
**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**



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Rowsley Ltd. and its subsidiaries
Registration Number: 199908381D

Annual Report
Year ended 31 December 2015

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

*Rowsley Ltd. and its subsidiaries
Directors' statement
Year ended 31 December 2015*

Directors' statement

We submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2015.

In our opinion:

- (a) the financial statements set up on pages FS1 to FS67 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debt as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Ng Ser Miang	(Non-Executive Independent Chairman)	(Appointed on 1 December 2015)
Chan Lay Hoon	(Non-Executive Non-Independent Deputy Chairman)	(Appointed on 1 December 2015)
Lai Huen Poh	(Executive Director and Managing Director, RSP)	
Ho Kiam Kheong	(Executive Director and Managing Director, Real Estate)	
Tan Wee Tuck	(Executive Director and Chief Financial Officer)	
Dr Lam Lee G		
Claire Lee Suk Leng		
Gary Ho Kuat Foong		
Ong Pang Liang		(Appointed on 1 January 2016)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants or share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Directors' statement
Year ended 31 December 2015*

Name of director and corporation in which interests are held	Holdings at beginning of the financial year	Holdings at end of the financial year	Holdings as at 21/1/2016
Rowsley Ltd.			
Tan Wee Tuck			
- medium term note	—	2 ⁽¹⁾	2 ⁽¹⁾
Lai Huen Poh			
- ordinary shares	109,375,000	125,000,000 ⁽²⁾	125,000,000 ⁽²⁾

⁽¹⁾ With an aggregate principal amount of S\$500,000.

⁽²⁾ These shares are held through Raffles Nominees (Pte) Ltd. Pursuant to a sale and purchase agreement dated 3 February 2013, up to an additional 31,250,000 shares in the Company will be issued and allotted to Lai Huen Poh if certain earn-out targets are achieved.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or at date of appointment, if later, or at the end of the financial year.

Except as disclosed in this statement, 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 objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this statement and in note 28 to the financial statements, since the end of the last financial year, no director had received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share options

The Rowsley Group Share Option Scheme 2012 (the "Scheme") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 26 June 2012. The Scheme is administered by a committee which consists of directors of the Company.

During the financial year, there were:

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

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

APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

*Rowsley Ltd. and its subsidiaries
Directors' statement
Year ended 31 December 2015*

Share incentives

The Share Grant Plan 2015 (the "Plan") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 29 April 2015. The Plan is administered by a committee which consists of directors of the Company.

During the financial year, there were no shares awarded by the Company or its subsidiaries to any person pursuant to the release of awards granted under the Plan.

Audit and Risk Management Committee

The members of the Audit and Risk Management Committee ("ARMC") during the year and at the date of this statement are:

- Dr Lam Lee G (Chairman)
- Claire Lee Suk Leng
- Gary Ho Kwat Foong
- Ong Pang Liang (Appointed on 1 January 2016)
- Dr Wong Chiang Yin (Resigned on 1 January 2016)
- Chua Hwee Song (Resigned on 1 January 2016)

The ARMC performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

In performing those functions, the ARMC:

- (i) reviews external audit functions, including:
 - the audit plans of the Group's external auditors;
 - the external auditors' reports;
 - the external auditors' management letter and the response from the Company's management;
 - the co-operation/assistance given by the Group's officers to the external auditors;
 - the scope and results of the audits and their cost effectiveness;
 - reviewing with the external auditors the financial statements of the Group before submission to the Board; and
 - reviewing the external auditors' evaluation of the system of internal accounting controls and risk management;
- (ii) sets selection criteria for the appointment of external auditors, annually reviews the performance of external auditors and makes recommendations for their re-appointment or appointment as the case may be, reviews the objectivity and independence of the external auditors annually and reviews the rotation of audit partner assigned to the Company and sets the maximum tenure of appointment of an external audit firm;

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Directors' statement
Year ended 31 December 2015*

- (iii) reviews the nature and extent of non-audit services and where the external auditors supply a substantial volume of such non-audit services to the Company, seeks to balance the maintenance of objectivity and value for money;
- (iv) reviews significant financial reporting issues and judgements so as to ensure the integrity of financial statements of the Company and any formal announcements relating to the Company's financial performance;
- (v) reviews and reports to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls;
- (vi) sets selection criteria for the appointment of internal auditors, annually reviews the performance of internal auditors and approves their re-appointment or appointment as the case may be, reviews the independence of the internal auditors annually and sets the maximum tenure of appointment of an internal audit firm;
- (vii) reviews the internal audit functions, including:
 - reviewing and approving the internal audit plan including the scope and results of the internal audit procedures;
 - ensuring that the internal auditor's primary line of reporting is to the ARMC, in particular the Chairman, as and when appointed;
 - ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, as and when appointed;
 - ensuring the adequacy and effectiveness of the Company's internal audit function, if any, at least annually;
- (viii) reviews all forms of interested person transactions ("IPT") and relevant person transactions ("RPT") and registers of IPT and RPT quarterly and approves them in accordance with the Company's "Interested Person Transaction and Relevant Person Transaction" policy as required and which may be amended from time to time by the Board;
- (ix) reviews transactions falling within the scope of the Listing Manual, in particular matters pertaining to interested person transactions and acquisitions and realisations as laid down in Chapters 9 and 10 of the Listing Manual;
- (x) reviews arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;
- (xi) commissions and reviews the findings of internal investigations conducted where fraud or impropriety is suspected, or where there is a failure of internal controls or infringement of any Singapore law, rule or regulation which is likely to have a material impact on the Group;
- (xii) undertakes such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the ARMC;

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Directors' statement
Year ended 31 December 2015*

- (xiii) generally undertakes such other functions and duties as may be required by statute, the Listing Manual or the Code of Corporate Governance, and by such amendments made thereto from time to time;
- (xiv) reviews with the Management on the areas of risk that may affect the Group's operations and the risk mitigation efforts;
- (xv) directs and works with the Management to develop and review policies and processes to address and manage identified areas of risk in a systematic and structured manner;
- (xvi) makes recommendations to the Board in relation to business risks that may affect the Group, as and when these risks may arise; and
- (xvii) reviews and resolves any conflict of interest which may arise from the interests of the Directors, Executive Officers, Controlling Shareholders and/or their respective associates in any company carrying on a similar or competing businesses as the Group.

The ARMC met four times during the financial year ended 31 December 2015. The ARMC has met with the external auditors and the internal auditors, in each case without the presence of management, to discuss audit matters and any issues of concern.

The ARMC has full access to management and is given the resources required for it to discharge its functions. The ARMC has full authority and the discretion to invite any director or executive officer to attend its meetings.

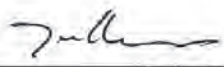
The ARMC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that KPMG LLP be nominated for re-appointment as external auditors at the forthcoming Annual General Meeting of the Company.


In appointing our external auditors for the Company and its subsidiaries, we have complied with Rules 712, 715 and 716 of SGX Listing Manual.

Auditors

The external auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors


Tan Wee Tuck
Director


Ho Kiam Kheong
Director

23 March 2016

APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015



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Independent auditors' report

Members of the Company
Rowsley Ltd.

Report on the financial statements

We have audited the accompanying financial statements of Rowsley Ltd. (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS67.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**



*Rowsley Ltd. and its subsidiaries
Independent auditors' report
Year ended 31 December 2015*

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

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.

A handwritten signature in black ink, appearing to be 'KPMG' followed by a flourish.

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
23 March 2016

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

**Statements of financial position
As at 31 December 2015**

	Note	Group		Company	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
Assets					
Property, plant and equipment	4	95,787	9,242	279	359
Intangible assets and goodwill	5	117,117	120,580	—	—
Investment property	6	150,916	186,820	—	—
Subsidiaries	7	—	—	552,329	568,456
Associates	8	34,014	13,276	—	—
Other investments	9	2,604	5,885	—	—
Derivatives	10	—	4,595	—	—
Deferred tax assets	19	549	—	—	—
Non-current assets		400,987	340,398	552,608	568,815
Development property	11	143,210	177,280	—	—
Work-in-progress	12	40,051	26,203	—	—
Inventories	13	280	—	—	—
Trade and other receivables	14	35,449	29,398	14,834	23,148
Cash and cash equivalents	15	37,326	36,550	15,885	3,329
Current assets		256,316	269,431	30,719	26,477
Total assets		657,303	609,829	583,327	595,292
Equity					
Share capital	16	742,202	717,225	742,202	717,225
Reserves	17	(299,064)	(215,752)	(306,720)	(195,978)
Equity attributable to equity holders of the Company		443,138	501,473	435,482	521,247
Non-controlling interests	18	7,647	—	—	—
Total equity		450,785	501,473	435,482	521,247
Liabilities					
Deferred tax liabilities	19	12,071	2,742	20	20
Purchase consideration payable	20	—	48,500	—	48,500
Borrowings	21	120,079	—	99,170	—
Non-current liabilities		132,150	51,242	99,190	48,520

The accompanying notes form an integral part of these financial statements.

FS1

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

**Statements of financial position (cont'd)
As at 31 December 2015**

		Group		Company	
	Note	2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
Liabilities					
Excess of progress billings over work-in-progress	12	3,756	5,165	—	—
Trade and other payables	22	21,529	24,140	3,155	1,275
Current tax payable		2,584	3,559	—	—
Purchase consideration payable	20	45,500	24,250	45,500	24,250
Borrowings	21	999	—	—	—
Current liabilities		74,368	57,114	48,655	25,525
Total liabilities		206,518	108,356	147,845	74,045
Total equity and liabilities		657,303	609,829	583,327	595,292

The accompanying notes form an integral part of these financial statements.

FS2

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

**Consolidated statement of comprehensive income
Year ended 31 December 2015**

	Note	Group	
		2015	2014
		\$'000	\$'000
Revenue	23	83,039	87,232
Other income		18,443	19,278
Staff costs		(56,570)	(58,049)
Operating expenses		(29,504)	(29,021)
Share of profit of associates, net of tax		1,971	1,381
Fair value changes in purchase consideration payable		2,250	54,000
Impairment loss on investment in an associate		(5,217)	(7,912)
Impairment loss on investment in available-for-sale financial assets		(2,879)	-
Impairment loss on goodwill		(10,057)	-
Impairment loss on investment property and development property		(24,354)	-
(Loss)/profit before interest, tax, depreciation and amortisation (EBITDA)	24	(22,878)	66,909
Interest income		528	174
Finance costs	25	(5,277)	-
Depreciation and amortisation expenses		(6,384)	(15,972)
Results from operating activities		(34,011)	51,111
Tax expense	26	(2,409)	(1,667)
(Loss)/profit for the year		(36,420)	49,444
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		(46,844)	(10,124)
Net change in fair value of available-for-sale financial assets		(3,281)	(1,519)
Net change in fair value of available-for-sale financial assets reclassified to profit and loss		2,879	-
Related tax	26	-	376
Other comprehensive income for the year, net of tax		(47,246)	(11,267)
Total comprehensive income for the year		(83,666)	38,177
(Loss)/profit attributable to:			
Equity holders of the Company		(36,298)	49,444
Non-controlling interests		(122)	-
(Loss)/profit for the year		(36,420)	49,444
Total comprehensive income attributable to:			
Equity holders of the Company		(83,312)	38,177
Non-controlling interests		(354)	-
Total comprehensive income for the year		(83,666)	38,177
Earnings per share			
Basic (loss)/earnings per share (cents)	27	(0.835)	1.162
Diluted (loss)/earnings per share (cents)	27	(0.835)	0.796

The accompanying notes form an integral part of these financial statements.

FS3

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

Statement of changes in equity
Year ended 31 December 2015

	Note	Share capital \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000	Accumulated losses \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
At 1 January 2014		715,922	(5)	1,835	(255,759)	461,993	–	461,993
Total comprehensive income for the year								
Profit for the year		–	–	–	49,444	49,444	–	49,444
<i>Other comprehensive income</i>								
Foreign currency translation differences for foreign operations		–	(10,124)	–	–	(10,124)	–	(10,124)
Net change in fair value of available-for-sale financial assets		–	–	(1,519)	–	(1,519)	–	(1,519)
Tax on other comprehensive income		–	–	376	–	376	–	376
Total comprehensive income for the year		–	(10,124)	(1,143)	49,444	38,177	–	38,177
Transactions with owners, recorded directly in equity								
<i>Contribution by and distribution to owners</i>								
Issuance of ordinary shares	16	1,303	–	–	–	1,303	–	1,303
Total contribution by and distribution to owners		1,303	–	–	–	1,303	–	1,303
At 31 December 2014		717,225	(10,129)	692	(206,315)	501,473	–	501,473

The accompanying notes form an integral part of these financial statements.

FS4

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

Statement of changes in equity (cont'd)
Year ended 31 December 2015

	Note	Share capital \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000	Accumulated losses \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
At 1 January 2015		717,225	(10,129)	692	(206,315)	501,473	—	501,473
Total comprehensive income for the year								
Loss for the year		—	—	—	(36,298)	(36,298)	(122)	(36,420)
<i>Other comprehensive income</i>								
Foreign currency translation differences for foreign operations		—	(46,612)	—	—	(46,612)	(232)	(46,844)
Net change in fair value of available-for-sale financial assets		—	—	(3,281)	—	(3,281)	—	(3,281)
Changes in fair value of available-for-sale financial assets reclassified to profit or loss		—	—	2,879	—	2,879	—	2,879
Total comprehensive income for the year		—	(46,612)	(402)	(36,298)	(83,312)	(354)	(83,666)
Transactions with owners, recorded directly in equity								
<i>Contribution by and distribution to owners</i>								
Issuance of ordinary shares	16	25,007	—	—	—	25,007	—	25,007
Issue costs		(30)	—	—	—	(30)	—	(30)
Total contribution by and distribution to owners		24,977	—	—	—	24,977	—	24,977
Changes in ownership interests in subsidiaries								
Acquisition of subsidiaries with non-controlling interests	33	—	—	—	—	—	8,001	8,001
Total changes in ownership interests in subsidiaries		24,977	—	—	—	24,977	8,001	32,978
Total transactions with owners		742,202	(56,741)	290	(242,613)	443,138	7,647	450,785
At 31 December 2015								

The accompanying notes form an integral part of these financial statements.

FS5

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

**Consolidated statement of cash flows
Year ended 31 December 2015**

	Note	Group	
		2015	2014
		\$'000	\$'000
Cash flows from operating activities			
(Loss)/profit for the year		(36,420)	49,444
Adjustments for:			
Tax expense		2,409	1,667
Depreciation of property, plant and equipment		1,748	1,766
Amortisation of intangible assets		4,636	14,206
Gain on sale of available-for-sale financial assets		–	(2,340)
Loss on disposal of property, plant and equipment		441	16
Dividend income		–	(48)
Interest income		(528)	(174)
Finance costs		5,277	–
Share of profit of associates, net of tax		(1,971)	(1,381)
Impairment loss on trade receivables		197	34
Reversal of impairment loss on trade receivables		(30)	(77)
Impairment loss on goodwill		10,057	–
Impairment loss on available-for-sale financial assets		2,879	–
Impairment loss on investment in an associate		5,217	7,912
Reversal of impairment loss on amounts due from associates		(3,312)	–
Impairment loss on investment property and development property		24,354	–
Fair value changes in purchase consideration payable		(2,250)	(54,000)
Reversal of allowance for foreseeable losses		(1,222)	(3,658)
Derivative on RSP India written off		497	–
Bargain purchase gain	33	(814)	–
Unrealised foreign exchange loss/(gain)		168	(2,516)
Operating profit before working capital changes		11,333	10,851
Changes in working capital:			
Inventories		171	–
Work-in-progress		(12,626)	(2,254)
Trade and other receivables		(1,244)	(3,983)
Trade and other payables		(7,721)	6,017
Progress billings		(1,409)	(1,354)
Development property		–	(32)
Cash (used in)/generated from operations		(11,496)	9,245
Interest received		522	174
Tax paid		(3,647)	(4,953)
Net cash (used in)/generated from operating activities		(14,621)	4,466

The accompanying notes form an integral part of these financial statements.

FS6

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

**Consolidated statement of cash flows (cont'd)
Year ended 31 December 2015**

		Group	
	Note	2015	2014
		\$'000	\$'000
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	33	(80,738)	—
Additions to property, plant and equipment		(1,645)	(2,485)
Proceeds from disposal of property, plant and equipment		1,685	6
Expenditure on investment property		—	(34)
Dividends received		700	748
Changes in fixed deposits		1,409	(570)
Net cash used in investing activities		(78,589)	(2,335)
Cash flows from financing activities			
Proceeds from issuance of medium term notes		98,951	—
Interest paid		(3,330)	—
Repayment of borrowings		(687)	—
Proceeds from issuance of ordinary shares		7	1,303
Restricted cash		(3,267)	—
Net cash generated from financing activities		91,674	1,303
Net (decrease)/increase in cash and cash equivalents		(1,536)	3,434
Cash and cash equivalents at beginning of the year		35,141	31,657
Effect of exchange rate fluctuation on cash held		454	50
Cash and cash equivalents at end of the year	15	34,059	35,141

Significant non-cash items

During the year, upon RSP Architects Planners & Engineers (Pte) Ltd ("RSP") achieving certain earn-out targets as agreed and set out in the sales and purchase agreement between the Company and the vendors of RSP ("RSP Vendors") in 2013, the Company issued 125,000,000 ordinary shares to the vendors.

The accompanying notes form an integral part of these financial statements.

FS7

APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 23 March 2016.

1 Domicile and activities

Rowsley Ltd. (the Company) is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in the Republic of Singapore. The address of its registered office is 1 Kim Seng Promenade, #14-01 Great World City, East Tower, Singapore 237994.

The financial statements of the Group as at and for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates.

The principal activities of the Company are those of investments, investment holding and strategic investments and other related activities. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information are presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

FS8

APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 33 Business combinations.

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Notes 5 and 8 - Key assumptions used in discounted cash flow projections
- Notes 11 and 12 - Estimation of allowance for foreseeable losses
- Note 14 - Recoverability of trade and other receivables
- Note 26 - Estimation of tax provision
- Note 33 - Fair value determination of assets, liabilities and contingent liabilities acquired in business combination

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Consolidation

(i) *Business combinations*

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

FS9

APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

Non-controlling interests ("NCI") that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRS.

Costs related to the acquisition, other than those associated with the issue of equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Investments in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds between 20% or more of the voting power of another entity.

Investments in associates are accounted for using the equity method and are recognised initially at cost. The cost of the investments includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

FS10

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date.

FS11

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

Foreign currency differences are recognised in OCI, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

3.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal with the carrying amount of the item), and is recognised in profit or loss.

FS12

APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

Buildings	-	50 to 60 years
Furniture and fittings	-	3 to 15 years
Computers	-	3 to 6 years
Office equipment	-	5 years
Renovation	-	2 to 15 years
Electrical fittings and other fixtures	-	2 to 10 years
Motor vehicles	-	5 to 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Intangible assets and goodwill

(i) Management consultancy agreement

Management consultancy agreement, that was acquired by the Group, comprises agreements pertaining to the Group's right to 11% of certain entities' revenue in relation to the services provided under these agreements. It has a finite useful life and is measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Order backlog

Order backlog, which was acquired by the Group, comprises remaining architectural contract revenues that have yet to be invoiced to customers. It has a finite useful life and is measured at cost less accumulated amortisation and accumulated impairment losses.

APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

(iii) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 3.1.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value. Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

Management consultancy agreement

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of 20 years.

Order backlog

Amortisation is recognised in profit or loss based on the architectural contract revenues expected to be invoiced to customers.

3.5 Investment property

Investment property is a property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is stated at cost and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Gains or losses on disposal of an investment property are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss.

Depreciation

No depreciation is provided on freehold land included in the investment property.

FS14

APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

Transfers

Transfers to, or from, investment property are made when there is a change in use, evidenced by:

- Commencement of owner-occupation, for a transfer from investment property to property, plant and equipment;
- Commencement of development with a view to sell, for a transfer from investment property to development property; and
- End of owner-occupation, for a transfer from property, plant and equipment to investment property.

3.6 Development property

Development property is measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs and other costs directly attributable to the development activities. Cost includes an appropriate share of development overheads allocated based on normal capacity.

Borrowing costs that are directly attributable to the acquisition and development of the property under development are capitalised as part of property under development during the period of development.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

The aggregated costs incurred are presented as development property while progress billings are presented separately as deferred income in the statement of financial position.

3.7 Construction work in progress

Construction work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date (see Note 3.13) less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work in progress is presented in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings and recognised losses. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as excess of progress billings over work-in-progress in the statement of financial position.

3.8 Inventories

Inventories comprising mainly food and beverage are stated at the lower of cost and net realisable value. Cost comprises all costs of purchase and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined using the first-in-first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and estimated costs to make the sale.

FS15

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

3.9 Financial instruments

(i) *Non-derivative financial assets*

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the assets and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the consolidated statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in OCI and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

FS16

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

(ii) *Non-derivative financial liabilities*

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial liabilities for contingent consideration payable in a business combination are initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise borrowings and trade and other payables.

(iii) *Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(iv) *Derivatives*

Non-trading derivatives

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in their fair values are recognised immediately in the profit or loss.

3.10 *Impairment*

(i) *Non-derivative financial assets*

A financial asset not carried at fair value through profit or loss, including an interest in an associate, is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

FS17

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale equity security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in OCI.

Associates

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with Note 3.10(ii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

FS18

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, development property, work-in-progress and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in associate may be impaired.

3.11 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

FS19

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Accrual for accumulated compensated absences

Employee benefits in the form of accumulated compensated absences are recognised in the profit or loss when the employees render services that increase their entitlement to future compensated absences.

3.12 Financial guarantee contracts

Financial guarantee contracts are accounted for as insurance contracts. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

3.13 Revenue

(i) Sale of development property - overseas

Revenue from sales of development property is only recognised upon the transfer of control and significant risks and rewards of ownership of the property to the buyer. This generally coincides with the point in time when the development unit is delivered to the buyer. No revenue is recognised when there is significant uncertainty as to the collectability of consideration due or the possible return of units sold.

(ii) Contract revenue from architectural services

Revenue is recognised in profit or loss when the relevant services are rendered. Revenue is recognised in profit or loss using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to the estimated total cost for the contract.

Estimated foreseeable losses on uncompleted contracts are made on a contract by contract basis. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately in the profit or loss.

When the outcome of a contract cannot be estimated reliably, revenue is recognised in profit or loss only to the extent of contract costs incurred that is expected to be recoverable.

(iii) Hospitality services

Revenue from the rental of hotel rooms and other hotel facilities is recognised when the services are rendered. Revenue from the sale of food and beverage is recognised when the goods are delivered.

FS20

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

(iv) Dividends

Dividend income from subsidiaries and associates are recognised in profit or loss when the right to receive payment is established.

Dividend income from quoted and unquoted financial assets are recognised in profit or loss as and when it is received.

3.14 Inter-company interest-free loans

In the Company's financial statements, interest-free loans to a subsidiary are stated at fair value at inception. The difference between the fair value and the loan amount at inception is recognised as additional investment in subsidiary in the Company's financial statements. Subsequently, these loans are measured at amortised cost using the effective interest method. The unwinding of the difference is recognised as interest income in profit or loss over the expected repayment period.

Interest-free loans, where settlement is neither planned nor likely to occur in the foreseeable future, are in substance, part of the Company's net investment in the entities and are stated at cost less accumulated impairment losses.

Such balances are eliminated in full in the Group's consolidated financial statements.

3.15 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

3.16 Finance income and finance costs

Interest income

Interest income is recognised using the effective interest method.

Interest expense

Interest expense on borrowings is recognised in profit or loss using the effective interest method.

3.17 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

FS21

APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.18 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

FS22

APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

3.19 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Board of Directors 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 (primarily the Company's headquarters), head office expenses and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment property, and intangible assets other than goodwill.

3.20 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements.

These new standards include, among others, FRS 115 *Revenue from Contracts with Customers* and FRS 109 *Financial Instruments* which are mandatory for adoption by the Group on 1 January 2018.

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.
- FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group and the Company in accounting for revenue and financial instruments, these standards are expected to be relevant to the Group and the Company.

In addition, Singapore-incorporated companies listed on the Singapore Exchange ("SGX") will apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") for financial year ending 31 December 2018 onwards. Singapore-incorporated companies listed on SGX will have to assess the impact of IFRS 1: *First-time adoption of IFRS* when transitioning to the new reporting framework.

The Group does not plan to adopt these standards early and is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group and the Company.

FS23

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

Group

FS24

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

Company	Furniture and fittings \$'000	Computers \$'000	Office equipment \$'000	Renovation \$'000	Motor vehicles \$'000	Total \$'000
Cost						
At 1 January 2014	70	31	10	55	318	484
Additions	17	118	40	11	—	186
Disposals	(58)	—	(8)	(56)	—	(122)
At 31 December 2014/1 January 2015	29	149	42	10	318	548
Additions	3	16	—	1	—	20
Disposals	(1)	—	—	—	—	(1)
At 31 December 2015	31	165	42	11	318	567
Accumulated depreciation						
At 1 January 2014	46	13	5	55	96	215
Depreciation for the year	7	26	5	4	32	74
Disposals	(40)	—	(5)	(55)	—	(100)
At 31 December 2014/1 January 2015	13	39	5	4	128	189
Depreciation for the year	6	48	8	6	32	100
Disposals	(1)	—	—	—	—	(1)
At 31 December 2015	18	87	13	10	160	288
Carrying amounts						
At 1 January 2014	24	18	5	—	222	269
At 31 December 2014	16	110	37	6	190	359
At 31 December 2015	13	78	29	1	158	279

FS25

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

5 Intangible assets and goodwill

	Note	Management consultancy agreement \$'000	Order backlog \$'000	Goodwill \$'000	Total \$'000
Cost					
At 1 January 2014/ 31 December 2014/ 1 January 2015		7,164	21,603	328,336	357,103
Acquisitions through business combination	33	—	—	11,476	11,476
Translation difference		—	—	(246)	(246)
At 31 December 2015		7,164	21,603	339,566	368,333
Accumulated amortisation and impairment					
At 1 January 2014		89	984	221,244	222,317
Amortisation for the year		358	13,848	—	14,206
At 31 December 2014/ 1 January 2015		447	14,832	221,244	236,523
Amortisation for the year		358	4,278	—	4,636
Impairment loss		—	—	10,057	10,057
At 31 December 2015		805	19,110	231,301	251,216
Carrying amounts					
At 1 January 2014		7,075	20,619	107,092	134,786
At 31 December 2014		6,717	6,771	107,092	120,580
At 31 December 2015		6,359	2,493	108,265	117,117

Impairment test

Impairment loss of \$10,057,000 (2014: \$Nil) was recognised in relation to the RSP and its subsidiaries ("RSP Sub-Group") CGU following the Group's goodwill impairment testing.

Based on the assessment, the carrying amount of RSP Sub-Group CGU was determined to be \$10,057,000 (2014: \$Nil) higher than its recoverable amount. The impairment loss was fully allocated to goodwill.

Impairment testing for cash-generating units containing goodwill

For the purposes of impairment testing, goodwill is allocated to the Group's CGUs as follows:

	Note	2015 \$'000	2014 \$'000
Cost			
RSP Sub-Group		328,336	328,336
GG Collections Private Limited and its subsidiary ("GGC Sub-Group")	33	11,476	—
		339,812	328,336

FS26

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

The recoverable amounts of the CGUs were based on their values-in-use.

Key assumptions used in discounted cash flow projection calculations

The key assumptions used in the estimation of recoverable amounts are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Group	RSP Sub-Group		GGC Sub-group
	2015	2014	2015
	%	%	%
Forecast period (years)	3	3	5
Discount rate	12.0	13.0	11.0-13.0
Terminal value growth rate	1.5	1.0	1.5-2.0
Budgeted EBITDA growth rate	11.0-15.0	0.0	-

(i) Discount rate

The discount rate was a post-tax measure estimated based on past experience, and industry average weighted average cost of capital.

(ii) Terminal value growth rate

A long-term growth rate into perpetuity had been determined based on management's estimate of the long-term compound annual growth rate in EBITDA which management believed was consistent with the assumption that a market participant would make.

(iii) Budgeted EBITDA growth

Budgeted EBITDA is expressed as the compound annual growth rates in the initial forecast period of the plans used for impairment testing and had been based on past experience.

Following the impairment loss recognised in the goodwill relating to RSP Sub-Group, the recoverable amount is equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to a further impairment.

The estimated recoverable amount of GGC Sub-Group CGU exceeded its carrying amount by approximately \$4,900,000. Management has identified that a reasonably possible change in two assumptions could cause the carrying amount to exceed the recoverable amount.

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal the recoverable amount 2015 %
Discount rate	13.5-14.0
Terminal value growth rate	(1.5)

6 Investment property

	Group	
	2015 \$'000	2014 \$'000
Cost		
At 1 January	186,820	190,739
Additions	—	34
Translation difference	(24,218)	(3,953)
At 31 December	162,602	186,820
Accumulated impairment losses		
At 1 January	—	—
Impairment loss	12,496	—
Translation difference	(810)	—
At 31 December	11,686	—
Carrying amounts		
At 31 December	150,916	186,820
Fair value		
At 31 December	150,916	190,849

The investment property relates to a piece of freehold land ("the Land"), measuring 9.23 hectares and located within the Iskandar Development Region, Johor Bahru, Malaysia. The Land is intended for development of a comprehensive healthcare city. The investment property portion accounts for 51.31% of the total land area.

Impairment loss

During the year, due to the weak market conditions, the Group tested the investment property for impairment and recognised an impairment loss of \$12,496,000 (2014: \$Nil).

Management estimated the recoverable amount of the Land based on fair value less costs of disposals, estimated using the Direct Comparison Method. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used (see Note 31).

FS28

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

7 Subsidiaries

	Company	
	2015 \$'000	2014 \$'000
Unquoted shares, at cost	443,617	422,799
Loans to subsidiaries	435,021	377,992
Less: Impairment losses	(326,309)	(232,335)
	<u>552,329</u>	<u>568,456</u>

The loans to subsidiaries are interest-free and unsecured. The settlement of the loans is neither planned nor likely to occur in the foreseeable future. As these loans, in substance, form part of the Company's net investment in the subsidiaries, they are stated at cost.

The Company re-estimated the recoverable amount of RSP and VBJB using the value-in-use approach. Based on the assessment, additional impairment losses of \$93,974,000 (2014: \$Nil) has been recognised in financial statements.

Details of significant subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity interest held by the Group	
			2015 %	2014 %
Vantage Bay JB Sdn. Bhd. ⁽²⁾	Property development	Malaysia	100	100
Skies VB Sdn. Bhd. ⁽²⁾	Property development	Malaysia	100	100
RSP Architect Planners & Engineers (Pte) Ltd and its subsidiaries ("RSP Sub-Group") ⁽¹⁾	Architects, planners and engineers	Singapore	100	100
RSP Consultants Beijing Co., Ltd ⁽³⁾	Architects and planners	People's Republic of China	100	100
RSP Architect Planners & Engineers (Vietnam) Co., Ltd ⁽³⁾	Architects and planners	Socialist Republic of Vietnam	100	100
RSP (Middle East) FZCO ⁽²⁾	Architects and planners	Dubai, United Arab Emirates	100	100
RSP Architects Planners (Shanghai) Co., Ltd ⁽³⁾	Architects and planners	People's Republic of China	100	100
RSP Architects, Planners & Engineers Private Limited ⁽⁴⁾	Architects, planners and engineers	Ghana	100	100
Venture India Pte Ltd ^{(1) #}	Investment holding	Singapore	100	—
Old Trafford Supporters Club Limited ^{(3) #}	Hotel operations	United Kingdom	75	—

⁽¹⁾ Audited by KPMG LLP Singapore.

⁽²⁾ Audited by member firms of KPMG International.

⁽³⁾ Audited by other public accounting firm.

⁽⁴⁾ Not required to be audited in the country of incorporation.

Acquired through a business combination (see Note 33).

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

8 Associates

	Group	
	2015	2014
	\$'000	\$'000
Investments in associates	34,014	13,276

Associates

The Group has two (2014: two) associates that are material and three (2014: one) associates that are not material to the group. All are equity accounted. The following are for the Group's associates which are material.

Details of material associates as at 31 December 2015 are as follows:

	Squire Mech Private Ltd⁽¹⁾ ("Squire Mech")	RSP Design Consultants (India) Pvt Ltd^{(2)*} ("RSP India")
Nature and relationship with the Group	Consulting engineering	Design consultancy
Principal place of business/Country of incorporation	Singapore	India
Ownership interest/Voting rights held	35% (2014: 35%)	34.72% (2014: Nil)

The Group's associates are not listed.

⁽¹⁾ Audited by other public accounting firm.

⁽²⁾ Audited by member firm of KPMG International

* Acquired through a business combination (see Note 33).

In the previous year, Streamax International Holding Co., Ltd ("Streamax"), a company incorporated in Hong Kong, in which the Group has 24% ownership interest in, was one of the Group's material associates. Streamax is principally engaged in the recycling and sale of stainless metal and production and sale of nickel bean products. Following the acquisition of Venture India (see Note 33) in the current year, Streamax is no longer considered a material associate.

The following summarises the financial information of each of the Group's material associates based on their respective (consolidated) financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition. The table also analyses, in aggregate, the carrying amount and share of profit and OCI of the remaining individually immaterial associates.

FS30

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

	Squire Mech \$'000	RSF India \$'000	Immaterial associates ^(a) \$'000	Total \$'000
2015				
Revenue	16,666	25,340		
Profit after tax	211	7,569		
Other comprehensive income	(83)	—		
Total comprehensive income	128	7,569		
Attributable to investee's shareholders	128	7,569		
Non-current assets	991	6,888		
Current assets	14,429	28,707		
Non-current liabilities	—	—		
Current liabilities	(3,798)	(6,867)		
Net assets	11,622	28,728		
Attributable to investee's shareholders	11,622	28,728		
Group's interest in net assets of investee at beginning of the year	8,001	—	5,275	13,276
Acquired during the year	—	20,586	—	20,586
Group's share of:				
- profit after tax	130	1,063	791	
- other comprehensive income	(1)	—	(12)	
- total comprehensive income	129	1,063	779	1,971
Dividend received during the year	(700)	—	—	(700)
Impairment loss during the year	—	—	(5,217)	(5,217)
Other adjustments	—	—	4,098	4,098
Carrying amount of interest in investee at end of the year	7,430	21,649	4,935	34,014
	Streamax \$'000	Squire Mech \$'000	Immaterial associate^(a) \$'000	Total \$'000
2014				
Revenue	155,091	22,763		
Profit after tax	478	3,618		
Other comprehensive income	—	152		
Total comprehensive income	478	3,770		
Attributable to investee's shareholders	478	3,770		

FS31

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

	Streamax \$'000	Squire Mech \$'000	Immaterial associate ^(a) \$'000	Total \$'000
2014				
Non-current assets	3,600	10,227		
Current assets	68,121	16,864		
Non-current liabilities	(6,390)	—		
Current liabilities	(43,648)	(4,231)		
Net assets	21,683	22,860		
Attributable to investee's shareholders	21,683	22,860		
Group's interest in net assets of investee at beginning of the year	5,542	7,379	—	12,921
Group's share of:				
- profit after tax	116	1,267	—	
- other comprehensive income	—	55	—	
- total comprehensive income	116	1,322	—	1,438
Dividend received during the year	—	(700)	—	(700)
Goodwill:				
- at beginning of the year	7,529	—	—	
- Impairment loss during the year	(7,529)	—	—	
	—	—	—	—
Impairment loss during the year	(383)	—	—	(383)
Carrying amount of interest in investee at end of the year	5,275	8,001	—	13,276

^(a) The Group has not recognised losses relating to SMD International Pte Ltd where its share of losses exceeds the Group's interest in this associate. The Group's cumulative share of unrecognised losses at the end of the reporting year was \$12,518,000 (2014: \$12,094,000), of which \$424,000 (2014: \$22,000) was the share of current year's losses. The Group has no obligation in respect of these losses.

Impairment loss

In 2014, following Streamax's inability to realise its business expansion plans, management had estimated the recoverable amount of the investment in Streamax. The recoverable amount of \$5,275,000 was estimated based on its value-in-use.

The carrying amount of the Group's investment in Streamax was determined to be higher than its recoverable amount of \$5,275,000 and an impairment loss of \$7,912,000 was recognised.

As at 31 December 2015, the Group had re-estimated the recoverable amount of Streamax using the value-in-use approach and recorded an additional impairment loss of \$5,217,000.

FS32

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

Key assumptions used in the estimation of value-in-use were as follows:

	2015	2014
Group		
Discount rate	10.0	10.0
Terminal value growth rate	0.0	1.0
Budgeted EBITDA growth rate	0.0	0.0

(i) (i) Discount rate

The discount rate was a post-tax measure estimated based on past experience, and industry average weighted average cost of capital.

(ii) (ii) Terminal value growth rate

Three years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity had been determined based on management's estimate of the long-term compound annual growth rate in EBITDA which management believed was consistent with the assumption that a market participant would make.

(iii) (iii) Budgeted EBITDA growth

Budgeted EBITDA is expressed as the compound annual growth rates in the initial three years of the plans used for impairment testing and had been based on past experience.

Following the impairment loss recognised in the Group's investment in Streamax, the recoverable amount was equal to the carrying amount.

9 Other investments

	Group	
	2015	2014
	\$'000	\$'000
Available-for-sale financial assets		
Quoted available-for-sale equity securities	2,604	5,885

Impairment losses

During the year, an impairment loss of \$2,879,000 (2014: \$Nil) was recognised in respect of available-for-sale quoted equity investments, as there was a significant and prolonged decline in their fair values.

FS33

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

10 Derivatives

As at 31 December 2014, derivatives comprised the aggregate fair values of the following call options agreements entered by a subsidiary of the Group:

- (a) Call options to purchase 30% interest in RSP Architects Sdn Bhd ("RSP Architects") from a director of RSP Sub-Group, with an exercise price of MYR1 and an indefinite exercise period;
- (b) Call options to purchase 99.998% interest in RSP Engineering from an employee, with an exercise price of MYR1 and an indefinite exercise period; and
- (c) Call options to purchase 34.88% interest in RSP Design Consultants (India) Pvt Ltd, with an exercise price of 7.5 times the consolidated earnings based on the audited financial results for the financial year immediately preceding the financial year in which the Call Option is exercised.

11 Development property

	Group	
	2015	2014
	\$'000	\$'000
Development property		
- Costs incurred	155,068	177,280
- Impairment loss	(11,858)	-
	<u>143,210</u>	<u>177,280</u>

Impairment loss

During the year, due to the weak market conditions, the Group has written down the carrying value of its development property to its net realisable value and recognised an impairment loss of \$11,858,000 (2014: \$Nil).

Measurement of net realisable value of development property

The Group makes allowance for foreseeable losses by reference to comparable properties, timing of sale launches, location of property, expected net selling prices and development expenditure. Market conditions, however, may change which might affect the future selling prices on the remaining unsold residential units of the development property, and accordingly, the carrying value of development property may have to be further adjusted in future periods.

The development property held by the Group as at 31 December is as follows:

Description and location	Existing use	Tenure	Gross floor area	Interest %
Land under development in Malaysia's Iskandar Development Region	Residential	Freehold	494,426 sqm	100

FS34

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

12 Work-in-progress

	Group	
	2015	2014
	\$'000	\$'000
Work-in-progress, at cost	210,172	179,496
Attributable profits	98,775	81,193
	308,947	260,689
Allowance for foreseeable losses	(1,806)	(3,027)
	307,141	257,662
Progress payments received and receivable	(270,846)	(236,624)
	36,295	21,038
Represented by:		
Work-in-progress	40,051	26,203
Excess of progress billings over work-in-progress	(3,756)	(5,165)
	36,295	21,038

Source of estimation uncertainty

The Group uses the percentage of completion method in accounting for its contract revenue. The percentage of completion is measured by reference to the percentage of project costs incurred to date to estimated total project costs for the project.

Significant judgement is required in determining the percentage of completion, the estimated total contract revenue and contract costs, as well as the recoverability of and foreseeable losses relating to the contracts.

Total contract revenue includes variation works and claims that are recoverable from clients, if any. The Group conducts regular reviews of all of its projects. The Group constantly monitors and reviews the progress of all projects taking into consideration all inputs from both internal project managers and external customers' project managers in order to determine the total estimated costs. The reviews include evaluating any potential risks and factors which may affect the timely completion of the projects. The review also encompasses a cost analysis process whereby both actual cost incurred and future costs-to-complete are examined. The estimated future cost-to-complete takes into consideration potential manpower resources needed to complete the project and external services required. Based on these reviews, anticipated losses on uncompleted projects are provided when foreseeable.

The assessment of the percentage of completion, the estimated total contract revenue and contract costs and anticipated losses either increase or decrease contract revenue recognised, cost of sales expense and construction work-in-progress.

FS35

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

13 Inventories

	Group	
	2015	2014
	\$'000	\$'000
Food and beverage consumables	280	-

In 2015, \$80,000 were recognised as an expense during the period and included in operating expenses.

14 Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Trade receivables	22,543	23,904	-	-
Less: Accumulated impairment losses	(120)	(18)	-	-
	22,423	23,886	-	-
Amounts due from:				
- subsidiaries (non-trade)	-	-	37,360	29,719
Less: Accumulated impairment losses	-	-	(23,012)	(7,097)
	-	-	14,348	22,622
Deposits paid to				
- affiliates	243	197	-	-
- third parties	1,004	1,004	51	50
Management consultancy fee receivable	6,944	1,821	-	-
Other receivables	3,117	1,292	60	83
	11,308	4,314	111	133
Loans and receivables	33,731	28,200	14,459	22,755
Prepayments	1,718	1,198	375	393
	35,449	29,398	14,834	23,148

The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

The Group conducts periodic reviews on the collectability of its trade receivables. The review comprises a critical assessment of the ability of the trade debtors to repay its debts by taking into account their respective financial position and future business prospects. Differences between the Group's assessment of the trade debtors' future business prospects and actual financial performance will be taken into the period in which the differences occur.

FS36

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

The ageing of loans and receivables at the reporting date is:

	Group				Company			
	Gross 2015 \$'000	Impairment losses 2015 \$'000	Gross 2014 \$'000	Impairment losses 2014 \$'000	Gross 2015 \$'000	Impairment losses 2015 \$'000	Gross 2014 \$'000	Impairment losses 2014 \$'000
Not past due	19,905	—	16,104	—	37,471	23,012	29,852	7,097
Past due 0 – 30 days	8,722	—	2,323	—	—	—	—	—
Past due 31 – 90 days	2,923	28	2,259	—	—	—	—	—
More than 91 days	2,301	92	7,532	18	—	—	—	—
	<u>33,851</u>	<u>120</u>	<u>28,218</u>	<u>18</u>	<u>37,471</u>	<u>23,012</u>	<u>29,852</u>	<u>7,097</u>

Movements in allowance for impairment losses on loans and receivables during the year were as follows:

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
At 1 January	18	—	7,097	7,097
Impairment loss recognised	197	34	15,915	—
Impairment loss reversed	(30)	(16)	—	—
Written-off	(101)	—	—	—
Translation difference	36	—	—	—
At 31 December	<u>120</u>	<u>18</u>	<u>23,012</u>	<u>7,097</u>

Source of estimation uncertainty

The Group and the Company maintain allowance for impairment losses at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the Group and the Company on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Group's and the Company's relationship with debtors, their payment behaviour and known market factors. The Group and the Company review the age and status of receivables, and identifies accounts for which allowance is required on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Group and the Company made different judgement or utilised different estimates. An increase in the Group's and the Company's allowance for impairment losses would increase the Group's recorded operating expenses and decrease current assets.

The Group's and the Company's exposure to credit and currency risks, are disclosed in Note 31.

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

15 Cash and cash equivalents

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Cash at bank and in hand	28,735	31,520	12,618	3,329
Short-term deposits	8,591	5,030	3,267	—
	<u>37,326</u>	<u>36,550</u>	<u>15,885</u>	<u>3,329</u>
Fixed deposits with maturities of more than 3 months	—	(1,409)	—	—
Restricted cash	(3,267)	—	(3,267)	—
Cash and cash equivalents in the consolidated statement of cash flows	<u>34,059</u>	<u>35,141</u>	<u>12,618</u>	<u>3,329</u>

The weighted average effective interest rate per annum relating to the fixed deposits at the balance sheet date for the Group is 3.15% (2014: 4.67%). Interest rates reprice monthly.

16 Share capital

	2015	2014
	No. of shares	No. of shares
	'000	'000
Company		
Fully paid ordinary shares, with no par value		
In issue at beginning of the year	4,258,206	4,250,968
Issued as settlement of contingent consideration liability	125,000	—
Exercise of warrants	36	7,238
In issue at end of the year	<u>4,383,242</u>	<u>4,258,206</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

All issued shares are fully paid, with no par value.

Issue of ordinary shares

During the financial year, the Company issued 125,000,000 ordinary shares to RSP Vendors as settlement of part of the purchase consideration payable following RSP Sub-Group achieving certain earn-out targets. Additionally, 36,000 shares were issued as a result of the exercise of warrants by shareholders.

In the previous financial year, 7,238,000 ordinary shares were issued as a result of the exercise of warrants.

FS38

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital of the Group. The Board of Directors also monitors the level of dividends paid to ordinary shareholders.

There was no change in the Company's approach to capital management during the year.

17 Reserves

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Accumulated losses	(242,613)	(206,315)	(306,720)	(195,978)
Foreign currency translation reserve	(56,741)	(10,129)	—	—
Fair value reserve	290	692	—	—
	<u>(299,064)</u>	<u>(215,752)</u>	<u>(306,720)</u>	<u>(195,978)</u>

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

18 Non-controlling interests

The following subsidiary has non-controlling interests (NCI) that is material to the Group:

Name of subsidiary	Principal activities	Place of incorporation and business	Ownership interests held by NCI	
			2015 %	2014 %
Old Trafford Supporters Club Limited	Hotel operations	United Kingdom	25 [#]	—

[#] Acquired through a business combination (see Note 33).

FS39

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

The following summarised financial information of Old Trafford Supporters Club Limited is prepared in accordance with FRS, modified for fair value adjustments on acquisition.

	Old Trafford Supporters Club Limited \$'000	Other individually immaterial subsidiaries \$'000	Total \$'000
2015			
Revenue	1,134		
Loss after tax	(363)		
OCI	(64)		
Total comprehensive income	(427)		
Attributable to NCI:			
- Loss after tax	(91)	(15)	(106)
- OCI	(16)	-	(16)
- Total comprehensive income	(107)	(15)	(122)
Non-current assets	88,226		
Current assets	2,684		
Non-current liabilities	(30,610)		
Current liabilities	(28,600)		
Net assets	31,700		
Net assets/(liabilities) attributable to NCI	7,925	(278)	7,647
Cash flows from operating activities	(72)		
Cash flows from investing activities	-		
Cash flows from financing activities	(689)		
Net decrease in cash and cash equivalents	(761)		

FS40

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

Roweley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

19 Deferred tax assets and liabilities

Movement in temporary differences during the year

Group	At 1/1/2014 \$'000	Recognised in profit or loss (Note 26) \$'000	Recognised in equity \$'000	At 31/12/2014 \$'000	Recognised in profit or loss (Note 26) \$'000	Recognised in equity \$'000	Acquisitions through business combinations (Note 33) \$'000	Disposal \$'000	At 31/12/2015 \$'000
Deferred tax asset									
Tax losses	—	—	—	—	—	(12)	561	—	549
Deferred tax liabilities									
Property, plant and equipment	(641)	3	—	—	(638)	(22)	213	132	(10,245)
Available-for-sale financial assets	(376)	—	376	—	—	—	—	—	—
Intangible assets	(4,402)	2,198	—	(2,204)	678	1	—	—	(1,525)
Other provisions	49	51	—	100	(401)	—	—	—	(301)
	(5,370)	2,252	376	(2,742)	255	214	(9,930)	132	(12,071)
Company									
Deferred tax liabilities									
Property, plant and equipment	(20)	—	—	(20)	—	—	—	—	(20)

FS41

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off deferred tax assets against deferred tax liabilities and when the deferred taxes relate to the same taxation authority. The following amounts, determined after appropriate offsetting are as follows:

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets	549	—	—	—
Deferred tax liabilities	(12,071)	(2,742)	(20)	(20)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Tax losses and unutilised donations	13,923	9,125	3,112	3,485

Tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of tax losses because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

20 Purchase consideration payable

The contingent consideration liability arose from the acquisition of RSP Sub-Group in 2013, which included a clause that entitles the vendor to up to 375,000,000 ordinary shares upon RSP Sub-Group meeting certain earn-out targets based on earn-out formula as described in the sale and purchase agreement.

During the financial year, the Company issued 125,000,000 ordinary shares to the RSP Vendors as settlement of part of the purchase consideration payable following RSP Sub-Group achieving certain earn-out targets.

21 Borrowings

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Non-current				
Secured bank loan	20,909	—	—	—
Unsecured notes	99,170	—	99,170	—
	120,079	—	99,170	—
Current				
Secured bank loan	999	—	—	—
	121,078	—	99,170	—

FS42

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate %	Year of maturity	Carrying amount \$'000
Group and Company 31 December 2015				
Secured bank loan	GBP	3% + Libor	2018	21,908
Unsecured notes	SGD	6.50	2018	99,170
				<u>121,078</u>

Unsecured notes comprise \$100,000,000 Medium Term Notes ("MTN") issued by the Company at fixed rate of 6.5 per cent as part of an unsecured Multicurrency Medium Term Note Programme established on 17 November 2014 with the programme limit of \$500,000,000. Unless previously redeemed or purchased and cancelled, the MTN is redeemable at their principal amounts on its maturity date in March 2018.

22 Trade and other payables

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Trade payables	6,073	9,311	—	—
Accrued operating expenses	10,169	9,971	977	968
Deposits	—	22	—	—
Accrued interest	1,692	—	1,692	—
Amounts due to directors	—	766	—	—
Amounts due to companies in which directors have a substantial interest	—	320	—	—
Amount due from a subsidiary (non-trade)	—	—	246	—
Other payables	3,595	3,750	240	307
	<u>21,529</u>	<u>24,140</u>	<u>3,155</u>	<u>1,275</u>

Non-trade amounts due to directors, companies in which the directors have a substantial interest and subsidiary are unsecured, interest-free and repayable on demand.

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

23 Revenue

Revenue comprises:

	Group	
	2015	2014
	\$'000	\$'000
Architectural services	62,882	70,112
Civil and structural engineering services	9,850	11,111
Master planning services	8,948	5,294
Project management	—	667
Food and beverage	803	—
Room sales	556	—
Dividend	—	48
	83,039	87,232

**24 (Loss)/profit before interest, tax, depreciation and amortisation
(EBITDA)**

The following items have been charged/(credited) in arriving at EBITDA:

		Group	
	Note	2015	2014
		\$'000	\$'000
Audit fees paid to auditors of the Company			
- Auditors of the Company		328	274
- Other auditors		25	32
Non-audit fees paid to auditors of the Company		2	—
Professional fees		798	1,213
Operating lease expenses		4,830	4,707
Project expenses		11,722	18,721
Wages, salaries and bonuses		50,175	52,101
Contributions to defined contribution plans		3,794	3,355
Gain on disposal of available-for-sale financial asset		—	2,340
Management consultancy fee		(3,670)	(2,207)
Reversal of allowances for foreseeable losses		(1,222)	(3,658)
Foreign exchange gain, net		732	(2,838)
Wages reimbursed from customers		(9,728)	(11,077)
Reversal of impairment loss on amount due from associates		(3,312)	—
Bargain purchase gain	33	(814)	—
Derivative on RSP India written off		497	—

FS44

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

25 Finance costs

Group
2015 2014
\$'000 \$'000

Borrowings 5,277 -

26 Tax expense

Group
2015 2014
\$'000 \$'000

Current tax expense

- Current year 2,562 3,684
- Under provision in prior years 102 235
2,664 3,919

Deferred tax expense

- Movements in temporary differences (255) (2,252)
2,409 1,667

Tax recognised in other comprehensive income ("OCI")

	Group					
	2015			2014		
	Before tax \$'000	Tax benefits \$'000	Net of tax \$'000	Before tax \$'000	Tax benefits \$'000	Net of tax \$'000
Translation differences for foreign operations	(56,741)	-	(56,741)	(10,129)	-	(10,129)
Available-for-sale financial assets	290	-	290	692	-	692

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

	Group	
	2015	2014
	\$'000	\$'000
<i>Reconciliation of effective tax rate</i>		
(Loss)/profit before tax	(34,011)	51,111
Tax calculated at 17% (2014: 17%)	(5,782)	8,689
Expenses not deductible for tax purposes	16,794	4,956
Effects of tax rates in foreign jurisdiction	(6,714)	(1,449)
Effects of results of associates, presented net of tax	10	216
Income not subject to tax	(1,958)	(10,507)
Under provision in prior years	122	235
Current year losses for which no deferred tax asset was recognised	747	302
Tax exempt income	(26)	(40)
Tax incentives	(496)	(747)
Others	(288)	12
	<u>2,409</u>	<u>1,667</u>

Source of estimation uncertainty

The Group has exposure to taxes in several jurisdictions. Significant judgement is involved in determining the group-wide provision for taxes. These are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for expected tax issues based on estimation of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

27 (Loss)/earnings per share

Basic (loss)/earnings per share

The calculation of basic loss per share at 31 December 2015 was based on the loss attributable to ordinary shareholders of \$36,298,000 (2014: profit attributable to ordinary shareholders of \$49,444,000), and a weighted average number of ordinary shares outstanding of 4,346,906,336 (2014: 4,254,973,000), calculated as follows:

(Loss)/profit attributable to ordinary shareholders:

	Group	
	2015	2014
	\$'000	\$'000
(Loss)/profit attributable to ordinary shareholders for basic and diluted earnings per share	(36,298)	49,444

FS46

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

Weighted average number of ordinary shares

	Group	
	2015	2014
	'000	'000
Issued ordinary shares at beginning of the year	4,254,973	4,250,968
Effect of shares issued pursuant to exercise of warrants	91,933	4,005
Weighted average number of ordinary shares during the year	<u>4,346,906</u>	<u>4,254,973</u>

Diluted (loss)/earnings per share

The diluted loss per share for 2015 is the same as the basic loss per share as the effects of the warrants issued by the Company were anti-dilutive.

The calculation of diluted earnings per share at 31 December 2014 was based on the profit attributable to ordinary shareholders of \$49,444,000, and a weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 6,215,255,000, calculated as follows:

Weighted average number of ordinary shares (diluted)

	Group
	2014
	'000
Weighted average number of ordinary shares (basic)	4,254,973
Effect of warrants on issue	1,960,282
Weighted average number of ordinary shares (diluted) during the year	<u>6,215,255</u>

28 Related party transactions

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors are considered as key management personnel of the Group.

Key management personnel compensation comprised:

	Group	
	2015	2014
	\$'000	\$'000
Short-term employment benefits	4,581	3,461
Post-employment benefits	90	49
	<u>4,671</u>	<u>3,510</u>

FS47

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

Other related party transactions

During the year, other than those disclosed elsewhere in the financial statements, there were the following significant related party transactions carried out in the normal course of business on terms agreed between the parties:

	Group	
	2015	2014
	\$'000	\$'000
With affiliates:		
Rental paid/payable	(4,083)	(4,143)
Management consultancy fees charged	157	2,207
Consultancy fees charged	474	3,503
Consultancy fees paid/payable	(468)	(535)
With associates:		
Management consultancy fees charged	3,513	—
Consultancy fees charged	829	—
Consultancy fees paid/payable	(2,022)	(2,807)
With key management personnel:		
Issue of earn-out shares	24,250	—
Purchase of Venture India Pte Ltd	(19,971)	—
Subscription of Medium Term Notes	598	—
Rental of office	(3)	—
With controlling shareholder:		
Acquisition of GG Collections Pte Ltd, Orchid leisure Limited and Café Football Limited	(41,876)	—
Hotel apartment rental fee	71	—

29 Contingent liabilities

- (i) A subsidiary of the Group, RSP Sub-Group is currently defending a claim brought against their developer, contractors and the consultants, including RSP Sub-Group, by the owners of a certain condominium. Based on legal advice, the directors are of the opinion that there is no merit to the quantum of damages claimed against RSP Sub-Group and do not expect the outcome of the action to have a material effect on the Group's financial position at the balance sheet date.
- (ii) An associate of the Group, RSP India is defending its position in a criminal complaint filed by the Council of Architecture in India (the "Criminal Complaint"). No summons has been issued to RSP India in respect of the Criminal Complaint as at date of report. Based on the legal advice, the directors are of the opinion that the penalties or fines that may be imposed are not expected to have a material adverse impact on the Group's financial position at balance sheet date.
- (iii) Subsidiaries of the Company have contingent liabilities in respect of bank guarantees given to third parties as a result of management contracts and projects undertaken. The directors are of the view that no material liabilities will arise from the bank guarantees at the date of these financial statements.

FS48

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

	Group	
	2015	2014
	\$'000	\$'000
Performance guarantees	62	802
Bank guarantees	55	52
Performance bonds	446	417

The banking facilities, including the bank guarantees of the subsidiary, are secured by the assignment of proceeds from contracts.

30 Commitments

As at the reporting date, the Group and the Company has the following commitments:

(a) Operating lease

The Group leases several office premises, a warehouse and office equipment under operating leases. The leases typically run for an initial period of one to six years, with an option to renew the lease after that date. None of the leases have any contingent rental arrangements.

The future minimum lease payments for the Group and Company on non-cancellable operating leases with a term of more than one year are as follows:

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Payable:				
Within 1 year	1,303	601	198	196
After 1 year but within 5 years	2,340	454	25	205
After 5 years	3,516	—	—	—
	<u>7,159</u>	<u>1,055</u>	<u>223</u>	<u>401</u>

(b) Capital commitments

- (i) As at 31 December 2015, the Group has not entered into any contractual arrangement for development expenditure.
- (ii) On 24 November 2015, the Group entered into a joint venture agreement with Gary Neville, Ryan Giggs and Sherborne Corporate Services Limited and Kenilworth Consultants Inc to invest in and redevelop the Northern Stock Exchange building in Manchester, United Kingdom into a boutique hotel ("Stock Exchange"). Stock Exchange will be extensively renovated into a boutique hotel, restaurants, conference/events space, rooftop bar and basement gym.

FS49

APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

Under the joint venture agreement, the Group will invest approximately £3.2 million (equivalent to \$6.7 million) for a 50% stake in Finestday Limited, the joint venture company that owns Stock Exchange. The Company's and the other joint venture parties' participation in the joint venture is subject to due diligence and project financing. The Group expects the completion of the transaction in 2016.

- (iii) On 27 August 2015, the Group entered into a joint venture agreement with Gary Neville, Ryan Giggs and BCEGI (Hong Kong) Company Limited to develop an integrated development in Manchester, United Kingdom ("St Michael's"). St Michael's will be a landmark city centre regeneration scheme which includes retails, office, residential and luxury hotel components sited at a land parcel bounded by Jackson's Row, Bootle Street and Southmill Street.

Under the joint venture agreement, the Group will invest approximately £40 million (equivalent to \$83.8 million) for a 75% stake in St Michael Investments Pte Ltd, the joint venture company manages the project. The Group's and other joint venture parties' participation in the joint venture is subject to various conditions, amongst others, the receipt of regulatory approval(s) from the relevant authorities in the United Kingdom, due diligence and project financing.

31 Financial risk management

Financial risk management objectives and policies

Exposure to credit, interest rate and currency risk arises in the normal course of the Group's business. The Group has risk management policies and guidelines which set out its overall business strategies, its tolerance of risk and its general risk management philosophy and has established processes to monitor and control the hedging of transactions in a timely and accurate manner. These policies are reviewed annually by the Board of Directors, and quarterly reviews are undertaken to ensure that the Group's policy guidelines are adhered to.

The Board of Directors is responsible for the governance of the Group's risk. The Board has established the ARMC to strengthen its risk management processes and framework. The ARMC reviews and works with the Management on the areas of risk that may affect the Group's operations and the risk mitigation efforts, develop and review policies and processes to address and manage identified areas of risk, makes recommendations to the Board of Directors in relation to business risks that may affect the Group, as and when these risks may arise.

The Group does not hold or issue derivative financial instruments for trading purposes.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Cash is placed with financial institutions that are regulated.

FS50

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows		
		Within 1 year	Within 1 to 5 years	Total
	\$'000	\$'000	\$'000	\$'000
Group				
31 December 2015				
Non-derivative financial liabilities				
Trade and other payables	21,529	(21,529)	—	(21,529)
Purchase consideration payable*	45,500	—	—	—
Borrowings	121,078	(1,050)	(128,792)	(129,842)
	188,107	(22,579)	(128,792)	(151,371)
31 December 2014				
Non-derivative financial liabilities				
Trade and other payables	24,140	(24,140)	—	(24,140)
Purchase consideration payable*	72,750	—	—	—
	96,890	(24,140)	—	(24,140)

FS51

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

	Carrying amount \$'000	Contractual cash flows		
		Within 1 year \$'000	Within 1 to 5 years \$'000	Total \$'000
Company				
31 December 2015				
Non-derivative financial liabilities				
Trade and other payables	3,155	(3,155)	—	(3,155)
Purchase consideration payable*	45,500	—	—	—
Borrowings	99,170	—	(118,000)	(118,000)
	<u>147,825</u>	<u>(3,155)</u>	<u>(118,000)</u>	<u>(121,155)</u>
31 December 2014				
Non-derivative financial liabilities				
Trade and other payables	1,275	(1,275)	—	(1,275)
Purchase consideration payable*	72,750	—	—	—
	<u>74,025</u>	<u>(1,275)</u>	<u>—</u>	<u>(1,275)</u>

* The Company's obligation under the Sale and Purchase Agreement with the Vendor (See Note 20) is to issue share of up to 250,000,000 (2014: 375,000,000) shares. Thus, there is no future contractual cash flows.

Interest rate risk

The Group and Company are not exposed to significant interest rate risk.

Foreign currency risk

The Group incurs foreign currency risk mainly on sales, purchases, receivables and payables that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily the US Dollar ("USD"), Malaysian Ringgit ("MYR"), Renminbi ("RMB") and AED.

There is no formal hedging policy with respect to foreign exchange exposures. Exposures to currency risk are monitored on an ongoing basis and the Group endeavours to keep the net exposures at an acceptable level.

FS52

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

The Group's exposures to foreign currencies in Singapore dollar equivalent are as follows:

	USD \$'000	MYR \$'000	RMB \$'000	AED \$'000
Group				
31 December 2015				
Trade and other receivables	7,485	2,747	1,917	5,647
Trade and other payables	(622)	(734)	—	(2,501)
	<u>6,863</u>	<u>2,013</u>	<u>1,917</u>	<u>3,146</u>
31 December 2014				
Trade and other receivables	113	6,094	1,231	4,674
Trade and other payables	—	(8,077)	(1,668)	(2,959)
	<u>113</u>	<u>(1,983)</u>	<u>(437)</u>	<u>1,715</u>

Company

The Company is not exposed to significant foreign currency risks as at 31 December 2015 and 31 December 2014.

Sensitivity analysis

A 10% strengthening of the foreign currencies against Singapore dollar at 31 December would have decreased/(increased) loss before tax (2014: increased/(decreased) profit before tax) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for the previous financial year ended 31 December 2014.

	Group Profit/(loss) before tax	
	2015	2014
	\$'000	\$'000
USD	686	11
MYR	201	(198)
RMB	192	(44)
AED	315	172
	<u>1,394</u>	<u>(59)</u>

A 10% weakening of foreign currencies against Singapore dollar would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

Fair value hierarchy

The different levels in the fair value hierarchy have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below analyses fair value measurements for financial assets and liabilities by the levels in the fair value hierarchy based on the inputs to valuation techniques.

Financial assets and liabilities carried at fair value

Group	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2015				
Available-for-sale equity securities	2,604	—	—	2,604
Purchase consideration payable	—	—	45,500	45,500
31 December 2014				
Derivatives	—	—	4,595	4,595
Available-for-sale equity securities	5,885	—	—	5,885
	5,885	—	4,595	10,480
Purchase consideration payable	—	—	72,750	72,750

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value.

	Derivatives \$'000	Group Purchase consideration payable \$'000	Total \$'000
At 1 January 2014	4,595	(126,750)	(122,155)
Total unrealised gains and losses recognised in profit or loss	—	54,000	54,000
At 31 December 2014/1 January 2015	4,595	(72,750)	(68,155)
Total unrealised gains and losses recognised in profit or loss	—	2,250	2,250
Write off of derivative / settlement of contingent consideration liability	(497)	25,000	24,503
Other adjustments	(4,098)	—	(4,098)
At 31 December 2015	—	(45,500)	(45,500)

FS54

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

The following table shows the valuation technique and the key unobservable inputs used in the determination of fair values of the derivatives and purchase consideration payable:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivatives	The fair value is calculated using expected cash flows, discounted to a present value using a risk-adjusted discount rate.	<ul style="list-style-type: none"> Discount rate of Nil (2014: 15%) 	The estimated fair value would increase if the risk-adjusted discount rate was lower.
Purchase consideration payable	The fair value is determined considering the probability of RSP Sub-Group meeting the specified earn-out targets and the share price of the Company on the date the earn-out targets are met.	<ul style="list-style-type: none"> Closing share price of \$0.182 (2014: \$0.194) Actual EBITDA margin 35% (2014: Forecast EBITDA margin 30%) Actual revenue (2014: Forecast annual revenue growth rate 10%) Actual net operating profit after tax ("NOPAT") (2014: Forecast net operating profit after tax ("NOPAT") growth rate 0%) 	The estimated fair value would increase if the share price was higher.

For the fair value of purchase consideration payable, changing one or more of the significant unobservable inputs used to reasonably possible alternative assumptions would have the following effects. These effects have been calculated by recalibrating the values from the valuation technique using alternative estimates of unobservable inputs that might reasonably have been considered by a market participant to price the contingent consideration at the end of the reporting period. Any interrelationship between the unobservable inputs is not considered to have a significant impact within the range of reasonably possible alternative assumptions.

FS55

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

	2015		2014	
	Increase/ (decrease) in unobservable inputs	Favourable/ (unfavourable) impact on profit or loss S'000	Increase/ (decrease) in unobservable inputs	Favourable/ (unfavourable) impact on profit or loss S'000
• Share price	1% (1%)	(455) 455	1% (1%)	(750) 750
• EBITDA margin	1% (1%)	N/A N/A	1% (1%)	— —
• Annual revenue growth rate	1% (1%)	N/A N/A	1% (1%)	— (1,775)
• NOPAT growth rate	1% (1%)	N/A N/A	1% (1%)	— —

Key unobservable inputs

Purchase consideration payables as at 31 December 2015 was determined with actual financial result of RSP Sub-Group and closing share price of \$0.182 which was determined based on the Forward Pricing Theory Approach.

As at 31 December 2014, the key unobservable inputs corresponded to:

- Scenario on revenue, EBITDA and NOPAT growth were developed by management considering the construction industry growth rate in the countries where RSP Sub-Group operates.
- Estimated EBITDA margin and price-earnings ratio were determined based on RSP Sub-Group's historical EBITDA margins and price-earning ratio, cross-checked to the weighted average of comparable listed companies in the pertinent locations.
- Closing share price of \$0.194 was determined based on the Forward Pricing Theory Approach.

Non-financial assets not carried at fair value but for which fair values are disclosed

	Level 1 S'000	Level 2 S'000	Level 3 S'000	Total S'000
31 December 2015				
Investment property	—	—	150,916	150,916
31 December 2014				
Investment property	—	—	190,849	190,849

The fair value of investment property as at 31 December 2015 is based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction.

FS56

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

The valuation is determined by an independent professional valuer, using the Direct Comparison Method. The Direct Comparison Method involves the analysis and study of recent sales evidence of similar properties in comparable developments in the subject/comparable vicinities.

Valuation technique and significant unobservable inputs

The following table shows the Group's valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<i>Direct Comparison Method:</i> The Direct Comparison approach involves the analysis of comparable sales of similar properties and adjustment the sale prices to those reflective of the investment properties.	Price per square foot \$296 (2014: \$319)	Significant increases in price per square foot would result in a significantly higher fair value measurement.

Classification of financial instruments

	Note	Loans and receivables \$'000	Available-for-sale \$'000	Liabilities at amortised cost \$'000	Fair value through profit and loss \$'000	Total \$'000
Group						
31 December 2015						
Available-for-sale equity securities	9	—	2,604	—	—	2,604
Trade and other receivables [#]	14	33,731	—	—	—	33,731
Cash and cash equivalents	15	37,326	—	—	—	37,326
		<u>71,057</u>	<u>2,604</u>	<u>—</u>	<u>—</u>	<u>73,661</u>
Purchase consideration payable	20	—	—	—	(45,500)	(45,500)
Borrowings	21	—	—	(121,078)	—	(121,078)
Trade and other payables	22	—	—	(21,529)	—	(21,529)
		<u>—</u>	<u>—</u>	<u>(142,607)</u>	<u>(45,500)</u>	<u>(188,107)</u>

FS57

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

Group	Note	Loans and receivables \$'000	Available- for-sale \$'000	Liabilities at amortised cost \$'000	Fair value through profit and loss \$'000	Total \$'000
31 December 2014						
Available-for-sale equity securities	9	—	5,885	—	—	5,885
Derivatives	10	—	—	—	4,595	4,595
Trade and other receivables [#]	14	28,200	—	—	—	28,200
Cash and cash equivalents	15	36,550	—	—	—	36,550
		<u>64,750</u>	<u>5,885</u>	<u>—</u>	<u>4,595</u>	<u>75,230</u>
Purchase consideration payable	20	—	—	—	(72,750)	(72,750)
Trade and other payables	22	—	—	(24,140)	—	(24,140)
		<u>—</u>	<u>—</u>	<u>(24,140)</u>	<u>(72,750)</u>	<u>(96,890)</u>

Company	Note	Loans and receivables \$'000	Available- for-sale \$'000	Liabilities at amortised cost \$'000	Total \$'000
31 December 2015					
Trade and other receivables [#]	14	14,459	—	—	14,459
Cash and cash equivalents	15	15,885	—	—	15,885
		<u>30,344</u>	<u>—</u>	<u>—</u>	<u>30,344</u>
Borrowings	21	—	—	(99,170)	(99,170)
Trade and other payables	22	—	—	(3,155)	(3,155)
		<u>—</u>	<u>—</u>	<u>(102,325)</u>	<u>(102,325)</u>

31 December 2014					
Trade and other receivables [#]	14	22,755	—	—	22,755
Cash and cash equivalents	15	3,329	—	—	3,329
		<u>26,084</u>	<u>—</u>	<u>—</u>	<u>26,084</u>
Trade and other payables	22	—	—	(1,275)	(1,275)

[#] Excludes prepayments.

FS58

APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

Valuation processes applied by the Group

For all significant reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuations and methodologies.

For valuations performed by external valuation experts, management reviews the appropriateness of the valuation methodologies and assumptions adopted. Management also evaluates the appropriateness and reliability of the inputs used in the valuations.

Significant valuation issues are reported to the Group's ARMC.

Determination of fair value

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group.

Investment in equity securities

The fair value of available-for-sale financial assets is determined by reference to their quoted bid prices at the reporting date.

Derivatives

The fair value of the call options are determined using either the combination of binomial option pricing method and monte carlo simulation or income approach.

Purchase consideration payable

The fair value is determined considering the probability of RSP Sub-Group meeting the specified earn-out targets and the share price of the Company on the date the earn-out targets are met.

Borrowings

The fair values of borrowings, determined for disclosure purposes, are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

FS59

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

Equity price risk

The Group has investment in quoted equity securities. A 10% increase/(decrease) in the underlying equity prices at the reporting dates would increase/(decrease) profit or loss by the following amounts:

	2015	2014
	\$'000	\$'000
Quoted equity investments available-for-sale	260	488

This analysis assumes that all other variables remain constant.

32 Operating segments

Business Segments

The Group has 4 reportable segments as described below. For each of the reportable segment, the Group's chief operating decision maker reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Property development and investment:	The development and construction of development property for sale and investments and the holding and management of investment property
Architectural, engineering and town-planning:	The provision of architectural, master planning, urban design, civil & structural and mechanical & electrical engineering, interior design and project management services.
Hospitality:	Operation of a hotel and hotel management.
Investments:	The holding of investments in equity securities, provision of management services and investment holding company.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

FS60

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

	Property development and investment \$'000	Architectural, engineering and town- planning \$'000	Hospitality \$'000	Investments \$'000	Inter-segment eliminations \$'000	Total \$'000
31 December 2015						
Total revenue from external customers	—	82,309	1,359	—	(629)	83,039
Inter-segment revenue	—	—	59	10,000	(10,059)	—
Interest income	17	192	—	405	(86)	528
Depreciation and amortisation	311	1,430	(152)	100	4,695	6,384
Reportable segment (loss)/profit before tax	(81,517)	27,439	802	(121,171)	152,065	(22,382)
Share of profit of associates	—	2,029	—	(58)	—	1,971
Tax expense	—	2,425	(16)	—	—	2,409
Reportable segment assets	296,390	128,691	93,185	585,962	(564,042)	540,186
Associates	—	34,014	—	—	—	34,014
Capital expenditure*	29	1,588	8	20	—	1,645
Reportable segment liabilities	386,294	32,522	85,709	128,045	(471,552)	161,018
31 December 2014						
Total revenue from external customers	—	87,184	—	48	—	87,232
Inter-segment revenue	—	—	—	10,000	(10,000)	—
Interest income	—	174	—	—	—	174
Depreciation and amortisation	284	15,613	—	75	—	15,972
Reportable segment profit/(loss) before tax	(7,153)	29,348	—	(878)	(10,000)	11,317
Share of loss of associates	—	1,265	—	116	—	1,381
Tax (expense)/credit	—	(1,667)	—	—	—	(1,667)
Reportable segment assets	371,003	100,182	—	606,574	(588,510)	489,249
Associates	—	8,001	—	5,275	—	13,276
Capital expenditure*	1,258	1,075	—	186	—	2,519
Reportable segment liabilities	386,707	28,740	—	27,062	(406,903)	35,606

* Comprises property, plant and equipment of \$1,645,000 (2014: \$2,485,000) and expenditure on investment property of \$Nil (2014: \$34,000).

Geographical segments

The operations of the Group are principally located in Singapore, Malaysia, United Kingdom, China and Middle East.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of revenue sources. Segment assets are based on the geographical location of the assets.

FS61

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

	Singapore \$'000	Malaysia \$'000	United Kingdom \$'000	China \$'000	Middle East \$'000	Other countries \$'000	Total \$'000
31 December 2015							
Revenue	43,540	4,185	1,359	10,625	15,069	8,261	83,039
Non-current assets #	155,257	152,984	88,946	230	376	41	397,834
Reportable segment assets	131,273	296,390	93,101	6,024	11,401	1,997	540,186
31 December 2014							
Revenue	59,557	6,087	—	7,919	10,268	3,401	87,232
Non-current assets #	137,766	189,673	—	1,773	645	61	329,918
Reportable segment assets	99,370	371,003	—	6,671	9,632	2,573	489,249

Include property, plant and equipment, intangible assets and goodwill, investment property and interests in associates.

Reconciliation of reportable segment profit or loss, assets and liabilities and other material items

	2015 \$'000	2014 \$'000
Profit or loss		
Total reportable segment (loss)/profit before tax	(22,382)	11,317
Unallocated amounts:		
- Impairment loss on goodwill	(10,057)	—
- Amortisation of intangible assets	(4,636)	(14,206)
- Fair value changes in purchase consideration payable	2,250	54,000
- Bargain purchase gain	814	—
Consolidated (loss)/profit before tax	(34,011)	51,111
Assets		
Total reportable segment assets	540,186	489,249
Unallocated amounts:		
- Goodwill	108,265	107,092
- Intangible assets	8,852	13,488
Consolidated total assets	657,303	609,829

FS62

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	<i>Rowsley Ltd. and its subsidiaries</i> <i>Financial statements</i> <i>Year ended 31 December 2015</i>	
	2015	2014
	\$'000	\$'000
Liabilities		
Total reportable segment liabilities	161,018	35,606
Unallocated amounts:		
- Purchase consideration payable	45,500	72,750
Consolidated total liabilities	<u>206,518</u>	<u>108,356</u>

33 Acquisitions

At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property and together, they are capable of being managed to provide returns to the Group. When the acquisition of a subsidiary does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities.

During the year, the Group completed the following acquisitions:

- (i) Acquisition of the entire issued and paid up share capital of Venture India Pte. Ltd. pursuant to the terms and conditions of the sale and purchase agreement entered into between RSP Architects Planners & Engineers (Pte) Ltd ("RSP Singapore") and Albert Hong Hin Kay, Lee Kut Cheung, Lai Huen Poh, Liu Thai Ker and Hud Abu Bakar on 5 August 2015 in relation to the proposed Venture India Acquisition ("Venture India Acquisition Agreement"), with a purchase consideration of \$20,588,878.

Venture India holds 34.72% of the issued and paid-up capital of RSP Design Consultants (India) Pte Ltd ("RSP India"), a limited liability company incorporated in India. Upon the acquisition, Venture India and RSP India are now a wholly-owned subsidiary and an associated company of Rowsley respectively.

- (ii) Acquisition of 75% of the existing issued and paid up share capital of Orchid Leisure Limited ("OL") pursuant to the terms and conditions of the sale and purchase agreement entered into between Rowsley (HFM) Pte Ltd ("Rowsley HFM") and Incanto Investments Limited, Gary Alexander Neville, Ryan Joseph Giggs, Philip Neville, Paul Scholes and Nicholas Butt for a total consideration of £23,100,000 (\$49,480,200), comprising £11,134,026 (\$23,849,084) in cash and a loan provided by Rowsley HFM to OL of £11,965,974 (\$25,631,116).

OL's wholly owned subsidiary, Old Trafford Supporters Club Limited, owns Hotel Football in Manchester.

- (iii) Acquisition of 75% of the existing issued and paid up share capital of Café Football Limited ("CF") pursuant to the terms and conditions of the sale and purchase agreement entered into between Rowsley (CFL) Pte Ltd ("Rowsley CFL") and Incanto Investments Limited, Gary Alexander Neville, Ryan Joseph Giggs and Orchid Leisure Limited for a total consideration of £450,000 (\$963,900), comprising £0.75 (\$2) in cash and a loan provided by Rowsley CFL to CF of £449,999 (\$963,898).

FS63

APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015

- (iv) Acquisition of 75% of the existing issued and paid up share capital of GG Collections Private Limited ("GGC") pursuant to the terms and conditions of the sale and purchase agreement entered into between Rowsley Limited and Kestrel Investment Pte Ltd, Gary Alexander Neville and Ryan Joseph Giggs for a total consideration of £5,550,000 (\$11,888,100), comprising £5,050,100 (\$10,817,314) in cash and a loan provided by Rowsley Limited to GGC of £499,900 (\$1,070,786).

((ii), (iii) and (iv) collectively known as "the Acquisitions").

The acquisition of RSP India expected to further enhance the strengths of the RSP group of businesses and enable access to new growth opportunities.

The Acquisitions are in line with the Company's strategy to develop or acquire good hospitality real estate in choice locations, and to allow shareholders to participate in long-term capital appreciation and recurrent income through hotel earnings.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	Note	\$'000
Inventories		449
Trade and other receivables		2,051
Cash and cash equivalents		2,183
Property, plant and equipment	4	91,150
Deferred tax assets		561
Associates	8	20,586
Trade and other payables		(31,365)
Borrowings		(23,091)
Deferred tax liabilities		(9,930)
Net identifiable assets and liabilities acquired		52,594

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets required	Valuation technique
Property, plant and equipment – Hotel building	Discounted cash flows

The fair value of the hotel building was based on independent valuation undertaken by Colliers International Specialist and Consulting UK LLP.

FS64

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

Goodwill / Bargain purchase gain

Goodwill / Bargain purchase gain arising from the Acquisitions has been recognised as follows:

	Note	\$'000
Total consideration transferred		82,921
Assumption of shareholders' loans		(27,666)
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of acquiree		8,001
Fair value of identifiable net assets		(52,594)
Excess of purchase consideration over fair value of identifiable net assets		<u>10,662</u>
Goodwill arising from the acquisition of GGC	5	11,476
Bargain purchase gain on acquisition of CF and OL	24	<u>(814)</u>
		<u>10,662</u>

Cash flow relating to the Acquisitions

	\$'000
Purchase consideration	82,921
Less: Cash acquired	<u>(2,183)</u>
Net cash outflow	<u>80,738</u>

For the period from the acquisition date to 31 December 2015, the Acquisitions contributed revenue of \$1,418,000 and net attributable profit of \$1,459,000 to the Group. There is no significant effect on the Group's consolidated revenue had the acquisitions occurred on 1 January 2015.

Acquisition related costs

The Group incurred acquisition-related costs of \$833,000 related to external professional fees. These costs were included in other expenses in the Group's statement of comprehensive income.

34 Share options

Share Option Scheme 2012

The Company has a share option scheme known as the Rowsley Group Share Option Scheme 2012 (the "Scheme") which was approved by shareholders at an Extraordinary General Meeting of the Company ("EGM") held on 26 June 2012.

FS65

**APPENDIX C2: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ROWSLEY LTD.
AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

The Scheme is administered by a committee which consists of directors of the Company. A member of the committee who is also a participant of the Scheme shall not be involved in the deliberation in respect of options to be granted to him. Subject to the absolute discretion of the committee, participants who have attained the age of 21 years on or prior to the relevant date of grant, are not undischarged bankrupts, have not entered into a composition with their respective creditors, and, where applicable, who have, as of the date of grant, been in the employment of the Group for a period of at least 12 months, or such shorter period as the committee may determine, and non-executive directors who, in the opinion of the committee, have contributed or will contribute to the success of the Group, shall be eligible to participate in the Scheme. Board of Directors of the Company is also empowered to offer and grant options and to allot and issue shares in the capital of the Company pursuant to the exercise of the options under the Option Scheme. Under the Scheme, the aggregate number of shares over which the committee or Board of Directors may offer to grant options on any date, when added to the number of new ordinary shares issued and/or issuable and/or existing shares transferred and/or transferable in respect of the options granted under the Scheme and in respect of all other share-based incentive schemes of the Company, if any, shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares) of the Company on the date immediately preceding the date of grant. The maximum duration of the Scheme is ten (10) years commencing on the date the approval was granted by shareholders at the EGM on 26 June 2012.

The exercise price for each ordinary share in respect of which an option is exercisable shall be determined by the committee as follows:

- (a) at the market price; or
- (b) at a price which is set at a discount to the market price, the quantum of such discount to be determined by the committee in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the market price.

Upon the exercise of an option, the Company may either allot and issue new shares and/or transfer treasury shares to the option holder in accordance with the rules of the Scheme. Options granted with the exercise price set at the market price shall be exercisable one (1) year after the date of grant of that option. Options granted with exercise price set at a discount to market price shall only be exercisable two (2) years after the date of grant of that option.

An option shall, to the extent unexercised, immediately lapse and become null and void upon the occurrence of certain events:

- (a) the option holder ceasing to be in the employment of the Group or a non executive director for any reason whatsoever;
- (b) the bankruptcy of the option holder or the happening of any other event which result in his being deprived of the legal or beneficial ownership of such option; or
- (c) in the event of misconduct on the part of the option holder, as determined by the committee in its absolute discretion.

As at the date of this report, there were no unissued shares under Scheme. No options under the Schemes were granted during the current financial year and no options were granted to employees of the Company and its related corporations.

FS66

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AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*Rowsley Ltd. and its subsidiaries
Financial statements
Year ended 31 December 2015*

Share Grant Plan 2015

A new share incentive scheme known as the Share Grant Plan 2015 (the "Plan") was approved by shareholders at an Extraordinary General Meeting of the Company ("EGM") held on 29 April 2015. Under the Plan, awards (the "Awards") of shares, their equivalent cash value or combinations thereof will be granted to eligible participants, free of payment.

The Plan is established and administered by the Board of Directors of the Company. Directors of the Company is authorised to modify and/or alter the Plan at any time and from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of Plan. Subject to the same being allowed by law, Directors of the Company is authorised to apply any share purchased under the Share Purchase Mandate and to deliver such existing Shares (including any shares held in treasury) towards the satisfaction of Awards granted under the Plan and to do all such acts and to enter all such transactions and arrangement as may be necessary or expedient in order to give full effect to the Plan.

Directors of the Company be and are hereby authorised to grant Awards in accordance with the provisions of the Plan and to allot and issue from time to time such number of fully paid-up shares as may be required to be delivered pursuant to the vesting of Awards under the Plan, provided that the total number of new shares which may be issued or shares which may be delivered pursuant to Awards granted under the Plan, when added to the total number of new shares issued and issuable or existing shares delivered and deliverable in respect of Awards under the Plan, and all shares, options or awards granted under any other share scheme of the Company then in force, shall not exceed 15% of the issued share capital of the Company (excluding treasury shares) from time to time.

As at the date of this report, there were no unissued shares under Plan. No Awards under the Plan were granted during the current financial year.

FS67