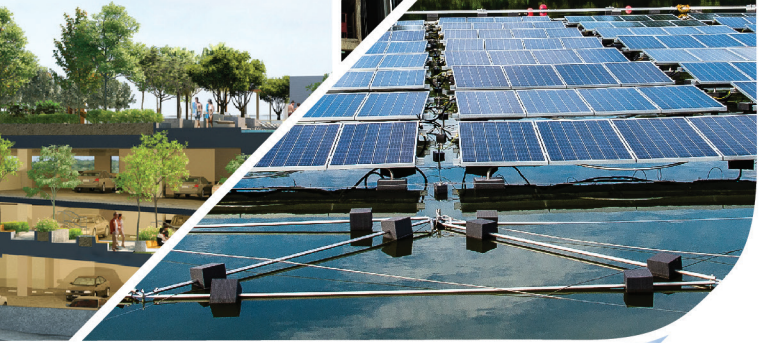




BBR HOLDINGS (S) LTD



SUSTAINABLE & INNOVATIVE CONSTRUCTION

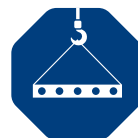
ANNUAL REPORT 2023



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OUR MISSION

To strengthen our capabilities continuously in order to compete in the building and construction, civil engineering and property markets.

To provide our clients with innovative structural engineering solutions 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 30 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").

2001, SEC and Singa, each with more than 50 years and 40 years of history in the construction industry respectively, have successfully completed a wide range of projects ranging 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.

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

8 Nassim Hill is an upmarket freehold development developed through an associated company which comprised 16 super luxury triplex units with basement carparks and was completed in 2010. Lush on Holland Hill, a freehold condominium development with 56 spacious units in two 12-storey blocks, was completed in 2012. 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 which was developed through an associated company. The development comprised 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.

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 62% owned subsidiary. 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

CHAIRMAN'S AND CEO'S MESSAGE

Dear Shareholders,

We are pleased to present the Annual Report of BBR Holdings (S) Limited ("BBR", the "Company" or with its subsidiaries, the "Group") for the financial year ended 31 December 2023 ("FY2023").

Group revenue was up by 39.2% from \$170.5 million in FY2022 to \$237.3 million in FY2023. Profit attributable to equity holders increased by 12.1% from \$5.7 million in FY2022 to \$6.4 million in FY2023. As a result, the Earnings Per Share rose from 1.76 cents per share in FY2022 to 1.98 cents per share.

The gross profit margin remained stable at 15.4%, largely unchanged from 15.8% in FY2022; offsetting the impact of higher financing, manpower, materials, and transportation costs.

The Group's financial position was healthy. As at 31 December 2023, NAV Per Share was 32.62 cents and Net Debt to Equity was 0.41. Net Cash generated from Operating activities was positive at \$4.5 million. Short term liquidity was healthy with cash holdings of \$56.9 million as at 31 December 2023.

Business and Geographical Segments

The General Construction segment accounted for 21.6% of revenue as compared with its 19.4% contribution to revenue in FY2022. The increase was mainly due to new projects awarded during the year. The continuing income stream from the Group's 50% owned joint venture, Sinohydro-Singapore Engineering & Construction Joint Venture ("SHSECJV") for the construction of Pasir Ris East Station on the Cross Island Line also contributed to the Group's top line.

However, revenue from the Specialised Engineering segment of the Group's business saw a 22.7% fall from \$89.4 million in FY2022 to \$69.1 million in FY2023 as construction activities for the infrastructure and piling projects decreased.

The Property Development business segment recorded a revenue of \$112.3 million, a marked increase from \$44.6 million in FY2022. Construction of the 20-storey mixed development comprising a 15-storey residential apartment tower of 120 units and a commercial podium at The LINQ is ongoing and the construction progress is on schedule.

The Green Technology business segment revenue increased from \$3.4 million in FY2022 to \$4.6 million in FY2023 due to projects awarded in FY2023 for the design,

construction, and installation of photovoltaic systems as well as the sale of renewable energy certificates.

Singapore retained its position as the dominant market for the Group's business accounting for 87.3% of Group revenue, followed by Malaysia with 7.7% and Thailand with 5.0%.

Projects

The Group's projects showcase its established reputation and proven track record as a construction company with innovative design and engineering capabilities and a boutique developer of premium properties. Besides the ongoing development at the Group's LINQ property development, the Group has secured a project for construction of 6 blocks of 5-storey residential development with basement car park at Jervois Road in the prime Tanglin area, and a project for the additions and alterations of facilities at Resorts World Sentosa integrated resort, one of Singapore's prime tourist attractions.

In Specialised Engineering the Group's bored piling, post-tensioning and infrastructural works requiring innovative engineering has enabled it to secure several projects from main contractors for the Land Transport Authority's several upcoming lines and stations. Additionally, works on bridges, expressways, overpasses, and LRT monorails are ongoing in Malaysia and Thailand.

The Singapore Economy and the Construction Industry

The Ministry of Trade and Industry ("MTI") announced that the Singapore economy grew by 1.1% in 2023 moderating from the 3.8% post-Covid bounce in 2022. MTI has maintained the 2024 growth forecast for the Singapore economy at between 1% to 3%.

The construction sector grew by 5.2% in 2023 as compared with 4.6% in 2022, supported by growth in construction activities in both the public and private sectors. The Building and Construction Authority ("BCA") in a press release on 15 January 2024, has projected total construction demand in 2024 to be between \$32 billion and \$38 billion, with the public sector contributing to 55% of total construction demand.

Construction demand is projected to range between S\$31 billion and S\$38 billion per year from 2025 to 2028. The public sector will continue to lead demand and is expected to contribute S\$19 billion to \$23 billion per year from



Tan Kheng Hwee Andrew
Chief Executive Officer



Prof. Yong Kwet Yew
Non-Executive Chairman

2025 to 2028, with building projects and civil engineering works constituting about 70 percent and 30 percent respectively. Besides public housing developments, public sector construction demand over the medium term will be supported by various major developments, such as Phase 3 of the MRT Cross Island Line, the MRT Downtown Line Extension to Sungei Kadut, Alexandra Hospital redevelopment, a new integrated hospital at Bedok, Toa Payoh Integrated Development, Siglap South Integrated Development, and redevelopment of various Junior Colleges.

BCA expects private sector construction demand to remain stable in the medium term at between \$12 billion and \$15 billion per year from 2025 to 2028. The moderation in the private sector is reflected in Urban Redevelopment Authority ("URA") private residential property price index increasing at a slower pace of 6.8% in 2023 compared to the increase of 8.6% and 10.6% in 2022 and 2021 respectively.

Transformation of the Construction Industry

The Group will ensure that its operational and business strategy is aligned with the transformation of the construction industry as set out in the BCA's Built Environment Industry Transformation Map ("BEITM").

The BEITM aims to transform the built environment sector through the three key stages of a building's life cycle - planning and design, construction, operations and maintenance. Its key tenet is the raising of industry's productivity by fostering collaboration between all parties participating in the life cycle of a building from developers to building owners, architects, consultants, construction contractors, procurement specialists, and facility management providers. The resulting integration of planning, design, construction, operations, and

maintenance will be enabled through digital platforms, Building Information Modelling ("BIM"), digital twins, and a common data environment.

Outlook for the Year Ahead

The Group is supported by a healthy order book of \$439 million. However, the war in Ukraine, the Israel-Gaza crisis in the Middle East, a rise in trade protectionism trends, and tensions in the South China Sea cast a shadow of uncertainties over the economic horizon.

While inflationary pressures may have peaked, the construction industry in Singapore still faces many challenges. The cost of financing and the prices of construction materials remain high. Additionally, there are manpower supply constraints and shortage of skills while the cost of bedspace rental in dormitories has escalated.

The Group will continue to manage its project costs and exercise financial discipline in its operating expenditure. It will leverage its track record in building construction and specialised engineering to secure more projects by tender as well as in partnership with strategic partners. The Group will also explore investment opportunities to diversify its business.

In property development, the Group will step up its marketing for the sale of the two-storey retail podium with 53 strata-titled units at The LINQ. However, the Group will exercise financial prudence when bidding for the replenishment of its land bank.

Changes to the Board

In line with our Board Diversity policy, we have taken significant steps to strengthen the capabilities of our

CHAIRMAN'S AND CEO'S MESSAGE

Board. We would like to welcome our newly appointed Independent Non-Executive Directors, Mr. Chan Mun Wei who was appointed on 9 May 2023, and Ms. Karen Lee Kiah Ling who was appointed on 2 January 2024.

Mr. Chan holds a Master of Arts in Education and a Bachelor of Arts (Distinction) from Stanford University and Master of Business Administration from the National University of Singapore. His multi-sectoral experience in sustainability, corporate strategy and risk management will be an asset to the Board in steering the Group towards its vision of sustainable and innovative construction engineering.

Ms. Lee holds a Master of Science in Real Estate and a Bachelor of Science (Economics) from the National University of Singapore and her more than 20 years of experience in real estate funding, investor relations, investment, asset management and business development will be a plus for the Group's property development business.

We would also like to acknowledge Mr. Adrian Seow who resigned from the Board on 16 October 2023. We thank him for his invaluable contribution throughout his tenure.

Our Chairman, Prof. Yong Kwet Yew, was first appointed to the Board in 1997. He will be stepping down this year after the conclusion of the forthcoming Annual General Meeting, having served on the Board for 27 years. The Board, Management and staff wish to record a note of deep appreciation to Prof. Yong for his many significant and valuable contributions and dedicated service over the last three decades. Under his insightful and steady leadership, the Group has ridden through many difficult times, especially during the COVID-19 pandemic. We wish him all the best in his future endeavours.

Corporate Sustainability

The objectives of corporate sustainability are to enhance organisational resilience, ensure compliance with relevant Environment, Social and Governance ("ESG") regulations, and create long-term value for all stakeholders. We have streamlined the material ESG factors and continued the journey in assessing climate-related risks and opportunities. The Corporate Sustainability Committee ("CSC") will formulate and implement good ESG practices, which includes seeking out new opportunities for BBR Care, our community giving initiative initiated in 2014.

Dividend

In appreciation of the support from shareholders, the Board of Directors recommended a tax-exempt one-tier first and final cash dividend of 0.3 cents per share in respect of the financial year ended 31 December 2023 for approval by shareholders at the forthcoming Annual General Meeting.

Acknowledgements

The Group's creditable financial performance in FY2023 in the face of numerous challenges in the business environment would not have been possible without the collective efforts of many parties. We extend our heartfelt gratitude to the Board of Directors for their steadfast leadership in guiding the Company through a demanding year. On behalf of the Board, we convey our appreciation to our valued clients and business partners for their unwavering support. To our shareholders, we express sincere thanks for your trust and confidence, which inspired us to strive for excellence in all that we do. Finally, we thank the entire Management team and staff for their dedication and hard work throughout the year.

Message from The Chairman

It has been a tremendous privilege and honour for me to have served on the Board of BBR for the past 27 years. It has been a good time working with my fellow Board members, past and present, and I thank them for the meaningful collaboration and shared commitment to the Group's success. I also wish to commend and thank the management and staff for their commitment, dedication and hard work. Together we have accomplished and built BBR to what it is today.

I am confident that the Group is well-positioned to face challenges and succeed in new opportunities. I wish the Group every success in its next phase of growth.

Prof. Yong Kwet Yew
Non-Executive Chairman

Tan Kheng Hwee Andrew
Chief Executive Officer

References:

- BCA Built Environment Industry Transformation Map
- Ministry of Trade and Industry Singapore Press Release "MTI Maintains 2024 GDP Growth Forecast at 1.0 to 3.0 Per Cent", 15 February 2024
- BCA Media Release "Steady Demand for the Construction Sector Projected for 2024", 15 January 2024
- URA Media Release "Release of 4th Quarter 2023 Real Estate Statistics", 26 January 2024

KEY FINANCIAL
HIGHLIGHTS

| | | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 |
|--|----------|----------|----------|---------|---------|----------------|
| Revenue | (\$'000) | 127,805 | 121,595 | 179,954 | 170,485 | 237,297 |
| Gross Profit/(Loss) | (\$'000) | 16,651 | (2,036) | 20,968 | 26,962 | 36,543 |
| Profit/(Loss) Before Taxation | (\$'000) | (13,632) | (31,398) | (215) | 5,248 | 10,918 |
| Profit/(Loss) After Taxation (PAT) | (\$'000) | (14,225) | (28,559) | (79) | 4,971 | 7,944 |
| Profit/(Loss) Attributable to Equity Holders of the Company | (\$'000) | (12,822) | (26,441) | 1,598 | 5,688 | 6,376 |
| Earnings/(Loss) Per Share | (Cents) | (3.98) | (8.20) | 0.50 | 1.76 | 1.98 |
| Dividend Per Share | (Cents) | – | – | 0.30 | 0.30 | 0.3 |
| Dividend Payout | (%) | – | – | 60.0 | 17.0 | 15.2 |
| Net Assets (NAV) | (\$'000) | 121,309 | 94,915 | 96,471 | 100,376 | 105,163 |
| NAV Per Share | (Cents) | 37.63 | 29.44 | 29.92 | 31.14 | 32.62 |
| Net Debt To Equity ¹ | (%) | 38.8 | 79.2 | 59.9 | 55.7 | 41.1 |
| Return On Equity ² | (%) | – | – | – | 5.3 | 7.9 |
| Return On Total Assets ³ | (%) | – | – | – | 1.6 | 2.3 |

Revenue by Business Segment

| | | | | | | |
|-------------------------|----------|--------|--------|---------|--------|----------------|
| General Construction | (\$'000) | 31,685 | 22,375 | 67,779 | 33,033 | 51,272 |
| Specialised Engineering | (\$'000) | 92,251 | 90,455 | 102,096 | 89,421 | 69,111 |
| Property Development | (\$'000) | – | 2,584 | 5,895 | 44,582 | 112,300 |
| Green Technology | (\$'000) | 3,775 | 6,087 | 4,090 | 3,379 | 4,572 |

Revenue by Geographical Segment

| | | | | | | |
|-----------|----------|--------|--------|---------|---------|----------------|
| Singapore | (\$'000) | 72,370 | 72,499 | 133,516 | 129,478 | 207,116 |
| Malaysia | (\$'000) | 49,063 | 40,716 | 36,624 | 22,554 | 18,328 |
| Thailand | (\$'000) | 6,372 | 8,380 | 9,814 | 18,453 | 11,853 |

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

Review of Statement of Comprehensive Income

Group revenue increased 39.2% from \$170.5 million in FY2022 to \$237.3 million in FY2023. The Group recorded profit after income tax of \$7.9 million (FY2022: \$5.0 million). Profit attributable to equity holders of \$6.4 million; an increase of 12.1% over \$5.7 million in FY2022.

Earnings Per Share was 1.98 cents per share as compared with 1.76 cents per share in FY2022.

The increase in revenue for the General Construction business segment was primarily contributed by new projects awarded in FY2023. Additionally, the continuing flow of revenue from the Group's 50% owned joint venture, Sinohydro-Singapore Engineering & Construction Joint Venture ("SHSECJV") contributed to the Group's top line.

SHSECJV was awarded the Land Transport Authority's contract CR107 for the design and construction of Pasir Ris East Station under Phase One of the Cross Island Line ("Contract CR 107"). The Group has accounted for SHSECJV as a joint operation and hence the results and assets and liabilities are consolidated into the Group's financial statements on a proportionate basis based on 50% equity interest.

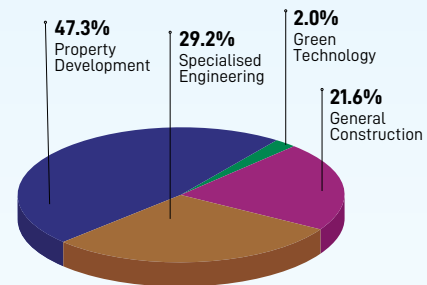
Revenue from the Specialised Engineering segment of the Group's business saw a 22.7% decrease from \$89.2 million to \$69.1 million as construction activities in this business segment decreased across all regions. The delay in the main contractors' site readiness and rainy weather affected the project progress and caused overrun of project costs.

With the ongoing construction of The LINQ, a mixed development comprising a 15-storey residential apartment tower of 120 units and a commercial podium, the Property Development business segment recognised a revenue of \$112.3 million on a Percentage of Completion ("POC") basis versus \$44.6 million in FY2022.

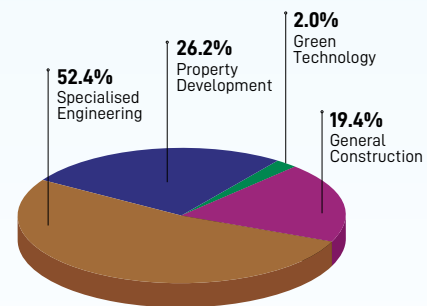
Revenue from the Green Technology business segment increased from \$3.4 million in FY2022 to \$4.6 million in FY2023 due to projects awarded in FY2023 for the design, construction, and installation of photovoltaic systems as well the sale of renewable energy certificates.

In terms of business by geographical segments, Singapore accounted for 87.3% of the Group's revenue, up from 76.0% in FY 2022, followed by 7.7% for Malaysia and 5.0% for Thailand. Both Malaysia and Thailand, whose business is included under the Specialised Engineering business segment, faced a drop in their revenue.

Revenue by business segment



2023



2022

● General Construction
 ● Property Development
 ● Specialised Engineering
 ● Green Technology

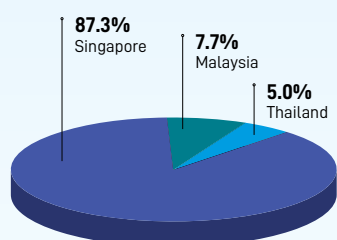
Gross profit margin decreased slightly to 15.4% from the 15.8% achieved in FY2022. With a higher revenue, the overall gross profit improved 35.5% from \$27.0 million in FY2022 to \$36.5 million in FY2023.

Finance costs increased by \$2.7 million or 56.9% due to higher interest rates as well as additional bank borrowings during the financial year.

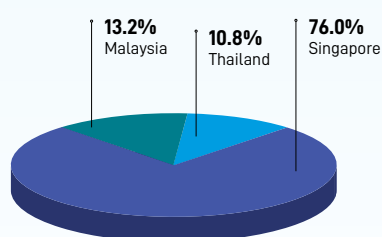
Review of Statement of Financial Position and Cash Flows

Right-of-use assets increased by \$2.1 million as the Group obtained a three-year Temporary Occupancy Licence in respect of a land parcel for storage purpose and the purchase of several items of plant and machinery under finance lease arrangements.

Revenue by geographical segment



2023



2022

● Singapore ● Malaysia ● Thailand

The amount of investment in joint ventures decreased by \$5.6 million after distribution of profits. Under current assets, loans totalling \$5.0 million to a joint venture were fully repaid during the financial year.

With the increase in construction activities, current trade receivables and current trade and other payables increased by \$8.7 million and \$12.5 million respectively.

Current contract assets increased by \$14.9 million arising mainly from an increase in contract assets attributed to progressive claims that are not yet due from the purchasers of The LINQ's residential units, as well as an increase in retention receivables. The value of development properties increased by \$9.0 million due to capitalisation of construction cost incurred for the unsold commercial units of The LINQ.

Current and non-current lease liabilities increased with the three-year Temporary Occupancy Licence in respect of a land parcel and plant and machinery purchased under finance lease arrangements.

Current loans and borrowings increased by \$82.5 million. This was due to an increase in short term borrowings arising from trade financing obtained for purchase of materials as well as a reclassification of \$81.3 million of loans and borrowings from non-current liabilities to current liabilities for loans and borrowings that are expected to be repaid within the next financial year.

An additional term loan of \$3.0 million was obtained for the purchase of the factory at Seelong which is located within the State of Johore in Malaysia. With repayment of other existing term loans and the aforesaid reclassification, non-current borrowings decreased by \$87.3 million.

For the financial year ended 31 December 2023, operating cash flows before working capital changes was \$20.8 million and net cash generated from operating activities was \$4.5 million.

The Group's cash holding was \$56.9 million as at 31 December 2023, up by \$5.9 million from \$51.0 million as at the end of the last financial year.

The Company paid a final dividend of \$1 million for FY2022 after obtaining shareholders' approval in the Annual General Meeting held on 27 April 2023.

The Company's Net Asset Value Per Share as at the end of FY2023 was 32.62 cents (FY2022: 31.14 cents).

As at 31 December 2023, the Group's Order Book was approximately \$439 million, an increase of 7.9% from the 31 December 2022 Order Book of \$407 million.

BOARD OF DIRECTORS



Prof Yong Kwet Yew, BBM PhD

Non-Executive Director
Chairman of the Board,
Member of the Audit & Risk Committee and
Member of the Nominating Committee



Mr Tan Kheng Hwee Andrew

Executive Director, Chief Executive Officer

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 development 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 an Independent Director of Tritech Group Limited, and Boustead Projects Ltd. He was recently appointed Board member of PUB, Singapore's National Water Agency

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.

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.



Mr Bruno Sergio Valsangiacomo

Non-Executive Director
Member of the Remuneration Committee



Dr Pietro Brenni

Non-Executive Director

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, and NeuroPro Ltd, a company developing next generation tools for applied brain science.

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

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 the Chairman of Stahlton AG and a Board Member of BBR Holding 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 the 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.



Mr Lim Boon Cheng

Independent Non-Executive Director
Chairman of the Audit & Risk Committee,
Chairman of the Nominating Committee and
Member of the Remuneration Committee

Mr Lim Boon Cheng was appointed 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 Chan Mun Wei

Independent Non-Executive Director
Chairman of the Remuneration Committee,
Member of the Audit & Risk Committee and
Member of the Nominating Committee



Ms Karen Lee Kiah Ling

Independent Non-Executive Director
Member of the Audit & Risk Committee

Mr Chan Mun Wei was appointed a Director of BBR Holdings (S) Ltd on 9 May 2023.

He is the Founder and Principal Consultant of SustainableSG, which provides consultancy and training services on sustainability, strategy, risk management and entrepreneurship to corporate clients.

Prior to starting SustainableSG, Mr Chan was the Divisional Director of Corporate Planning and Sustainability Lead at Sentosa Development Corporation from April 2009 to August 2018. His responsibilities included corporate strategy and organizational transformation, developing and implementing the Sentosa Sustainability Plan, managing corporate-wide enterprise risk management and data analytics.

Mr Chan graduated from Stanford University in the United States with dual degrees – Bachelor of Arts (Distinction) in Anthropology and Master of Arts in Education – and subsequently completed an MBA at the National University of Singapore. He is an Associate Lecturer at the Singapore University of Social Sciences.

Ms Karen Lee Kiah Ling was appointed a Director of BBR Holdings (S) Ltd on 2 January 2024. She is currently the Deputy CEO of the manager of ESR-LOGOS REIT (“E-LOG”) following the completion of the merger between ESR-REIT and ARA LOGOS Logistics Trust in May 2022. E-LOG is a leading New Economy and future-ready Asia Pacific S-REIT listed on the Singapore Exchange Securities Trading Limited since 25 July 2006, investing in quality income-producing industrial properties in key gateway markets. Ms. Lee is responsible for executing E-LOG’s growth strategy.

Ms Lee has more than 20 years of experience in the real estate industry involving M&A, fund raising, capital markets, investor relations, industrial real estate development, asset and investment management, business development, leasing, marketing and property management.

Prior to joining the E-LOG Manager, Ms Lee was the CEO of the manager of ARA LOGOS Logistic Trust since August 2020. Previously, she was the Head of Asset and Investment Management for LOGOS SE Asia Pte Ltd and was the Head of Singapore Portfolio and Asset Management of Ascendas Funds Management (S) Limited the manager of Ascendas REIT (“A-REIT”) now known as CapitaLand Ascendas REIT.

Ms Lee holds a Bachelor Degree of Science in Economics, a Bachelor Degree of Social Science (Honours) in Economics and a Master Degree of Science in Real Estate, all from the National University of Singapore.

BOARD OF DIRECTORS



Mr Voon Yok Lin
Executive Director



Mr Voon Chet Chie
Alternate Director to Mr Voon Yok Lin

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.

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.

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 Property Pte. Ltd. /
BBR Greentech Pte. Ltd. / BBR Piling Pte Ltd / Alike Properties
Pte. Ltd. / Singapore Engineering & Construction Pte. Ltd. /
Singa Development 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.

Mr Hua Tai Suan Andy

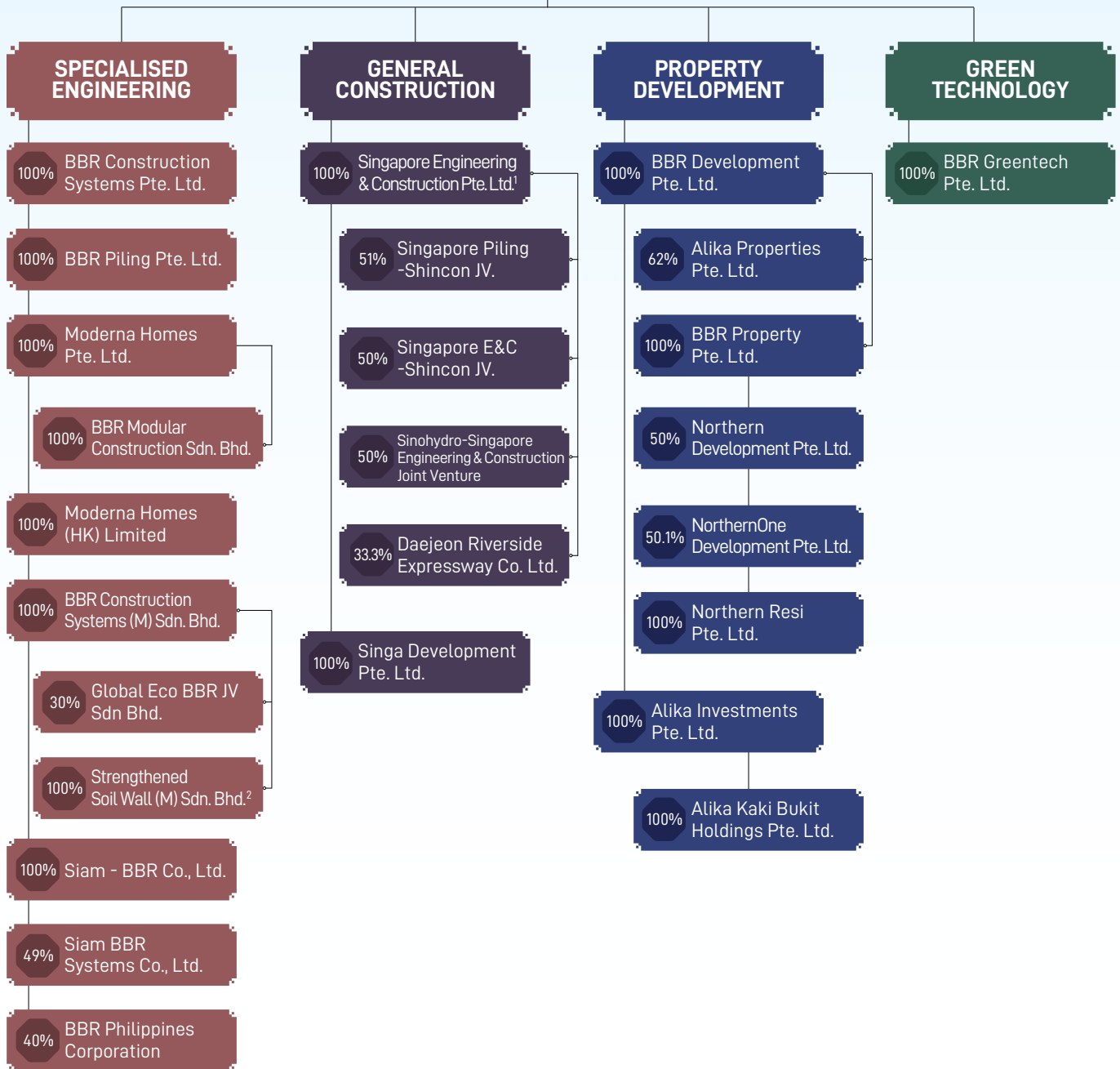
Executive Director, Singapore Engineering &
Construction Pte. Ltd.

Mr Hua Tai Suan Andy was appointed an Executive Director of Singapore Engineering & Construction Pte. Ltd. on 11 July 2022. He is in charge of the day-to-day operations, marketing and business development for the General Construction business.

Mr Hua first joined the Company in 1997 as a Site Engineer and over the years advanced his career development to being a Site Manager, Construction Manager, Project Manager, Project Director and General Manager of the Company. With more than 25 years of experience in the construction industry in various roles, he possesses in-depth knowledge of the industry, technically and commercially.

Mr Hua holds a Bachelor Degree of Science (Honours) in Management from the University College Dublin / National University of Ireland, and a Master Degree of Business Administration from Northumbria University, Newcastle, United Kingdom.

CORPORATE STRUCTURE



Note

¹ formerly known as Singapore Piling & Civil Engineering Private Limited

² formerly known as SP Piling Sdn. Bhd.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Prof Yong Kwet Yew

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

Mr Lim Boon Cheng

Independent Director
FCA (Singapore), FCA (Ireland), MBA

Mr Chan Mun Wei

Independent Director
BA, MA, MBA

Ms Karen Lee Kiah Ling

Independent Director
BSc (Hons), MSc

AUDIT AND RISK COMMITTEE

Mr Lim Boon Cheng (Chairman)

Prof Yong Kwet Yew

Mr Chan Mun Wei

Ms Karen Lee Kiah Ling

NOMINATING COMMITTEE

Mr Lim Boon Cheng (Chairman)

Prof Yong Kwet Yew

Mr Chan Mun Wei

REMUNERATION COMMITTEE

Mr Chan Mun Wei (Chairman)

Mr Bruno Sergio Valsangiacomo

Mr Lim Boon Cheng

COMPANY SECRETARY

Ms Liew Meng Ling

REGISTERED OFFICE

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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
United Overseas Bank Limited
DBS Bank Ltd
Resona Merchant Bank Asia Limited
Malayan Banking Berhad
CIMB Bank Bhd
Ambank Bhd
Amlslamic Bank Bhd
United Overseas Bank (Thai) PCL

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)

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

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

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

CONSTRUCTION PRODUCTIVITY & INNOVATION

- 2023 Innovation & Technology Excellence Award 2023 (Merit) by MOH Holdings
- 2023 Trophy Award for The Innovative, Efficient and Productive Use of Steel Structures in the Built Environment for the SMU Connexion Building by the Singapore Structural Steel Society (SSSS)
- 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

SAFETY

- 2023 SCAL WSH Award for SLOTS Registered Contractors 2023 (Gold) by Singapore Contractors Association Ltd
- 2023 bizSAFE Enterprise Exemplary Award 2023 by WSH Council & Ministry of Manpower
- 2022 WSH Performance Awards 2022 (Gold) by WSH Council & Ministry of Manpower
- 2022 WSH Performance Awards 2022 (Silver) by WSH Council & Ministry of Manpower
- 2022 CultureSAFE Certificate of Commendation by WSH Council
- 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 WSH Performance Awards 2018 (Silver) by WSH Council & Ministry of Manpower
- 2018 WSH SHARP Award 2018 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

CONSTRUCTION ENVIRONMENT

- 2023 Green and Gracious Builder Star Award
- 2022 Green and Gracious Builder Star Award
- 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 Piling Pte. Ltd.
- BBR Property Pte. Ltd.
- Alika Kaki Bukit Holdings Pte. Ltd.
- Alika Investments Pte. Ltd.
- Alika Properties 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

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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



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- BBR Philippines Corporation

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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



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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 2023.

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 2023 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 | |
| Lim Boon Cheng | |
| Pietro Brenni | |
| Romano William Fanconi | (Alternate Director to Pietro Brenni) |
| Voon Yok Lin | |
| Voon Chet Chie | (Alternate Director to Voon Yok Lin) |
| Chan Mun Wei | (Appointed on 9 May 2023) |
| Karen Lee Kiah Ling | (Appointed on 2 January 2024) |

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:

| Name of director | Direct interest | | Deemed interest | |
|-----------------------------|------------------------------------|------------------------------|------------------------------------|------------------------------|
| | At the beginning of financial year | At the end of financial year | At the beginning of financial year | At the end of financial year |
| The Company | | | | |
| BBR Holdings (S) Ltd | | | | |
| Ordinary shares | | | | |
| Tan Kheng Hwee Andrew | 17,250,474 | 17,250,474 | 228,400 | 228,400 |
| Bruno Sergio Valsangiacomo | – | – | 85,632,978 | 85,632,978 |
| Romano William Fanconi | 80,000 | 80,000 | – | – |
| 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 28 March 2024.

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 & RISK COMMITTEE

The Audit & Risk Committee ("ARC") 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 ARC;

DIRECTORS' STATEMENT

AUDIT & RISK 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 ARC to the board of directors with such recommendations as the ARC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The ARC, 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 ARC has also conducted a review of interested person transactions.

The ARC convened four meetings during the year with full attendance from all members. The ARC 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 ARC 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

Lim Boon Cheng
Independent Non-Executive Director

28 March 2024

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2023, 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 material accounting policy information.

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 2023 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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBR HOLDINGS (S) LTD *(cont'd)*

Key Audit Matters *(cont'd)*

Revenue recognition on construction contracts and development properties under construction

Please refer to Note 2.25(a) Construction contracts, Note 2.25(b) Sale of development properties under construction, Note 3.1 Key sources of estimation uncertainty and Note 4 Revenue.

For the year ended 31 December 2023, the Group recognised revenue amounting to \$232,108,000 from its specialised engineering, general construction and property development segments, 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 arising from the rapid changes in market and economic conditions. Accordingly, we identified revenue recognition on construction contracts and development properties under construction 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.

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 2023, the Group recognised trade receivables and contract assets of \$20,894,000 and \$118,853,000 respectively. The collectability of trade receivables and contract assets are integral to the Group's working capital management. The rapid changes in market and economic conditions have also increased the estimation uncertainty relating to the recoverability of 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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBR HOLDINGS (S) LTD *(cont'd)*

Key Audit Matters *(cont'd)*

Provision for expected credit loss on trade receivables and contract assets *(cont'd)*

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 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 development properties

Please refer to Note 2.18 Development properties, Note 3.1 Key sources of estimation uncertainty and Note 21 Development properties.

As at 31 December 2023, the carrying amount of the Group's development properties from its mixed development project amounted to \$88,059,000. 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 2023. Accordingly, we have identified the recoverability of 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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBR HOLDINGS (S) LTD *(cont'd)*

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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBR HOLDINGS (S) LTD *(cont'd)*

Auditor's Responsibilities for the Audit of the Financial Statements *(cont'd)*

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.

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.



INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBR HOLDINGS (S) LTD *(cont'd)*

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
28 March 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

| | Note | 2023 \$'000 | 2022 \$'000 |
|---|------|----------------|----------------|
| Revenue | 4 | 237,297 | 170,485 |
| Cost of sales | | (200,754) | (143,523) |
| Gross profit | | 36,543 | 26,962 |
| Other operating income | 5 | 3,931 | 3,874 |
| Other expense | | (528) | (517) |
| Administrative costs | | (4,206) | (3,815) |
| Other operating costs | | (18,580) | (17,135) |
| Finance costs | 6 | (7,405) | (4,719) |
| Share of results of joint ventures | 13 | 351 | 406 |
| Share of results of associates | | 812 | 192 |
| Profit before taxation | 7 | 10,918 | 5,248 |
| Income tax expense | 8 | (2,974) | (277) |
| Profit for the year | | 7,944 | 4,971 |
| Other comprehensive income: | | | |
| <i>Item that may be reclassified subsequently to profit or loss</i> | | | |
| Foreign currency translation loss | | (620) | (779) |
| Other comprehensive income for the year | | (620) | (779) |
| Total comprehensive income for the year | | 7,324 | 4,192 |
| Profit/(loss) attributable to: | | | |
| Equity holders of the Company | | 6,376 | 5,688 |
| Non-controlling interests | | 1,568 | (717) |
| | | 7,944 | 4,971 |
| Total comprehensive income attributable to: | | | |
| Equity holders of the Company | | 5,754 | 4,872 |
| Non-controlling interests | | 1,570 | (680) |
| | | 7,324 | 4,192 |
| Earnings per share (cents per share) | | | |
| Basic | 9 | 1.98 | 1.76 |
| Diluted | 9 | 1.98 | 1.76 |

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

| | Note | Group | | Company | |
|---|------|----------------|----------------|-----------------|-----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Non-current assets | | | | | |
| Property, plant and equipment | 10 | 28,904 | 30,699 | 11,861 | 12,022 |
| Right-of-use assets | 11 | 5,113 | 3,025 | 1,749 | 1,801 |
| Investments in subsidiaries | 12 | – | – | 58,048 | 59,348 |
| Investments in joint ventures | 13 | 672 | 6,231 | – | – |
| Investments in associates | 15 | 2,225 | 1,668 | 260 | 260 |
| Deferred tax assets | 17 | 291 | 2,921 | – | – |
| Contract assets | 4 | 11,104 | 11,046 | – | – |
| | | <u>48,309</u> | <u>55,590</u> | <u>71,918</u> | <u>73,431</u> |
| Current assets | | | | | |
| Trade receivables | 18 | 21,600 | 12,874 | – | – |
| Loans to a joint venture | 19 | – | 5,042 | – | – |
| Amounts due from subsidiaries | 20 | – | – | 3,614 | 3,348 |
| Contract assets | 4 | 107,749 | 92,829 | – | – |
| Capitalised contract costs | 4 | 1,045 | 4,439 | – | – |
| Development properties | 21 | 88,059 | 79,028 | – | – |
| Properties held for sale | 22 | 825 | 1,222 | – | – |
| Inventories | 22 | 3,038 | 3,571 | – | – |
| Investment securities | 16 | 10 | 10 | – | – |
| Other receivables | 23 | 6,980 | 7,312 | 668 | 74 |
| Pledged deposits | 24 | 6,030 | 4,700 | – | – |
| Cash and cash equivalents | 24 | 56,938 | 50,989 | 826 | 355 |
| Income tax recoverable | | 406 | 429 | – | – |
| | | <u>292,680</u> | <u>262,445</u> | <u>5,108</u> | <u>3,777</u> |
| Total assets | | <u>340,989</u> | <u>318,035</u> | <u>77,026</u> | <u>77,208</u> |
| Current liabilities | | | | | |
| Amounts due to subsidiaries | 20 | – | – | 15,002 | 14,330 |
| Contract liabilities | 4 | 23,682 | 19,481 | – | – |
| Trade and other payables | 25 | 63,345 | 50,872 | 168 | 211 |
| Provisions | 26 | 3,082 | 4,391 | – | – |
| Deferred income | 26 | 207 | 200 | – | – |
| Other liabilities | 26 | 8,558 | 9,641 | 1,512 | 1,022 |
| Lease liabilities | 11 | 1,695 | 854 | 28 | 27 |
| Loans and borrowings | 27 | 88,233 | 5,714 | 530 | 545 |
| Income tax payables | | 393 | 41 | 5 | 5 |
| | | <u>189,195</u> | <u>91,194</u> | <u>17,245</u> | <u>16,140</u> |
| Net current assets/(liabilities) | | <u>103,485</u> | <u>171,251</u> | <u>(12,137)</u> | <u>(12,363)</u> |

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

| | Note | Group | | Company | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Non-current liabilities | | | | | |
| Trade payables | 25 | 4,085 | 451 | - | - |
| Deferred income | 26 | 2,364 | 2,483 | - | - |
| Lease liabilities | 11 | 4,701 | 3,007 | 1,961 | 1,989 |
| Loans and borrowings | 27 | 40,529 | 127,801 | 6,602 | 7,132 |
| | | <u>51,679</u> | <u>133,742</u> | <u>8,563</u> | <u>9,121</u> |
| Total liabilities | | <u>240,874</u> | <u>224,936</u> | <u>25,808</u> | <u>25,261</u> |
| Net assets | | <u>100,115</u> | <u>93,099</u> | <u>51,218</u> | <u>51,947</u> |
| 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 | | 58,006 | 52,597 | 2,702 | 3,431 |
| Foreign currency translation reserve | | (1,359) | (737) | - | - |
| | | <u>105,163</u> | <u>100,376</u> | <u>51,218</u> | <u>51,947</u> |
| Non-controlling interests | | (5,048) | (7,277) | - | - |
| Total equity | | <u>100,115</u> | <u>93,099</u> | <u>51,218</u> | <u>51,947</u> |

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

| | Attributable to equity holders of the Company | | | | | | |
|--|---|--|-----------------------------|--|-----------------|-------------------------------------|------------------------|
| | Share capital (Note 28) \$'000 | Treasury shares (Note 29) \$'000 | Retained earnings \$'000 | Foreign currency translation reserve \$'000 | Total \$'000 | Non-controlling interests \$'000 | Total equity \$'000 |
| Group | | | | | | | |
| At 1 January 2023 | 49,082 | (566) | 52,597 | (737) | 100,376 | (7,277) | 93,099 |
| <u>Total comprehensive income</u> | | | | | | | |
| Profit for the year | - | - | 6,376 | - | 6,376 | 1,568 | 7,944 |
| Other comprehensive income for the year | - | - | - | (622) | (622) | 2 | (620) |
| Total comprehensive income for the year | - | - | 6,376 | (622) | 5,754 | 1,570 | 7,324 |
| <u>Distribution to owners</u> | | | | | | | |
| Dividends paid on ordinary shares to equity holders of the Company (Note 37) | - | - | (967) | - | (967) | - | (967) |
| Total transaction with owners in their capacity as owners | - | - | (967) | - | (967) | - | (967) |
| <u>Changes in ownership interests in a subsidiary</u> | | | | | | | |
| Capital contribution from non-controlling interests | - | - | - | - | - | 659 | 659 |
| Total changes in ownership interest in a subsidiary | - | - | - | - | - | 659 | 659 |
| At 31 December 2023 | 49,082 | (566) | 58,006 | (1,359) | 105,163 | (5,048) | 100,115 |

STATEMENTS OF
CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

| | Attributable to equity holders of the Company | | | | | | |
|--|---|------------------------------|-------------------|--------------------------------------|---------|---------------------------|--------------|
| | 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 |
| Group | | | | | | | |
| At 1 January 2022 | 49,082 | (566) | 47,876 | 79 | 96,471 | (6,597) | 89,874 |
| <u>Total comprehensive income</u> | | | | | | | |
| Profit for the year | - | - | 5,688 | - | 5,688 | (717) | 4,971 |
| Other comprehensive income for the year | - | - | - | (816) | (816) | 37 | (779) |
| Total comprehensive income for the year | - | - | 5,688 | (816) | 4,872 | (680) | 4,192 |
| <u>Contributions by and distribution to owners</u> | | | | | | | |
| Acquisition of treasury shares | - | -* | - | - | - | - | - |
| Dividends paid on ordinary shares to equity holders of the Company (Note 37) | - | - | (967) | - | (967) | - | (967) |
| Total transactions with owners in their capacity as owners | - | - | (967) | - | (967) | - | (967) |
| At 31 December 2022 | 49,082 | (566) | 52,597 | (737) | 100,376 | (7,277) | 93,099 |

* The Company acquired 2,000 treasury shares in the year 2022 under the Share Buyback Mandate which was approved by the shareholders. However, no value is shown as the value of the treasury shares is zero when rounded to the nearest thousand.

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 2023

| | Share capital (Note 28) \$'000 | Treasury shares (Note 29) \$'000 | Retained earnings \$'000 | Total equity \$'000 |
|---|---|---|--------------------------------|---------------------------|
| Company | | | | |
| At 1 January 2023 | 49,082 | (566) | 3,431 | 51,947 |
| Profit for the year, representing total comprehensive income for the year | – | – | 238 | 238 |
| <u>Distributions to owners</u> | | | | |
| Dividends paid on ordinary shares to equity holders (Note 37) | – | – | (967) | (967) |
| Total transaction with owners in their capacity as owners | – | – | (967) | (967) |
| At 31 December 2023 | 49,082 | (566) | 2,702 | 51,218 |
| At 1 January 2022 | 49,082 | (566) | 7,146 | 55,662 |
| Loss for the year, representing total comprehensive income for the year | – | – | (2,748) | (2,748) |
| <u>Contributions by and distributions to owners</u> | | | | |
| Purchase of treasury shares | – | –* | – | – |
| Dividends paid on ordinary shares to equity holders (Note 37) | – | – | (967) | (967) |
| Total transactions with owners in their capacity as owners | – | – | (967) | (967) |
| At 31 December 2022 | 49,082 | (566) | 3,431 | 51,947 |

* The Company acquired 2,000 treasury shares in the year 2022 under the Share Buyback Mandate which was approved by the shareholders. However, no value is shown as the value of the treasury shares is zero when rounded to the nearest thousand.

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 2023

| | Note | 2023 \$'000 | 2022 \$'000 |
|--|------|----------------|----------------|
| Cash flows from operating activities | | | |
| Profit before taxation | | 10,918 | 5,248 |
| Adjustments for: | | | |
| Accreted interest | | 95 | 189 |
| Amortisation of capitalised contract costs | | 3,394 | 1,348 |
| Amortisation of deferred income | | (207) | (200) |
| Depreciation of property, plant and equipment | | 2,335 | 2,404 |
| Depreciation of right-of-use assets | | 1,015 | 1,236 |
| Gain on disposal of property, plant and equipment | | (100) | (380) |
| Impairment loss on property, plant and equipment | | – | 544 |
| Impairment loss on right-of-use asset | | – | 652 |
| Interest expense | | 7,310 | 4,530 |
| Interest income | | (1,178) | (288) |
| Write-down/(reversal of write-down) of inventories | | 22 | (18) |
| Share of results of associates | | (812) | (192) |
| Share of results of joint ventures | | (351) | (406) |
| Write-back of provision for rectification costs | | (814) | (3,885) |
| Write-back of loss provision on trade receivables, other receivables and contract assets | | (441) | (461) |
| Write-back of payables | | (177) | (166) |
| Write-down of properties held for sale | | 9 | 160 |
| Operating cash flows before working capital changes | | 21,018 | 10,315 |
| <i>(Increase)/decrease in:</i> | | | |
| Capitalised contract costs | | – | (103) |
| Contract assets | | (15,872) | (2,382) |
| Trade receivables | | (8,327) | (725) |
| Development properties | | (9,031) | (5,387) |
| Inventories | | 396 | 461 |
| Properties held for sale | | 307 | 247 |
| Other receivables | | (296) | (1,453) |
| <i>Increase/(decrease) in:</i> | | | |
| Contract liabilities | | 4,342 | 2,850 |
| Trade and other payables | | 15,723 | 3,413 |
| Provisions and other liabilities | | (3,805) | 275 |
| Cash generated from operations | | 4,455 | 7,511 |
| Interest paid | | (3,035) | (2,916) |
| Interest received | | 3,028 | 288 |
| Income tax refund/(paid) | | 21 | (354) |
| Net cash generated from operating activities | | 4,469 | 4,529 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 10 | (1,085) | (3,517) |
| Proceeds from disposal of property, plant and equipment | | 103 | 417 |
| Repayment of loans from a joint venture | 19 | 3,850 | 3,683 |
| Distribution of profits from an associate | | 48 | – |
| Distribution of profits from joint ventures | 13 | 5,906 | 163 |
| Net cash generated from investing activities | | 8,822 | 746 |

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

| | Note | 2023 \$'000 | 2022 \$'000 |
|--|------|----------------|-----------------|
| Cash flows from financing activities | | | |
| Dividends paid on ordinary shares to equity holders of the Company | 37 | (967) | (967) |
| Proceeds from short term borrowings | 27 | 1,207 | 614 |
| Proceeds from long-term borrowings | 27 | 5,425 | 581 |
| Repayment of long-term borrowings | 27 | (8,863) | (11,556) |
| Repayment of lease liabilities | 11 | (3,334) | (1,522) |
| Increase in pledged deposits | | (1,445) | (844) |
| Capital contribution from non-controlling interests | | 659 | – |
| Net cash used in financing activities | | <u>(7,318)</u> | <u>(13,694)</u> |
| Net increase/(decrease) in cash and cash equivalents | | 5,973 | (8,419) |
| Net effect of exchange rate changes on cash and cash equivalents | | (24) | (66) |
| Cash and cash equivalents at beginning of the year | | 50,989 | 59,474 |
| Cash and cash equivalents at end of the year | 24 | <u>56,938</u> | <u>50,989</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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, joint operation and associates are set out in Notes 12, 13, 14 and 15 respectively.

2. Material accounting policy information

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 2023, the Company's current liabilities exceeded its current assets by \$12,137,000 (2022: \$12,363,000). 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. The Company is also able to deploy the available funds within the Group for the Company to pay its debts as and when they fall due. Accordingly, the Directors are of the view that the going concern assumption is appropriate for the preparation of the financial statements of the Company.

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 2023. The adoption of these standards did not have a material effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information *(cont'd)*

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) 1-1: Classification of Liabilities as Current or Non-current | 1 January 2024 |
| Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback | 1 January 2024 |
| Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants | 1 January 2024 |
| Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements | 1 January 2024 |
| Amendments to SFRS(I) 1-21: Lack of Exchangeability | 1 January 2025 |
| Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information *(cont'd)*

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

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

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 acquiree 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (cont'd)

2.6 Foreign currency (cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (cont'd)

2.8 Joint arrangements (cont'd)

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.

Joint operation

The Group controls the joint operation with the other partner under the contractual agreements which provide the Group with rights to assets and obligations for the liabilities relating to the joint operation. The accounting policy for investments in joint operation is set out in Note 2.10.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (cont'd)

2.9 Joint ventures and associates (cont'd)

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.

2.10 Joint operation

A joint operation is an arrangement in which the Group has rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

The Group recognises in its financial statements, its interest in the joint operations as follows: its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the share of its output arising from the joint operations; its share of the revenue from the sale of the output by the joint operations; and its expenses, including its share of any expenses incurred jointly.

2.11 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:

| | |
|----------------------|---------------|
| Freehold building | 30 years |
| Leasehold properties | 8 to 42 years |
| Plant and equipment | 1 to 25 years |
| Motor vehicles | 5 years |
| Other assets | 1 to 10 years |

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (cont'd)

2.12 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 |

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (cont'd)

2.12 Leases (cont'd)

(a) As lessee (cont'd)

Lease liabilities (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (cont'd)

2.14 Financial assets

Initial recognition and measurement

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.

Subsequent measurement

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (cont'd)

2.14 Financial assets (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (*cont'd*)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (cont'd)

2.22 Provisions (cont'd)

Onerous contracts (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (cont'd)

2.24 Taxation (cont'd)

(b) Deferred tax (cont'd)

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.

(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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (cont'd)

2.25 Revenue (cont'd)

(a) Construction contracts (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (cont'd)

2.25 Revenue (cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (cont'd)

2.25 Revenue (cont'd)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information *(cont'd)*

2.28 *Contingencies (cont'd)*

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

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

2.29 *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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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) Revenue recognition on development properties under construction

For the sale of development properties where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the development properties to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the development properties. The measure of progress is based on the costs incurred to date as a proportion of total estimated costs to be incurred up to the completion of the development properties.

The estimated total construction and other related costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and knowledge of the project managers to estimate amounts to be incurred.

The revenue from sale of development properties (recognised on over time basis) is disclosed in Note 4 to the financial statements.

(c) Provision for expected credit losses (ECLs) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. Significant accounting estimates (cont'd)

3.1 Key sources of estimation uncertainty (cont'd)

(c) Provision for expected credit losses (ECLs) of trade receivables and contract assets (cont'd)

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 trade receivables and contract assets are disclosed in Note 4 and Note 18 to the financial statements.

(d) 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 21 to the financial statements.

4. Revenue

| | Group | |
|---------------------------------------|----------------|----------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Revenue from contracts with customers | 235,747 | 168,865 |
| Other revenue: | | |
| Management fee from an associate | 42 | 70 |
| Solar leasing income | 1,508 | 1,550 |
| | <u>237,297</u> | <u>170,485</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 | |
|--|-------------------------|--------|----------------------|--------|----------------------|--------|------------------|--------|---|---------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Primary geographical markets | | | | | | | | | | |
| Singapore | 38,930 | 48,415 | 51,272 | 33,033 | 112,300 | 44,582 | 3,064 | 1,829 | 205,566 | 127,859 |
| Malaysia | 18,328 | 22,555 | - | - | - | - | - | - | 18,328 | 22,555 |
| Thailand | 11,853 | 18,451 | - | - | - | - | - | - | 11,853 | 18,451 |
| | 69,111 | 89,421 | 51,272 | 33,033 | 112,300 | 44,582 | 3,064 | 1,829 | 235,747 | 168,865 |
| Timing of transfer of goods or services | | | | | | | | | | |
| At a point in time | 575 | 595 | - | - | - | - | 518 | 387 | 1,093 | 982 |
| Over time | 68,536 | 88,826 | 51,272 | 33,033 | 112,300 | 44,582 | 2,546 | 1,442 | 234,654 | 167,883 |
| | 69,111 | 89,421 | 51,272 | 33,033 | 112,300 | 44,582 | 3,064 | 1,829 | 235,747 | 168,865 |

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

(b) **Contract assets and contract liabilities**

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

| | Group | | |
|--|--------------|-------------|-----------------|
| | 2023 | 2022 | 1.1.2022 |
| | \$'000 | \$'000 | \$'000 |
| Receivables from contracts with customers | 20,894 | 12,438 | 11,642 |
| Contract assets: | | | |
| Contract assets from construction contracts | | | |
| <u>Current</u> | | | |
| Unbilled revenue | 21,750 | 22,587 | 22,844 |
| Retention receivables | 9,478 | 6,992 | 4,485 |
| Less: Provision for onerous contracts | (1,456) | (910) | (296) |
| | 29,772 | 28,669 | 27,033 |
| <u>Non-current</u> | | | |
| Retention receivables | 11,104 | 11,046 | 15,612 |
| | 40,876 | 39,715 | 42,645 |
| Contract assets from sale of development properties | | | |
| <u>Current</u> | | | |
| Capitalised fulfilment costs | 16,728 | 71,078 | 91,199 |
| Contract assets/(liabilities) | 61,249 | (6,918) | (31,026) |
| | 77,977 | 64,160 | 60,173 |
| Total contract assets | 118,853 | 103,875 | 102,818 |
| Presented as: | | | |
| – Current | 107,749 | 92,829 | 87,206 |
| – Non-current | 11,104 | 11,046 | 15,612 |
| | 118,853 | 103,875 | 102,818 |
| Contract liabilities: | | | |
| Contract liabilities | 23,135 | 18,701 | 16,139 |
| Add: Provision for onerous contracts | 547 | 780 | 808 |
| Total contract liabilities | 23,682 | 19,481 | 16,947 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. Revenue (cont'd)

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

(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.

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 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.

Significant changes in contract liabilities during the year are as follows:

| | Group | |
|---|--------------|-------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Revenue recognised from performance obligations satisfied in previous years due to changes in the estimated transaction price | 3,642 | 5,392 |
| Revenue recognised that was included in the contract liabilities balance at the beginning of the year | 15,059 | 10,747 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. Revenue (cont'd)

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

(ii) **Contract liabilities (cont'd)**

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

| | Group | |
|---------------------------|--------------|-------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| At 1 January | 1,690 | 1,104 |
| Charged to profit or loss | 7,782 | 7,213 |
| Utilisation | (7,469) | (6,627) |
| At 31 December | 2,003 | 1,690 |

(c) **Capitalised contract costs and fulfilment costs**

| | Group | |
|--|--------------|-------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Capitalised contract costs – commission costs paid to property agents | | |
| At 1 January | 4,439 | 5,684 |
| Additions | – | 103 |
| Amortisation | (3,394) | (1,348) |
| At 31 December | 1,045 | 4,439 |
| Capitalised fulfilment costs | | |
| At 1 January | 71,078 | 91,199 |
| Additions | – | 1,511 |
| Amortisation | (54,350) | (21,632) |
| At 31 December | 16,728 | 71,078 |

(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 2023 is \$473,788,000 (2022: \$554,429,000). The Group expects full transaction price allocated to the unsatisfied obligations as at 31 December 2023 to be recognised as revenue by the financial period ended 2029 (2022: 2029).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. Other operating income

| | Group | |
|---|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Gain on disposal of property, plant and equipment | 100 | 380 |
| Training and testing fees | 844 | 1,038 |
| Accounting services income | 96 | 149 |
| Rental income from: | | |
| Premises | 586 | 829 |
| Equipment | 37 | 81 |
| Sale of scrap | 80 | 168 |
| Interest income | 1,178 | 288 |
| Management fee income | 118 | 115 |
| Write-back of payables | 177 | 166 |
| Others | 715 | 660 |
| | 3,931 | 3,874 |

6. Finance costs

| | Group | |
|--------------------------------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Interest expense on: | | |
| Bank loans | 4,671 | 2,896 |
| Lease liabilities | 408 | 283 |
| Loans from non-controlling interests | 2,231 | 1,351 |
| Accreted interest | 95 | 189 |
| | 7,405 | 4,719 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. Profit before taxation

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

| | Note | Group | |
|---|------|--------|---------|
| | | 2023 | 2022 |
| | | \$'000 | \$'000 |
| Auditors of the Company: | | | |
| Audit fees | | 267 | 248 |
| Non-audit fees | | 2 | 2 |
| Other auditors | | 82 | 66 |
| Amortisation of deferred income | | (207) | (200) |
| Amortisation of capitalised contract costs | 4(c) | 3,394 | 1,348 |
| Amortisation of capitalised fulfilment costs | 4(c) | 54,350 | 21,632 |
| Depreciation of: | | | |
| Property, plant and equipment | 10 | 2,335 | 2,404 |
| Right-of-use assets | 11 | 1,015 | 1,236 |
| Impairment loss on: | | | |
| Property, plant and equipment | 10 | – | 544 |
| Right-of-use assets | 11 | – | 652 |
| Inventories recognised as expenses in cost of sales | 22 | 32,196 | 6,553 |
| Write-down/(reversal of write-down) of inventories | 22 | 22 | (18) |
| Foreign exchange loss | | 528 | 517 |
| Write-back provision for rectification costs | 26 | (814) | (3,885) |
| (Write-back)/loss provision on financial assets: | | | |
| Trade receivables | 18 | (387) | (514) |
| Contract assets | 18 | (95) | 53 |
| Write-down of properties held for sale | 22 | 9 | 160 |
| Rental expenses in relation to: | | | |
| Premises | | 1,642 | 1,115 |
| Equipment | | 18 | 16 |
| Machines | | 3,193 | 2,435 |
| Employee benefits | 31 | 24,984 | 22,256 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. Profit before taxation (cont'd)

Write-back of loss provision on financial assets allocated by function are as follows:

| | Group | |
|-----------------------|--------|--------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Other operating costs | (482) | (461) |

8. Income tax expense

Major components of income tax expense

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

| | Group | |
|---|--------|--------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Consolidated statement of comprehensive income | | |
| <i>Current income tax:</i> | | |
| - Singapore | 388 | - |
| - Foreign | - | - |
| Over provision of income tax in respect of previous years | (44) | - |
| | 344 | - |
| <i>Deferred income tax:</i> | | |
| Origination and reversal of temporary differences | 2,669 | 640 |
| Over provision of deferred tax in respect of previous years | (39) | (363) |
| | 2,630 | 277 |
| Income tax expense recognised in profit or loss | 2,974 | 277 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. Income tax expense (cont'd)

Relationship between income tax expense and accounting profit

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

| | Group | |
|--|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Profit before taxation | 10,918 | 5,248 |
| Tax at the domestic rates applicable to profits in the countries where the Group operates | 1,344 | 566 |
| Adjustments: | | |
| Income not subject to tax | (25) | (12) |
| Over provision of income tax in respect of previous years | (44) | – |
| Over provision of deferred tax in respect of previous years | (39) | (363) |
| Benefits from previously unrecognised tax losses and capital allowances | (1,133) | (1,595) |
| Non-deductible expenses | 735 | 356 |
| Effect of partial tax exemption | (27) | – |
| Deferred tax assets not recognised | 2,322 | 1,427 |
| Share of results of associates and joint ventures | (159) | (102) |
| Income tax expense recognised in profit or loss | <u>2,974</u> | <u>277</u> |

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

During the financial year, in relation to the Singapore group relief system, the Group utilised tax losses and capital allowances of \$1,096,000 (2022: \$4,716,000) to set off the assessable income of certain companies within the Group.

The Group has unutilised tax losses and capital allowances of approximately \$61,921,000 and \$2,483,000 (2022: \$56,840,000 and \$2,175,000) respectively 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 per share

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

The basic and diluted earnings per share for the financial years ended 31 December 2023 and 2022 are the same as there were no potential dilutive ordinary shares in existence.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. Earnings per share (cont'd)

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:

| | 2023 \$'000 | 2022 \$'000 |
|--|-----------------------------|-----------------------------|
| Profit attributable to equity holders of the Company used in computation of basic and diluted earnings per share | 6,376 | 5,688 |
| | Number of shares '000 | Number of shares '000 |
| Weighted average number of ordinary shares for basic and diluted earnings per share computation | 322,386 | 322,387 |

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

10. Property, plant and equipment

| Group | Plant and equipment \$'000 | Freehold land \$'000 | Freehold building \$'000 | Leasehold properties \$'000 | Motor vehicles \$'000 | Other assets \$'000 | Total \$'000 |
|--|----------------------------------|----------------------------|--------------------------------|-----------------------------------|-----------------------------|---------------------------|-----------------|
| Cost | | | | | | | |
| At 1 January 2022 | 47,553 | 2,650 | – | 14,315 | 3,875 | 2,999 | 71,392 |
| Additions | 1,091 | 1,951 | 3,253 | – | 253 | 162 | 6,710 |
| Disposals | (930) | – | – | – | (750) | (25) | (1,705) |
| Transfer from right-of-use assets (Note 11) | 265 | – | – | – | 250 | – | 515 |
| Exchange differences | (541) | (102) | (58) | – | (123) | (102) | (926) |
| At 31 December 2022 and 1 January 2023 | 47,438 | 4,499 | 3,195 | 14,315 | 3,505 | 3,034 | 75,986 |
| Additions | 855 | – | – | – | 123 | 107 | 1,085 |
| Disposals | – | – | – | – | (363) | – | (363) |
| Transfer (to)/from right-of- use assets (Note 11) | (746) | – | – | – | 287 | – | (459) |
| Exchange differences | (456) | (251) | (184) | – | (99) | (81) | (1,071) |
| At 31 December 2023 | 47,091 | 4,248 | 3,011 | 14,315 | 3,453 | 3,060 | 75,178 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. Property, plant and equipment (cont'd)

| Group | Plant and equipment \$'000 | Freehold land \$'000 | Freehold building \$'000 | Leasehold properties \$'000 | Motor vehicles \$'000 | Other assets \$'000 | Total \$'000 |
|---|----------------------------------|----------------------------|--------------------------------|-----------------------------------|-----------------------------|---------------------------|-----------------|
| Accumulated depreciation and impairment loss | | | | | | | |
| At 1 January 2022 | 36,182 | - | - | 2,131 | 3,760 | 2,185 | 44,258 |
| Depreciation charge | 1,675 | - | 51 | 341 | 112 | 225 | 2,404 |
| Disposals | (895) | - | - | - | (748) | (25) | (1,668) |
| Transfer from right-of-use assets (Note 11) | 168 | - | - | - | 250 | - | 418 |
| Impairment loss | 544 | - | - | - | - | - | 544 |
| Exchange differences | (481) | - | (1) | - | (121) | (66) | (669) |
| At 31 December 2022 and 1 January 2023 | 37,193 | - | 50 | 2,472 | 3,253 | 2,319 | 45,287 |
| Depreciation charge | 1,545 | - | 104 | 341 | 105 | 240 | 2,335 |
| Disposals | - | - | - | - | (360) | - | (360) |
| Transfer (to)/from right-of- use assets (Note 11) | (648) | - | - | - | 241 | - | (407) |
| Exchange differences | (419) | - | (5) | - | (98) | (59) | (581) |
| At 31 December 2023 | 37,671 | - | 149 | 2,813 | 3,141 | 2,500 | 46,274 |
| Net carrying amount | | | | | | | |
| At 31 December 2022 | 10,245 | 4,499 | 3,145 | 11,843 | 252 | 715 | 30,699 |
| At 31 December 2023 | 9,420 | 4,248 | 2,862 | 11,502 | 312 | 560 | 28,904 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. Property, plant and equipment (cont'd)

| Company | Plant and equipment \$'000 | Leasehold property \$'000 | Motor vehicles \$'000 | Other assets \$'000 | Total \$'000 |
|--|----------------------------------|---------------------------------|-----------------------------|---------------------------|-----------------|
| Cost | | | | | |
| At 1 January 2022 | – | 14,315 | 453 | 182 | 14,950 |
| Additions | – | – | 192 | 7 | 199 |
| Disposals | – | – | (348) | – | (348) |
| At 31 December 2022 and 1 January 2023 | – | 14,315 | 297 | 189 | 14,801 |
| Additions | 235 | – | – | 4 | 239 |
| Disposal | – | – | – | – | – |
| At 31 December 2023 | 235 | 14,315 | 297 | 193 | 15,040 |
| Accumulated depreciation | | | | | |
| At 1 January 2022 | – | 2,131 | 453 | 136 | 2,720 |
| Depreciation charge | – | 341 | 35 | 31 | 407 |
| Disposals | – | – | (348) | – | (348) |
| At 31 December 2022 and 1 January 2023 | – | 2,472 | 140 | 167 | 2,779 |
| Depreciation charge | 6 | 341 | 38 | 15 | 400 |
| Disposals | – | – | – | – | – |
| At 31 December 2023 | 6 | 2,813 | 178 | 182 | 3,179 |
| Net carrying amount | | | | | |
| At 31 December 2022 | – | 11,843 | 157 | 22 | 12,022 |
| At 31 December 2023 | 229 | 11,502 | 119 | 11 | 11,861 |

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.

Transfer to right-of-use assets

The transfer represents property, plant and equipment that were refinanced under a new lease agreement in the current financial year.

Other assets

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

Purchase of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of \$1,085,000 (2022: \$6,710,000). The cash outflow on acquisition of property, plant and equipment amounted to \$1,085,000 (2022: \$3,517,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. Property, plant and equipment (cont'd)

Impairment of assets

In the previous financial year ended 31 December 2022, management carried out a review of the carrying value of property, plant and equipment for indication of impairment. An impairment loss of \$544,000 was recognised in "Other operating cost" line item of statement of comprehensive income for the financial year ended 31 December 2022, representing the write-down of a hydraulic system in the specialised engineering segment to its recoverable amount due to idling of the equipment. The recoverable amount of the equipment was based on fair value less cost of disposal.

Assets pledged as securities

As at 31 December 2023, the Group has freehold and leasehold properties with a carrying amount of \$16,262,000 (2022: \$11,843,000) are mortgaged as securities for the banking facilities (Note 27).

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 \$'000 | Leasehold buildings \$'000 | Plant and equipment \$'000 | Motor vehicles \$'000 | Total \$'000 |
|---|-----------------------------|----------------------------------|----------------------------------|-----------------------------|-----------------|
| Cost | | | | | |
| At 1 January 2022 | 3,932 | 1,217 | 291 | 1,162 | 6,602 |
| Additions | 250 | 81 | 1,129 | 102 | 1,562 |
| Disposals | (1,750) | - | - | - | (1,750) |
| Transfer to property, plant and equipment (Note 10) | - | - | (265) | (250) | (515) |
| Exchange differences | - | (72) | (17) | (46) | (135) |
| At 31 December 2022 and 1 January 2023 | 2,432 | 1,226 | 1,138 | 968 | 5,764 |
| Additions | 2,122 | 268 | 442 | 254 | 3,086 |
| Disposals | - | (94) | - | - | (94) |
| Transfer from/(to) property, plant and equipment (Note 10) | - | - | 746 | (287) | 459 |
| Exchange differences | - | (63) | (14) | (36) | (113) |
| At 31 December 2023 | 4,554 | 1,337 | 2,312 | 899 | 9,102 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

11. Leases (cont'd)

As lessee (cont'd)

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

| Group | Leasehold land \$'000 | Leasehold buildings \$'000 | Plant and equipment \$'000 | Motor vehicles \$'000 | Total \$'000 |
|--|-----------------------------|----------------------------------|----------------------------------|-----------------------------|-----------------|
| Accumulated depreciation and impairment loss | | | | | |
| At 1 January 2022 | 1,642 | 789 | 176 | 498 | 3,105 |
| Depreciation charge | 538 | 229 | 234 | 235 | 1,236 |
| Disposals | (1,750) | - | - | - | (1,750) |
| Transfer to property, plant and equipment (Note 10) | - | - | (168) | (250) | (418) |
| Impairment loss | - | - | 652 | - | 652 |
| Exchange differences | - | (53) | (12) | (21) | (86) |
| At 31 December 2022 and 1 January 2023 | 430 | 965 | 882 | 462 | 2,739 |
| Depreciation charge | 548 | 212 | 96 | 159 | 1,015 |
| Disposals | - | (94) | - | - | (94) |
| Transfer from/(to) property, plant and equipment (Note 10) | - | - | 648 | (241) | 407 |
| Exchange differences | - | (53) | (1) | (24) | (78) |
| At 31 December 2023 | 978 | 1,030 | 1,625 | 356 | 3,989 |
| Net carrying amount | | | | | |
| At 31 December 2022 | 2,002 | 261 | 256 | 506 | 3,025 |
| At 31 December 2023 | 3,576 | 307 | 687 | 543 | 5,113 |

Impairment of assets

In the previous financial year ended 31 December 2022, management carried out a review of the carrying value of right-of-use assets for indication of impairment. An impairment loss of \$652,000 was recognised in "Other operating cost" line item of statement of comprehensive income for the financial year ended 31 December 2022, representing the write-down of a winch system in the specialised engineering segment to its recoverable amount due to idling of the equipment. The recoverable amount of the equipment was based on fair value less cost of disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2022, 31 December 2022, 1 January 2023 and 31 December 2023 | 2,181 |
| Accumulated depreciation | |
| At 1 January 2022 | 328 |
| Depreciation charge | 52 |
| At 31 December 2022 and 1 January 2023 | 380 |
| Depreciation charge | 52 |
| At 31 December 2023 | 432 |
| Net carrying amount | |
| At 31 December 2022 | 1,801 |
| At 31 December 2023 | 1,749 |

(b) Lease liabilities

| | Group | | Company | |
|-------------|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Current | 1,695 | 854 | 28 | 27 |
| Non-current | 4,701 | 3,007 | 1,961 | 1,989 |
| | <u>6,396</u> | <u>3,861</u> | <u>1,989</u> | <u>2,016</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 | 2022 \$'000 | Cash flows \$'000 | Non-cash items | | | 2023 \$'000 |
|-------------------|----------------|-------------------------|------------------------------------|-------------------------|-----------------|----------------|
| | | | Accretion of interest \$'000 | New leases \$'000 | Other \$'000 | |
| Lease liabilities | | | | | | |
| - Current | 854 | (3,334) | 408 | 784 | 2,983 | 1,695 |
| - Non-current | 3,007 | - | - | 2,302 | (608) | 4,701 |
| | 3,861 | (3,334) | 408 | 3,086 | 2,375 | 6,396 |

| Group | 2021 \$'000 | Cash flows \$'000 | Non-cash items | | | 2022 \$'000 |
|-------------------|----------------|-------------------------|------------------------------------|-------------------------|-----------------|----------------|
| | | | Accretion of interest \$'000 | New leases \$'000 | Other \$'000 | |
| Lease liabilities | | | | | | |
| - Current | 921 | (1,522) | 283 | 472 | 700 | 854 |
| - Non-current | 2,676 | - | - | 1,090 | (759) | 3,007 |
| | 3,597 | (1,522) | 283 | 1,562 | (59) | 3,861 |

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 | |
|---|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Depreciation of right-of-use assets | 1,015 | 1,236 |
| Interest expense on lease liabilities | 408 | 283 |
| Lease expense not capitalised in lease liabilities: | | |
| - Expenses relating to short-term leases (included in cost of sales and other operating expenses) | 4,835 | 3,550 |
| - Expenses relating to leases of low value assets (included in administrative and other expenses) | 18 | 16 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

11. Leases (cont'd)

As lessee (cont'd)

(d) **Total cash outflow**

The Group had total cash outflows for leases of \$3,334,000 in 2023 (2022: \$1,522,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of \$3,086,000 (2022: \$1,562,000) during the financial year ended 31 December 2023.

(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.

Lease income recognised in profit or loss during the year amounted to \$2,132,000 (2022: \$2,460,000).

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

| | Group | | Company | |
|----------------------|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Less than one year | 1,511 | 1,439 | 203 | 89 |
| One to two years | 1,511 | 1,350 | 203 | - |
| Two to three years | 1,413 | 1,350 | 105 | - |
| Three to four years | 1,308 | 1,350 | - | - |
| Four to five years | 1,308 | 1,350 | - | - |
| More than five years | 10,276 | 11,970 | - | - |
| | <u>17,327</u> | <u>18,809</u> | <u>511</u> | <u>89</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. Investments in subsidiaries

| | Company | |
|----------------------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Unquoted shares, at cost * | 103,832 | 103,199 |
| Impairment losses | (45,784) | (43,851) |
| Carrying amount | 58,048 | 59,348 |

* 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 |
|---|----------------------------------|------|--------------------------|--------------------|--------|--|
| | 2023 | 2022 | | 2023 | 2022 | |
| | % | % | | \$'000 | \$'000 | |
| <i>Held by the Company</i> | | | | | | |
| 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 |
| Singapore Engineering & Construction Pte. Ltd. ⁽¹⁾ | 100 | 100 | Singapore | 28,912 | 28,912 | General building, civil and structural engineering, renovation and retro-fitting and investment holdin |
| 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 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 |
|--|----------------------------------|------|--------------------------|--------------------|---------|---|
| | 2023 | 2022 | | 2023 | 2022 | |
| | % | % | | \$'000 | \$'000 | |
| Held by the Company (cont'd) | | | | | | |
| Singa Development Pte. Ltd. ⁽¹⁾ | 100 | 100 | Singapore | 3,327 | 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 | 766 | 133 | Structural engineering and design and build services |
| Moderna Homes (HK) Limited ⁽⁵⁾ | 100 | 100 | Hong Kong | 17 | 17 | Design and assembly of prefabricated buildings |
| Alika Investments Pte. Ltd. ⁽⁶⁾ | 100 | - | Singapore | -# | - | Investment holding |
| | | | | 103,723 | 103,090 | |

| Name of company | Proportion of ownership interest | | Country of incorporation | Principal activities |
|---|----------------------------------|------|--------------------------|-------------------------------------|
| | 2023 | 2022 | | |
| | % | % | | |
| 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 |
| 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 Alika Investment Pte. Ltd. | | | | |
| Alika Kaki Bukit Holdings Pte. Ltd. ⁽⁶⁾ | 100 | - | Singapore | Investment holding |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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) Not required to be audited.
- (6) Exempted from audit for the financial year ended 31 December 2023
- * Notwithstanding that the Group holds less than 50% of the voting power in Siam BBR Systems Co., Ltd, 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.
- # Amount less than \$1,000.

During November 2023, the Company has incorporated two new entities in Singapore, namely Alika Investments Pte. Ltd. and Alika Kaki Bukit Pte. Ltd. The main principal activity is that of investment holding and \$2 of ordinary share has been subscribed in their respective capital.

(b) Impairment losses on investments in subsidiaries

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

| | Company | |
|---------------------------|----------------|-------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| At 1 January | 43,851 | 42,140 |
| Charged to profit or loss | 1,933 | 1,711 |
| At 31 December | 45,784 | 43,851 |

During the financial year, an impairment loss of \$1,933,000 (2022: \$1,711,000) was recognised as a result of an assessment performed on the recoverable amounts of the investments in certain subsidiaries.

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 management. The cash flow projections was based on potential contracts and forecasted growth of the subsidiaries, pre-tax discount rate of 9.5% (2022: 9.5%) and a terminal growth rate of 1% (2022: 1%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 | Profit/(loss) allocated to NCI during the reporting period \$'000 | Accumulated NCI at the end of reporting period \$'000 |
|----------------------------|-----------------------------|--|--|--|
| 31 December 2023 | | | | |
| Alika Properties Pte. Ltd. | Singapore | 38% | 4,967 | 283 |
| Siam BBR Systems Co., Ltd | Thailand | 51% | (3,397) | (5,331) |
| 31 December 2022 | | | | |
| Alika Properties Pte. Ltd. | Singapore | 38% | 1,325 | (4,684) |
| Siam BBR Systems Co., Ltd | Thailand | 51% | (2,005) | (2,593) |

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. | | Siam BBR Systems Co., Ltd | |
|--|----------------------------|----------------|---------------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Summarised statement of financial position | | | | |
| Current assets | 184,529 | 169,435 | 19,787 | 16,422 |
| Current liabilities | (149,723) | (62,705) | (30,119) | (22,591) |
| Net current assets | 34,806 | 106,730 | (10,332) | (6,169) |
| Non-current assets | 291 | 2,921 | 1,247 | 1,991 |
| Non-current liabilities | (34,352) | (121,978) | (1,369) | (905) |
| Net asset/(liabilities) | 745 | (12,327) | (10,454) | (5,083) |
| Summarised statement of comprehensive income | | | | |
| Revenue | 112,300 | 44,582 | 11,852 | 18,453 |
| Profit/(loss) before taxation | 15,702 | 3,763 | (6,667) | (4,003) |
| Income tax expense | (2,630) | (277) | - | - |
| Profit/(loss) for the year | 13,072 | 3,486 | (6,667) | (4,003) |
| Other comprehensive income for the year | - | - | 6 | 74 |
| Total comprehensive income for the year | 13,072 | 3,486 | (6,661) | (3,929) |
| Other summarised information | | | | |
| Net cash generated from/(used in) operating activities | 3,755 | 4,834 | (2,008) | (799) |
| Net cash generated from/(used in) investing activities | - | - | 2,759 | (495) |
| Net cash (used in)/generated from financing activities | (8,053) | (9,500) | (745) | 1,050 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. Investments in joint ventures

| | Group | |
|------------------------------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Unquoted shares, at cost | 319 | 324 |
| Share of post-acquisition reserves | 357 | 5,912 |
| Exchange differences | (4) | (5) |
| Carrying amount | 672 | 6,231 |

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 |
|---|-------------------------------------|-----------|-----------------------------|---|
| | 2023 % | 2022 % | | |
| 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 |
| 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 | |
|--|---|---------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Summarised statement of financial position | | |
| Cash and cash equivalents | 1,671 | 1,869 |
| Current assets (other than cash and cash equivalents) | – | 43,000 |
| Total assets | 1,671 | 44,869 |
| Current liabilities | 654 | 20,388 |
| Total liabilities | 654 | 20,388 |
| Net assets | 1,017 | 24,481 |
| Proportion of the Group's ownership | 25.05% | 25.05% |
| Carrying amount of the investment | | |
| Carrying amount of other joint ventures | 417 | 99 |
| Carrying amount of investments in joint ventures | 672 | 6,231 |
| Summarised statement of comprehensive income | | |
| Continuing operations | | |
| Operating expenses | (107) | (109) |
| Interest income | 905 | 434 |
| Profit before taxation from continuing operations | 798 | 325 |
| Income tax expense | (62) | (55) |
| Profit for the year from continuing operations | 736 | 270 |
| Discontinued operations | | |
| Profit from discontinued operation, net of tax | – | 569 |
| Profit for the year, representing total comprehensive income for the year | 736 | 839 |
| Proportion of the Group's ownership | 25.05% | 25.05% |
| Group's share of profit for the year, representing the Group's share of total comprehensive income for the year | 184 | 210 |
| Group's share of profit of other joint ventures | 167 | 196 |
| | 351 | 406 |
| Group's share of total comprehensive income | (4) | (5) |
| Group's share of profit of joint ventures, representing the Group's share of total comprehensive income for the year | 347 | 401 |

Distribution of profits of \$5,906,000 (2022: \$163,000) were received from joint ventures during the financial year ended 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. Investment in a joint operation

The Group has interest in an incorporated joint arrangement. The Group has classified the joint arrangement as joint operation and recognised in relation to its interest in the joint operation, its share of assets held jointly and liabilities incurred jointly. The details of the joint operation as at 31 December 2023 and 2022 are as follows:

| Name of joint arrangement | Proportion of ownership interest | | Country of incorporation | Principal activities |
|---|----------------------------------|------|--------------------------|--------------------------------|
| | 2023 | 2022 | | |
| | % | % | | |
| Held by Singapore Engineering & Construction Pte. Ltd. | | | | |
| Sinohydro-Singapore Engineering & Construction Joint Venture ⁽¹⁾ | 50 | 50 | Singapore | Provision of civil engineering |

(1) Audited by Ernst & Young LLP, Singapore

15. Investments in associates

| | Group | | Company | |
|-----------------------------|--------------|--------------|------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| BBR Philippines Corporation | 2,225 | 1,406 | 260 | 260 |
| Lakehomes Pte. Ltd. | - | 52 | - | - |
| Trendsteq Pte. Ltd. | - | 210 | - | - |
| | <u>2,225</u> | <u>1,668</u> | <u>260</u> | <u>260</u> |

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 |
|--|----------------------------------|------|--------------------------|------------------------|
| | 2023 | 2022 | | |
| | % | % | | |
| Held by the Company | | | | |
| BBR Philippines Corporation ⁽¹⁾ | 40 | 40 | Philippines | Structural engineering |
| Held by BBR Development Pte. Ltd. | | | | |
| Lakehomes Pte. Ltd. ⁽²⁾ | - | 35 | Singapore | Property development |
| Trendsteq Pte. Ltd. ⁽³⁾ | - | 40 | Singapore | Consultancy services |

(1) Audited by Oroceo, Dimandal & Co. Cpa's

(2) Dissolved by way of members' voluntary liquidation on 2 November 2023

(3) Trendsteq Pte Ltd was disposed during the financial year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. Investments in associates (cont'd)

The summarised financial information in respect of the significant associate, 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:

| | BBR Philippines Corporation | |
|--|--|--------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Summarised statement of financial position | | |
| Non-current assets | 1,175 | 1,261 |
| Current assets | 5,654 | 5,967 |
| Total assets | 6,829 | 7,228 |
| Current liabilities | 1,268 | 3,713 |
| Total liabilities | 1,268 | 3,713 |
| Net assets | 5,561 | 3,515 |
| Proportion of the Group's ownership | 40% | 40% |
| Carrying amount of the investment | 2,225 | 1,406 |
| Carrying amount of other associates | – | 262 |
| Carrying amount of investments in associates | 2,225 | 1,668 |
| Summarised statement of comprehensive income | | |
| Revenue | 11,926 | 10,909 |
| Cost of sales | (7,289) | (8,940) |
| Operating expenses | (1,743) | (955) |
| Profit before taxation | 2,894 | 1,014 |
| Income tax expense | (758) | (297) |
| Profit for the year | 2,136 | 717 |
| Other comprehensive income for the year | (90) | (187) |
| Total comprehensive income for the year | 2,046 | 530 |
| Proportion of the Group's ownership | 40% | 40% |
| Group's share of profit for the year | 818 | 211 |
| Group's share of profit of other associates | (6) | (19) |
| Group's share of profit for the year, representing the Group's share of total comprehensive income for the year | 812 | 192 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. Investment securities

| | Group | |
|--------------------------------------|-----------|-----------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| At fair value through profit or loss | | |
| - Unquoted equity securities | - | - |
| - Quoted equity securities | 10 | 10 |
| | <u>10</u> | <u>10</u> |

Unquoted equity securities relate to the following:

- (i) 33.3% (2022: 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 previous financial years, the Group had recognised a fair value loss of \$2,981,000.
- (ii) 1% (2022: 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 had recognised a fair value loss of \$1,000,000.

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

17. Deferred tax

Deferred tax as at 31 December relates to the following:

| | Group | | | |
|--|---|--------|---|--------|
| | Consolidated statement of financial position | | Consolidated statement of comprehensive income | |
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Deferred tax assets | | | | |
| Unutilised tax losses | 291 | 2,921 | 2,630 | 277 |
| Deferred tax liabilities | | | | |
| Differences in depreciation for tax purposes | - | - | - | - |
| Deferred income tax expense (Note 8) | | | 2,630 | 277 |

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

17. Deferred tax (cont'd)

The unrecognised deferred tax assets comprise:

| | Group | |
|-----------------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Unutilised tax losses | 11,364 | 10,025 |
| Capital allowances | 441 | 439 |
| Provisions | 832 | 1,163 |
| | <u>12,637</u> | <u>11,627</u> |

Tax consequences of proposed dividends

There are no income tax consequences (2022: \$Nil) attached to the dividends of the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 37).

18. Trade receivables

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Trade receivables | | | | |
| - External parties | 24,100 | 16,222 | - | - |
| - Less: Allowance for expected credit losses | (3,206) | (3,784) | - | - |
| | <u>20,894</u> | <u>12,438</u> | <u>-</u> | <u>-</u> |
| Goods and services tax receivable | 706 | 436 | - | - |
| Total trade receivables | <u>21,600</u> | <u>12,874</u> | <u>-</u> | <u>-</u> |
| Less: | | | | |
| - Goods and services tax receivable | (706) | (436) | - | - |
| Add: | | | | |
| - Loans to a joint venture (Note 19) | - | 5,042 | - | - |
| - Amounts due from subsidiaries (Note 20) | - | - | 3,614 | 3,348 |
| - Other receivables, excluding prepayments (Note 23) | 6,486 | 6,899 | 668 | 74 |
| - Pledged deposits (Note 24) | 6,030 | 4,700 | - | - |
| - Cash and cash equivalents (Note 24) | 56,938 | 50,989 | 826 | 355 |
| Total financial assets carried at amortised cost | <u>90,348</u> | <u>80,068</u> | <u>5,108</u> | <u>3,777</u> |

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

18. Trade receivables (cont'd)

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 \$'000 | Contract assets \$'000 |
| At 1 January 2022 | 6,158 | 6,982 |
| (Credit)/charge for the year | (514) | 53 |
| Written off against provision | (1,624) | (4,020) |
| Exchange differences | (236) | (134) |
| At 31 December 2022 and 1 January 2023 | 3,784 | 2,881 |
| Credit for the year | (387) | (95) |
| Exchange differences | (191) | (109) |
| At 31 December 2023 | 3,206 | 2,677 |

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 \$'000 | Gross amounts offset \$'000 | Net amounts \$'000 |
|---------------------------------|------|----------------------------------|--------------------------------|-----------------------|
| 2023 | | | | |
| Trade receivables - third party | a | 20 | (19) | 1 |
| Trade payables | b | 2,674 | (956) | 1,718 |
| 2022 | | | | |
| Trade receivables - third party | a | 410 | (36) | 374 |
| Trade payables | b | 3,343 | (950) | 2,393 |

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

19. Loans to a joint venture

As at 31 December 2022, loans to a joint venture of the Group, Northern Development Pte. Ltd., are non-trade, unsecured, non-interest bearing.

The loans to a joint venture of the Group had been fully repaid by Northern Development Pte. Ltd. during the financial year.

20. Amounts due from/(to) subsidiaries

| | Company | |
|--|----------------|-------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Amounts due from subsidiaries | 13,788 | 13,403 |
| Less: Allowance for expected credit losses | (10,174) | (10,055) |
| | 3,614 | 3,348 |
| Amounts due to subsidiaries | (15,002) | (14,330) |

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 \$5,383,000 (2022: \$5,480,000) of amounts due from subsidiaries that bear interest ranging from 4.5% to 6.7% (2022: 4.5% to 6.7%) per annum and \$3,400,000 (2022: \$3,400,000) of amounts due to subsidiaries that bear interest at an average interest rate of 4.06% (2022: 2.3%) 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 | |
|-------------------------|----------------|-------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| At 1 January | 10,055 | 8,089 |
| Charge for the year | 119 | 3,559 |
| Write-back for the year | - | (1,593) |
| At 31 December | 10,174 | 10,055 |

21. Development properties

| | Group | |
|-------------------|--------------|-------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Development costs | 88,059 | 79,028 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. Development properties (cont'd)

Assets pledged as security

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

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 | |
|--|----------|------------------------------|-------|---|-------------------------------------|------|
| | | 2023 | 2022 | | 2023 | 2022 |
| | | | | | % | % |
| 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 2025 | 62 | 62 |

22. Properties held for sale and inventories

| | Group | |
|---|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Statement of financial position | | |
| Properties held for sale, at lower of cost and net realisable value | 825 | 1,222 |
| Construction materials, at lower of cost and net realisable value | 3,038 | 3,571 |
| Statement of comprehensive income | | |
| Inventories recognised as expenses in cost of sales (Note 7) | 32,196 | 6,553 |
| Write-down/(reversal of write-down) of inventories (Note 7) | 22 | (18) |
| Write-down of properties held for sale (Note 7) | 9 | 160 |

The reversal of write-down of inventories was due to the inventories being sold above the carrying amounts in the previous financial year ended 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. Other receivables

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Deposits | 5,988 | 5,791 | 22 | 22 |
| Prepayments | 494 | 413 | - | - |
| Amounts due from associates | - | 308 | - | 3 |
| Other receivables | 504 | 931 | 646 | 49 |
| | <u>6,986</u> | <u>7,443</u> | <u>668</u> | <u>74</u> |
| Less: Allowance for expected credit losses | (6) | (131) | - | - |
| | <u>6,980</u> | <u>7,312</u> | <u>668</u> | <u>74</u> |

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 | |
|---------------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| At 1 January | 131 | 131 |
| Credit for the year | (125) | - |
| At 31 December | <u>6</u> | <u>131</u> |

24. Cash and bank balances

| | Group | | Company | |
|---------------------------|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Cash at banks and on hand | 25,660 | 20,363 | 826 | 355 |
| Fixed deposits | <u>37,308</u> | <u>35,326</u> | <u>-</u> | <u>-</u> |
| | <u>62,968</u> | <u>55,689</u> | <u>826</u> | <u>355</u> |

Fixed deposits are mainly short-term deposits made for varying periods of varying terms, and bear interest ranging from 0.1% to 4.0% (2022: from 0.1% to 4.0%) per annum.

As at 31 December 2023, the Group's cash at bank of \$193,000 (2022: \$925,000) are denominated in United States Dollar.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 | |
|--|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Cash at banks and on hand | 25,660 | 20,363 |
| Fixed deposits | 37,308 | 35,326 |
| | 62,968 | 55,689 |
| Less: Deposits pledged with financial institutions | (6,030) | (4,700) |
| Cash and cash equivalents | 56,938 | 50,989 |

Pledged fixed deposits include \$6,030,000 (2022: \$4,700,000) placed as security for banking facilities granted to subsidiaries by various banks.

Included in cash and cash equivalents are amounts of \$12,609,000 (2022: \$17,381,000) 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 | |
|--|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Non-current: | | | | |
| Retention payables | 4,085 | 451 | - | - |
| Current: | | | | |
| Trade payables | 54,383 | 43,864 | 12 | 53 |
| Retention payables | 5,270 | 4,930 | - | - |
| Other payables | 1,853 | 1,309 | 120 | 110 |
| Goods and services tax payable | 1,839 | 769 | 36 | 48 |
| | 63,345 | 50,872 | 168 | 211 |
| Total trade and other payables | 67,430 | 51,323 | 168 | 211 |
| Less: | | | | |
| - Goods and services tax payable | (1,839) | (769) | (36) | (48) |
| Add: | | | | |
| - Amounts due to subsidiaries (Note 20) | - | - | 15,002 | 14,330 |
| - Other liabilities (Note 26) | 8,558 | 9,641 | 1,512 | 1,022 |
| - Lease liabilities (Note 11) | 6,396 | 3,861 | 1,989 | 2,016 |
| - Loans and borrowings (Note 27) | 128,762 | 133,515 | 7,132 | 7,677 |
| Total financial liabilities carried at amortised cost | 209,307 | 197,571 | 25,767 | 25,208 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 | |
|----------------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Chinese Renminbi | 96 | - |
| United States Dollar | 36 | 436 |
| Hong Kong Dollar | 8 | 14 |

26. Deferred income, provisions and other liabilities

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Deferred income: | | | | |
| Non-current | 2,364 | 2,483 | - | - |
| Current | 207 | 200 | - | - |
| | <u>2,571</u> | <u>2,683</u> | <u>-</u> | <u>-</u> |
| Provisions for rectification costs | | | | |
| | <u>3,082</u> | <u>4,391</u> | <u>-</u> | <u>-</u> |
| Other liabilities: | | | | |
| Accrued operating expenses | 3,731 | 6,644 | 791 | 421 |
| Accrued staff costs | 1,941 | 1,592 | 675 | 534 |
| Deposits | 2,606 | 929 | 33 | 27 |
| Sundry creditors | 280 | 476 | 13 | 40 |
| Total other liabilities | <u>8,558</u> | <u>9,641</u> | <u>1,512</u> | <u>1,022</u> |

Deferred income

Deferred income of \$2,571,000 (2022: \$2,683,000) 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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

26. Deferred income, provisions and other liabilities (cont'd)

Provisions for rectification costs

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

| | Group | |
|--------------------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| At 1 January | 4,391 | 8,645 |
| Credit to profit or loss | (814) | (3,885) |
| Utilisation | (495) | (369) |
| At 31 December | 3,082 | 4,391 |

27. Loans and borrowings

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Non-current: | | | | |
| Long term borrowings (secured) | 9,825 | 97,097 | 6,602 | 7,132 |
| Loans from non-controlling interests | 30,704 | 30,704 | - | - |
| | 40,529 | 127,801 | 6,602 | 7,132 |
| Current: | | | | |
| Short term borrowings (unsecured) | 4,413 | 3,309 | - | - |
| Current portion of long term borrowings (secured) | 83,820 | 2,405 | 530 | 545 |
| | 88,233 | 5,714 | 530 | 545 |
| Total loans and borrowings | 128,762 | 133,515 | 7,132 | 7,677 |

The Group has undrawn credit facilities of \$88,175,000 (2022: \$98,932,000) 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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

27. Loans and borrowings (cont'd)**Long term borrowings (secured)**

| | Group | | Company | |
|----------------------------|----------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Non-current: | | | | |
| Term loan 1 | 6,602 | 7,132 | 6,602 | 7,132 |
| Term loan 2 | – | 87,682 | – | – |
| Term loan 3 | 174 | 339 | – | – |
| Term loan 4 | 2,771 | – | – | – |
| Temporary Bridging Loan | 278 | 1,944 | – | – |
| | <u>9,825</u> | <u>97,097</u> | <u>6,602</u> | <u>7,132</u> |
| Current: | | | | |
| Term loan 1 | 530 | 545 | 530 | 545 |
| Term loan 2 | 81,295 | – | – | – |
| Term loan 3 | 192 | 194 | – | – |
| Term loan 4 | 137 | – | – | – |
| Temporary Bridging Loan | 1,666 | 1,666 | – | – |
| | <u>83,820</u> | <u>2,405</u> | <u>530</u> | <u>545</u> |
| Total long term borrowings | <u>93,645</u> | <u>99,502</u> | <u>7,132</u> | <u>7,677</u> |

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 1.68% (2022: 1.43%) per annum and the loan is secured by the leasehold premises with a carrying amount of \$11,502,000 (2022: \$11,843,000) (Note 10).

Term loan 2

Term loan 2 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 loan is repayable at the earliest of 30 September 2024 or 3 months from date of obtaining the temporary occupation permit (TOP).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

27. Loans and borrowings (cont'd)

Long term borrowings (secured) (cont'd)

Term loan 2 (cont'd)

The average interest rate for land loan was 5.0% (2022: 2.9%) per annum and the loan is secured by the freehold land (Note 21). The average interest for development charge loan was 5.0% (2022: 2.8%) during the financial year ended 31 December 2023.

Term loan 3

Term loan 3 consists of Thai Baht denominated for working capital loan, secured by a personal guarantee provided by directors of Siam BBR Systems Co., Ltd.

The interest rate for loan is fixed at 5.25% per annum and repayable 36 months from the date of first drawdown.

Term loan 4

Term loan 4 is a Malaysia Ringgit denominated loan secured in 2023 to finance the purchase of freehold land and building at PTD 72658 Jalan Seelong Jaya 15, 81400 Seelong, Johor, Malaysia. The loan is repayable over 180 monthly instalments commencing on 2 March 2023.

The average interest rate was 5.6% per annum and the loan is secured by the leasehold premises with a carrying amount of \$4,760,000 (Note 10).

Temporary Bridging Loan ("TBL")

This relates a \$5,000,000 Temporary Bridging Loan under Enterprise Financing Scheme ("EFS"), with a corporate guarantee provided by the Company. Interest rate fixed is at 2.0% per annum and repayable 13 months from the date of the first disbursement. The loan will mature 4 years from date of first drawdown, which was on 2 February 2021.

Loans from non-controlling interests

Loans from non-controlling interests are non-trade, unsecured, interest bearing at an average interest rate of 5.0% (2022: 2.9%) 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 Alike 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

27. Loans and borrowings (cont'd)**Reconciliation of liabilities arising from financing activities**

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

| Group | 2022 \$'000 | Cash flows | | Non-cash item | 2023 \$'000 |
|-------------------------------------|----------------|--------------------|----------------------|------------------|----------------|
| | | Proceeds \$'000 | Repayments \$'000 | Others \$'000 | |
| Long term borrowings | | | | | |
| - Non-current | 97,097 | 5,298 | (8,863) | (83,707) | 9,825 |
| - Current | 2,405 | 127 | - | 81,288 | 83,820 |
| Short term borrowings | | | | | |
| - Current | 3,309 | 1,207 | - | (103) | 4,413 |
| Loans from non-controlling interest | | | | | |
| - Non-current | 30,704 | - | - | - | 30,704 |
| | 133,515 | 6,632 | (8,863) | (2,522) | 128,762 |

| Group | 2021 \$'000 | Cash flows | | Non-cash item | 2022 \$'000 |
|-------------------------------------|----------------|--------------------|----------------------|------------------|----------------|
| | | Proceeds \$'000 | Repayments \$'000 | Others \$'000 | |
| Long term borrowings | | | | | |
| - Non-current | 108,547 | 533 | (9,929) | (2,054) | 97,097 |
| - Current | 1,930 | 48 | (1,627) | 2,054 | 2,405 |
| Short term borrowings | | | | | |
| - Current | 2,843 | 614 | - | (148) | 3,309 |
| Loans from non-controlling interest | | | | | |
| - Non-current | 30,704 | - | - | - | 30,704 |
| | 144,024 | 1,195 | (11,556) | (148) | 133,515 |

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

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28. Share capital

| | Group and Company | | | |
|---|--------------------------|--------|--------------------------|--------|
| | 2023 | | 2022 | |
| | No. of shares '000 | \$'000 | No. of shares '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 | | | |
|---------------------------------------|--------------------------|--------|--------------------------|--------|
| | 2023 | | 2022 | |
| | No. of shares '000 | \$'000 | No. of shares '000 | \$'000 |
| At 1 January and 31 December | (2,324) | (566) | (2,322) | (566) |
| Acquisition during the financial year | - | - | (2) | * |
| | (2,324) | (566) | (2,324) | (566) |

* No value is shown as the value of the treasury shares is zero when rounded to the nearest thousand.

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

The Company acquired 2,000 treasury shares during the financial year 2022 under the Share Buyback Mandate which was approved by the shareholders.

30. Contingent liabilities

| | Company | |
|--|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Corporate guarantees given to banks for credit and guarantee facilities utilised | 63,202 | 54,815 |

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. Employee benefits

| | Group | |
|---|---------------|---------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Employee benefits expense (including directors) | | |
| - Salaries and bonuses | 21,014 | 19,334 |
| - Central Provident Fund | 2,907 | 2,426 |
| - Others | 1,109 | 1,000 |
| | <u>25,030</u> | <u>22,760</u> |
| Less: Government grant income | (46) | (504) |
| | <u>24,984</u> | <u>22,256</u> |

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 | |
|--|-------------------|-------------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| From an associate: | | |
| Accounting services income | - | (17) |
| Recovery of license and other fees paid to a related party | (133) | (119) |
| Management fees income | (42) | (70) |
| From joint ventures: | | |
| Accounting services income | (96) | (102) |
| Repayment of loan from a joint venture | 3,850 | 3,683 |
| License and other fees to a related party | 533 | 478 |
| Purchases from a related party | 1,113 | 1,603 |
| Management fee income from a related party | (118) | (115) |
| Rental expense paid to a director of the Company | 88 | 94 |
| Fees to a firm in which a director has an interest | 19 | - |
| | <u> </u> | <u> </u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

32. Related party transactions *(cont'd)*

(b) *Compensation of key management personnel*

| | Group | |
|-----------------------------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Short-term employee benefits | 2,898 | 3,092 |
| Central Provident Fund | 104 | 127 |
| | 3,002 | 3,219 |
| Comprise amounts paid/payable to: | | |
| - Directors of the Company | 1,641 | 1,568 |
| - Other key management personnel | 1,361 | 1,651 |
| | 3,002 | 3,219 |

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 and interest rate 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. Financial risk management objectives and policies *(cont'd)*

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

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. Financial risk management objectives and policies (cont'd)

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

(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) |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

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

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

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 | |
|--------------|-----------------------------------|--------------|---------------|---------------|---------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| 12-month ECL | Debt securities at amortised cost | 6,980 | 7,312 | 668 | 74 |
| Lifetime ECL | Debt securities at amortised cost | 6 | 131 | - | - |
| 12-month ECL | Loans at amortised cost | - | 5,042 | 7,154 | 3,348 |
| Lifetime ECL | Loans at amortised cost | - | - | 6,634 | 10,055 |
| | | <u>6,986</u> | <u>12,485</u> | <u>14,456</u> | <u>13,477</u> |

The movement in allowance for expected credit losses of debt securities and loans at amortised cost are as disclosed in Note 20 and Note 23.

(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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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:

| | ← Trade Receivables → | | | | | Total |
|---------------------------------|-----------------------|---------|----------------|-------------------------|-------------------|---------|
| | Contract assets | Current | Past due | | | |
| | | | Within 30 days | More than 30 to 90 days | More than 90 days | |
| \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | |
| Singapore | | | | | | |
| 31 December 2023 | | | | | | |
| Gross carrying amount | 101,407 | 4,764 | 465 | 61 | 138 | 106,835 |
| Loss allowance provision | 788 | 179 | 23 | 5 | 18 | 1,013 |
| 31 December 2022 | | | | | | |
| Gross carrying amount | 80,388 | 3,060 | 57 | 123 | 271 | 83,899 |
| Loss allowance provision | 777 | 101 | 3 | 11 | 30 | 922 |
| Other geographical areas | | | | | | |
| 31 December 2023 | | | | | | |
| Gross carrying amount | 19,137 | 1,923 | 1,100 | 4,980 | 8,218 | 35,358 |
| Loss allowance provision | 903 | 84 | 15 | 125 | 306 | 1,433 |
| 31 December 2022 | | | | | | |
| Gross carrying amount | 25,304 | 3,176 | 1,164 | 1,024 | 3,866 | 34,534 |
| Loss allowance provision | 1,040 | 36 | 1 | 12 | 109 | 1,198 |

Information regarding loss allowance movement of trade receivables and contract assets are disclosed in Note 18.

As at 31 December 2023 and 2022, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. Financial risk management objectives and policies (cont'd)(a) **Credit risk (cont'd)**(ii) *Trade receivables and contract assets (cont'd)*

| | 2023 | | 2022 | |
|--------------------------|--------------------------------|------------------------------|--------------------------------|------------------------------|
| | Trade receivables \$'000 | Contract assets \$'000 | Trade receivables \$'000 | Contract assets \$'000 |
| Group | | | | |
| Gross carrying amount | 2,451 | 983 | 3,481 | 1,064 |
| Loss allowance provision | (2,451) | (983) | (3,481) | (1,064) |
| Carrying amount | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

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 | | | |
|--------------------|---------------|------------|---------------|------------|
| | 2023 | | 2022 | |
| | \$'000 | % of total | \$'000 | % of total |
| <u>By country:</u> | | | | |
| Singapore | 5,203 | 25 | 3,365 | 27 |
| Malaysia | 4,335 | 21 | 1,626 | 13 |
| Thailand | 11,356 | 54 | 7,447 | 60 |
| | <u>20,894</u> | <u>100</u> | <u>12,438</u> | <u>100</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

At the end of the reporting period, all financial assets and financial liabilities, with the exception of financial liabilities highlighted in the maturity profile table below, are due to mature within one year at contractual undiscounted repayment amounts approximating their respective carrying values.

| | Within 1 year \$'000 | 1 - 5 years \$'000 | After 5 years \$'000 | Total \$'000 |
|--|----------------------------|--------------------------|----------------------------|-----------------|
| Group | | | | |
| 2023 | | | | |
| Financial liabilities: | | | | |
| Trade and other payables ⁽¹⁾ | 61,506 | 4,085 | – | 65,591 |
| Other liabilities | 8,558 | – | – | 8,558 |
| Lease liabilities | 2,070 | 3,417 | 3,136 | 8,623 |
| Loans and borrowings | 94,345 | 37,069 | 7,856 | 139,270 |
| Total undiscounted financial liabilities | 166,479 | 44,571 | 10,992 | 222,042 |
| 2022 | | | | |
| Financial liabilities: | | | | |
| Trade and other payables ⁽¹⁾ | 50,103 | 451 | – | 50,554 |
| Other liabilities | 9,641 | – | – | 9,641 |
| Lease liabilities | 1,090 | 1,525 | 3,246 | 5,861 |
| Loans and borrowings | 12,144 | 128,339 | 5,864 | 146,347 |
| Total undiscounted financial liabilities | 72,978 | 130,315 | 9,110 | 212,403 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. Financial risk management objectives and policies (cont'd)(b) *Liquidity risk (cont'd)*

| | Within 1 year \$'000 | 1 - 5 years \$'000 | After 5 years \$'000 | Total \$'000 |
|--|----------------------------|--------------------------|----------------------------|-----------------|
| Company | | | | |
| 2023 | | | | |
| Financial liabilities: | | | | |
| Amounts due to subsidiaries | 15,002 | - | - | 15,002 |
| Trade and other payables ⁽¹⁾ | 132 | - | - | 132 |
| Other liabilities | 1,512 | - | - | 1,512 |
| Lease liabilities | 109 | 437 | 3,136 | 3,682 |
| Loans and borrowings | 700 | 3,026 | 5,107 | 8,833 |
| Total undiscounted financial liabilities | <u>17,455</u> | <u>3,463</u> | <u>8,243</u> | <u>29,161</u> |
| 2022 | | | | |
| Financial liabilities: | | | | |
| Amounts due to subsidiaries | 14,330 | - | - | 14,330 |
| Trade and other payables ⁽¹⁾ | 163 | - | - | 163 |
| Other liabilities | 1,022 | - | - | 1,022 |
| Lease liabilities | 109 | 437 | 3,246 | 3,792 |
| Loans and borrowings | 669 | 2,969 | 5,864 | 9,502 |
| Total undiscounted financial liabilities | <u>16,293</u> | <u>3,406</u> | <u>9,110</u> | <u>28,809</u> |

(1) Excluding goods and services tax receivable and payable

The table below shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts is 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 \$'000 | 1 - 5 years \$'000 | After 5 years \$'000 | Total \$'000 |
|----------------------|----------------------------|--------------------------|----------------------------|-----------------|
| Company | | | | |
| 2023 | | | | |
| Financial guarantees | <u>9,824</u> | <u>42,117</u> | <u>11,261</u> | <u>63,202</u> |
| 2022 | | | | |
| Financial guarantees | <u>17,397</u> | <u>28,328</u> | <u>9,090</u> | <u>54,815</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. Financial risk management objectives and policies *(cont'd)*

(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, approximately 6% (2022: 15%) of the Group's borrowings are at fixed rates of interest.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 10% (2022: 10%) lower/higher with all other variables held constant, the Group's profit before taxation would have been \$477,000 (2022: \$491,000) higher/lower, 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"). The Group's exposure to foreign currency changes for USD is not material.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2023 and 2022. 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 than 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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

35. Fair values of financial instruments

(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:

| | 2023 | | | |
|---|--|---|--|-------|
| | \$'000 | | | |
| | Fair value measurements at the end of the reporting period using | | | |
| | Quoted prices in active markets for identical instruments (Level 1) | Significant observable inputs other than quoted prices (Level 2) | Significant unobservable inputs (Level 3) | Total |
| Group | | | | |
| Assets measured at fair value | | | | |
| Financial assets: | | | | |
| <u>Investment securities at fair value through profit or loss (Note 16)</u> | | | | |
| Unquoted equity securities | - | - | - | - |
| Quoted equity securities | 10 | - | - | 10 |
| | 10 | - | - | 10 |

| | 2022 | | | |
|---|--|---|--|-------|
| | \$'000 | | | |
| | Fair value measurements at the end of the reporting period using | | | |
| | Quoted prices in active markets for identical instruments (Level 1) | Significant observable inputs other than quoted prices (Level 2) | Significant unobservable inputs (Level 3) | Total |
| Group | | | | |
| Assets measured at fair value | | | | |
| Financial assets: | | | | |
| <u>Investment securities at fair value through profit or loss (Note 16)</u> | | | | |
| Unquoted equity securities | - | - | - | - |
| Quoted equity securities | 10 | - | - | 10 |
| | 10 | - | - | 10 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

35. Fair values of financial instruments (cont'd)

(c) **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 | Inter-relationship |
|---|----------------------|-------------------------|------------------------|---------------------------------------|
| 31 December 2023 | | | | |
| Recurring fair value measurements | | | | |
| <u>At fair value through profit or loss</u> | | | | |
| Unquoted equity securities (Note 16) – | | Income approach | Growth rate: 4.70% | Higher growth rate, higher fair value |
| 31 December 2022 | | | | |
| Recurring fair value measurements | | | | |
| <u>At fair value through profit or loss</u> | | | | |
| Unquoted equity securities (Note 16) – | | Income approach | Growth rate: 4.60% | Higher growth rate, higher fair value |

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

Non-current trade payables (Note 25)

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 2023 and 2022.

Current trade and other receivables and payables (Notes 18, 23 and 25), loans to a joint venture (Note 19), cash and bank balances (Note 24), other liabilities (Note 26), and amounts due from/(to) subsidiaries (Note 20)

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

Non-current loans and borrowings (Note 27)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. Segment information (cont'd)**(a) Analysis by business segment**

| | Specialised engineering \$'000 | General construction \$'000 | Property development \$'000 | Green technology \$'000 | Total \$'000 |
|--|---|--|--|--|-------------------------|
| 31 December 2023 | | | | | |
| Revenue | | | | | |
| External revenue | 69,111 | 51,272 | 112,300 | 4,572 | 237,255 |
| Inter-segment revenue | 3,620 | 31,698 | – | 511 | 35,829 |
| Total revenue | 72,731 | 82,970 | 112,300 | 5,083 | 273,084 |
| Results: | | | | | |
| Interest income | (42) | (549) | (587) | – | (1,178) |
| Interest expense | 1,473 | 10 | 5,620 | – | 7,103 |
| Depreciation of property, plant and equipment | 1,197 | 90 | 13 | 635 | 1,935 |
| Depreciation of right-of-use assets | 859 | 104 | – | – | 963 |
| Share of results of associates | (818) | – | 6 | – | (812) |
| Share of results of joint ventures | (2) | (181) | (168) | – | (351) |
| Other non-cash items: | | | | | |
| Write-down of inventories | 22 | – | – | – | 22 |
| Write-down of properties held for sale | 9 | – | – | – | 9 |
| Amortisation of deferred income | – | – | – | (207) | (207) |
| Amortisation of capitalised contract costs and fulfilment costs | – | – | 57,744 | – | 57,744 |
| Accreted interest | – | – | – | 95 | 95 |
| (Write-back)/loss provision on trade receivables and contract assets | (726) | 233 | – | 7 | (486) |
| Segment loss/(profit) before taxation | 10,075 | (4,518) | (18,889) | (1,377) | (14,709) |
| Income tax (credit)/expense | (44) | – | 3,018 | – | 2,974 |
| Assets | | | | | |
| Investments in joint venture | 62 | – | 610 | – | 672 |
| Investments in associates | 2,225 | – | – | – | 2,225 |
| Additions to property, plant and equipment | 631 | 269 | – | (55) | 845 |
| Segment assets | 77,024 | 47,402 | 192,197 | 9,620 | 326,243 |
| Segment liabilities | 60,003 | 40,773 | 125,425 | 3,836 | 230,067 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. Segment information (cont'd)

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

| | Specialised engineering \$'000 | General construction \$'000 | Property development \$'000 | Green technology \$'000 | Total \$'000 |
|---|--------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------|
| 31 December 2022 | | | | | |
| Revenue | | | | | |
| External revenue | 89,421 | 33,033 | 44,582 | 3,379 | 170,415 |
| Inter-segment revenue | 3,751 | 14,055 | – | 129 | 17,935 |
| Total revenue | 93,172 | 47,088 | 44,582 | 3,508 | 188,350 |
| Results: | | | | | |
| Interest income | (87) | (85) | (116) | – | (288) |
| Interest expense | 704 | 4 | 3,623 | – | 4,331 |
| Depreciation of property, plant and equipment | 1,306 | 40 | 17 | 634 | 1,997 |
| Depreciation of right-of-use assets | 1,127 | 57 | – | – | 1,184 |
| Share of results of associates | (211) | – | 19 | – | (192) |
| Share of results of joint ventures | (1) | (163) | (242) | – | (406) |
| Other non-cash items: | | | | | |
| Reversal of write-down of inventories | (18) | – | – | – | (18) |
| Impairment loss on property, plant and equipment and right-of-use asset | 1,196 | – | – | – | 1,196 |
| Write-down of properties held for sale | 160 | – | – | – | 160 |
| Amortisation of deferred income | – | – | – | (200) | (200) |
| Amortisation of capitalised contract costs and fulfilment costs | – | – | 22,980 | – | 22,980 |
| Accreted interest | 92 | – | – | 98 | 190 |
| (Write-back)/loss provision on trade receivables and contract assets | (439) | 20 | – | (42) | (461) |
| Segment loss/(profit) before taxation | 4,258 | (6,374) | (5,661) | (1,072) | (8,849) |
| Income tax expense | – | – | 277 | – | 277 |
| Assets | | | | | |
| Investments in joint venture | 64 | – | 6,167 | – | 6,231 |
| Investments in associates | 1,406 | – | 262 | – | 1,668 |
| Additions to property, plant and equipment | 6,342 | 169 | – | – | 6,511 |
| Segment assets | 78,655 | 31,570 | 184,097 | 9,446 | 303,768 |
| Segment liabilities | 50,483 | 30,866 | 129,481 | 3,177 | 214,007 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. Segment information (cont'd)

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

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

| | Group | |
|--|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Revenue | | |
| Total revenue for reportable segments | 273,084 | 188,350 |
| Management fee from an associate | 42 | 70 |
| Elimination of intersegment revenue | (35,829) | (17,935) |
| | 237,297 | 170,485 |
| Profit before taxation | | |
| Total profit before taxation for reportable segments | 14,709 | 8,849 |
| Management fee from an associate | 42 | 70 |
| Unallocated amounts: | | |
| - Other corporate income | 218 | 203 |
| - Other corporate expenses | (4,051) | (3,874) |
| | 10,918 | 5,248 |
| Reconciliations of reported segment assets and liabilities | | |
| Assets | | |
| Total assets for reportable segments | 326,243 | 303,768 |
| Other unallocated amounts | 14,746 | 14,267 |
| | 340,989 | 318,035 |
| Liabilities | | |
| Total liabilities for reportable segments | 230,067 | 214,007 |
| Other unallocated amounts | 10,807 | 10,929 |
| | 240,874 | 224,936 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. Segment information (cont'd)

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

| Other material items | 2023 | | | 2022 | | |
|--|---------------------------------|-------------|------------------|---------------------------------|-------------|------------------|
| | Reportable segment totals | Adjustments | Entity totals | Reportable segment totals | Adjustments | Entity totals |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Interest income | (1,178) | – | (1,178) | (288) | – | (288) |
| Interest expense | 7,103 | 207 | 7,310 | 4,331 | 199 | 4,530 |
| Write-down/ (Reversal of write-down) of inventories | 22 | – | 22 | (18) | – | (18) |
| Impairment loss on property, plant and equipment and right-of-use asset | – | – | – | 1,196 | – | 1,196 |
| Write-down of properties held for sale | 9 | – | 9 | 160 | – | 160 |
| Accreted interest | 95 | – | 95 | 190 | – | 190 |
| Depreciation of property, plant and equipment | 1,935 | 400 | 2,335 | 1,997 | 407 | 2,404 |
| Depreciation of right- of-use assets | 963 | 52 | 1,015 | 1,184 | 52 | 1,236 |
| Write-back provision on trade receivables, contract assets and other receivables | (486) | (101) | (587) | (461) | – | (461) |
| Additions to property, plant and equipment | 846 | 239 | 1,085 | 6,511 | 199 | 6,710 |
| Income tax expense | 2,974 | – | 2,974 | 277 | – | 277 |

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. Segment information (cont'd)

(b) Analysis by geographical segment

| | Revenue | | Non-current assets | |
|-----------|----------------|----------------|--------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Countries | | | | |
| Singapore | 207,116 | 129,478 | 33,995 | 39,634 |
| Malaysia | 18,328 | 22,554 | 10,861 | 12,618 |
| Thailand | 11,853 | 18,453 | 1,228 | 1,932 |
| Others | – | – | 2,225 | 1,406 |
| | <u>237,297</u> | <u>170,485</u> | <u>48,309</u> | <u>55,590</u> |

Information about major customers

During the financial year ended 31 December 2023, revenue from one major customer (2022: one major customer) amounted to \$21,356,000 (2022: \$22,043,000) arising from general construction (2022: general construction and specialised engineering works).

37. Dividends

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Cash dividends on ordinary shares declared and paid | | |
| as at 31 December 2023 | | |
| - Final exempt (one-tier) dividend for 2022: 0.3 (2021: 0.3) cents | 967 | 967 |
| Proposed but not recognised as liability as at 31 December: | | |
| <i>Dividends on ordinary shares, subject to shareholders' approval at the AGM</i> | | |
| - Final exempt (one-tier) dividend for 2023: 0.3 cents (2022: 0.3 cents) | 967 | 967 |

38. Authorisation of financial statements

The financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 28 March 2024.

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 provisions of the Code of Corporate Governance 2018 ("2018 Code", last amended on 11 January 2023) for the financial year ended 31 December 2023 in all material aspects. In so far as any provision has not been complied with, the reason for the deviation has 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 eight 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 | : Prof. Yong Kwet Yew Mr. Bruno Sergio Valsangiacomo Dr. Pietro Brenni Mr. Romano William Fanconi (alternate to Dr. Pietro Brenni) |
| Independent | : Mr. Lim Boon Cheng Mr. Chan Mun Wei Ms. Karen Lee Kiah Ling |

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;

CORPORATE GOVERNANCE

- consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation;
- 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;
- consider sustainability issues as part of its long-term strategy formulation with an assurance framework that provides comfort on sustainability practices, including the integration of sustainability-related matters and the monitoring of sustainability related risks and opportunities, as part of its long-term strategy formulation;
- 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 Chairman and Chief Executive Officer ("CEO"), through the Nominating Committee.

Under the terms of reference of the Board of Directors, a Director shall fully avoid any conflict of interest 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 Board 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. Mr. Chan Mun Wei who was appointed to the Board on 9 May 2023 had attended the following modules of the Listed Entity Directors ("LED") Programme organised by the Singapore Institute of Directors:

CORPORATE GOVERNANCE

LED 1 – Listed Entity Director Essentials
LED 2 – Board Dynamics
LED 3 – Board Performance
LED 4 – Stakeholder Engagement
LED 5 – Audit Committee Essentials
LED 6 – Board Risk Committee Essentials
LED 7 – Nominating Committee Essentials
LED 8 – Remuneration Committee Essentials

Mr. Chan Mun Wei did not attend LED 9 on Environmental, Social and Governance (“ESG”) Essentials as the Nominating Committee is of the view that this training is not required for him as he has the expertise in sustainability matters from his extensive participation in sustainability activities. As an ESG practitioner, Mr. Chan advises and helps listed companies with sustainability reporting, governance and climate risk assessment. As a lecturer, he provides training on ESG to corporates and post-graduate students.

Ms. Karen Lee Kiah Ling who was appointed to the Board on 2 January 2024 had attended the LED Programme and completed modules LED 1 to LED 6 and LED 9.

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.

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 & Risk Committee (“ARC”), Remuneration Committee (“RC”) and Nominating Committee (“NC”). 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.

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The number of meetings held in 2023 and the attendance of each Board member at these meetings was as follows:

| Name of Director | Board | Audit & Risk Committee | Remuneration Committee | Nominating Committee |
|---|----------|------------------------|------------------------|----------------------|
| Number of meetings held | 4 | 4 | 1 | 2 |
| Number of meetings attended: | | | | |
| Mr. Tan Kheng Hwee Andrew | 4 | 4* | 1* | 1* |
| 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 | 3 | N.A. | N.A. | N.A. |
| Prof. Yong Kwet Yew | 4 | 4 | N.A. | 2 |
| Mr. Lim Boon Cheng | 4 | 4 | 1 | 2 |
| Mr. Chan Mun Wei ⁽¹⁾ (appointed on 9 May 2023) | 3 | 3 | 1 | 1 |
| Ms. Karen Lee Kiah Ling ⁽²⁾ (appointed on 2 January 2024) | N.A. | N.A. | N.A. | N.A. |
| Ms. Luk Ka Lai Carrie ⁽³⁾ (retired on 27 April 2023) | 1 | 1 | N.A. | 1 |
| Mr. Seow Chin Heng Adrian ⁽⁴⁾ (resigned on 16 October 2023) | 3 | 3 | N.A. | N.A. |

* Attendance by invitation

Notes:

- (1) Mr. Chan Mun Wei was appointed on 9 May 2023 and since his appointment, he had attended all the Board meetings and Board Committee meetings where he is a member.
- (2) Ms. Karen Lee Kiah Ling was appointed subsequent to the financial year end on 2 January 2024 and hence the attendance of 2023 meetings is not applicable to her.
- (3) Ms Luk Ka Lai Carrie retired on 27 April 2023 following the conclusion of the last AGM and during her term within the financial year, she had attended all the Board and Board Committee meetings.
- (4) Mr. Seow Chin Heng Adrian resigned on 16 October 2023 and during his term within the current financial year, he had fully attended all the Board meetings and Board Committee meetings where he was a member.

The NC 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 NC 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 six Non-Executive Directors and two Executive Directors with Non-Executive Directors making up a majority of the Board during the year. There are three Independent Directors on the Board and Independent Directors make up at least one-third of the Board.

However, the Company has not complied with Provision 2.2 of the 2018 Code as Independent Directors do not make up a majority of the Board where our Chairman is not independent. Notwithstanding this, the Company continues to maintain a strong and independent element on the Board.

The ARC, RC and NC are all chaired by an Independent Director and majority of the members in these committees are Independent Directors.

Executive Directors make up a minority on the Board while Non-Executive Directors form the majority. The Non-Executive Directors including the Independent Directors, constructively challenge Management's proposals or decisions with their independent judgement, help develop proposals on strategy and they review and monitor Management's performance against goals and objectives. Their views and opinions provide alternative perspectives to the Group's business.

Additionally, all Directors shall fully avoid any conflict of interest 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.

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Annually, the Independent Directors submit declarations to confirm their independence to the NC for their review and assessment. The NC, in its deliberation of the independence of a Director, takes into consideration the relevant provisions of the SGX-ST Listing Manual, the 2018 Code and where relevant, the recommendations set out in the Practice Guidance accompanying the 2018 Code.

The Company has adopted provisions 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 NC also takes into account the existence of relationships or circumstances, including those identified by the Listing Manual, the 2018 Code and the Practice Guidance, that are relevant in its determination as to whether a Director is independent. Such relationships and circumstances include (i) the employment of a Director or his/her immediate family whose remuneration is determined by the RC by the Company or any of its related corporations for the current or any of the past three financial years; (ii) a Director who has been a Director of the Company for an aggregate period of more than nine years; (iii) a Director or his/her immediate family member or any organisation in which they are related to, has in the current or immediate past financial year, provided to or received from the Company or any of its subsidiaries any significant payments or material services other than compensation for board service; (iv) a Director or his/her immediate family member being related to any organization to which the Company or any of its subsidiaries received significant payments or material services during the financial year or the previous financial year; and (v) a Director who has been directly associated with a substantial shareholder of the Company in the current or previous financial year.

The NC 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.
- (c) None of the Independent Directors is directly or indirectly interested in the shares of the Company and the Group

Following a Board renewal process, the Company currently does not have any Independent Directors who have served more than nine years.

A new Independent Director, Mr. Chan Mun Wei, was appointed on 9 May 2023. Following the cessation of Mr. Seow Chin Heng Adrian on 16 October 2023, Ms. Karen Lee Kiah Ling was appointed to the Board as an Independent Director.

Mr. Chan Mun Wei has in the current and previous financial year (prior to his appointment) provided consulting services through a firm owned by him to the Company on sustainability matters and reporting for service fees amounting to \$18,500 and \$16,800 respectively. In reviewing the independence of Mr. Chan Mun Wei, the NC has considered this transaction and given that the amount was less than the guideline of \$50,000 in the Practice Guidance, the NC is of the view that the amount was not significant and it shall not affect his independence.

The 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.

CORPORATE GOVERNANCE

The NC and the Board concur that all the three (3) Independent Directors are independent 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.

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.

Under the Board Diversity Policy, the Board strives to have one member with relevant experience in the Group's core markets; and some members with professional qualifications in accounting, legal or other professional background or discipline as may be determined by the Board to be necessary and/or beneficial to the Group. The Board recognised that skill-set and core competencies required of the Board may change over time as the business of the Group develops.

The Board is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment or discrimination on the basis of gender, race, nationality, religion, age, family status or sexual orientation. The Board recognises that gender is an important aspect of diversity and strives to have a Board composition where each gender has a representation on the Board. In line with this, a female Director, Ms. Karen Lee Kiah Ling, has been appointed to the Board.

The NC will review this Policy periodically as appropriate and make recommendations for changes, as appropriate, to the Board.

The current Board composition reflects the Company's commitment to Board diversity in terms of different professional experiences, skills, knowledge and gender. The Board comprises members that possess a wealth of experience ranging from accounting and finance, risk management, legal and relevant industry knowledge who, as a group, provide core competencies necessary to meet the demands facing the Company and the industry and provide leadership of the Company. Any further progress made towards the implementation of the policy will be disclosed in our Corporate Governance Statement as appropriate.

CORPORATE GOVERNANCE

| DIVERSITY OF THE BOARD | | |
|--|----------------------------------|---------------------|
| | Number of Directors [^] | Proportion of Board |
| Core Competencies | | |
| Accounting or finance | 4 | 50% |
| Relevant Industry knowledge or experience | 6 | 75% |
| Experience in risk management, audit and internal controls | 4 | 50% |
| ESG and Sustainability | 3 | 38% |
| Gender | | |
| Male | 7 | 87% |
| Female | 1 | 13% |

[^] Exclude alternate directors

The Board strives to have:

- (a) one member who has direct or relevant experience in the Group's core business markets;
- (b) some members with professional qualification in accounting or finance; and
- (c) each gender has a representation on the Board.

As 75% of the Board has the relevant industry knowledge and 50% of the Board possesses competencies in the field of accounting and finance, this is in line with the Company's Board Diversity Policy. In addition, with the recent appointment of Ms. Karen Lee Kiah Ling, the Company's target that each gender has a representation on the Board has been met.

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.

In view of the above, the Company is of the view that the intent of Principle 2 of the Code is met with 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.

CORPORATE GOVERNANCE

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 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 a Non-Executive 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 NC comprises three Non-Executive Directors, with two of its members, including the Chairman, being Independent Directors, namely:

Mr. Lim Boon Cheng - Chairman
Prof. Yong Kwet Yew
Mr. Chan Mun Wei

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

CORPORATE GOVERNANCE

The terms of reference of the NC are to:

- review the structure, size and composition of the Board and Board Committees;
- review the succession plans for the Board Chairman, Directors, CEO and other senior management;
- 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;
- provide advice and recommendations to the Board and the Chairman on re nomination 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;
- 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;
- develop a transparent process for evaluating the performance of the Board and the contributions from the Directors on a year-to-year basis; and
- 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 begins 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, evaluate them taking into account the relevant expertise of the candidates and their potential contribution 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 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 | 27/04/2023 | Principal Commitments BBR Holdings (S) Ltd and its group of companies | Principal Commitments BBR Holdings (S) Ltd group of companies: Northern Retail Pte Ltd – Director BBR Kovan Pte Ltd – Director Wisteria Mall Management Pte Ltd - Director |
| Mr. Voon Yok Lin | 21/06/2017 | 29/04/2022 | 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 | 27/04/2023 | 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 Screening Eagle Technologies AG - Chairman | Principal Commitments Switzerland FFC Fincoord Holding AG - Chairman Brain Forum – Board member |

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. Bruno Sergio Valsangiacomo | | | <p><u>United Kingdom</u> Virtually Live Holding (UK) Ltd. – Board member Vesalius Holding Ltd. – Board member</p> <p><u>Gibraltar</u> Oximesa Holdings Ltd. – Director</p> <p><u>British Virgin Islands</u> Voco Ltd. – Director</p> <p><u>Singapore</u> Screening Eagle Dreamlab Pte. Ltd. – Director</p> | |
| Dr. Pietro Brenni | 03/05/2021 | 29/04/2022 | <p><u>Principal Commitments</u> Brenni Engineering SA - CEO, Chairman Stahlton AG - Chairman Stahlton Bauteile AG – Board Member BBR Holding AG - Board member</p> | – |
| Prof. Yong Kwet Yew | 19/08/1997 | 29/04/2022 | <p><u>Principal Commitments</u> National University of Singapore – Professor of Civil and Environmental Engineering</p> <p><u>Public Sector</u> Public Utilities Board – Board Member</p> <p><u>Listed Directorships</u> ⁽⁴⁾ Tritech Group Limited Boustead Projects Limited</p> | – |

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. Lim Boon Cheng | 03/05/2021 | 29/04/2022 | <u>Principal Commitments Listed Directorships</u> ⁽⁴⁾ Advanced Holdings Ltd Design Capital Ltd, listed on Hong Kong Stock Exchange | <u>Principal Commitments</u> FG Investors Pte. Ltd. - Director FGPO (Singapore) Pte. Ltd. - Director Fitzroy Corporate Advisory - Owner AIB MT Fund Asia Pte Ltd (In Members' Voluntary Liquidation) - Director |
| Mr. Chan Mun Wei | 09/05/2023 | Not applicable | <u>Principal Commitments</u> SustainableSG – Founder and Principal Consultant | <u>Principal Commitments</u> The Conference Board – ESG Center Leader for Asia Sentosa Development Corporation – Divisional Director, Corporate Planning |
| Ms. Karen Lee Kiah Ling | 02/01/2024 | Not applicable | <u>Principal Commitments</u> ESR-LOGOS REIT SPV2 Pte Ltd - Director ESR-LOGOS REIT MTN Pte Ltd - Director ESR-LOGOS REIT INV Pte Ltd - Director ESR-LOGOS REIT INV2 Pte Ltd - Director ALOG (Australia) Pte Ltd -Director | <u>Principal Commitments</u> LOGOS Property Management Pte Ltd - Director 2TPC Pte Ltd - Director ALOG Singapore One Pte Ltd - Director |
| Mr. Romano William Fanconi ⁽¹⁾ | 24/04/2015 | - | <u>Principal Commitments</u> <u>Switzerland</u> FFC Fincoord Finance Coordinators Ltd. – Managing Partner Tectus S.A. – Board member Proceq S.A. – Board member | <u>Principal Commitments</u> <u>Switzerland</u> FFC Fincoord Holding AG – Board member Vektor AG (Liquidated) – Liquidator <u>United States</u> Proceq US Inc. – Director |

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) |
|---|---------------------------|--------------------------|---|--|
| | | | BBR Holding A.G. – Board member BBR VT International Ltd – Board member GEHAG Real Estate AG – Board member Virtually Live (Switzerland) GmbH – Director NeuroPro AG – Chairman | <u>China</u> Proceq Trading (Shanghai) Co. Ltd. – Supervisor <u>Iceland</u> Icelandic Water Holdings hf. – Board member <u>Singapore</u> Proceq Asia Pte. Ltd. – Director |
| Mr. Romano William Fanconi ⁽¹⁾ | | | <u>United Kingdom</u> Virtually Live Holding Ltd. – Director Vesalius Holdings Ltd – Director <u>Canada</u> Contessa Development Inc. – Board member | |
| Mr. Voon Chet Chie ⁽²⁾ | 21/06/2017 | – | <u>Principal Commitments</u> BBR Construction Systems (M) Sdn. Bhd. – Director (Operations) | <u>Principal Commitments</u> Voon Yok Lin Holdings Sdn. Bhd. – Director |

(1) Alternate Director to Dr. Pietro Brenni

(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 at the forthcoming Annual General Meeting (“AGM”):

Prof. Yong Kwet Yew

Mr. Voon Yok Lin

CORPORATE GOVERNANCE

As part of the Board renewal process, Prof. Yong Kwet Yew will retire as Director at the forthcoming AGM and will not be seeking re-election. Hence the Director seeking re-election at the AGM is Mr. Voon Yok Lin.

In accordance with Regulation 115 of the Constitution of the Company, Mr. Chan Mun Wei and Ms. Karen Lee Kiah Ling who were appointed on 9 May 2023 and 2 January 2024 respectively, shall retire and seek re-election at the forthcoming AGM.

The NC has recommended Mr. Voon Yok Lin, Mr. Chan Mun Wei and Ms. Karen Lee Kiah Ling 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, Mr. Chan Mun Wei, being an Independent Director, will remain as the Chairman of RC and a member of the ARC and NC.

If re-elected at the AGM, Ms. Karen Lee Kiah Ling, being an Independent Director, will remain as a member of the ARC.

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

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 2023, 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.

CORPORATE GOVERNANCE

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 RC comprises three Non-Executive Directors, with two of its members, including the Chairman, being Independent Directors. They are:

Mr. Chan Mun Wei - Chairman
Mr. Lim Boon Cheng
Mr. Bruno Sergio Valsangiacomo

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's 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.

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.

CORPORATE GOVERNANCE

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 director's 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 director's 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.

Directors of the Company

The remuneration bands and components in percentage terms of the Directors' remuneration based on amounts recorded in financial year 2023 are as follows:

| Name of Director | Basic salary | Variable performance bonus | Benefits-in-kind and others | Director's fee | Total |
|---|--------------|----------------------------|-----------------------------|----------------|-------|
| | % | % | % | % | % |
| Above \$1,000,000 and below \$1,250,000 | | | | | |
| Mr. Tan Kheng Hwee Andrew | 53 | 44 | 1 | 2 | 100 |
| Below \$250,000 | | | | | |
| Mr. Voon Yok Lin | 86 | – | 2 | 12 | 100 |
| Mr. Voon Chet Chie ⁽¹⁾ | 100 | – | – | – | 100 |
| Mr. Bruno Sergio Valsangiacomo | – | – | – | 100 | 100 |
| Dr. Pietro Brenni/Mr. Romano William Fanconi ⁽²⁾ | – | – | – | 100 | 100 |
| Prof. Yong Kwet Yew | – | – | – | 100 | 100 |
| Mr. Lim Boon Cheng | – | – | – | 100 | 100 |
| Mr. Chan Mun Wei | – | – | – | 100 | 100 |
| Ms. Karen Lee Kiah Ling ⁽³⁾ | – | – | – | – | – |
| Ms. Luk Ka Lai Carrie ⁽⁴⁾ | – | – | – | 100 | 100 |
| Mr. Seow Chin Heng Adrian ⁽⁵⁾ | – | – | – | 100 | 100 |

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- (1) Alternate Director to Mr. Voon Yok Lin
- (2) Alternate Director to Dr. Pietro Brenni
- (3) Appointed on 2 January 2024 and hence no director's fee was recorded
- (4) Retired on 27 April 2023
- (5) Resigned on 16 October 2023

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 2022 amounted to \$270,000.00 were paid in financial year 2023 after approval by the members at the AGM held on 27 April 2023.

The Directors' fees for financial year 2023 amounted to \$283,000.00 is subject to approval by the members at the forthcoming AGM to be held on 30 April 2024.

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 | 3 | 87 | 11 | 2 | 100 |
| Below \$250,000 | 2 | 95 | 5 | - | 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 2023 is approximately \$1,361,000.

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 S\$100,000 for the financial year ended 31 December 2023.

CORPORATE GOVERNANCE

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 ARC 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 150 to 157.

The Board and the ARC 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 ARC, is responsible for oversight of the risk management responsibilities, internal controls and governance processes delegated to Management;
- Internal auditors ("IA") plans its internal audit schedules independently in consultation with the Management on an annual basis and submits the internal audit plan to the ARC for approval. The ARC 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 ARC's attention. All internal audit reports are submitted to the ARC 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 ARC meetings together with the external auditors;
- The ARC reviews the audit plans of the external auditors of the Company and ensures the adequacy of controls for the accounting system. The ARC held discussions with the management and the auditors on the observations of the auditors in the management letter. The ARC was generally satisfied with the management's responses during the discussions and suggested improvements, where appropriate;
- The ARC 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 ARC 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 ARC reviews interested person transactions in accordance with the requirements of the SGX-ST Listing Manual;
- The ARC 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 whistleblowing mechanism;
- For financial year 2023, 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;

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- 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 minimise 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 ARC, 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 2023.

Audit & Risk Committee

Principle 10: The Board has an Audit & Risk Committee which discharges its duties objectively.

The ARC comprises four Non-Executive Directors and the majority of whom, including the Chairman, are Independent Directors, namely:

Mr. Lim Boon Cheng- Chairman
Prof. Yong Kwet Yew
Mr. Chan Mun Wei
Mr. Karen Lee Kiah Ling

Mr. Lim Boon Cheng, the ARC Chairman, is well qualified to discharge their duties, as he possesses the necessary recent and relevant accounting and related financial management expertise and experience.

None of the ARC 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 ARC 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;

CORPORATE GOVERNANCE

- 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 ARC 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 ARC to report and brief the Committee on the financial and operational performance of the Group and answer queries raised by the ARC.

The ARC 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 ARC and the Board have continued to review and 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 2023, which was discussed with management and reviewed by the ARC.

| Significant matters | How the ARC reviewed the matter and what decision was made |
|---|---|
| Revenue recognition on construction contracts and development properties under construction | The ARC 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 ARC 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 ARC 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 ARC 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 development properties | The ARC 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 ARC 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. |

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Details on the KAMs can be found in the Independent Auditor's Report on pages 25 to 27. Based on its review as well as discussion with Management and the external auditors, the ARC is satisfied that the KAMs have been properly dealt with.

In the ARC meetings held quarterly during the financial year, the ARC has reviewed all interested person transactions entered into by the Group. From the review, the ARC 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 ARC 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 time spent by the audit team members, the other audit engagements of Ernst & Young LLP, the number and experience of supervisory and professional staff assigned to the audit, the inspection results of the audit partner in charge, as well as the Group's size and complexity, the ARC 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 2023 for the Group, including associates and joint ventures, amounted to \$267,000 and \$2,000 respectively.

The ARC 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 ARC 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 ARC meets the external auditors without the presence of the Management annually. The external auditors have attended ARC meetings held during the financial year to present their audit reports, where applicable.

The Company has in place a whistleblowing 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 ARC Chairman. 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 ARC, 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 whistleblowing for the financial year 2023.

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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 ARC. 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 ARC. To ensure the adequacy of the internal audit function, the ARC 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 ARC 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 ARC 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 ARC will continue to review the adequacy of the internal audit function annually.

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;
- 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.

CORPORATE GOVERNANCE

Conduct of General Meetings

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 (unless such requirement is otherwise waived by the relevant regulatory authorities). 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 but the Company is not implementing absentia voting methods such as voting via mail, e-mail or fax as issues concerning authentication, security, privacy and integrity have to be satisfactorily dealt with and resolved. 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.

Conduct of 2023 AGM

During the financial year under review, the Company's 29th AGM was convened physically. Shareholders (including Central Provident Fund Investment Scheme members ("CPF Investors") and/or Supplementary Retirement Scheme investors ("SRS Investors")) may participate in the AGM by (a) attending the AGM in person; (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or (c) voting at the AGM themselves personally; or through their duly appointed proxy(ies).

Shareholders were allowed to raise questions at the AGM or submit questions related to the resolutions to be tabled for approval at the AGM in advance. The Company then published its responses to the substantial and relevant questions, if any, submitted by the shareholders on SGXNET.

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 27 April 2023 was announced and published on 22 May 2023.

CORPORATE GOVERNANCE

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 for FY2022 was approved by shareholders at the last AGM held on 27 April 2023 and paid on 24 May 2023.

A dividend of 0.3 cents has been proposed for FY2023 representing a dividend payout of 15% 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 Chairman 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.

Shareholders are given the opportunity to raise questions at general meetings or submit questions related to the resolutions to be tabled for approval at the general meetings in advance. The Company shall publish its responses to the substantial and relevant questions, if any, submitted by the shareholders 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.

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.

CORPORATE GOVERNANCE

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 are impacted by or who will be impacted 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 150 to 157.

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 2023, 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 2023 by the Group based on the Group's effective interest in the transactions 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) |
|--|---|---|
| | S\$'000 | S\$'000 |
| BBR VT International Ltd (A related corporation of BBR Holding AG, Switzerland, a controlling shareholder of the Company) | 1,464 | - |

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.

In response to growing climate change challenges, the Group has continuously sought to minimise the environmental impact and reduce carbon footprint of its activities through energy conservation, optimising paper consumption and managing waste. The Group is adopting a progressive approach towards managing and reporting climate-related risks and opportunities. Climate-related physical and transition risks relevant to the business have been identified, assessed and mitigating measures implemented. These climate-related risks are now integrated into the Group's overall risk management policies and process.

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 ESG policies and practices will be included in its Sustainability Report which will be released via SGXNET no later than 4 months after the end of the financial year.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr. Voon Yok Lin, Mr. Chan Mun Wei and Ms. Karen Lee Kiah Ling are the Directors who are seeking re-election at the forthcoming Thirtieth Annual General Meeting ("AGM") of the Company to be convened on Tuesday, 30 April 2024 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:

| | Mr. Voon Yok Lin | Mr. Chan Mun Wei | Ms. Karen Lee Kiah Ling |
|---|---|---|---|
| Date of Appointment | 21/06/2017 | 09/05/2023 | 02/01/2024 |
| Date of last re-appointment (if applicable) | 29/04/2022 | Not applicable | Not applicable |
| Age | 69 | 55 | 50 |
| Country of principal residence | Malaysia | Singapore | Singapore |
| 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 and assessment of Mr. Voon Yok Lin's performance, contributions, competencies and commitment in the discharge of his duties as a Director, <i>inter alia</i> , 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. Chan Mun Wei) and assessment of Mr. Chan Mun Wei's performance, contributions, competencies and commitment in the discharge of his duties as a Director, <i>inter alia</i> , 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 Ms. Karen Lee Kiah Ling's performance, contributions, competencies and commitment in the discharge of her duties as a Director, <i>inter alia</i> , and is satisfied that she will continue to contribute to the Board. |
| Whether appointment is executive, and if so, the area of responsibility | 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.) | Executive Director | Independent Non-Executive Director, Chairman of the Remuneration Committee and a member of the Audit & Risk Committee / Nominating Committee | Independent Non-Executive Director, a member of the Audit & Risk Committee |

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | Mr. Voon Yok Lin | Mr. Chan Mun Wei | Ms. Karen Lee Kiah Ling |
|---|--|---|---|
| Professional qualifications | <p>Bachelor Degree of Science (Honours) in Civil Engineering from the University of Strathclyde, Scotland, in the United Kingdom</p> <p>Registered Professional Engineer with the Board of Engineers Malaysia and a member of The Institution of Engineers Malaysia</p> | <p>Master of Arts in Education and Bachelor of Arts (Distinction) in Anthropology, Stanford University</p> <p>Master of Business Administration, National University of Singapore</p> | <p>Executive Education, Asian International Executive Programme INSEAD</p> <p>Master of Science (Real Estate), National University of Singapore</p> <p>Bachelor of Social Sciences with Honours (Economics), National University of Singapore</p> <p>Bachelor of Science with Merit (Economics), National University of Singapore</p> |
| Working experience and occupation(s) during the past 10 years | <p>Mr. Voon is currently the Managing Director of BBR Construction Systems (M) Sdn. Bhd., where he is responsible for the overall operations and management.</p> <p>Prior to joining the Group in 1994, Mr Voon worked in various capacities in a Malaysian construction firm, which specializes in pre-stressing construction technology.</p> | <p>Mr. Chan has multi-sectoral experience in sustainability, corporate strategy and risk management.</p> <p>He is currently the Founder and Principal Consultant of SustainableSG.</p> <p>He served as the ESG Center Leader for Asia of The Conference Board between January to April 2023. He was the Divisional Director, Corporate Planning of Sentosa Development Corporation from April 2009 to Aug 2018.</p> | <p>Ms. Karen has more than 20 years of experience in the real estate industry covering industrial real estate development, asset and investment management, business development, leasing, marketing and property management.</p> <p>She is currently the Deputy CEO of the manager ESR-LOGOS REIT ("E-LOG") and is responsible for executing E-LOG's growth strategy.</p> <p>Prior to joining E-LOG, Ms. Karen was the CEO of the manager ARA LOGOS Logistics Trust since August 2020. Before her CEO appointment, she was the Head of Asset and Investment Management for LOGOS SE Asia Pte Ltd ("LOGOS") responsible for investment and asset management strategic planning.</p> <p>Prior to joining LOGOS, she was Head of Singapore Portfolio and Asset Management of Ascendas Fund Management (S) Limited, the manager of Ascendas REIT ("A-REIT"), now known as CapitalLand Ascendas REIT.</p> |

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | Mr. Voon Yok Lin | Mr. Chan Mun Wei | Ms. Karen Lee Kiah Ling |
|---|---|---|---|
| Shareholding interest in the listed issuer and its subsidiaries | 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 |
| Conflict of interest (including any competing business) | 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 |
| Other Principal Commitments including directorships (for the last 5 years) | <p><u>Past</u> Voon Yok Lin Holdings Sdn Bhd – Director</p> <p><u>Present</u> 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 BBR Modular Construction Sdn Bhd – Director Siam BBR Systems Co., Ltd – Director</p> | <p><u>Past</u> The Conference Board – ESG Center Leader for Asia Sentosa Development Corporation – Divisional Director, Corporate Planning</p> <p><u>Present</u> SustainableSG – Founder and Principal Consultant</p> | <p><u>Past</u> LOGOS Property Management Pte Ltd – Director 2TPC Pte Ltd – Director ALOG Singapore One Pte Ltd – Director</p> <p><u>Present</u> ESR-LOGOS REIT SPV2 Pte Ltd – Director ESR-LOGOS REIT MTN Pte Ltd – Director ESR-LOGOS REIT INV Pte Ltd – Director ESR-LOGOS REIT INV2 Pte Ltd – Director ALOG (Australia) Pte Ltd – Director</p> |
| 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 |

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | Mr. Voon Yok Lin | Mr. Chan Mun Wei | Ms. Karen Lee Kiah Ling |
|---|------------------|------------------|-------------------------|
| (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 |
| (c) Whether there is any unsatisfied judgment against him? | 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 |
| (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 |

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | Mr. Voon Yok Lin | Mr. Chan Mun Wei | Ms. Karen Lee Kiah Ling |
|--|------------------|------------------|-------------------------|
| (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 or dishonesty on his part? | 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 |
| (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 |
| (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 |

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | Mr. Voon Yok Lin | Mr. Chan Mun Wei | Ms. Karen Lee Kiah Ling |
|---|------------------|------------------|-------------------------|
| (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 |
| (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 |
| (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 |
| (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 |
| (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 |
| In connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | | | |

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

| | Mr. Voon Yok Lin | Mr. Chan Mun Wei | Ms. Karen Lee Kiah Ling |
|--|------------------|------------------|-------------------------|
| (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 |
| 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 |

RISK MANAGEMENT REPORT

The Board of Directors is responsible for overseeing the risk governance framework of BBR so as to ensure that management maintains a sound system of risk management to safeguard shareholders' interest and the company's key assets. To this end, it has established a Risk Management Committee ("RMC") comprising the management of key operating units of the Group. The RMC reports to the Audit and Risk Committee for all aspects of risk governance.

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

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

BBR's ERM framework improves the Group's operational efficiency, enhances its business 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.

RISK MANAGEMENT REPORT

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, which have been reviewed periodically by the Board.

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

STRATEGIC RISKS

Competition risk

Singapore is a key market for BBR's businesses. The availability of public sector as well as private sector construction projects constantly attracts new players resulting in keener competition and lower margins. 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. Additionally, we maintain 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 mainly in Singapore, Malaysia, Thailand and the Philippines. 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 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.

RISK MANAGEMENT REPORT

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.

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

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 worksites, environmental impacts, delays in approval from the relevant authorities, stop-work orders, 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.

RISK MANAGEMENT REPORT

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 provisions 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 workheads, 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 workhead. 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.

Overhead cost management of PPVC Modules

Production and fabrication of PPVC modules require facilities like fitting yard and lifting equipment. The cost of such facilities is part of fixed overhead cost. The facilities may be left idle upon completion of projects and this will in turn result in high unutilised overheads. The Group develop sales strategy and engages in active marketing activities to ensure the efficient utilisation of the facilities. This includes exploring overseas markets for sales opportunities of PPVC modules. Besides, the Group considers entering into short-term lease contracts for high value machines and equipment.

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.

RISK MANAGEMENT REPORT

BBR mitigates this risk by only engaging experienced logistics vendors with good track record and having adequate insurance coverage to minimise any loss from 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. Increases in foreign workers' levy also affect us and increase our costs. In addition, foreign worker supply is also restricted to the availability of dormitories which is currently in short supply. The Group tackles labour shortage issues through better manpower planning and efficiently shares resources among the Group entities and upgrading of skills to enhance their productivity.

BBR has responded to the Singapore 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

After years of battling the COVID-19 pandemic, the World Health Organisation ended the global emergency status for COVID-19. Back at home, Singapore has exited the acute phase of the pandemic in early 2023. The risk remains of new variants emerging that may cause new surges in cases and deaths.

We have learnt from our experience, so that we can be prepared to respond to future pandemics. The Group is also 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.

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. 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.

RISK MANAGEMENT REPORT

Interest rate risks

The Group is subject to interest rate risks resulting from adverse movements in market interest rates, arising primarily from the interest-bearing loans and borrowings. The Group manages its interest rate exposure by using both fixed and floating rates borrowings and interest rate swaps. The Group also manages its cash flow, times its loan repayments with sales collection if applicable and places surplus funds in fixed deposits with reputable banks.

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 for some of the PPVC projects. Unlike general construction and specialised engineering projects where claims are progressively paid by the client for work performed, payment for some PPVC projects 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, we maintain good relationship and open communication with our major bankers and have sufficient 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.

RISK MANAGEMENT REPORT

The Singapore Exchange 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.

COMPLIANCE RISKS

Workplace Safety and Health

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

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, holding regular safety meetings and promoting a behavioural safety approach to all staff and workers, and educating them to take ownership for personal safety.

Climate Change and Environmental Risks

Climate change and environmental risks are becoming an increasing concern. Climate-related risks are categorised into physical risks and transition risks. Physical risks are risks related to the physical impacts of climate change (both acute and chronic). Acute physical risks include increased severity of extreme weather events while chronic physical risks refer to longer-term shifts in climate patterns e.g. sustained higher temperature, rising sea levels, increasing frequency of heavy rain and wind, and decreased rainfall. Transition risks are risks related to transition to a lower-carbon economy and include changes to policy and legal obligations, technology innovation, changing market demands for products and changing stakeholder expectations.

Natural catastrophes and extreme weather conditions and the continuing future threats of such incidents may disrupt the Group's construction activities. Extreme rainfall and increased flooding events can lead to physical infrastructure damage, supply chain disruption resulting in delays in transportation and delivery of building materials and spike in prices, construction site damage and challenging or unsafe working conditions. It may also result in increased wear and tear and damage to assets. All these will eventually increase maintenance cost, cause delays to project timelines and thus our operations and financial performance may be adversely affected.

Transition risks may include mandatory disclosures of carbon emissions disclosures, tougher building materials and construction requirements and introduction of new regulations potentially leading to new methods of working, greater compliance cost, increased construction costs and even project delays.

RISK MANAGEMENT REPORT

The Group has made efforts to mitigate physical risks by close monitoring of weather forecasts to ensure worker safety and adequate preparation and where necessary, evaluation of physical climate risk exposure of projects. In mitigating transition risks, it will stay well informed of regulatory developments, build up knowledge and ability to assess lower carbon products and materials, as well as decarbonise operations through adoption of energy efficient equipment and processes, for example, replacing old diesel-powered equipment to electricity operated equipment or more fuel-efficient equipment where feasible. In its delivery of products and services to customers, PPVC currently used by the Group is considered a Green Construction Methodology because it is in line with the Building and Construction Authority's drive towards Design for Manufacturing and Assembly, a key pillar in the Construction Industry Transformation Map. Furthermore, the Group also engages in design and installation of solar photovoltaic systems for customers, which help in the reduction of carbon emissions.

STATISTICS OF SHAREHOLDINGS

AS AT 14 MARCH 2024

| | | |
|---|---|--|
| Issued and fully paid capital | : | \$49,082,199 |
| Number of ordinary shares (excluding treasury shares) | : | 322,386,218 |
| Number of treasury shares | : | 2,324,200 |
| Class of shares | : | Ordinary |
| Voting rights | : | 1 vote for each ordinary share held (excluding treasury shares) |

DISTRIBUTION OF SHAREHOLDINGS

| SIZE OF SHAREHOLDINGS | NO. OF | | NO. OF SHARES | |
|-----------------------|--------------|---------------|--------------------|---------------|
| | SHAREHOLDERS | % | | % |
| 1 - 99 | 38 | 0.57 | 1,301 | 0.00 |
| 100 - 1,000 | 1,905 | 28.40 | 1,175,116 | 0.36 |
| 1,001 - 10,000 | 3,244 | 48.35 | 15,285,737 | 4.74 |
| 10,001 - 1,000,000 | 1,499 | 22.34 | 71,521,917 | 22.19 |
| 1,000,001 AND | 23 | 0.34 | 234,402,147 | 72.71 |
| TOTAL | 6,709 | 100.00 | 322,386,218 | 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 | 22,854,074 | 7.09 |
| 3 | UOB KAY HIAN PRIVATE LIMITED | 22,399,000 | 6.95 |
| 4 | CITIBANK NOMINEES SINGAPORE PTE LTD | 21,656,700 | 6.72 |
| 5 | DB NOMINEES (SINGAPORE) PTE LTD | 17,389,900 | 5.39 |
| 6 | KHOO YOK KEE OR CHIU HONG KEONG | 9,230,000 | 2.86 |
| 7 | ABN AMRO CLEARING BANK N.V. | 8,482,100 | 2.63 |
| 8 | ONG KIAN KOK | 7,795,200 | 2.42 |
| 9 | PHILLIP SECURITIES PTE LTD | 6,413,452 | 1.99 |
| 10 | MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD | 5,450,800 | 1.69 |
| 11 | NG SENG HUA | 5,031,200 | 1.56 |
| 12 | SIA KONG WAH @ SING KONG YOW | 4,090,000 | 1.27 |
| 13 | DUNCAN PRODUCTS PTE LTD | 2,700,073 | 0.84 |
| 14 | UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED | 2,167,000 | 0.67 |
| 15 | JONATHAN CHADWICK | 2,000,000 | 0.67 |
| 16 | TAN BAN PIN | 1,761,500 | 0.62 |
| 17 | TIONG WOON CRANE & TRANSPORT (PTE) LTD | 1,696,788 | 0.55 |
| 18 | OCBC NOMINEES SINGAPORE PRIVATE LIMITED | 1,572,100 | 0.53 |
| 19 | TYT BUILDERS PTE LTD | 1,560,182 | 0.49 |
| 20 | MAYBANK SECURITIES PTE. LTD. | 1,246,300 | 0.48 |
| | TOTAL | 231,129,347 | 71.98 |

Note:

(1) Percentage is calculated based on 322,386,218 ordinary shares (excluding treasury shares) as at 14 March 2024.

STATISTICS OF SHAREHOLDINGS

AS AT 14 MARCH 2024

TREASURY SHARES

As at 14 March 2024, 2,324,200 ordinary shares are held as treasury share, representing 0.72% of the total number of issued shares excluding treasury shares.

SUBSTANTIAL SHAREHOLDERS

| Name of Substantial Shareholders | Number of shares held | | |
|--|-----------------------|--------------------|----------------|
| | Direct Interest | Deemed of 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 |
| ZYG Investmeny Pte Ltd ⁽⁷⁾ | 19,408,500 | – | 19,408,500 |
| Lau Kah Soon ⁽⁷⁾ | – | 19,408,500 | 19,408,500 |
| Tan See Choy ⁽⁷⁾ | – | 19,408,500 | 19,408,500 |

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 of 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 Pohm 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.
- (7) Mr Lau Kah Soon is the spouse of Mdm Tan See Choy. Mr Lau Kah Soon and Mdm Tan See Choy are the shareholders of ZYG Investment Pte Ltd, each holding 50% of the shares in ZYG Investment Pte Ltd.

PUBLIC SHAREHOLDING

As at 14 March 2024, based on the registers of shareholders and to the best knowledge of the Company, approximately 48.67% 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

UEN 199304349M

(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Thirtieth Annual General Meeting (“AGM”) of BBR HOLDINGS (S) LTD (the “Company”) will be held at 50 Changi South Street 1, BBR Building, Singapore 486126 on Tuesday, 30 April 2024 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 (**Resolution 1**) for the financial year ended 31 December 2023 together with the Auditor's Report thereto.
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 2023. (**Resolution 2**)
3. To re-elect Mr. Voon Yok Lin, a director retiring by rotation pursuant to Regulation 111 of the Company's Constitution. [*see Explanatory Note (a)*] (**Resolution 3**)
4. To note the retirement of Prof. Yong Kwet Yew who retires pursuant to Regulation 111 of the Company's Constitution and will not be seeking re-election. [*see Explanatory Note (b)*]
5. To re-elect the following Directors retiring by rotation pursuant to Regulation 115 of the Company's Constitution:
 - (a) Mr. Chan Mun Wei [*see Explanatory Note (c)*] (**Resolution 4**)
 - (b) Ms. Karen Lee Kiah Ling [*see Explanatory Note (d)*] (**Resolution 5**)
6. To approve payment of \$283,000.00 as Directors' fees for the financial year ended 31 December 2023 (2022: \$270,000.00). (**Resolution 6**)
7. To re-appoint Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix the auditor's remuneration. (**Resolution 7**)
8. To transact any other ordinary business that may properly be transacted at an annual general meeting.

AS SPECIAL BUSINESSES

9. 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 8**)

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

“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;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued or other transferable rights to subscribe for or purchase shares including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares; and/or
 - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalization issues, at any time upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and
- (b) issue Shares in pursuance of any Instrument made or granted by the Directors while such authority was in force (notwithstanding that the authority conferred by the members may have ceased to be in force);

Provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution):
 - (A) 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
 - (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)]

NOTICE OF ANNUAL GENERAL MEETING

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

Proposed Adoption of the 2024 BBR Share Plan

"THAT:

- (a) a new share plan to be known as the 'BBR Share Plan' ("**2024 BBR Share Plan**") under which awards of fully paid-up Shares ("**Awards**") will be granted, free of payment, to selected confirmed employees (including any director of the Company and/or its subsidiaries who performs an executive function) of the Company and/or its subsidiaries ("**Group**"), details of which are set out in the Letter to Shareholders contained in the Appendix to the Notice of Annual General Meeting (the "**Appendix**"), be and is hereby approved;
- (b) the Directors of the Company be and are hereby authorised to:
- (i) establish and administer the 2024 BBR Share Plan;
 - (ii) modify and/or alter the 2024 BBR Share Plan at any time and from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the 2024 BBR Share Plan, and to do all such acts and to enter into all such transactions and arrangements as may be desirable, necessary or expedient in order to give full effect to the 2024 BBR Share Plan;
 - (iii) grant Awards in accordance with the provisions of the 2024 BBR Share Plan; and
 - (iv) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) allot, issue and/or deliver from time to time such number of fully paid-up ordinary shares in the share capital of the Company (the "**Shares**") as may be required to be allotted, issued and/or delivered pursuant to the vesting of Awards under the 2024 BBR Share Plan;
- Provided that the aggregate number of new Shares which may be issued and existing Shares which may be delivered (whether such existing Shares are acquired pursuant to the Share Purchase Mandate and/or held as treasury shares, or otherwise) pursuant to Awards granted under the 2024 BBR Share Plan on any date, when added to the number of Shares issued and issuable and existing Shares delivered and deliverable in respect of (A) all Awards granted under the 2024 BBR Share Plan and (B) all options or awards granted under any other option scheme or share plan of the Company then in force, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding the relevant Award Date;
- (c) subject to the same being allowed by law, to apply any Shares purchased under any share purchase mandate and to deliver such existing Shares (including treasury shares) towards the satisfaction of Awards granted under the 2024 BBR Share Plan; and
- (d) to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised 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 (including supplements and modifications thereto). Shareholders should refer to the Appendix for information relating to, *inter alia*, the proposed adoption of the 2024 BBR Share Plan. [see Explanatory Note (f)]

NOTICE OF ANNUAL GENERAL MEETING

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

Proposed Renewal of the Share Purchase Mandate

(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 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;
- (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;

NOTICE OF ANNUAL GENERAL MEETING

"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 (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 (g)]*

BY ORDER OF THE BOARD

Liew Meng Ling
Company Secretary

Singapore, 5 April 2024

Explanatory Note to Ordinary Business

- (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" 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.
- (b) Prof. Yong Kwet Yew ("**Prof Yong**") is a Non-Independent Director, the Non-Executive Chairman of the Board of Directors and a Member of the Audit and Risk Committee and the Nominating Committee. Detailed information about Prof Yong can be found in the "Board of Directors" section of the Company's Annual Report. Prof Yong has decided not to seek re-election at the forthcoming Thirtieth Annual General Meeting (the "AGM") after having served the Board for 27 years since his appointment on 19 August 1997. The Board and the Company would like to record a sincere appreciation to Prof Yong for his contribution and guidance during his tenure with the Company.
- (c) Ordinary Resolutions 4 - Mr. Chan Mun Wei, is an Independent Non-Executive Director of the Company. He is the Chairman of the Remuneration Committee and a Member of the Audit and Risk Committee and the Nominating Committee. Detailed information about Mr. Chan Mun Wei 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" for additional information. Mr. Chan Mun Wei will, upon re-election as a director of the Company, remain as an Independent Non-Executive Director, Chairman of the Remuneration Committee and a Member of the Audit and Risk Committee and the Nominating Committee of the Company.
- (d) Ordinary Resolution 5 - Ms. Karen Lee Kiah Ling, is an Independent Non-Executive Director of the Company and a Member of the Audit and Risk Committee. Detailed information about Ms. Karen Lee Kiah Ling 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" for additional information. Ms. Karen Lee Kiah Ling will, upon re-election as a director of the Company, remain as an Independent Non-Executive Director and a Member of the Audit and Risk Committee.

Explanatory Note to Special Business

- (e) Ordinary Resolution 8 - 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.

NOTICE OF ANNUAL GENERAL MEETING

- (f) Ordinary Resolution 9 – if passed, will approve the adoption of the 2024 BBR Share Plan. This new 2024 BBR Share Plan is intended to replace the 2010 BBR Share Plan which expired on 26 April 2020. The 2024 BBR Share Plan has substantially the same terms as the 2010 BBR Share Plan, save for (i) the change in the overall limit of the aggregate number of new Shares which may be issued and existing Shares which may be delivered from 10% to 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as explained in sub-paragraph (B) below, (ii) the change in scope of eligible participants to exclude non-executive directors of the Company from the 2024 BBR Share Plan, and (iii) amendments to take into account the changes to relevant legislation and the Listing Manual of the SGX-ST and changes to streamline and rationalise certain other provisions.

If passed, Ordinary Resolution 9 will empower the Directors to grant Awards under the 2024 BBR Share Plan, and to issue fully paid-up Shares pursuant to the vesting of Awards under the 2024 BBR Share Plan, provided that the aggregate number of new Shares which may be issued and existing Shares which may be delivered (whether such existing Shares are acquired pursuant to the Share Purchase Mandate and/or held as treasury shares, or otherwise) pursuant to Awards granted under the 2024 BBR Share Plan on any date, when added to the number of Shares issued and issuable and existing Shares delivered and deliverable in respect of (A) all Awards granted under the 2024 BBR Share Plan and (B) all options or awards granted under any other option scheme or share plan of the Company then in force, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding the relevant Award Date.

Any Shareholder who is eligible to participate in the 2024 BBR Share Plan is reminded to abstain from voting his/her Shares in respect of Ordinary Resolution 9. The Company will disregard any votes cast by such Shareholder.

- (g) 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) on the terms of 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 2023, based on certain stated assumptions, are set out in section 3.7 of the Appendix.

NOTES FOR MEMBERS

- The members of the Company are invited to **attend physically** at the AGM. **There will be no option for shareholders to participate virtually.** Printed copies of this Notice, the accompanying Proxy Form and Request Form will be sent to members and will be made available on the Company's website at <https://www.bbr.listedcompany.com/aggm/html> and on the SGXNet at <https://www.sgx.com/securities/company-announcements>. A member will need an internet browser and PDF reader to view these documents.
- Members (including Central Provident Fund Investment Scheme members ("**CPF Investors**") and/or Supplementary Retirement Scheme investors ("**SRS Investors**") may participate in the AGM by:
 - attending the AGM in person;
 - raising questions at the AGM or submitting questions in advance of the AGM; and/or
 - voting at the AGM
 - themselves personally; or
 - through their duly appointed proxy(ies).

CPF Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes **by 5.00 p.m. on 18 April 2024**.

Please bring along your NRIC/passport to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process.

- A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

NOTICE OF ANNUAL GENERAL MEETING

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

"Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act.

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital market services license to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

5. A member can appoint the Chairman of the AGM as his/her/its proxy **but** this is **not mandatory**.

If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

6. The Proxy Form must be submitted to the Company in the following manner:

- (a) if submitted via email, be sent to agm2024@bbr.com.sg; or
- (b) if submitted by post, must be deposited at the registered office of the Company at 50 Changi South Street 1, BBR Building, Singapore 486126.

in either case, by **4.00 p.m. on 27 April 2024**, being no later than seventy-two (72) hours before the time fixed for the AGM. A member who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before sending it by email to the email address provided above.

The instrument appointing a proxy(ies) must be signed by the appointer or his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the instrument appointing a proxy(ies) is signed on behalf of the appointer by an attorney, the letter or power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

The Company shall be entitled to reject the instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument of proxy (such as in the case where the appointer submits more than one (1) instrument of proxy).

In the case of a member whose shares are entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), the Company may reject any instrument of proxy lodged if such member, being the appointer, is not shown to have any shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Completion and return of the instrument appointing a proxy shall not preclude a member from attending, speaking and voting at the AGM if he/she so wishes. Any appointment of a proxy or proxies shall be deemed revoked if a member subsequently attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument of proxy to the AGM.

7. Members may raise questions at the AGM or submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM. For members who would like to submit questions in advance of the AGM, they may do so by **4.00 p.m. on 16 April 2024**:

- (a) by email to agm2024@bbr.com.sg; or
- (b) by post to the registered office of the Company at 50 Changi South Street 1, BBR Building, Singapore 486126.

Members submitting questions are requested to state: (a) their full name; and (b) the member's identification/ registration number, failing which the Company shall be entitled to regard the submission as invalid. The Company will publish its responses to the substantial and relevant questions submitted by members prior to the abovementioned deadline on the Company's website and SGXNet by **4.00 p.m. on 25 April 2024** (being at least 48 hours before the deadline for submission of the Proxy Form).

8. For questions received after 16 April 2024, the Company will endeavour to address all substantial and relevant questions submitted by members prior to or during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The Company will publish the responses to such questions together with the minutes of the AGM on SGXNet and the Company's website at <https://www.bbr.listedcompany.com/agm/html> within one (1) month after the date of the AGM.

9. Members are reminded to check SGXNet for any latest updates on the status of the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Personal Data Privacy:

By attending the AGM, submitting questions in advance of the AGM and/or submitting an instrument appointing a proxy(ies) (including the Chairman of the AGM) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and 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 (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that all information submitted is true and accurate, and where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will 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 RECORD DATE AND DIVIDEND PAYMENT DATE

NOTICE IS ALSO HEREBY GIVEN that, subject to the approval of shareholders being obtained at the Annual General Meeting, the Transfer Books and Register of Members of the Company will be closed on **14 May 2024 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 2023 (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 Tuesday, 28 May 2024.

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UEN: 199304349M

(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT: PLEASE READ THE NOTES OVERLEAF BEFORE YOU COMPLETING THIS PROXY FORM

| Important: | |
|------------|---|
| 1. | Relevant intermediaries as defined in Section 181 of the Companies Act 1967 of Singapore may appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting. |
| 2. | This Proxy Form is not valid for use by CPF/SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. |
| 3. | 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). |

*I/We (Name) _____ NRIC No./Passport No./UEN: _____

of (Address) _____

being a *member/members of **BBR HOLDINGS (S) LTD ("Company")**, hereby appoint

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

*and/or

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

or failing *him/her/them, or if no person is named above, hereby appoint the Chairman of the Meeting as *my/our proxy/proxies to vote for *me/our behalf at the Thirtieth Annual General Meeting ("**AGM**") of the Company to be held at 50 Changi South Street 1, BBR Building, Singapore 486126 on Tuesday, 30 April 2024 at 4:00 p.m. and at any adjournment thereof.

*I/we direct *my/our *proxy/proxies to vote for, against or abstain the Resolutions to be proposed at the AGM as indicated below. If no specific direction as to voting is given or in the event of any matter arising at the AGM, *my/our *proxy/proxies will vote or abstain from voting at *his/her own discretion.

| No | Ordinary Resolution relating to | For# | Against# | Abstain# |
|-----|---|------|----------|----------|
| 1. | Adoption of audited Financial Statements for the financial year ended 31 December 2023, 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 Mr. Chan Mun Wei as a Director | | | |
| 5. | Re-election of Ms Karen Lee Kiah Ling as a Director | | | |
| 6. | Approval of Directors' Fees | | | |
| 7. | Re-appointment of Auditor and authorise Directors to fix the Auditor's remuneration | | | |
| 8. | Share Issue Mandate | | | |
| 9. | 2024 BBR Share Plan | | | |
| 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, that resolution will be treated as invalid.

Dated this _____ day of _____ 2024

| Total number of shares held in | |
|--------------------------------|--|
| Depository Register | |
| Register of Members | |

Signature(s) of the Shareholder(s) /
Common Seal 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. 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.
3. 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.
4. 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.
5. 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**; or
 - (b) if submitted electronically, be sent by email to agm2024@bbr.com.sg.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.

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AFFIX
POSTAGE
STAMP

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

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6. 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.
7. 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 Thirtieth Annual General Meeting dated 5 April 2024.

"Personal data" in the Proxy Form has the same meaning as "personal data" in the Personal Data Protection Act 2012.

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POSTAGE
STAMP

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

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BBR HOLDINGS (S) LTD

Reg. No.: 199304349M

50 Changi South Street 1 BBR Building Singapore 486126

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