years, annual general meetings were conducted by electronic means. Nevertheless, shareholders may raise relevant questions to the Board to be addressed at the meeting. The questions raised and the Board's response to these questions were also published on SGXNET.

The Directors and Management of the Company continue to place 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 may hold analysts' briefings on the Company's financial results and business updates after they have been announced on SGXNET. Interviews with the appropriate media may be organised from time to time.

CORPORATE GOVERNANCE

Shareholders with questions may contact the Company's investor relations which are managed by Waterbrooks Consultants Pte. Ltd., through the Company's website at www.bbr.com.sg, from which Shareholders can access, provides all publicly announced financial information, corporate announcements, media releases and annual reports which shareholders can access at any time.

MANAGING STAKEHOLDERS RELATIONSHIP

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Group has regularly engaged its stakeholders through various mediums and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long term growth.

The stakeholders identified are those who have impacted by or who are able to impact the Group's business and operations, they are our future generation, employees, customers, suppliers and the community.

The Group has undertaken a process to determine the environmental, social and governance issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed by the Board annually.

Having identified the stakeholders and the material issues, the Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships.

More information is available in the annual Sustainability Report, which will be published by the Company at a later date, a copy of which will be made available on the Company's website in due course.

ADDITIONAL INFORMATION

Dealings in the Company's Shares (Rule 1207(19) of the SGX-ST Listing Manual)

The Company has adopted policies in line with the requirements of the listing rules of SGX-ST on dealings in the Company's securities. The Company and 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 one month before the announcement of the Company's half year and full year financial statements up till the date when the relevant announcements have been released.

Risk Management Policies and Processes (Rule 1207(4)(b)(iv) of the SGX-ST Listing Manual)

The Group's overall risk management policy aims to minimise potential adverse effects on the financial performance of the Group. The Group has adopted risk management policies and processes that seek to mitigate these risks in a cost-effective manner.

Information on risk management, policies and processes are disclosed in the financial statements as well as Risk Management Report on pages 138 to 143.

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

There were no material contracts entered into by the Company and its subsidiaries in financial year 2021, save as disclosed under "Interested Person Transactions" in this section and in the financial statements, which involved the interests of the CEO, any director or controlling shareholders of the Company.

CORPORATE GOVERNANCE

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

No general mandate has been obtained for interested person transactions pursuant to Rule 920(1) of the SGX-ST Mainboard Listing Rules. The aggregate value of interested person's transactions carried out during the financial year ended 31 December 2021 by the Group was as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
	$'000	$'000
BBR VT International Ltd (A related corporation of BBR Holding AG, Switzerland, a controlling shareholder of the Company)	1,095	-

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

Sustainability Report (Rules 711A and 711B of the SGX-ST Mainboard Listing Rules)

The Board recognises the importance of sustainability in our Group's business operations and performance and oversees the overall strategic plan including considering sustainability and environmental issues as part of our strategic formulation. It is our belief that building a sustainable business is vital to our continued success and that we must be fully accountable for our impact on the environment, our customers, our people and our community as well as its financial performance.

Therefore, the Group has continuously sought to minimise the environmental impact of its activities by reducing carbon footprint through energy conservation. For example, all our employees are urged to minimise paper wastage at work by adhering to our internal paper usage reduction guidelines, such as setting double-sided printing as a default, lower grammage paper being used for daily printing, and blank sides of unneeded single-sided copies being used for printing drafts. Wherever possible, we go green by adopting a paperless approach for record-keeping. In addition, the Board emphasises the need to provide and maintain a safe and healthy work environment for the Company's employees. Given the high-risk nature of construction activities, we place greater emphasis on health and safety training, awareness, procedures and general education, and aim to develop a culture whereby safety is ingrained into each and every employee and subcontractor working with us.

Information on the Group's Corporate Social Responsibility policies and practices will be included in its Sustainability Report which will be released via SGXNET no later than 5 months after the end of the financial year.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Prof. Yong Kwet Yew, Mr. Voon Yok Lin, Mr. Lim Boon Cheng and Dr. Pietro Brenni are the Directors who are seeking re-election at the forthcoming Twenty-eighth Annual General Meeting ("AGM") of the Company to be convened on Friday, 29 April 2022 at 4.00 p.m. (the "Retiring Directors").

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the information relating to the Retiring Directors, in accordance with Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below:

	Prof. Yong Kwet Yew	**Mr. Voon Yok Lin**	**Mr. Lim Boon Cheng**	**Dr. Pietro Brenni**
Date of Appointment	19/08/1997	21/06/2017	03/05/2021	03/05/2021
Date of last re-appointment (if applicable)	29/4/2019	23/06/2020	Not applicable	Not applicable
Age	68	67	66	56
Country of principal residence	Singapore	Malaysia	Singapore	Switzerland
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered the recommendation of the Nominating Committee (save for Prof. Yong) and assessment of Prof. Yong Kwet Yew's contributions, performance, competencies and commitment in the discharge of his duties as a Director, *inter alia*, and is satisfied that he will continue to contribute to the Board.	The Board has considered the recommendation of the Nominating Committee and assessment of Mr. Voon Yok Lin's contributions, performance, competencies and commitment in the discharge of his duties as a Director, *inter alia*, and is satisfied that he will continue to contribute to the Board.	The Board has considered the recommendation of the Nominating Committee (save for Mr. Lim) and assessment of Mr. Lim Boon Cheng's contributions, performance, competencies and commitment in the discharge of his duties as a Director, *inter alia*, and is satisfied that he will continue to contribute to the Board.	The Board has considered the recommendation of the Nominating Committee and assessment of Dr. Pietro Brenni's contributions, performance, competencies and commitment in the discharge of his duties as a Director, *inter alia*, and is satisfied that he will continue to contribute to the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive Responsible for the daily operations and administration of the Group together with the management.	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Currently an Independent and Non-Executive Director, Chairman of the Board The Company is seeking approval from shareholders at the AGM for re-election of Prof. Yong as a Non-Independent Non-Executive Director	Executive Director	Independent Non-Executive Director, Chairman of the Investment Committee and a member of the Audit Committee / Nominating Committee	Non-Executive Director

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Prof. Yong Kwet Yew	Mr. Voon Yok Lin	Mr. Lim Boon Cheng	Dr. Pietro Brenni
Professional qualifications	BEng (1st Class) and PhD from the University of Sheffield, UK under a Grouped Scholarship in Engineering Life Fellow of the Institution of Engineers, Singapore Registered Professional Engineer with the Professional Engineers Board, Singapore	Bachelor Degree of Science (Honours) in Civil Engineering from the University of Strathclyde, Scotland, in the United Kingdom. Registered Professional Engineer with the Board of Engineers Malaysia and a member of The Institution of Engineers Malaysia	Master of Business Administration, University of Ulster, Northern Ireland, UK Fellow Member of the Chartered Accountants Ireland Fellow Member of the Institute of Singapore Chartered Accountants	MSc and PhD in Structural Engineering ETHZ Member of Swiss Engineer and Architect Professional Association SAI Member of Swiss Association of Consulting Engineers USIC Member of Canton Ticino Engineer and Architect Professional Association OTIA Member of International Association for Bridges and Structural Engineering IABSE
Working experience and occupation(s) during the past 10 years	Prof. Yong is a Professor of Civil & Environmental Engineering at the National University of Singapore. Additionally, Prof. Yong served as a consultant to government agencies as well as local and international companies in more than 200 major construction projects in Singapore, China and Asean region.	Mr. Voon is currently 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, Mr. Voon worked in various capacities in a Malaysian construction firm, which specialises in pre-stressing construction technology.	Mr. Lim has more than 30 years of experience in the accounting industry, primarily in auditing, financial accounting and business advisory work: 2017 – Present: Fitzroy Corporate Advisory - Owner 2000 – 2012: LTC & Associates/ LTC LLP (Public Accountants) – Managing Partner and then Chairman 2001 – 2014: One Consulting Group Pte. Ltd. – Director 2005 – 2014: One Financial Advisory Services Pte. Ltd. – Director 2007 – 2014: One Outsource Services Pte. Ltd. – Director One Tax Services Pte. Ltd. – Director One E-Risk Services Pte. Ltd. – Director Mr. Lim Boon Cheng also serves as an independent director on the board of publicly listed companies, namely, Advanced Holdings Limited and Design Capital Limited.	Dr. Brenni is currently the CEO and Board President of Brenni Engineering SA. He is also a Board member of BBR Holding AG and Stahlton AG and Stahlton Bauteile AG

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Prof. Yong Kwet Yew	Mr. Voon Yok Lin	Mr. Lim Boon Cheng	Dr. Pietro Brenni
Shareholding interest in the listed issuer and its subsidiaries	Nil	16,690,000 shares of the Company	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No	No
Conflict of interest (including any competing business)	No	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes
Other Principal Commitments including directorships (for the last 5 years)	Past Board and Exco member, Land Transport Authority Present Listed Directorships Tritech Group Limited[1] Boustead Projects Limited[1]	Past Voon Yok Lin Holdings Sdn. Bhd. – Director	Past FG Investors Pte. Ltd. – Director FGPO (Singapore) Pte. Ltd. – Director FG Property No. 1 Pte. Ltd. – Director Present Fitzroy Corporate Advisory – Owner AIB MT Fund Asia Pte. Ltd. (In Members' Voluntary Liquidation) – Director Listed Directorship Advanced Holdings Ltd[1] Design Capital Ltd[2]	Past Nil Present Brenni Engineering SA – CEO, Board President Stahlton AG – Board member Stahlton Bauteile AG – Board Member BBR Holding AG – Board member

[1] Listed on Singapore Exchange Securities Trading Limited
[2] Listed on Hong Kong Stock Exchange

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

		Prof. Yong Kwet Yew	Mr. Voon Yok Lin	Mr. Lim Boon Cheng	Dr. Pietro Brenni
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.					
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or future industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation of dishonesty on his part?	No	No	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offences in connection with the formation or management of any entity or business trust?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

		Prof. Yong Kwet Yew	Mr. Voon Yok Lin	Mr. Lim Boon Cheng	Dr. Pietro Brenni
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust)?	No	No	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling or any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No	No	No	No
	(i) Any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No
	(ii) Any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No
	(iii) Any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No
	(iv) Any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No	No	No
	In connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?				
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed company as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).		Not applicable	Not applicable	Not applicable	Not applicable

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 in 2013 to oversee risk governance.

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

BBR's ERM framework is a platform with consistent risk management procedures and methodologies applied across the whole organisation. 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 strategies and creates value for shareholders in the following ways:

1. By identifying and managing risks via a suite of mitigating controls, the ERM framework avoids surprises and undesirable consequences 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 Risks
- Operational Risks
- Financial Risks
- Compliance Risks

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.

RISK MANAGEMENT REPORT

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. In recent years, the Group sees increased competition from overseas players from countries such as the People's Republic of China, Japan and South Korea. 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. The Group also explores partnership and collaboration with overseas players instead of direct competition with them.

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.

The Group also mitigates competition risk by exploring business opportunities in the region.

Political and regulatory risks

All projects are assigned a risk quotient for political and regulatory risk. As the Group operates in a few countries outside of Singapore, the risk exposure in each country is varied. 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 in Singapore and Malaysia. Of late, the Singapore government has legislated the adoption of more productive construction methods, such as, Prefabricated Prefinished Volumetric Construction ("PPVC") 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. In order to uphold our first-mover advantage in PPVC, besides constantly upgrading BBR's steel modular system with the latest know-how, project execution methodology has to be proficient. We would also send our project staff regularly for training to keep them updated on changes in government regulations or policies in Singapore and other relevant countries, as well as on new safety and building standards imposed by the regulatory authorities.

Sales of development properties are affected by cooling measures imposed by the government from time to time. As such, we are continually keeping abreast of property market developments so as to enable us to better manage our property development business.

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, quality, 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, control of materials usage and costs, proficiency of project staff and workers, changes in project design and specifications, accidents at work-sites, environmental impacts, delays in approval from the relevant authorities, stop-work orders by authorities, cost overruns and unfavourable weather conditions. Performance and quality of the projects delivered depends very much on the ability to develop and construct sites according to construction schedule, design and specifications. 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. Quality certifications such as ISO 9001 are in place as part of project and quality management across the Group. Construction budgets may also include buffers in anticipation of cost overruns. To better equip personnel with skillsets to perform their functional roles, raise competencies and productivity levels during project executions, staff undergo relevant professional as well as technical training courses. The Group also conducts regular checks on the quality of work done for its projects.

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.

Performance by subcontractors

The Group engages third-party contractors to provide various services for every project, to the extent that the end product is substantially dependent on the performance of these subcontractors. 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. Subcontractors are awarded not purely on price, but assessed on quality of services and the company's financial strength. Other insurances include retention sums and submission of performance bonds to BBR.

RISK MANAGEMENT REPORT

Shipment and transportation of PPVC modules

Deploying the PPVC system enables BBR to achieve labour productivity and operational efficiency via off-site prefabrication of steel units, complete with internal finishes, fixtures and fittings at holding yards, which are then transported to construction sites for installation and assembly to form modular apartments. There could be delays by the logistics firm due to insufficient base cargo to justify shipments, or adverse weather conditions at sea. During transportation of the finished heavy and bulky modules to the project site, accidents may happen en route, causing not only delays and damages to the modules, but to third parties too.

BBR mitigates this risk by only engaging experienced logistics vendors with good track record, as well as ensuring contract terms contain provisions for fair compensation to BBR in the event of shipment delays and damages to goods. Adequate insurance coverage is fundamental to hedge against all forms of damages consequent to accidents.

Quality control of PPVC modules

As a manufacturer of PPVC modules, quality control of the modules is of utmost importance. The Group has stringent quality assurance and quality control requirements at each stage of works and close supervision at the factory where the modules are constructed off-site. Selection of sub-contractors is also based on quality and price rather than solely on price. Materials used are tested if necessary to ensure that they meet the project requirement and quality standards.

Labour shortage

The Group is highly dependent on foreign workers to carry out construction activities at its projects and is therefore vulnerable to the dearth of workers and increasing levy costs of employment. Labour policies by the Singapore and Malaysia governments have restricted the supply of foreign workers, leading to higher costs of employing workers via less competitive sources of supply and having to manage diminished accountability from these outsourced labourers.

BBR has responded to the government's push for productivity by investing in PPVC, Building Information Modelling ("BIM") software and application, and other automation, thereby reducing our reliance on labour.

Epidemic and pandemic risks

The Covid-19 pandemic has caused a severe disruption to global economic activity and the impact on economies across the world has been broad and significant, affecting different sectors to varying degrees. Even with vaccines being distributed, the effects of the pandemic are expected to linger on for years.

In Singapore, the construction sector is one of the hardest hit sectors. Supply chains across the world have been disrupted due to measures implemented by the authorities to fight the virus. This has resulted in a shortage of construction materials, which in turn caused a delay in the completion of construction projects. In addition, foreign worker dormitories in Singapore were earlier significantly affected by Covid-19, leading to a shortage of manpower. The Singapore government has also implemented tighter restrictions, which further impacts the availability of manpower. As the Group battles Covid-19 for the third year, it is now in a better position to manage its supply chain through diversifying sources of supply and also tackle labour issues through recruitment, resource sharing with peers and upgrading of skills.

Backed by the nation's high vaccination rate, Singapore has embarked upon its strategy of living with Covid-19. There has been easing of restrictions by the government. However, the extent of easing or tightening restrictions is very much dependent on the nation's infection growth rate and healthcare system including hospital capacity and manpower.

Going forward, the extent of the impact is largely dependent on the trajectory of the pandemic and its recovery. Nevertheless, the Group has complied with the Safe Management Measures ("SMM") required by the Ministry of Manpower ("MOM") and Building and Construction Authority ("BCA") and rules and advisory required by the Ministry of Health. To tide through this crisis, the Group will continue to focus on preserving cash by reducing operating expenses where applicable and deferring all non-essential expenditures.

RISK MANAGEMENT REPORT

FINANCIAL RISKS

Credit risks

The Group's exposure to credit risk arises primarily from trade receivables, contract assets including retention receivables and loans to a joint venture. The Group's receivable balances are monitored closely on an ongoing basis to ensure the exposure to bad debts is not significant. Additionally, the Group conducts business 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. With the current Covid-19 pandemic crisis, many companies are facing unprecedented challenges. The Group will take extra steps to monitor its debtors' collection vigilantly to minimise its credit exposure. In addition, as the Group is looking for more projects in the region, the Group will adopt more stringent review of credit standing of the customers and review of payment terms and retention sum. All these will have to be balanced against the Group's objective to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

Foreign exchange risks

The Group is subject to foreign exchange risks as a result of transactions denominated in currencies other than the respective functional currencies of its companies. The main foreign currencies involved are United States Dollars, Reminbi and Swiss Francs. The Group closely monitors for fluctuations and if necessary, may enter into forward currency contracts to partially hedge its foreign currency exposure.

In addition to transactional exposure, the Group is exposed to currency translation risk, mainly in Malaysian Ringgit and Thai Baht, from net investments in its foreign subsidiaries, BBR Construction Systems (M) Sdn. Bhd. and Siam BBR Systems Co., Ltd.

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 common 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.

Prudent capital management is particularly pertinent for PPVC because there is a longer time gap between the payment for cost of supplies and collection from our client. Unlike general construction and specialised engineering projects where claims are progressively paid by the client for work performed, payments for PPVC is due only when the completed module is installed at the site.

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 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 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, resulting in EMA adjusting the electricity tariff.

SGX 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. Industry players are able to derive more certainty on cash flows by hedging against any low spot prices or cover unplanned or maintenance outages of its panel installations, thereby protecting its revenues. However, BBR has not hedged income receivable from its solar leasing contracts because current revenue derived is relatively low and the cost of hedging does not merit the benefits.

RISK MANAGEMENT REPORT

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 MOM on the company. If the company continues to breach workplace safety and health rules, applications for new and renewal of work passes for foreign employees will be rejected by the 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 and behavioural safety approach is being promoted to all staff and workers, and thus taking ownership for personal safety.

Safe Management Measures at Workplace

The Group has adopted the SMM implemented by the government authorities during the Covid-19 pandemic to curb the spread of Covid-19. This includes staggered working hours, split team and work from home arrangements. Social gatherings are discouraged and meal breaks are also staggered to minimise interaction among the staff. All staff have to wear masks at the workplace and they are constantly being reminded to observe good personal hygiene. Disinfecting agents are installed at all human traffic stoppage points within the workplace, such as entrances, reception areas, lift lobbies etc. and there is regular cleaning of common areas, particularly areas with high human contacts. Access at the workplace (including project sites) is controlled and limited to employees and authorised visitors. SafeEntry visitor management system is used to record the entry of all personnel and visitors entering the workplace who will have to duly check-in and check-out to facilitate contract tracing. . Employees at the project sites are under the Rostered Routine Testing regime under which they are subject to mandatory regular testing. As for the other employees, those who are unable to work from home and those who are able to work from home but return to the workplace, according to the 50% work from home guideline, are required to self-test weekly via an Antigen Rapid Test ("ART") to keep infected employees from coming to work and keep the workplace safe. All such testing shall follow government's advisory and guidelines.

We have established a system to implement the SMM in a sustainable manner so as to provide a safe working environment. Measures implemented are communicated and explained to all employees. Safe Management Officers who are trained are appointed within the workplace, including project sites, to assist in the implementation, coordination and monitoring of the system of SMM at the workplace. The Group is continually monitoring its workplace and project sites to ensure compliance with all Covid-19 safe management regulatory requirements imposed by the authorities from time to time.

STATISTICS OF SHAREHOLDINGS

AS AT 10 MARCH 2022

Issued and fully paid capital	:	$49,082,199
Number of ordinary shares (excluding treasury shares)	:	322,388,218
Number of treasury shares	:	2,322,200
Class of shares	:	Ordinary
Voting rights		1 vote for each ordinary share held (excluding treasury shares)

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	38	0.54	1,301	0.00
100 – 1,000	1,951	27.68	1,209,816	0.38
1,001 – 10,000	3,447	48.89	16,413,631	5.09
10,001 – 1,000,000	1,592	22.58	75,058,575	23.28
1,000,001 AND ABOVE	22	0.31	229,704,895	71.25
TOTAL	**7,050**	**100.00**	**322,388,218**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	% [1]
1	BBR HOLDING AG	85,632,978	26.56
2	DBS NOMINEES (PRIVATE) LIMITED	23,212,974	7.20
3	CITIBANK NOMINEES SINGAPORE PTE. LTD.	21,360,200	6.63
4	DB NOMINEES (SINGAPORE) PTE. LTD.	17,389,900	5.39
5	UOB KAY HIAN PRIVATE LIMITED	15,969,200	4.95
6	KHOO YOK KEE OR CHIU HONG KEONG	9,230,000	2.86
7	ABN AMRO CLEARING BANK N.V.	8,466,500	2.63
8	ONG KIAN KOK	7,801,600	2.42
9	RAFFLES NOMINEES (PTE.) LIMITED	7,513,300	2.33
10	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	5,937,400	1.84
11	NG SENG HUA	5,031,200	1.56
12	SIA KONG WAH @ SING KONG YOW	4,090,000	1.27
13	TAN SU LAN @ TAN SOO LUNG	3,162,300	0.98
14	DUNCAN PRODUCTS PTE. LTD.	2,700,073	0.84
15	JONATHAN CHADWICK	2,000,000	0.62
16	TAN BAN PIN	1,761,500	0.55
17	TIONG WOON CRANE & TRANSPORT (PTE) LTD	1,696,788	0.53
18	TYT BUILDERS PTE. LTD.	1,560,182	0.48
19	OCBC NOMINEES SINGAPORE PTE. LTD.	1,504,300	0.47
20	PHILLIP SECURITIES PTE. LTD.	1,464,000	0.45
	TOTAL	**227,484,395**	**70.56**

TREASURY SHARES

As at 10 March 2022, 2,322,200 ordinary shares are held as treasury shares, representing 0.72% of the total number of issued shares excluding treasury shares.

Note:

[1] Percentage is calculated based on 322,388,218 ordinary shares (excluding treasury shares) as at 10 March 2022.

STATISTICS OF SHAREHOLDINGS

AS AT 10 MARCH 2022

Name of Substantial Shareholders	Number of shares held Direct Interest	Deemed Interest	Total Interest
BBR Holding AG, 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
Voon Yok Lin [(5)]	16,690,000	–	16,690,000
Chiu Hong Keong or Khoo Yok Kee [(6)]	26,160,700	40,000	26,200,700

Notes:

(1) Tectus S.A. is deemed to have interests in the Company's shares held by BBR Holding AG, Switzerland by virtue of its holding in aggregate not less than 20% of the voting shares of BBR Holding AG, 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 AG, 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 AG, 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) The shares of Mr Tan Kheng Hwee Andrew are held in the name of DBS Nominees Pte. Ltd.. He is deemed to have an interest in the Company's shares held by his wife, Ms Koh Peck Poh, Phyllis.

(5) The shares of Mr Voon Yok Lin are held in the name of Citibank Nominees Singapore Pte. Ltd..

(6) Mr Chiu Hong Keong or Ms Khoo Yok Kee are deemed to have an interest in the shares held by their son, Mr Chiu Wei Wen.

PUBLIC SHAREHOLDING

As at 10 March 2022, based on the registers of shareholders and to the best knowledge of the Company, approximately 54.69% 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 Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

BBR HOLDINGS (S) LTD
(Incorporated in the Republic of Singapore)
UEN 199304349M

NOTICE IS HEREBY GIVEN that the Twenty-Eighth Annual General Meeting of BBR HOLDINGS (S) LTD (the "**Company**") will be convened and held by way of electronic means on Friday, 29 April 2022 at 4.00 p.m. for the following purposes:

AS ORDINARY BUSINESSES

1. To receive and adopt the Directors' Statement and the audited Financial Statements of the Company for the year ended 31 December 2021 together with the Auditor's Report thereto. **(Resolution 1)**
2. To declare a first and final (tax exempt one-tier) dividend of 0.3 cents for each ordinary share for the financial year ended 31 December 2021. (2020: Nil) **(Resolution 2)**
3. To re-elect the following Directors retiring by rotation pursuant to Regulation 111 of the Company's Constitution:
   (a) Mr. Voon Yok Lin [*see explanatory note (a)*] **(Resolution 3)**
   (b) Prof. Yong Kwet Yew [*see explanatory note (b)*] **(Resolution 4)**
4. To re-elect the following Directors retiring pursuant to Regulation 115 of the Company's Constitution:
   (a) Mr. Lim Boon Cheng [*see explanatory note (c)*] **(Resolution 5)**
   (b) Dr. Pietro Brenni [*see explanatory note (d)*] **(Resolution 6)**
5. To approve payment of $255,000.00 as Directors' fees for the year ended 31 December 2021 (2020: $255,000.00). **(Resolution 7)**
6. To re-appoint Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix the auditor's remuneration. **(Resolution 8)**
7. To transact any other ordinary business that may properly be transacted at an annual general meeting.

AS SPECIAL BUSINESSES

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

   Proposed Authority to Allot and Issue Shares **(Resolution 9)**

   "THAT pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and the Mainboard Listing Rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") as may for the time being be applicable, 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 capitalisation 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) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the share capital of the Company (as calculated in accordance with sub-paragraph (2) below); and

NOTICE OF ANNUAL GENERAL MEETING

(B) the aggregate number of Shares to be issued other than on a pro rata basis to the shareholders of the Company does not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the share capital of the Company (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 aggregate number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the aggregate number of issued Shares (excluding treasury shares and subsidiary holdings) 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, provided the options or awards were granted in compliance with the Mainboard Listing Rules of the SGX-ST; and

(C) any subsequent bonus issue, consolidation or subdivision of Shares, where applicable.

provided further that adjustment in accordance with sub-paragraphs (A) and (B) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Mainboard 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." [*see explanatory note (e)]*

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

<u>Proposed Renewal of the Share Purchase Mandate</u> **(Resolution 10)**

"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 price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) market purchases (each a "**Market Purchase**") on the 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;

NOTICE OF ANNUAL GENERAL MEETING

(c) in this Resolution:

"**subsidiary holdings**" has the meaning ascribed to it in the Mainboard Listing Rules of the SGX-ST;

"**Prescribed Limit**" means 10% of the total number of issued Shares of the Company (excluding any Shares which are held as treasury shares and subsidiary holdings) 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 during such five-Market Day period and 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;

"**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."

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 to this Notice of Annual General Meeting (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 (f)*]

BY ORDER OF THE BOARD

Chiang Chai Foong
Company Secretary

Singapore, 7 April 2022

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes

(a) Ordinary Resolution 3 – Mr. Voon Yok Lin is an Executive Director of the Company. Detailed information about Mr. Voon Yok Lin can be found in the "Board of Directors" section of the Company's Annual Report as well as the section titled "Additional Information on Directors Seeking Re-election" appended to this Notice of Annual General Meeting for additional information. Mr. Voon Yok Lin will, upon re-election as a Director of the Company, remain as an Executive Director of the Company. The appointment of Mr. Voon Chet Chie as his alternate shall continue upon re-election of Mr. Voon Yok Lin as a Director of the Company.

(b) Ordinary Resolution 4 – Prof. Yong Kwet Yew is an Independent Non-Executive Director. He is the Chairman of the Board, the Nominating Committee and the Remuneration Committee; and a member of the Audit Committee. Detailed information about Prof. Yong Kwet Yew can be found in the "Board of Directors" section of the Company's Annual Report as well as the section titled "Additional Information on Directors Seeking Re-election" appended to this Notice of Annual General Meeting for additional information.

As part of the board renewal process, Prof. Yong Kwet Yew had indicated previously his intention of not seeking re-election at the forthcoming Annual General Meeting when he is due to retire by rotation. Prof. Yong is a reputable professional in the engineering and construction field, has provided excellent advice and guidance on the businesses and corporate governance of the Company and the Group due to his vast experience in the construction industry as well as in the other organisations in both private and public sectors. Amidst the challenges brought on by the COVID-19 that the Group is facing, the Nominating Committee and the Board (other than Prof Yong) have requested Prof. Yong to serve one more term on the Board as to ensure stability and continued leadership of the Group to ride through these difficult times. Nonetheless, the Board is mindful of its commitment for Board renewal.

After due consideration, Prof. Yong has graciously agreed to seek re-election as a Non-Independent and Non-Executive Director of the Company. If re-elected, he will remain as the Chairman of the Board. A new Independent Non-Executive Director will be inducted and the Board Committees will be reconstituted in compliance with the rules and regulations governing the Company. The Board believes that this would be for the best interests of the Company and wishes to seek the support of all shareholders in this respect.

(c) Ordinary Resolutions 5 – Mr. Lim Boon Cheng is an Independent Non-Executive Director. He is the Chairman of the Investment Committee, a member of the Audit Committee and the Nominating Committee. Detailed information about Mr. Lim Boon Cheng can be found in the "Board of Directors" section of the Company's Annual Report as well as the section titled "Additional Information on Directors Seeking Re-election" appended to this Notice of Annual General Meeting for additional information. Mr. Lim Boon Cheng will, upon re-election as a Director of the Company, remain as an Independent Non-Executive Director of the Company, Chairman of the Investment Committee, a member of the Audit Committee and the Nominating Committee.

(d) Ordinary Resolution 6 – Dr. Pietro Brenni is a Non-Executive Director of the Company. Detailed information about Dr. Pietro Brenni can be found in the "Board of Directors" section of the Company's Annual Report as well as the section titled "Additional Information on Directors Seeking Re-election" appended to this Notice of Annual General Meeting for additional information. Dr. Pietro Brenni will, upon re-election as a Director of the Company, remain as a Non-Executive Director of the Company. The appointment of Mr. Romano William Fanconi as his alternate shall continue upon re-election of Dr. Pietro Brenni as a Director of the Company.

(e) Ordinary Resolution 9 – if passed, will empower the Directors of the Company to issue shares and convertible securities in the Company up to a number not exceeding fifty percent (50%) of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings), of which up to twenty percent (20%) may be issued other than on a pro rata basis to the shareholders. For the purpose of determining the aggregate number of shares and convertible securities that may be issued, the aggregate number of issued shares is based on the aggregate number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the date of passing of the Resolution after adjusting for new issuance of shares, and subsequent consolidation or subdivision of shares, where applicable.

(f) Ordinary Resolution 10 – if passed, will empower the Directors to exercise all powers of the Company to purchase or otherwise acquire (whether by way of market purchases or off-market purchases) up to 10 percent (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the share capital of the Company (the "Shares") on the terms of the mandate (the "Share Purchase Mandate") set out in the Appendix. The authority conferred by this Resolution will continue in force until the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held or the date on which purchases or acquisitions of Shares are carried out to the full extent mandated, whichever is the earlier, unless previously revoked or varied at a general meeting.

The Company intends to use the Group's internal resources, or external loans and borrowings or a combination of both to finance its purchases or acquisitions of Shares pursuant to the Share Purchase Mandate. The amount of funding required for the Company to purchase or acquire the Shares under the Share Purchase Mandate will depend on, inter alia, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

For illustrative purposes only, the financial effects of purchases or acquisitions of Shares under the Share Purchase Mandate on the audited financial statements of the Company and the Group for the financial year ended 31 December 2021, based on certain stated assumptions, are set out in section 2.7 of the Appendix.

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT NOTES FOR MEMBERS

1. The Twenty-Eighth Annual General Meeting ("**AGM**") is being convened, and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"). The Order provide company with option to conduct general meetings by way electronic means even where the company is permitted under the COVID-19 safe distancing regulations to hold physical meetings, to help minimise physical interactions and COVID-19 transmission risks.

2. **Documents relating to the business of the AGM**

   Printed copies of this Notice of AGM, the Appendix to Notice of AGM in relation to the proposed renewal of the share purchase mandate, the Proxy Form and the Annual Report for financial year ended 31 December 2021 (the "**Annual Report 2021**") (collectively the "**AGM Documents**") will NOT be sent to members. All AGM Documents have been, or will be, published on the SGX website at *https://www.sgx.com/securities/company-announcements* and the Company's website at *https://bbr.listedcompany.com/agm.html*.

3. **No physical attendance**

   As a precautionary measure due to the current COVID-19 situation in Singapore, the AGM will be held way of electronic means and members will not be able to attend the AGM in person. The proceedings of the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream. Members and investors holding shares in the Company through the Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**") who wish to follow the proceedings must pre-register at *https://conveneagm.com/sg/BBRHoldings* ("**Pre-registration Website**") by **4.00 p.m. on Tuesday, 26 April 2022** ("**Registration Deadline**") to enable the Company to verify their status as members and CPF/SRS investors.

   Following the verification, authenticated members and CPF/SRS investors will receive an email instruction to access the live webcast and audio-only stream of the AGM proceedings ("**Confirmation Email**"). Members and CPF/SRS investors who do not receive the Confirmation Email by **4.00 p.m. on Thursday, 28 April 2022**, but have registered by the Registration Deadline, should email to *support@conveneagm.com* or call the Singapore toll-free telephone number **+65 6856 7330**.

   Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act ("**Investors**") (other than CPF/SRS investors) will not be able to pre-register at the Pre-registration Website for the "live" broadcast of the AGM. An Investor (other than CPF/SRS investors) who wishes to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and identification number) to the Company's registered office at 50 Changi South Street 1, BBR Building, Singapore 486126 or via email to *agm2022@bbr.com.sg* no later than **4.00 p.m. on Tuesday, 26 April 2022**.

4. **Submission of questions**

   Members and Investors will not be able to ask questions during the live broadcast of the AGM. Members and CPF/SRS Investors may submit questions related to the resolutions to be tabled for approval at the AGM in advance:

   (i) via the Pre-Registration Website at *https://conveneagm.com/sg/BBRHoldings*;

   (ii) by email to *agm2022@bbr.com.sg*; or

   (iii) by post to the registered office of the Company at 50 Changi South Street 1, BBR Building, Singapore 486126.

   All questions must be submitted no later than 4.00 p.m. on Tuesday, 19 April 2022 (the "**Submission Deadline**").

   For verification purpose, when sending in questions, please provide full name as appears in your share record, identification/registration number, contact number and email address, number of shares and the manner in which the shares of the Company are held.

   The Company will endeavour to address substantial and relevant questions received (as may be determined by the Company in its sole discretion) by publishing the responses to the questions received on our corporate website and on SGXNET soonest possible, and in any case, not later than 4.00 p.m. on Saturday, 23 April 2022, being 72 hours before the closing date and time for the submission of proxy forms. Any subsequent clarifications sought after the Submission Deadline may be addressed at the AGM. The minutes of the AGM will be published on the SGX website and the Company's website within one month after conclusion of the AGM.

   Investors holding shares through relevant intermediaries will not be able to submit questions relating to the business of the AGM via the above means. Instead, they should approach their relevant intermediaries as soon as possible in order for the relevant intermediaries to make the necessary arrangements for them to submit questions in advance of the AGM before the Submission Deadline.

5. **Voting by proxy**

   Members will not be able to vote online at the AGM during the live broadcast. Instead, Members (whether individual or body corporate) **must appoint the Chairman of the AGM as their proxy** to exercise their voting right at the AGM. The Chairman of the AGM, as proxy, need not be a member of the Company. The proxy form may be accessed at the Pre-registration Website at *https://conveneagm.com/sg/BBRHoldings*, SGX website at *https://www.sgx.com/securities/company-announcements* and on the Company's website at *https://bbr.listedcompany.com/agm.html*. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

NOTICE OF ANNUAL GENERAL MEETING

The duly completed and signed Proxy Form must be submitted to the Company in the following manner by **4.00 p.m. on Tuesday, 26 April 2022**, not less than seventy-two (72) hours before the time appointed for holding the AGM:

(i) if submitted by post, must be deposited at the registered office of the Company at 50 Changi South Street 1, BBR Building, Singapore 486126; or

(ii) if submitted electronically, be sent by email to *agm2022@bbr.com.sg* or via the Pre-registration Website at *https://conveneagm.com/sg/BBRHoldings*.

A member who wishes to submit the Proxy Form by post or email must first download, complete with specific voting instructions and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by electronic means to the email address provided above. Alternatively, the proxy form may be submitted using the electronic format accessible on the Pre-registration Website.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.

The proxy form is not valid for use by Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. CPF/SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by **5.00 p.m. on Tuesday, 19 April 2022**, being seven (7) working days before the date of the AGM.

Personal Data Privacy:

By (a) submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) completing the pre-registration in accordance with this Notice of AGM, or (c) submitting any question prior to the AGM in accordance with this Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (and/or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (and/or its agents or service providers) of proxy forms appointing the Chairman of the AGM as proxy for the AGM (including any adjournment thereof); the processing of the pre-registration for purposes of granting access to members or their representative to attend the live webcast of the AGM proceedings and providing technical assistance where necessary; addressing relevant and substantial questions from members received before the date of AGM and if necessary, following up with the relevant members in relation to such questions; the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and in order for the Company (and/or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**").

In the case of a member who is a relevant intermediary, by submitting an instrument containing personal data of individuals (including the consolidated list of Investors set out in Note 3 of this Notice of AGM), such member (i) warrants that it has obtained the prior consent of such individuals for the collection, use and disclosure by the Company (and/or its agents or service providers) of the personal data of such individuals in connection with their participation in the broadcast of the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (and/or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines, and (ii) agrees that the member will indemnify 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

NOTICE IS ALSO HEREBY GIVEN that, subject to the approval of shareholders being obtained at the Twenty-Eighth Annual General Meeting ("**AGM**"), the Transfer Books and Register of Members of the Company will be closed on 13 May 2022 at 5.00 p.m. (the "**Record Date**") for the purpose of determining members' entitlements to the first and final (tax exempt one-tier) dividend of 0.3 cents per share for the financial year ended 31 December 2021 (the "**Proposed Dividend**").

Duly completed registrable transfers received by the Company's share registrar, Boardroom Corporate and Advisory Services Pte. Ltd. of 1 Harbourfront Ave, #14-07 Keppel Bay Tower, Singapore 098632, up to 5.00 pm on the Record Date will be registered to determine shareholders' entitlements to the Proposed Dividend.

Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 pm on the Record Date will be entitled to the Proposed Dividend.

The Proposed Dividend, if approved at the AGM, will be paid on **Wednesday, 25 May 2022**.

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HOLDINGS (S) LTD

(Incorporated in the Republic of Singapore)
UEN: 199304349M

PROXY FORM

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Important:

1. The Twenty-Eighth Annual General Meeting of the Company ("**AGM**") is being convened, and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. The Notice of AGM and this Proxy Form are accessible on the SGX website at https://www.sgx.com/securities/company-announcements, at the Company's website at https://bbr.listedcompany.com/agm.html and at the URL https://conveneagm.com/sg/BBRHoldings.

   CPF/SRS investors who wish to attend and vote at the Annual General Meeting should contact their CPF/SRS Approved Nominee (as may be applicable).
3. Alternative arrangements relating to, among others, attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance and/or voting by proxy at the AGM are set out in the Notice of AGM and the accompanying Company's announcement dated 7 April 2022 which have been uploaded together with the Notice of AGM on SGXNET on the same day.
4. As a precautionary measure due to the current COVID-19 situation in Singapore, the AGM of the Company will be held by way of electronic means and members will not be able to attend the AGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM.
5. This Proxy Form is not valid for use by investors holding shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) ("Investors") (including investors holding through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator at least 7 working days before the date of the AGM to submit his/her vote.
6. By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 7 April 2022.
7. Please read the notes overleaf which contact instructions on, among others, the appointment of the Chairman of the AGM as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM

*I/We ______________________________(Name)

NRIC No./Passport No./UEN: ______________(Identification number) of ______________

______________________________(Address)

being a *member/members of **BBR Holdings (S) Ltd** (the "**Company**"), hereby appoint the Chairman of the AGM as *my/our proxy to attend and vote for *me/us on *my/our behalf, at the AGM of the Company to be held by way of electronic means on Friday, 29 April 2022 at 4.00 p.m. (Singapore time) and at any adjournment thereof in the following manner:

No	Ordinary Business	For #	Against #	Abstain#
1.	Adoption of audited Financial Statements ended 31 December 2021, Directors' Statement and Auditor's Report			
2.	Declaration of first and final dividend			
3.	Re-election of Mr Voon Yok Lin as a Director			
4.	Re-election of Prof Yong Kwet Yew as a Director			
5.	Re-election of Mr Lim Boon Cheng as a Director			
6.	Re-election of Dr Pietro Brenni as a Director			
7.	Approval of Directors' Fees			
8.	Re-appointment of Auditor and authorise Directors to fix the Auditor's remuneration			
9.	Share Issue Mandate			
10.	Share Purchase Mandate			

* *Delete where applicable*

\# *Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" or "Abstain" a resolution, please indicate with a "X" within the box provided in respect to the resolution. Alternatively, please indicate the number of votes within the box in respect of that resolution. In the absence of specific directions in respect of a specific resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.*

Dated this ________ day of ____________ 2022

Total Number of Shares Held in	
Depository Register	
Register of Members	

____

Signature(s) of the Shareholder(s)/
Authorised persons of Corporate Shareholder

Notes:

1. Member should insert the total number of shares held.

1.1 If the member has shares entered in the Depository Register (as defined in section 81SF of the Securities and Futures Act 2001 of Singapore), please insert that number of shares.

1.2 If the member has shares registered in the Register of Members, please insert that number of shares.

1.3 If the member has shares entered in the Depository Register and shares registered in the Register of Members, please insert the aggregate number of shares entered in the Depository Register and registered in the Register of Members.

1.4 If no number of shares is inserted, the Proxy Form shall be deemed to relate to all the shares held by the member.

2. As a precautionary measure due to COVID-19 situation in Singapore, members will not be able to attend the AGM in person. Members will also not be able to vote online on the resolutions to be tabled for approval at the AGM. Members (whether individual or body corporate) must appoint the Chairman of the AGM as their proxy to exercise their voting rights at the AGM. The Chairman of the AGM, as proxy, need not be a member of the Company. This Proxy Form may be accessed on the SGXNET at ***https://www.sgx.com/securities/annual-reports-related-documents***, at the Company's website at ***https://bbr.listedcompany.com/agm.html*** and at the URL ***https://conveneagm.com/sg/BBRHoldings***. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

3. This Proxy Form is not valid for use by Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator at least 7 working days before the date of the AGM to submit his/her vote.

4. The Proxy Form must be under the hand of the appointor or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

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AFFIX
STAMP

Company Secretary

BBR HOLDINGS (S) LTD

50 CHANGI SOUTH STREET 1
BBR BUILDING
SINGAPORE 486126

Please fold here

5. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof shall be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

6. The duly executed Proxy Forms must be submitted to the Company in the following manner, not less than seventy-two (72) hours before the time appointed for holding the AGM:

   (a) if submitted by post, must be deposited at the registered office of the Company at 50 Changi South Street 1, BBR Building, Singapore 486126;

   (b) if submitted electronically, be sent by email to ***agm2022@bbr.com.sg***; or via the URL ***https://conveneagm.com/sg/BBRHoldings***.

   A member who wishes to submit hard copy of the Proxy Form, must complete with specific voting instructions and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. Alternatively, shareholders may submit proxy form using the electronic format accessible at ***https://conveneagm.com/sg/BBRHoldings***.

   In view of the current COVID-19 situation and the related safe distancing measures, members are strongly encouraged to submit completed Proxy Forms electronically.

7. The Company shall be entitled to reject the Proxy Form 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 Proxy Form.

8. In the case of a member whose shares are entered in the Depository Register, the Company may reject any Proxy Form lodged if such member is not shown to have shares entered in the Depository Register as at seventy-two (72) hours before the time appointed for the holding of the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting the Proxy Form, the member is deemed to have accepted and agreed to the personal data privacy terms as set out in the Notice of Twenty-Eighth Annual General Meeting dated 7 April 2022.

"Personal data" in the Proxy Form has the same meaning as "personal data" in the Personal Data Protection Act 2012.

BBR HOLIDINGS (S) LTD
Reg. No.: 199304349M

50 Changi South Street 1 BBR Building Singapore 486126
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