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Rowsley Ltd. and its subsidiaries
Registration Number: 199908381D

Annual Report
Year ended 31 December 2016

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.

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 2016.

In our opinion:

(a) the financial statements set up on pages FS1 to FS74 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 2016 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)
Chan Lay Hoon	(Non-Executive Non-Independent Deputy Chairman)
Tan Wee Tuck	(Executive Director and Chief Financial Officer)
Lai Huen Poh	(Executive Director and Managing Director, RSP)
Ho Kiam Kheong	(Executive Director and Managing Director, Real Estate)
Dr Lam Lee G	
Gary Ho Kuat Foong	
Ong Pang Liang	
Claire Lee Suk Leng	(Resigned on 26 April 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:

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 21/1/2017
Rowsley Ltd.			
Tan Wee Tuck			
- medium term note	2[(1)]	2[(1)]	2[(1)]
Lai Huen Poh			
- ordinary shares	125,000,000[(2)]	156,250,000[(2)]	156,250,000[(2)]
Ong Pang Liang			
- ordinary shares	5,000,000[(3)]	5,000,000[(3)]	5,000,000[(3)]

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

(2) 125,000,000 shares are held through Raffles Nominees (Pte) Ltd.

(3) These shares are held through DBS Nominees Pte Ltd.

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 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 27 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 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.

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)
- Gary Ho Kuat Foong
- Ong Pang Liang
- Claire Lee Suk Leng (Resigned on 26 April 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;

(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;

(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 2016. 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	**Ho Kiam Kheong**
Director	*Director*

23 March 2017

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Independent auditors' report

Members of the Company
Rowsley Ltd. and its subsidiaries

Report on the financial statements

Opinion

We have audited the financial statements of Rowsley Ltd. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statements of financial position of the Group and the statement of financial position of the Company as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS74.

In our opinion, the accompanying 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 Singapore Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

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Impairment assessment of goodwill of $78.9 million
(Refer to Note 5 to the financial statements)

The key audit matter
The Group has recognised a significant amount of goodwill, arising from the Group's acquisition of RSP Architects Planners & Engineers (Pte) Ltd and its subsidiaries ("RSP Sub-Group"), GG Collections Private Limited and its subsidiary ("GGC Sub-Group") and Squire Mech Private Limited and its subsidiaries ("Squire Mech Sub-Group"). These entities have been identified as separate cash generating units ("CGUs").

The Management has assessed the recoverable amounts of the CGUs calculated based on value-in-use, using discounted future cash flow forecasts in which the Management made judgements over certain key inputs, for example, discount rate, terminal growth rate and budgeted profit before interest, tax, depreciation and amortisation ("EBITDA") growth rate.

How the matter was addressed in our audit
We reviewed the historical accuracy of the cash flow forecasts by comparing the actual results for the year with the original forecasts used in the 2015 assessment, where appropriate. We assessed the reasonableness of the key assumptions used in the impairment assessment which included a comparison of the discount rate, terminal growth rate and budgeted EBITDA growth rate against historical trends and assessed the weighted-average cost of capital for the respective CGUs, as well as performed sensitivity analysis over the forecast cash flows.

Our findings
We found that the key assumptions used by the Management in the impairment assessment to be within the range of likely market trends, taking into account committed contracts.

Valuation of investment properties of $148.4 million
(Refer to Notes 6 and 30 to the financial statements)

The key audit matter
The Group has, in 2015, announced its plan to convert its Vantage Bay township project in Iskandar, Malaysia, which comprise mainly of land costs for investment and development properties, into a comprehensive healthcare city. As at the date of this report, the Group is still in the midst of obtaining relevant approvals from the local authority in Malaysia for the said proposed development of a healthcare city. The Management performs annual impairment review on the investment properties located in Iskandar, Johor, Malaysia, which are carried at cost less accumulated impairment losses. The Management has assessed the recoverable amount of the investment properties, comprising mainly of land costs, based on valuation obtained from an independent external valuer. The valuation process involves significant judgement by the independent external valuer in estimating the underlying assumptions to be used.

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How the matter was addressed in our audit
We evaluated the independence, objectivity and competency of the independent external valuer. We held discussion with the independent external valuer to understand the valuation methodologies adopted and assessed the appropriateness of the key assumptions used, by comparing to available industry data and taking into consideration current market factors.

Our findings
The independent external valuer is a member of a generally-recognised professional body for valuers. The valuation methodologies are comparable to methods used in the prior year and in line with generally accepted market practices. The key assumptions used by the independent external valuer were cautious and within the range of available industry data.

Valuation of development properties of $140.2 million
(Refer to Note 10 to the financial statements)

The key audit matter
The Group has, in 2015, announced its plan to convert its Vantage Bay township project in Iskandar, Malaysia, which comprise mainly of land costs for investment and development properties, into a comprehensive healthcare city. As at the date of this report, the Group has not commenced the construction of the development properties. The Management has assessed the net realisable value of the development properties, comprising solely of land costs, based on valuation obtained from an independent external valuer. The valuation process involves significant judgement by the independent external valuer in estimating the underlying assumptions to be used.

How the matter was addressed in our audit
We evaluated the independence, objectivity and competency of the independent external valuer. We held discussion with the independent external valuer to understand the valuation methodologies adopted and assessed the appropriateness of the key assumptions used, by comparing to available industry data and taking into consideration current market factors.

Our findings
The independent external valuer is a member of a generally-recognised professional body for valuers. The valuation methodologies used are comparable to methods used in the prior year and in line with generally accepted market practices. The key assumptions used by the independent external valuer were cautious and within the range of available industry data.

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Valuation of hotel asset of $42.1 million
(Refer to Note 4 to the financial statements)

The key audit matter
The Group has a hotel asset which is carried at cost and subject to an annual review to determine whether there is objective evidence that it is impaired. When there is an indication of impairment identified by the Management, a detailed impairment analysis is performed by the Management.

Management observed a decline in the performance of the hotel asset during the year and reassessed the recoverable amount of the hotel asset by adopting value-in-use approach based on the discounted cash flow of the hotel.

This analysis is subjective due to the inherent uncertainty involved in determining appropriate assumptions such as discount rate, terminal growth rate, average occupancy and average room rates and budgeted EBITDA growth rate.

How the matter was addressed in our audit
We evaluated the key assumptions used in the discounted cash flow of the hotel asset, in particular the discount rate and terminal growth rate. We compared the other key assumptions used, for example, budgeted EBITDA growth rate, average occupancy and average room rates, to historical trends and externally derived data.

Our findings
We found that the methodologies used by the Management in determining the recoverable amount of the hotel asset to be appropriate and the assumptions used to be within the range of likely market trends.

Revenue recognition of $86.8 million
(Refer to Notes 11 and 22 to the financial statements)

The key audit matter
The Group's revenue from architectural and engineering services 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. Significant judgement is applied in assessing the total costs to be incurred for each of the projects.

How the matter was addressed in our audit
We tested the controls over the Group's processes for budgeting contract costs and for determining the dollar amount of revenue attributable to the percentage of work done to be recognised in profit or loss. We also assessed the reliability of Management's estimation of contract costs by comparing the final outcome of projects completed during the year to previous estimates made on those projects.

For a selection of projects, we assessed the adequacy of budgeted costs by comparing them with the actual costs incurred to date. We also discussed the progress of the projects with Management and identified potential delays or cost overruns that may require revision in budgeted costs.

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Our findings
We found that the Group's estimates of its budgeted contract costs and the revenue attributable to the percentage of work done from architectural and engineering services recognised in profit or loss to be appropriate.

Valuation of work-in-progress of $35.9 million
(Refer to Note 11 to the financial statements)

The key audit matter
The Management performs quarterly assessments of the net realisable values of its work-in-progress. The valuation of work-in-progress involves judgement, in particular the assumptions on costs to complete the projects.

A slowdown in economic activity and weak demand in the property market in Singapore might exert downward pressure on the value of the Group's architectural and engineering contracts and margins, resulting in the need for allowance for foreseeable losses.

How the matter was addressed in our audit
We assessed the adequacy of the budgeted costs through inquiries with Management and inspection of supporting documentation and approved budgeted hours, taking into consideration the costs incurred to-date, progress of the projects and any significant deviations to approved budgets. In selecting the projects for review, we focused on those contracts with low and negative margins. For contracts with negative margins, we recomputed Management's estimation of allowance for foreseeable losses.

Our findings
We found that the Management's determination of the estimated net realisable values and allowance for foreseeable losses to be appropriate.

Other information

Management is responsible for the other information. The other information comprises the Corporate Profile, Letter to Shareholders, Corporate Structure, Financial Highlights, Operations Review, Sustainability, Board of Directors, Senior Management, Corporate Governance, Corporate Directory, Additional Information, Further Information on Board of Directors and Shareholdings Statistics and Directors' Statement ('the Reports').

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

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

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

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

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

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

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

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

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Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Barry Lee Chin Siang.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
23 March 2017

Statements of financial position
As at 31 December 2016

		Group		Company	
	Note	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Assets					
Property, plant and equipment	4	56,173	95,787	161	279
Intangible assets and goodwill	5	83,316	117,117	–	–
Investment property	6	148,444	150,916	–	–
Subsidiaries	7	–	–	507,416	552,329
Associates	8	26,866	34,014	–	–
Other investments	9	2,041	2,604	–	–
Deferred tax assets	18	548	549	–	–
Non-current assets		317,388	400,987	507,577	552,608
Development property	10	140,163	143,210	–	–
Work-in-progress	11	35,863	40,051	–	–
Inventories	12	302	280	–	–
Trade and other receivables	13	37,149	35,449	10,007	14,834
Cash and cash equivalents	14	37,580	37,326	6,644	15,885
Current assets		251,057	256,316	16,651	30,719
Total assets		568,445	657,303	524,228	583,327
Equity					
Share capital	15	782,967	742,202	782,967	742,202
Reserves	16	(377,707)	(299,064)	(360,848)	(306,720)
Equity attributable to equity holders of the Company		405,260	443,138	422,119	435,482
Non-controlling interests	17	2,140	7,647	–	–
Total equity		407,400	450,785	422,119	435,482
Liabilities					
Deferred tax liabilities	18	3,171	12,071	20	20
Purchase consideration payable	19	11,513	–	–	–
Borrowings	20	116,100	120,079	99,526	99,170
Non-current liabilities		130,784	132,150	99,546	99,190

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

Statements of financial position (cont'd)
As at 31 December 2016

	Note	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Liabilities					
Excess of progress billings over work-in-progress	11	3,714	3,756	–	–
Trade and other payables	21	24,846	21,529	2,563	3,155
Current tax payable		706	2,584	–	–
Purchase consideration payable	19	–	45,500	–	45,500
Borrowings	20	995	999	–	–
Current liabilities		30,261	74,368	2,563	48,655
Total liabilities		161,045	206,518	102,109	147,845
Total equity and liabilities		568,445	657,303	524,228	583,327

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

Consolidated statement of comprehensive income
Year ended 31 December 2016

	Note	Group 2016 $'000	Group 2015 $'000
Revenue	22	103,135	83,039
Other income		12,202	15,131
Staff costs		(69,250)	(56,570)
Operating expenses		(41,032)	(25,460)
Foreign exchange loss, net		(1,843)	(732)
Share of profit of associates, net of tax		789	1,971
Fair value changes in purchase consideration payable		8,532	2,250
Gain on remeasurement of previously held equity interest in an associate which became a subsidiary		4,338	–
Impairment loss on investment in an associate		–	(5,217)
Impairment loss on investment in available-for-sale financial assets		(636)	(2,879)
Impairment loss on goodwill on subsidiaries		(42,445)	(10,057)
Impairment loss on property, plant and equipment		(30,444)	–
Impairment loss on investment property and development property		–	(24,354)
Loss before interest, tax, depreciation and amortisation (EBITDA)	23	(56,654)	(22,878)
Interest income		306	528
Finance costs	24	(7,559)	(5,277)
Depreciation and amortisation expenses		(13,024)	(6,384)
Results from operating activities		(76,931)	(34,011)
Tax credit/(expense)	25	7,108	(2,409)
Loss for the year		(69,823)	(36,420)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		(16,548)	(46,844)
Net change in fair value of available-for-sale financial assets		(563)	(3,281)
Net change in fair value of available-for-sale financial assets reclassified to profit and loss		636	2,879
Other comprehensive income for the year, net of tax		(16,475)	(47,246)
Total comprehensive income for the year		(86,298)	(83,666)
Loss attributable to:			
Equity holders of the Company		(63,298)	(36,298)
Non-controlling interests		(6,525)	(122)
Loss for the year		(69,823)	(36,420)
Total comprehensive income attributable to:			
Equity holders of the Company		(78,643)	(83,312)
Non-controlling interests		(7,655)	(354)
Total comprehensive income for the year		(86,298)	(83,666)
Earnings per share			
Basic loss per share (cents)	26	(1.379)	(0.835)
Diluted loss per share (cents)	26	(1.379)	(0.835)

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

Statement of changes in equity
Year ended 31 December 2016

		Attributable to owners of the Company						
	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)
Other comprehensive income								
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								
Contribution by and distribution to owners								
Issuance of ordinary shares	15	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	32	–	–	–	–	–	8,001	8,001
Total changes in ownership interests in subsidiaries		–	–	–	–	–	8,001	8,001
Total transactions with owners		24,977	–	–	–	24,977	8,001	32,978
At 31 December 2015		742,202	(56,741)	290	(242,613)	443,138	7,647	450,785

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

Statement of changes in equity (cont'd)
Year ended 31 December 2016

		Attributable to owners of the Company						
	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 2016		742,202	(56,741)	290	(242,613)	443,138	7,647	450,785
Total comprehensive income for the year								
Loss for the year		–	–	–	(63,298)	(63,298)	(6,525)	(69,823)
Other comprehensive income								
Foreign currency translation differences for foreign operations		–	(15,418)	–	–	(15,418)	(1,130)	(16,548)
Net change in fair value of available-for-sale financial assets		–	–	(563)	–	(563)	–	(563)
Changes in fair value of available-for-sale financial assets reclassified to profit or loss		–	–	636	–	636	–	636
Total comprehensive income for the year		–	(15,418)	73	(63,298)	(78,643)	(7,655)	(86,298)
Transactions with owners, recorded directly in equity								
Contribution by and distribution to owners								
Issuance of ordinary shares	15	40,795	–	–	–	40,795	–	40,795
Issue costs		(30)	–	–	–	(30)	–	(30)
Total contribution by and distribution to owners		40,765	–	–	–	40,765	–	40,765
Changes in ownership interests in subsidiaries								
Acquisition of subsidiaries with non-controlling interests	32	–	–	–	–	–	2,148	2,148
Total changes in ownership interests in subsidiaries		–	–	–	–	–	2,148	2,148
Total transactions with owners		40,765	–	–	–	40,765	2,148	42,913
At 31 December 2016		782,967	(72,159)	363	(305,911)	405,260	2,140	407,400

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

Consolidated statement of cash flows
Year ended 31 December 2016

	Note	Group 2016 $'000	Group 2015 $'000
Cash flows from operating activities			
Loss for the year		(69,823)	(36,420)
Adjustments for:			
Tax (credit)/expense		(7,108)	2,409
Depreciation of property, plant and equipment		4,694	1,748
Amortisation of intangible assets		8,330	4,636
Gain on disposal of available-for-sale financial assets		(32)	–
Loss on disposal of property, plant and equipment		61	441
Interest income		(306)	(528)
Finance costs		7,559	5,277
Share of profit of associates, net of tax		(789)	(1,971)
Gain on remeasurement of previously held equity interest in an associate which became a subsidiary		(4,338)	–
Impairment loss on trade and other receivables		971	197
Reversal of impairment loss on trade and other receivables		(347)	(30)
Impairment loss on goodwill on subsidiaries		42,445	10,057
Impairment loss on available-for-sale financial assets		636	2,879
Impairment loss on investment in an associate		–	5,217
Reversal of impairment loss on amounts due from associates		–	(3,312)
Impairment loss on investment property and development property		–	24,354
Impairment loss on property, plant and equipment		30,444	–
Fair value changes in purchase consideration payable		(8,532)	(2,250)
Reversal of allowance for foreseeable losses		(1,180)	(1,222)
Loss on write off of call-option		–	497
Bargain purchase gain	32	–	(814)
Unrealised foreign exchange loss		1,665	168
Operating profit before working capital changes		4,350	11,333
Changes in working capital:			
Inventories		(65)	171
Work-in-progress		6,571	(12,626)
Trade and other receivables		2,522	(1,244)
Trade and other payables		(2,789)	(7,721)
Progress billings		(42)	(1,409)
Cash generated from/(used in) operations		10,547	(11,496)
Interest received		307	522
Tax paid		(3,220)	(3,647)
Net cash generated from/(used in) operating activities		7,634	(14,621)

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

Consolidated statement of cash flows (cont'd)
Year ended 31 December 2016

	Note	Group 2016 $'000	Group 2015 $'000
Cash flows from investing activities			
Net cash inflows/(outflows) on acquisition of subsidiaries	32	3,290	(80,738)
Additions to property, plant and equipment		(2,434)	(1,645)
Proceeds from disposal of property, plant and equipment		248	1,685
Expenditure on investment property		(739)	–
Net proceeds from disposal of available-for-sale financial assets		32	–
Dividends received		1,746	700
Changes in fixed deposits		(1,384)	1,409
Net cash generated from/(used in) investing activities		759	(78,589)
Cash flows from financing activities			
Proceeds from issuance of medium term notes		–	98,951
Interest paid		(7,203)	(3,330)
Repayment of borrowings		(994)	(687)
Proceeds from issuance of ordinary shares		–	7
Restricted cash		–	(3,267)
Net cash (used in)/generated from financing activities		(8,197)	91,674
Net increase/(decrease) in cash and cash equivalents		196	(1,536)
Cash and cash equivalents at beginning of the year		34,059	35,141
Effect of exchange rate fluctuation on cash held		(1,326)	454
Cash and cash equivalents at end of the year	14	32,929	34,059

Significant non-cash items

During the financial year, the Company issued the followings shares:

(i) 250,000,000 (2015: 125,000,000) ordinary shares to the vendors of RSP Architects Planners & Engineers (Pte) Ltd ("RSP") as final settlement of the remaining purchase consideration payable following 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 in 2013; and

(ii) 36,400,000 (2015: Nil) ordinary shares to the vendors of Squire Mech Private Limited ("Squire Mech"), representing an initial consideration issued upon completion of the acquisition of the remaining 65% of the existing issued and paid up share capital of Squire Mech on 4 August 2016.

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

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 2017.

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 15 Scotts Road, #07-00 Thong Teck Building, Singapore 228218.

The financial statements of the Group as at and for the year ended 31 December 2016 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.

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 32 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 4, 5 and 8	-	Key assumptions used in discounted cash flow projections
Notes 10 and 11	-	Estimation of allowance for foreseeable losses
Note 13	-	Recoverability of trade and other receivables
Note 25	-	Estimation of tax provision
Note 32	-	Fair value determination of assets, liabilities and contingent liabilities acquired in business combinations

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.

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.

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.

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.

(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 each reporting date 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.

(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 each reporting date 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 on a straight-line basis over the estimated useful life ranging from 1 to 5 years.

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.

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.

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.

(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 each reporting date 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.

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.

(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.

(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 reporting 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.

(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.

(v) Management consultancy fee

Management consultancy fee income is recognised when the services are rendered.

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.

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.

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 and investment property other than intangible assets and 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 2016 and earlier application is permitted; however, the Group has not early applied the following new or amended standards in preparing these statements.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group in future periods, the Group is assessing the transition options and the potential impacts on its financial statements. The Group does not plan to adopt these standards early.

Below is the summary of the requirements for new standards and their potential impact on the financial statements.

New standards Summary of the requirements	**Potential impact on the financial statements**
FRS 115 *Revenue from Contracts with Customers*	
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*.	Based on the initial assessment, the Group expects the following key changes: **Identification of performance obligations –** The Group currently recognises revenue for each contract 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. Under FRS 115, the Group is required to identify performance obligations within each contract and account for each performance obligation separately if they are distinct; or the contract to continue to be accounted for as one performance obligation if it can be demonstrated that the Group provides a significant integrated service, or the goods and services within the contract are highly dependent on or integrated with other goods or services. The Group is in the process of evaluating the criteria required for contracts with multiple performance obligations, also determining the extent and necessary processes to monitor, assess and track the recognition of revenue for each performance obligation.

New standards Summary of the requirements	**Potential impact on the financial statements**
FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its 2018 financial statements. When applying the full retrospective method, an entity may also expect to use a series of practical expedients to ease transition.	**Transition** – The Group plans to adopt the standard when it becomes effective in 2018 using the full retrospective approach. The Group is currently performing a detailed analysis under FRS 115 to determine its election of the practical expedients and to quantify the transition adjustments on its financial statements.
FRS 109 *Financial Instruments*	
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. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 January 2018.	Based on the initial assessment, the Group expects the following key changes: **Classification and measurement** – The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109. Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109. For financial assets currently held at fair value, the Group expects to continue measuring the cost of these assets at fair value under FRS 109. The available-for-sale ("AFS") equity securities are held as long-term investments by the Group. For these, the Group expects to elect to present subsequent changes in fair value in OCI, only dividend income is recognised in profit or loss. Any subsequent fair value changes are recognised in OCI and will not be reclassified to profit or loss even upon divestment.

New standards Summary of the requirements	**Potential impact on the financial statements**
	Impairment – The Group plans to apply the simplified approach and record lifetime expected impairment losses on all trade receivables and any contract assets arising from the application of FRS 115. On adoption of FRS 109, the Group expects an increase in the impairment loss allowance as it does not require collateral in respect of its loans and receivables. The Group is currently refining its impairment loss estimation methodology to quantify the impact on its financial statements. **Transition** – The Group plans to adopt the standard when it becomes effective in 2018 without restating comparative information; and is gathering data to quantify the potential impact arising from the adoption.
FRS 116 ***Leases***	
FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use ("ROU") assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.	The Group has performed a preliminary high-level assessment of the new standard on its existing operating lease arrangements as a lessee (refer to Note 29(a)). Based on the preliminary assessment, the Group expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard. The operating lease commitments on an undiscounted basis amount to approximately 2.2% of the total assets and 7.9% of total liabilities. Assuming no additional new operating leases in future years until the effective date, the Group expects the amount of ROU assets and lease liability to be lower due to discounting and as the lease terms run down.

New standards Summary of the requirements	**Potential impact on the financial statements**
FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor. When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*, and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. FRS 116 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if FRS 115 is also applied.	The Group plans to adopt the standard when it becomes effective in 2019. The Group will perform a detailed analysis of the standard, including the transition options and practical expedients in 2017.

4 Property, plant and equipment

	Note	Buildings $'000	Furniture and fittings $'000	Computers $'000	Office equipment $'000	Renovation $'000	Electrical fittings and other fixtures $'000	Motor vehicles $'000	Total $'000
Group									
Cost									
At 1 January 2015		4,415	1,186	3,114	54	1,972	327	467	11,535
Additions		11	64	1,204	–	350	16	–	1,645
Acquisitions through business combinations	32	91,044	105	1	–	–	–	–	91,150
Disposals		(1,896)	(42)	(521)	–	(120)	(185)	(87)	(2,851)
Translation difference		(2,275)	14	68	(2)	28	(41)	10	(2,198)
At 31 December 2015		91,299	1,327	3,866	52	2,230	117	390	99,281
At 1 January 2016		91,299	1,327	3,866	52	2,230	117	390	99,281
Additions		1,150	215	848	7	40	–	174	2,434
Acquisitions through business combinations	32	6,353	80	314	–	59	–	–	6,806
Disposals		–	(260)	(642)	(41)	(55)	–	(350)	(1,348)
Translation difference		(13,637)	(38)	7	–	7	(2)	(1)	(13,664)
At 31 December 2016		85,165	1,324	4,393	18	2,281	115	213	93,509
Accumulated depreciation and impairment loss									
At 1 January 2015		404	244	1,178	6	286	29	146	2,293
Depreciation for the year		201	183	987	11	284	31	51	1,748
Disposals		75	(36)	(513)	–	–	(32)	(87)	(593)
Translation difference		(59)	26	61	–	15	(6)	9	46
At 31 December 2015		621	417	1,713	17	585	22	119	3,494
At 1 January 2016		621	417	1,713	17	585	22	119	3,494
Depreciation for the year		2,962	262	1,058	10	344	12	46	4,694
Disposals		–	(173)	(626)	(19)	(27)	–	(194)	(1,039)
Reclassification		64	(94)	–	–	–	–	30	–
Impairment loss		30,444	–	–	–	–	–	–	30,444
Translation difference		(248)	(21)	3	(1)	12	(1)	(1)	(257)
At 31 December 2016		33,843	391	2,148	7	914	33	–	37,336
Carrying amounts									
At 1 January 2015		4,011	942	1,936	48	1,686	298	321	9,242
At 31 December 2015		90,678	910	2,153	35	1,645	95	271	95,787
At 31 December 2016		51,322	933	2,245	11	1,367	82	213	56,173

Company	Furniture and fittings $'000	Computers $'000	Office equipment $'000	Renovation $'000	Motor vehicles $'000	Total $'000
Cost						
At 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
At 1 January 2016	31	165	42	11	318	567
Additions	4	2	7	36	136	185
Disposals	(26)	(5)	(39)	(47)	(318)	(435)
At 31 December 2016	9	162	10	–	136	317
Accumulated depreciation						
At 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
At 1 January 2016	18	87	13	10	160	288
Depreciation for the year	4	48	8	15	20	95
Disposals	(18)	(4)	(19)	(25)	(161)	(227)
At 31 December 2016	4	131	2	–	19	156
Carrying amounts						
At 1 January 2015	16	110	37	6	190	359
At 31 December 2015	13	78	29	1	158	279
At 31 December 2016	5	31	8	–	117	161

Impairment test

The Management undertook an annual review of the carrying amount of the hotel for indicators of impairment. At the reporting date, indicators of impairment were identified by the Management as the financial performance of the hotel was not meeting the expectations originally envisaged. As a result, the Management reassessed the recoverable amount of the hotel by adopting the value-in-use approach based on the discounted cash flow of the hotel. The underlying basis for estimating the discounted cash flow involves the hotel's projected cash flows for the financial year ending 31 December 2017, extrapolated by incorporating assumptions based on historical data from external and internal sources.

Based on the assessment, the recoverable amount of the hotel was determined to be $42,077,000, which was below the carrying amount of $72,521,000. Accordingly, an impairment loss of $30,444,000 (2015: $Nil) was recognised in the Group's statement of comprehensive income.

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 industry and have been based on the historical data from both external and internal sources.

	2016 %
Group	
Discount rate	9.7
Terminal growth rate	2.0
Budgeted EBITDA growth rate	3.0
Average occupancy rate	83.0
Average room rate (£)	87.0

(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 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 plan used for impairment testing and had been based on past experience.

Following the impairment loss recognised on the hotel, the recoverable amount is equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to a further impairment.

(iv) ***Average occupancy rate and room rate***

Average occupancy rate and room rate were estimated based on past experience.

5 Intangible assets and goodwill

	Note	Management consultancy agreement $'000	Order backlog $'000	Goodwill $'000	Total $'000
Cost					
At 1 January 2015		7,164	21,603	328,336	357,103
Acquisitions through business combination	32	–	–	11,476	11,476
Translation difference		–	–	(246)	(246)
At 31 December 2015		7,164	21,603	339,566	368,333
At 1 January 2016		7,164	21,603	339,566	368,333
Acquisitions through business combination	32	–	3,921	14,769	18,690
Translation difference		–	–	(1,716)	(1,716)
Written-off		(7,164)	–	–	(7,164)
At 31 December 2016		–	25,524	352,619	378,143
Accumulated amortisation and impairment loss					
At 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
At 1 January 2016		805	19,110	231,301	251,216
Amortisation for the year		6,359	1,971	–	8,330
Impairment loss		–	–	42,445	42,445
Written-off		(7,164)	–	–	(7,164)
At 31 December 2016		–	21,081	273,746	294,827
Carrying amounts					
At 1 January 2015		6,717	6,771	107,092	120,580
At 31 December 2015		6,359	2,493	108,265	117,117
At 31 December 2016		–	4,443	78,873	83,316

Impairment test

Impairment loss of $37,579,000 (2015: $10,057,000) was recognised in relation to 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 $37,579,000 (2015: $10,057,000) higher than its recoverable amount. The impairment loss was fully allocated to goodwill.

Impairment loss of $4,866,000 (2015: $Nil) was recognised in relation to GG Collections Private Limited and its subsidiary ("GGC Sub-Group") CGU following the Group's goodwill impairment testing. Based on the assessment, the carrying amount of GGC Sub-Group CGU was determined to be $4,866,000 (2015: $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:

	2016 $'000	2015 $'000
Cost		
RSP Sub-Group	328,336	328,336
GGC Sub-Group	9,514	11,230
Squire Mech Private Limited and its subsidiaries ("Squire Mech Sub-Group)	14,769	–
	352,619	339,566

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.

	RSP Sub-Group		GGC Sub-Group		Squire Mech Sub-Group
	2016 %	2015 %	2016 %	2015 %	2016 %
Group					
Forecast period (years)	3	3	5	5	3
Discount rate	12.0	12.0	10.5	11.0 - 13.0	11.6
Terminal growth rate	2.0	1.5	2.0	1.5 - 2.0	2.3
Budgeted EBITDA growth rate	5.0	11.0 - 15.0	3.0	–	3.0

(i) ***Discount rate***

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

(v) ***Terminal 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.

(vi) ***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 and GGC 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 Squire Mech Sub-Group CGU exceeded its carrying amount by approximately $4,045,000. Management has identified that a reasonably possible change in two assumptions could cause the carrying amount to exceed the recoverable amount.

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 2016 %
Discount rate	13.1
Terminal growth rate	0.8

6 Investment property

	Group	
	2016 $'000	2015 $'000
Cost		
At 1 January	162,602	186,820
Additions	739	–
Translation difference	(3,459)	(24,218)
At 31 December	159,882	162,602
Accumulated impairment losses		
At 1 January	11,686	–
Impairment loss	–	12,496
Translation difference	(248)	(810)
At 31 December	11,438	11,686
Carrying amounts		
At 31 December	148,444	150,916
Fair value		
At 31 December	148,444	150,916

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

In 2015, due to the weak market conditions, the Group tested the investment property for impairment and recognised an impairment loss of $12,496,000.

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 30).

7 Subsidiaries

	Company 2016 $'000	Company 2015 $'000
Unquoted shares, at cost	443,617	443,617
Loans to subsidiaries	443,211	435,021
Less: Impairment losses	(379,412)	(326,309)
	507,416	552,329

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 has re-estimated the recoverable amount of RSP, GGC and VBJB using the value-in-use approach. Based on the assessment, additional impairment losses of $53,103,000 (2015: $93,974,000) was recognised in the financial statements.

Details of significant subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation	Effective equity interest held by the Group 2016 %	Effective equity interest held by the Group 2015 %
Vantage Bay JB Sdn. Bhd. [2]	Property development	Malaysia	100	100
Skies VB Sdn. Bhd. [3]	Property development	Malaysia	100	100
RSP Architects Planners & Engineers (Pte) Ltd [1]	Architects, planners and engineers	Singapore	100	100
RSP Consultants Beijing Co., Ltd [3]	Architects and planners	People's Republic of China	100	100

Name of subsidiaries	Principal activities	Place of incorporation	Effective equity interest held by the Group	
			2016	2015
			%	%
RSP Architects 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 Artchitects Planners (Shanghai) Co., Ltd [3]	Architects and planners	People's Republic of China	100	100
RSP Architects Planners & Engineers Private Limited [4]	Architects and planners	Ghana	100	100
Squire Mech Private Limited [3]#	Consulting engineering	Singapore	100	–
Venture India Pte Ltd [1]	Investment holding	Singapore	100	100
Old Trafford Supporters Club Limited [2]	Hotel operations	United Kingdom	75	75
Finestday Limited [3]#	Hotel operations	United Kingdom	50	–

(1) Audited by KPMG LLP Singapore.

(2) Audited by member firms of KPMG International.

(3) Audited by other public accounting firms.

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

\# Acquired during the financial year (see Note 32).

8 Associates

	Group 2016 $'000	Group 2015 $'000
Investments in associates	26,866	34,014

Associates

At the reporting date, the Group has one (2015: two) associate that is material and three (2015: three) associates that are not material to the group. All are equity accounted.

Details of material associates as at 31 December 2016 are as follows:

Name of associates	Principal activities	Place of incorporation	Effective equity interest held by the Group 2016 %	Effective equity interest held by the Group 2015 %
RSP Design Consultants (India) Pvt Ltd [(1)] ("RSP India")	Design consultancy	India	34.72	34.72
Squire Mech Private Limited [(2)] ("Squire Mech")	Consulting engineering	Singapore	–	35

The Group's associates are not listed.

(1) Audited by member firm of KPMG International.

(2) Audited by other public accounting firm.

On 4 August 2016, the Group acquired the remaining 65% of the existing issued and paid up share capital of Squire Mech through RSP Architects Planners & Engineers (Pte) Ltd for a total consideration of $15,340,000, to be satisfied by way of allotment and issuance of up to 130,000,000 ordinary shares. Consequently thereupon, Squire Mech became a wholly-owned subsidiary of the Group. An initial consideration of 36,400,000 ordinary shares was issued to Squire Mech Vendors upon completion of the acquisition of Squire Mech. The remaining 93,600,000 shares shall be allotted and issued subject to the terms and conditions set out in the sale and purchase agreement, which includes the achievement of earn-out targets.

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.

2016	RSP India $'000	Squire Mech $'000	Immaterial associates[a] $'000	Total $'000
Revenue	25,312	6,808		
Profit/(Loss) after tax	7,419	(2,539)		
Other comprehensive income	–	(170)		
Total comprehensive income	7,419	(2,709)		
Attributable to investee's shareholders	7,419	(2,709)		
Non-current assets	8,082	–		
Current assets	27,991	–		
Non-current liabilities	(9)	–		
Current liabilities	(5,414)	–		
Net assets	30,650	–		
Attributable to investee's shareholders	30,650	–		
Group's interest in net assets of investee at beginning of the year	21,649	7,430	4,935	34,014
Group's share of:				
- profit/(loss) after tax	2,576	(889)	571	2,258
- other comprehensive income	–	(29)	–	(29)
- total comprehensive income	2,576	(918)	571	2,229
Amortisation of intangible assets	(1,469)	–	–	(1,469)
Dividend received during the year	(1,396)	(350)	–	(1,746)
Deemed disposal	–	(6,162)	–	(6,162)
Carrying amount of interest in investee at end of the year	21,360	–	5,506	26,866

	RSP India $'000	Squire Mech $'000	Immaterial associates[a] $'000	Total $'000
2015				
Revenue	25,340	16,666		
Profit after tax	7,569	211		
Other comprehensive income	–	(83)		
Total comprehensive income	7,569	128		
Attributable to investee's shareholders	7,569	128		
Non-current assets	6,888	991		
Current assets	28,707	14,429		
Non-current liabilities	–	–		
Current liabilities	(6,867)	(3,798)		
Net assets	28,728	11,622		
Attributable to investee's shareholders	28,728	11,622		
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/(loss) after tax	1,063	130	791	1,984
- other comprehensive income	–	(1)	(12)	(13)
- total comprehensive income	1,063	129	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	21,649	7,430	4,935	34,014

(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 reporting date was $12,602,000 (2015: $12,518,000), of which $84,000 (2015: $424,000) was the share of current year's losses. The Group has no obligation in respect of these losses.

Impairment loss

Streamax International Holding Co., Ltd ("Streamax") is a company incorporated in Hong Kong in which the Group holds 24% equity interests. In 2015, the Group had estimated the recoverable amount of the investment in Streamax to be $Nil based on its value-in-use and an impairment loss of $5,217,000 was recognised.

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

	2015
	%
Group	
Discount rate	10.0
Terminal growth rate	0.0
Budgeted EBITDA growth rate	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 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) ***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	
	2016	**2015**
	$'000	**$'000**
Available-for-sale financial assets		
Quoted available-for-sale equity investments	2,041	2,604

Impairment losses

During the financial year, an impairment loss of $636,000 (2015: $2,879,000) was recognised in respect of quoted available-for-sale equity investments, as there was a significant and prolonged decline in their fair values.

10 Development property

	Group 2016 $'000	Group 2015 $'000
Cost		
At 1 January	155,068	177,280
Translation difference	(4,052)	(22,212)
At 31 December	151,016	155,068
Accumulated loss		
At 1 January	11,858	–
Impairment loss	–	11,858
Translation difference	(1,005)	–
At 31 December	10,853	11,858
Carrying amount		
At 31 December	140,163	143,210

Impairment loss

During the previous financial year, due to the weak market conditions, the Group had written down the carrying value of its development property to its net realisable value and recognised an impairment loss of $11,858,000.

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 of 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

11 Work-in-progress

	Group	
	2016 **$'000**	**2015** **$'000**
Work-in-progress, at cost	260,861	210,172
Attributable profits	86,334	98,775
	347,195	308,947
Allowance for foreseeable losses	(3,375)	(1,806)
	343,820	307,141
Progress payments received and receivable	(311,671)	(270,846)
	32,149	36,295
Represented by:		
- Work-in-progress	35,863	40,051
- Excess of progress billings over work-in-progress	(3,714)	(3,756)
	32,149	36,295

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.

12 Inventories

	Group	
	2016 **$'000**	**2015** **$'000**
Food and beverage consumables	302	280

In 2016, $3,217,000 (2015: $80,000) of inventories were recognised as an expense during the year and included in operating expenses.

13 Trade and other receivables

	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Trade receivables	30,893	22,543	–	–
Less: Accumulated impairment losses	(628)	(120)	–	–
	30,265	22,423	–	–
Amounts due from:				
- subsidiaries (non-trade)	–	–	32,639	37,360
Less: Accumulated impairment losses	–	–	(23,012)	(23,012)
	–	–	9,627	14,348
Deposits paid to:				
- affiliates	1,058	243	–	–
- third parties	528	1,004	57	51
Management consultancy fee receivable	1,266	6,944	–	–
Other receivables	2,574	3,117	19	60
	5,426	11,308	76	111
Loans and receivables	35,691	33,731	9,703	14,459
Prepayments	1,458	1,718	304	375
	37,149	35,449	10,007	14,834

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 their 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.

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

	Group				Company			
	Gross 2016 $'000	Impairment losses 2016 $'000	Gross 2015 $'000	Impairment losses 2015 $'000	Gross 2016 $'000	Impairment losses 2016 $'000	Gross 2015 $'000	Impairment losses 2015 $'000
Not past due	18,357	–	19,905	–	32,715	23,012	37,471	23,012
Past due 0 – 30 days	7,930	87	8,722	–	–	–	–	–
Past due 31 – 90 days	2,968	157	2,923	28	–	–	–	–
More than 91 days	7,064	384	2,301	92	–	–	–	–
	36,319	628	33,851	120	32,715	23,012	37,471	23,012

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

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
At 1 January	120	18	23,012	7,097
Acquisition through business combinations	406	–	–	–
Impairment loss recognised	971	197	–	15,915
Impairment loss reversed	(347)	(30)	–	–
Written-off	(558)	(101)	–	–
Translation difference	36	36	–	–
At 31 December	628	120	23,012	23,012

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 the 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 30.

14 Cash and cash equivalents

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Cash at bank and in hand	30,527	28,735	3,329	12,618
Short-term deposits	7,053	8,591	3,315	3,267
	37,580	37,326	6,644	15,885
Fixed deposits with maturities of more than 3 months	(1,336)	–	–	–
Restricted cash	(3,315)	(3,267)	(3,315)	(3,267)
Cash and cash equivalents in the consolidated statement of cash flows	32,929	34,059	3,329	12,618

The weighted average effective interest rate per annum relating to the fixed deposits at the reporting date for the Group is 2.10% (2015: 3.15%). Interest rates reprice monthly.

15 Share capital

Company	2016 No. of shares '000	2015 No. of shares '000
Fully paid ordinary shares, with no par value		
In issue at beginning of the year	4,383,242	4,258,206
Issued as settlement of contingent consideration liability	250,000	125,000
Issued as initial consideration upon completion of the acquisition of Squire Mech	36,400	–
Exercise of warrants	2	36
In issue at end of the year	4,669,644	4,383,242

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 the following shares:

(a) 250,000,000 ordinary shares to RSP Vendors as final settlement of the remaining purchase consideration payable following the RSP Sub-Group achieving certain earn-out targets;

(b) An initial consideration of 36,400,000 ordinary shares was issued to Squire Mech Vendors upon completion of the acquisition of Squire Mech; and

(c) 2,000 ordinary shares were issued as a result of the exercise of warrants by warrant holders.

During the previous financial year, the Company issued the following shares:

(a) 125,000,000 ordinary shares to RSP Vendors as settlement of part of the purchase consideration payable following the RSP Sub-Group achieving certain earn-out targets; and

(b) 36,000 shares were issued as a result of the exercise of warrants by warrant holders.

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.

16 Reserves

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Accumulated losses	(305,911)	(242,613)	(360,848)	(306,720)
Foreign currency translation reserve	(72,159)	(56,741)	–	–
Fair value reserve	363	290	–	–
	(377,707)	(299,064)	(360,848)	(306,720)

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.

17 Non-controlling interests

The following subsidiaries have non-controlling interests (NCI) that are material to the Group:

Name of subsidiaries	Principal activities	Place of incorporation	Ownership interests held by NCI 2016 %	Ownership interests held by NCI 2015 %
Old Trafford Supporters Club Limited	Hotel operations	United Kingdom	25	25
Finestday Limited	Hotel operations	United Kingdom	50	–

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

	Old Trafford Supporters Club Limited $'000	**Finestday Limited $'000**	**Other individually immaterial subsidiaries $'000**	**Total $'000**
2016				
Revenue	13,784	–		
Loss after tax	(25,039)	(2)		
OCI	–	–		
Total comprehensive income	(25,039)	(2)		
Attributable to NCI:				
- Loss after tax	(6,260)	(1)		
- OCI	–	–		
- Total comprehensive income	(6,260)	(1)	(264)	(6,525)
Non-current assets	42,461	6,435		
Current assets	2,628	5,210		
Non-current liabilities	(18,540)	(4)		
Current liabilities	(24,663)	(7,398)		
Net assets	1,886	4,243		
Net assets/(liabilities) attributable to NCI	472	2,122	(454)	2,140
Cash flows from/(used in) operating activities	1,809	(717)		
Cash flows used in investing activities	(361)	–		
Cash flows (used in)/from financing activities	(1,679)	3,610		
Net (decrease)/increase in cash and cash equivalents	(231)	2,893		

	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 used in operating activities	(72)		
Cash flows from investing activities	–		
Cash flows used in financing activities	(689)		
Net decrease in cash and cash equivalents	(761)		

18 Deferred tax assets and liabilities

Movement in temporary differences during the year

	At 1 January 2015 $'000	Recognised in profit or loss (Note 25) $'000	Recognised in equity $'000	Acquisitions through business combinations (Note 32) $'000	Disposal $'000	At 31 December 2015 $'000	Recognised in profit or loss (Note 25) $'000	Recognised in equity $'000	Acquisitions through business combinations (Note 32) $'000	At 31 December 2016 $'000
Group										
Deferred tax assets										
Tax losses	–	–	(12)	561	–	549	64	(84)	19	548
Deferred tax liabilities										
Property, plant and equipment	(638)	(22)	213	(9,930)	132	(10,245)	6,303	1,539	(4)	(2,407)
Intangible assets	(2,204)	678	1	–	–	(1,525)	1,458	–	(764)	(831)
Other provisions	100	(401)	–	–	–	(301)	368	–	–	67
	(2,742)	255	214	(9,930)	132	(12,071)	8,129	1,539	(768)	(3,171)
Company										
Deferred tax liabilities										
Property, plant and equipment	(20)	–	–	–	–	(20)	–	–	–	(20)

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	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Deferred tax assets	548	549	–	–
Deferred tax liabilities	(3,171)	(12,071)	(20)	(20)

Unrecognised deferred tax assets

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

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Tax losses and unutilised donations	12,166	11,524	2,796	3,112

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.

19 Purchase consideration payable

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Non-current liabilities				
Squire Mech Vendors	11,513	–	–	–
Current liabilities				
RSP Vendors	–	45,500	–	45,500

Squire Mech Vendors

The contingent consideration liability arose from the acquisition of the remaining 65% of the existing issued and paid up share capital of Squire Mech through RSP Architects Planners & Engineers (Pte) Ltd ("RSP") for a total consideration of $15,340,000, to be satisfied by way of allotment and issuance of up to 130,000,000 ordinary shares. An initial consideration of 36,400,000 ordinary shares was issued to Squire Mech Vendors upon completion of the acquisition of Squire Mech on 4 August 2016. The remaining 93,600,000 shares shall be allotted and issued subject to the terms and conditions set out in the sale and purchase agreement, which include the achievement of earn-out targets.

RSP Vendors

The contingent consideration liability arose from the acquisition of RSP Sub-Group in 2013, which included a clause that entitles the vendors 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 250,000,000 (2015: 125,000,000) ordinary shares to the RSP Vendors as final settlement of the remaining purchase consideration payable following RSP Sub-Group achieving certain earn-out targets.

20 Borrowings

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Non-current				
Secured bank loan	16,574	20,909	–	–
Unsecured notes	99,526	99,170	99,526	99,170
	116,100	120,079	99,526	99,170
Current				
Secured bank loan	995	999	–	–
	117,095	121,078	99,526	99,170

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 2016				
Secured bank loan	GBP	3% + Libor	2018	17,569
Unsecured notes	SGD	6.50	2018	99,526
				117,095
31 December 2015				
Secured bank loan	GBP	3% + Libor	2018	21,908
Unsecured notes	SGD	6.50	2018	99,170
				121,078

Unsecured notes comprise $100,000,000 Medium Term Notes ("MTN") issued by the Company at fixed rate of 6.50% as part of an unsecured Multicurrency Medium Term Note Programme established on 17 November 2014 with 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.

21 Trade and other payables

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Trade payables	5,716	6,073	–	–
Accrued operating expenses	9,656	10,169	821	977
Accrued interest	1,692	1,692	1,692	1,692
Amounts due to non-controlling shareholders of a subsidiary	3,904	–	–	–
Amounts due to directors	650	–	–	–
Amounts due to companies in which directors have a substantial interest	35	–	–	–
Amount due from a subsidiary (non-trade)	–	–	–	246
Other payables	3,193	3,595	50	240
	24,846	21,529	2,563	3,155

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

22 Revenue

Revenue comprises:

	Group	
	2016 $'000	2015 $'000
Architectural services	60,379	62,882
Civil and structural engineering services	14,524	9,850
Master planning services	6,459	8,948
Mechanical and engineering services	5,476	–
Food and beverage	8,668	803
Room sales	7,629	556
	103,135	83,039

23 Loss before interest, tax, depreciation and amortisation (EBITDA)

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

	Note	Group 2016 $'000	Group 2015 $'000
Audit fees paid to auditors of the Company			
- Auditors of the Company		432	328
- Other auditors		78	25
Non-audit fees paid to auditors of the Company		–	2
Professional fees		608	798
Operating lease expenses		5,913	4,830
Project expenses		15,312	11,722
Wages, salaries and bonuses		63,109	50,175
Contributions to defined contribution plans		5,325	3,794
Gain on disposal of available-for-sale financial assets		(32)	–
Management consultancy fee		(1,145)	(3,670)
Reversal of allowances for foreseeable losses		(1,180)	(1,222)
Wages reimbursed from customers		(9,130)	(9,728)
Reversal of impairment loss on amount due from associates		–	(3,312)
Bargain purchase gain	32	–	(814)
Derivative on RSP India written off		–	497

24 Finance costs

	Group 2016 $'000	Group 2015 $'000
Borrowings	7,559	5,277

25 Tax (credit)/expense

	Group 2016 $'000	Group 2015 $'000
Current tax expense		
- Current year	1,091	2,562
- (Over)/Under provision in prior years	(6)	102
	1,085	2,664
Deferred tax credit		
- Movements in temporary differences	(8,193)	(255)
	(7,108)	2,409

Tax recognised in other comprehensive income ("OCI")

	Group					
	2016			2015		
	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	(72,159)	–	(72,159)	(56,741)	–	(56,741)
Available-for-sale financial assets	363	–	363	290	–	290

Reconciliation of effective tax rate

	Group 2016 $'000	Group 2015 $'000
Loss before tax	(76,931)	(34,011)
Tax calculated at 17% (2015: 17%)	(13,078)	(5,782)
Expenses not deductible for tax purposes	10,774	16,794
Income not subject to tax	(3,399)	(1,958)
Effects of tax rates in foreign jurisdiction	(768)	(6,714)
Effects of share of results of associates, presented net of tax	(134)	10
Tax exempt income	(26)	(26)
Tax incentives	(639)	(496)
Current year losses for which no deferred tax asset was recognised	149	747
Under provision in prior years	13	122
Others	–	(288)
	(7,108)	2,409

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.

26 Earnings per share

Basic loss per share

The calculation of basic loss per share at 31 December 2016 was based on the loss attributable to ordinary shareholders of $63,298,000 (2015: $36,298,000), and a weighted average number of ordinary shares outstanding of 4,591,466,461 (2015: 4,346,906,336), calculated as follows:

Loss attributable to ordinary shareholders:

	Group	
	2016	**2015**
	$'000	**$'000**
Loss attributable to ordinary shareholders for basic earnings per share	(63,298)	(36,298)

Weighted average number of ordinary shares

	Group	
	2016	**2015**
	'000	**'000**
Issued ordinary shares at beginning of the year	4,383,242	4,254,973
Effect of shares issued	208,224	91,933
Weighted average number of ordinary shares during the year	4,591,466	4,346,906

Diluted loss per share

The diluted loss per share for 2016 and 2015 is the same as the basic loss per share as the effects of the warrants issued by the Company were anti-dilutive.

27 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	
	2016	**2015**
	$'000	**$'000**
Short-term employment benefits	3,507	4,581
Post-employment benefits	81	90
	3,588	4,671

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	
	2016	**2015**
	$'000	**$'000**
With affiliates:		
Rental paid/payable	(4,163)	(4,083)
Management consultancy fees charged	–	157
Consultancy fees charged	–	474
Consultancy fees paid/payable	(10)	(468)
With associates:		
Management consultancy fees charged	1,145	3,513
Consultancy fees charged	206	829
Consultancy fees paid/payable	(68)	(2,022)
With key management personnel:		
Issue of earn-out shares	35,405	24,250
Purchase of Venture India Pte Ltd	–	(19,971)
Subscription of Medium Term Notes	–	598
Rental of office	(68)	(3)
With controlling shareholder:		
Acquisition of GG Collections Private Limited, Orchid leisure Limited and Café Football Limited	–	(41,876)
Hotel apartment rental fee	902	71

28 Contingent liabilities

(i) During the financial year, RSP Sub-Group came to a full and final settlement of a claim brought against it by the owners of a condominium previously.

In December 2016, RSP Sub-Group was served a writ of summons brought against their developer, contractors and the consultants, including RSP Sub-Group, by the owners of another condominium. Based on legal advice, the directors are of the opinion that RSP Sub-Group has a strong defence against the claims and do not expect the outcome of the action to have a material effect on the Group's financial position at the reporting 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 the date of this 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 the reporting 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 reporting date.

	Group	
	2016	**2015**
	$'000	**$'000**
Performance guarantees	63	62
Bank guarantees	57	55
Performance bonds	456	446

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

29 Commitments

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 twenty 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	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Payable:				
Within 1 year	5,931	1,303	8	198
After 1 year but within 5 years	2,959	2,340	17	25
After 5 years	3,869	3,516	–	–
	12,759	7,159	25	223

(b) Capital commitments

(i) 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 which 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.

As at 31 December 2016, the above acquisition has not been completed.

(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.

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 acquisition was completed during the financial year.

30 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.

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.

As at the reporting 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 statement of financial position.

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:

		Contractual cash flows		
	Carrying amount $'000	**Within 1 year $'000**	**Within 1 to 5 years $'000**	**Total $'000**
Group				
31 December 2016				
Non-derivative financial liabilities				
Trade and other payables	24,846	(24,846)	–	(24,846)
Purchase consideration payable*	11,513	–	–	–
Borrowings	117,095	(7,870)	(118,646)	(126,516)
	153,454	(32,716)	(118,646)	(151,362)
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)
Company				
31 December 2016				
Non-derivative financial liabilities				
Trade and other payables	2,563	(2,563)	–	(2,563)
Borrowings	99,526	(5,948)	(101,532)	(107,480)
	102,089	(8,511)	(101,532)	(110,043)

		Contractual cash flows		
	Carrying amount $'000	**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)
	147,825	(3,155)	(118,000)	(121,155)

* The Company's obligation under the Sale and Purchase Agreement with Squire Mech Vendor (2015: RSP Vendors) (See Note 19) is to issue share of up to 93,600,000 (2015: 250,000,000) 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 Emirates Dirham ("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.

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 2016				
Trade and other receivables	3,142	3,021	4,781	6,445
Trade and other payables	(569)	(3,139)	(787)	(4,667)
	2,573	(118)	3,994	1,778
31 December 2015				
Trade and other receivables	7,485	2,747	1,917	5,647
Trade and other payables	(622)	(734)	–	(2,501)
	6,863	2,013	1,917	3,146

Company

The Company is not exposed to significant foreign currency risks as at 31 December 2016 and 31 December 2015.

Sensitivity analysis

A 10% strengthening of the foreign currencies against Singapore dollar at 31 December would have decreased/(increased) loss 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 reporting date. 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 2015.

	Group	
	Loss before tax	
	2016	2015
	$'000	$'000
USD	257	686
MYR	(12)	201
RMB	399	192
AED	178	315
	822	1,394

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.

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 2016				
Available-for-sale equity securities	2,041	–	–	2,041
Purchase consideration payable	–	–	11,513	11,513
31 December 2015				
Available-for-sale equity securities	2,604	–	–	2,604
Purchase consideration payable	–	–	45,500	45,500

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

Group	Derivatives $'000	Purchase consideration payable $'000	Total $'000
At 1 January 2015	4,595	(72,750)	(68,155)
Write off of derivative/settlement of contingent consideration liability	(497)	25,000	24,503
Total unrealised gains recognised in profit or loss	–	2,250	2,250
Other adjustments	(4,098)	–	(4,098)
At 31 December 2015	–	(45,500)	(45,500)
At 1 January 2016	–	(45,500)	(45,500)
Acquisitions through business combinations	–	(15,340)	(15,340)
Settlement of contingent consideration liability	–	40,795	40,795
Total unrealised gains recognised in profit or loss	–	8,532	8,532
At 31 December 2016	–	(11,513)	(11,513)

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
2016			
Purchase consideration payable	The fair value is determined considering the probability of Squire Mech Sub-Group meeting the specified earn-out targets and the share price of the Company on the date the earn-out targets are met.	• Closing share price of $0.123 • Actual EBITDA margin 27% • Actual revenue • Actual net operating profit after tax ("NOPAT")	The estimated fair value would increase if the share price was higher.
2015			
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.	• Closing share price of $0.182 • Actual EBITDA margin 35% • Actual revenue • Actual net operating profit after tax ("NOPAT")	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 reporting date. Any interrelationship between the unobservable inputs is not considered to have a significant impact within the range of reasonably possible alternative assumptions.

	2016		2015	
	Increase/ (decrease) in unobservable inputs	**Favourable/ (unfavourable) impact on profit or loss $'000**	**Increase/ (decrease) in unobservable inputs**	**Favourable/ (unfavourable) impact on profit or loss $'000**
• Share price	1%	(115)	1%	(455)
	(1%)	115	(1%)	455

Key unobservable inputs

Purchase consideration payables as at the reporting date was determined with actual financial result of Squire Mech Sub-Group (2015: RSP Sub-Group) and closing share price of $0.123 (2015: $0.182) which 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 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2016				
Investment property	–	–	148,444	148,444
31 December 2015				
Investment property	–	–	150,916	150,916

The fair value of investment property as at 31 December 2016 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.

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
Direct Comparison Method: The Direct Comparison approach involves the analysis of comparable sales of similar properties and adjusting the sale prices to those reflective of the investment properties.	Price per square foot $290 (2015: $296)	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 2016						
Available-for-sale equity securities	9	–	2,041	–	–	2,041
Trade and other receivables#	13	35,691	–	–	–	35,691
Cash and cash equivalents	14	37,580	–	–	–	37,580
		73,271	2,041	–	–	75,312
Purchase consideration payable	19	–	–	–	(11,513)	(11,513)
Borrowings	20	–	–	(117,095)	–	(117,095)
Trade and other payables	21	–	–	(24,846)	–	(24,846)
		–	–	(141,941)	(11,513)	(153,454)
31 December 2015						
Available-for-sale equity securities	9	–	2,604	–	–	2,604
Trade and other receivables#	13	33,731	–	–	–	33,731
Cash and cash equivalents	14	37,326	–	–	–	37,326
		71,057	2,604	–	–	73,661
Purchase consideration payable	19	–	–	–	(45,500)	(45,500)
Borrowings	20	–	–	(121,078)	–	(121,078)
Trade and other payables	21	–	–	(21,529)	–	(21,529)
		–	–	(142,607)	(45,500)	(188,107)

	Note	Loans and receivables $'000	Liabilities at amortised cost $'000	Fair value through profit and loss $'000	Total $'000
Company					
31 December 2016					
Trade and other receivables#	13	9,703	–	–	9,703
Cash and cash equivalents	14	6,644	–	–	6,644
		16,347	–	–	16,347
Borrowings	20	–	(99,526)	–	(99,526)
Trade and other payables	21	–	(2,563)	–	(2,563)
		–	(102,089)	–	(102,089)

31 December 2015	Note	Loans and receivables $'000	Liabilities at amortised cost $'000	Fair value through profit and loss $'000	Total $'000
Trade and other receivables#	13	14,459	–	–	14,459
Cash and cash equivalents	14	15,885	–	–	15,885
		30,344	–	–	30,344
Purchase consideration payable	19	–	–	(45,500)	(45,500)
Borrowings	20	–	(99,170)	–	(99,170)
Trade and other payables	21	–	(3,155)	–	(3,155)
		–	(102,325)	(45,500)	(147,825)

Excludes prepayments.

Valuation processes applied by the Group

For all significant valuations determined 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.

Purchase consideration payable

The fair value is determined considering the probability of Squire Mech Sub-Group (2015: 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.

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:

	Group	
	2016	**2015**
	$'000	**$'000**
Quoted available-for-sale equity investments	204	260

This analysis assumes that all other variables remain constant.

31 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.

	Property development and investment $'000	Architectural, engineering and town-planning $'000	Hospitality $'000	Investments $'000	Inter-segment eliminations $'000	Total $'000
31 December 2016						
Total revenue from external customers	33	86,839	16,263	–	–	103,135
Inter-segment revenue	–	–	545	10,000	(10,545)	–
Interest income	10	225	–	282	(211)	306
Depreciation and amortisation	294	2,730	2,717	94	7,189	13,024
Reportable segment (loss)/ profit before tax	(21,824)	18,026	(22,726)	(1,648)	(6,516)	(34,688)
Share of profit of associates	–	789	–	–	–	789
Tax expense/(credit)	–	396	(6,260)	–	(1,244)	(7,108)
Reportable segment assets	291,573	143,525	58,996	536,173	(545,138)	485,129
Associates	–	26,866	–	–	–	26,866
Capital expenditure*	1,529	1,043	414	187	–	3,173
Reportable segment liabilities	391,940	29,412	76,625	102,314	(450,759)	149,532
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 profit/ (loss) 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/(credit)	–	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

* Comprises property, plant and equipment of $2,434,000 (2015: $1,645,000) and expenditure on investment property of $739,000 (2015: $Nil).

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.

	Singapore $'000	Malaysia $'000	United Kingdom $'000	China $'000	Middle East $'000	Other countries $'000	Total $'000
31 December 2016							
Revenue	44,886	7,836	16,264	5,514	21,700	6,935	103,135
Non-current assets #	113,841	151,037	49,180	362	334	45	314,799
Reportable segment assets	112,184	292,779	58,480	7,396	11,753	2,537	485,129
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

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

	2016 $'000	2015 $'000
Profit or loss		
Total reportable segment loss before tax	(34,688)	(22,382)
Unallocated amounts:		
- Impairment loss on goodwill on subsidiaries	(42,445)	(10,057)
- Amortisation of intangible assets	(8,330)	(4,636)
- Fair value changes in purchase consideration payable	8,532	2,250
- Bargain purchase gain	–	814
Consolidated loss before tax	(76,931)	(34,011)
Assets		
Total reportable segment assets	485,129	540,186
Unallocated amounts:		
- Goodwill	78,873	108,265
- Intangible assets	4,443	8,852
Consolidated total assets	568,445	657,303
Liabilities		
Total reportable segment liabilities	149,532	161,018
Unallocated amounts:		
- Purchase consideration payable	11,513	45,500
Consolidated total liabilities	161,045	206,518

32 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 financial year, the Group completed the following acquisitions:

(i) Acquisition of the remaining 65% of the existing issued and paid up capital of Squire Mech Private Limited ("Squire Mech"), resulting in Squire Mech and its subsidiaries becoming wholly-owned subsidiaries of the Group, pursuant to the terms and conditions of the sale and purchase agreement entered into between RSP Architects Planners & Engineers (Pte) Ltd and Chang Meng Teng, Chen Kheng Chuen, Eng Kwee Chew, Koh Choon Tee, Koh Kin Teng, Lim Jit Dong, Loh Wei Liang, Ng Eng Kiong, Tan Chiat Phang, Teo Yann and Wong Lok Toon (collectively, the "Vendors") for a total consideration of $15,340,000, to be satisfied by way of allotment and issuance of up to 130,000,000 ordinary shares (see also Note 19).

(ii) Acquisition of 50% of issued and paid up capital of Finestday Limited ("Finestday") pursuant to the terms and conditions of the sale and purchase agreement entered into between Rowsley (Stox) Pte Ltd ("Rowsley Stox") and Gary Alexander Neville, Ryan Joseph Giggs, Sherborne Corporate Services Limited and Kenilworth Consultants Inc for a total consideration of £3,200,000 ($5,776,000), comprising £1,200,000 ($2,166,000) in cash and a loan provided by Rowsley Stox to Finestday of £2,000,000 ($3,610,000).

((i) and (ii) collectively known as "the Acquisitions").

The acquisition of Squire Mech is expected to further enhance the strengths of the RSP group of business and enable access to new growth opportunities.

The acquisition of Finestday is in line with Group'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.

Purchase considerations of the Acquisitions

	$'000
Cash consideration for acquisition of Finestday	2,166
Purchase consideration payable to Squire Mech Vendors	15,340
Fair value remeasurement of 35% equity interest held previously held in Squire Mech	10,500
	28,006

In conjunction with the acquisition of Squire Mech, the payment of the purchase consideration to Squire Mech Vendors is subject to the Squire Mech Sub-Group achieving certain earn-out targets based on Squire Mech Sub-Group's cumulative net operating profit after tax for financial year ended 31 December 2016, financial years ending 31 December 2017 and 31 December 2018.

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
Work-in-progress		1,203
Trade and other receivables		5,365
Cash and cash equivalents		5,456
Property, plant and equipment	4	6,806
Intangible assets	5	3,921
Deferred tax liabilities	18	(749)
Trade and other payables		(6,491)
Tax liabilities		(126)
Net identifiable assets and liabilities acquired		15,385
Non-controlling interests		(2,148)
		13,237
Goodwill arising from the acquisition of Squire Mech	5	14,769
Total purchase consideration		28,006

Goodwill arising from the Acquisitions

Goodwill arising from the Acquisitions has been recognised as follows:

	Note	$'000
Purchase consideration payable to Squire Mech Vendors		15,340
Fair value remeasurement of 35% equity interest held previously held in Squire Mech		10,500
Fair value of identifiable net assets of Squire Mech acquired		(11,071)
Excess of purchase consideration over fair value of identifiable net assets, representing goodwill arising from the acquisition of Squire Mech	5	14,769

Cash flows relating to Acquisitions

	$'000
Purchase consideration	2,166
Less: Cash and cash equivalents acquired	(5,456)
Net cash inflows	(3,290)

For the period from the acquisition date to 31 December 2016, the Acquisitions contributed revenue of $6,324,000 and net attributable profit of $1,560,000 to the Group. There is no significant effect on the Group's consolidated revenue had the Acquisitions occurred on 1 January 2016.

Acquisition related costs

The Group incurred acquisition-related costs of $136,000 related to external professional fees. These costs were included in other expenses in the Group's statement of comprehensive income.

During the previous financial 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 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 became 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).

(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 was expected to further enhance the strengths of the RSP group of businesses and enable access to new growth opportunities.

The Acquisitions were 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	18	561
Associates	8	20,586
Trade and other payables		(31,365)
Borrowings		(23,091)
Deferred tax liabilities	18	(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.

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 acquired		(52,594)
Excess of purchase consideration over fair value of identifiable net assets		10,662
Goodwill arising from the acquisition of GGC	5	11,476
Bargain purchase gain on acquisition of CF and OL	23	(814)
		10,662

Cash flow relating to the Acquisitions

	$'000
Purchase consideration	82,921
Less: Cash and cash equivalents acquired	(2,183)
Net cash outflow	80,738

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.

33 Subsequent event

On 28 February 2017, the Group completed its acquisition of the entire issued and paid-up share capital of Ariva Pte. Ltd. for an aggregate consideration of up to $10,600,000 (the "Consideration") by way of cash and the allotment and issue of new shares of the Company (the "Consideration Shares") at an issue price of $0.15 per Consideration Share.

Upon completion of the acquisition, 8,000,000 Consideration Shares were issued together with a cash payment of $1,000,000. The balance of the Consideration shall be paid and/or allotted subject to the terms and conditions set out in the sale and purchase agreement, which includes the achievement of certain earn-out targets.

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.

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.

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 are 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.