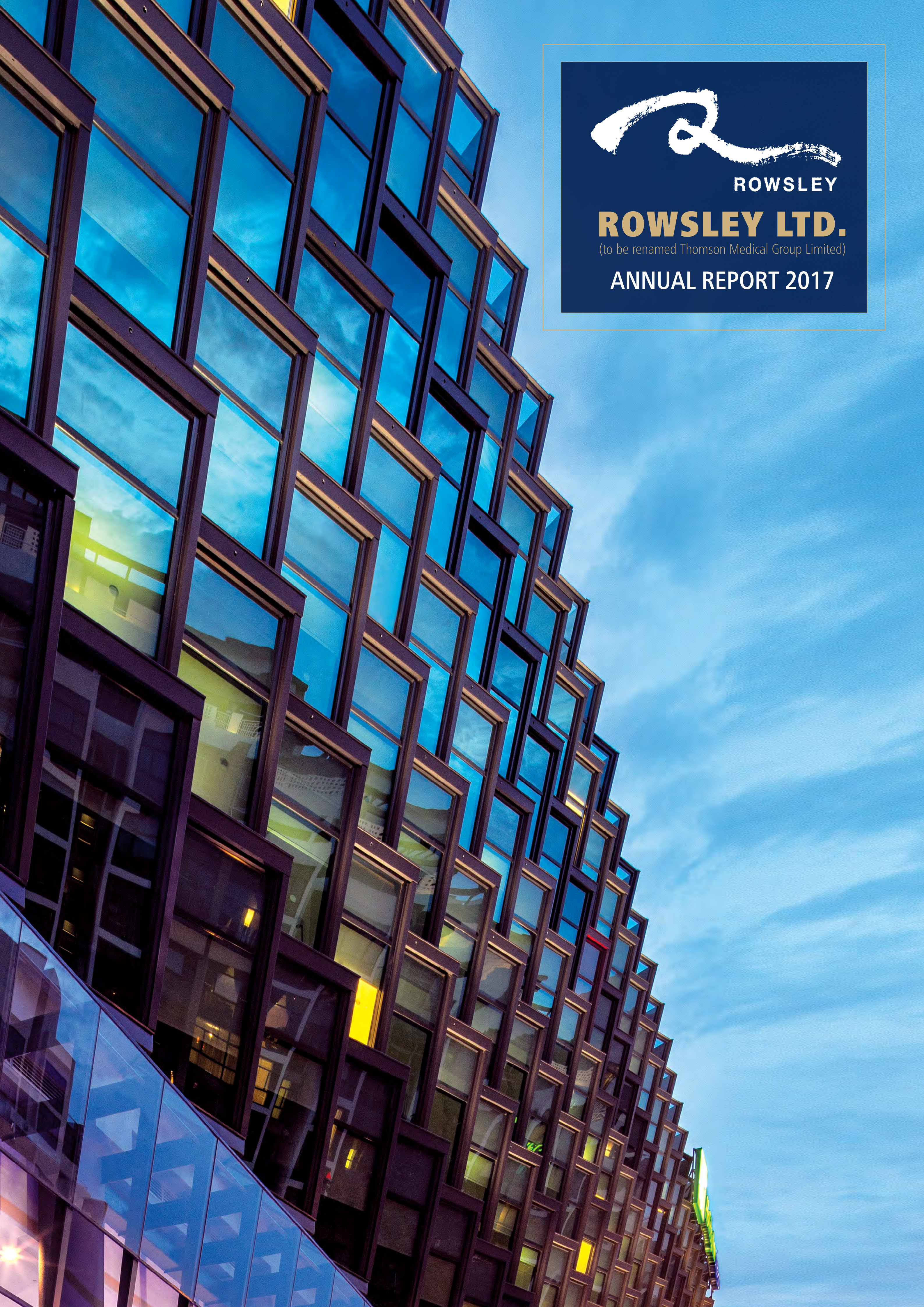

ROWSLEY

ROWSLEY LTD.

(to be renamed Thomson Medical Group Limited)

ANNUAL REPORT 2017

CONTENTS

CORE VALUES

INTEGRITY
We believe in being honest and doing what is right.

PASSION
We are excited about what we do and are deeply passionate about it.

EXCELLENCE
We aim to deliver outstanding outcomes, to go above and beyond.

TEAMWORK
We believe in working together and helping one another succeed.

VISION & MISSION

We aim to create better lives for people by providing sustainable solutions in the things we do, from designing and developing real estate to delivering a hospitality experience.

Top image: Loyang Enterprise, a project designed by AC Consortium
Cover image: Holiday Inn Express Clarke Quay *(Image courtesy of Harshan Thomson)*

CORPORATE PROFILE

Listed on the Singapore Exchange Mainboard since 2002, Rowsley Ltd. is a multidisciplinary real estate company with businesses in design and engineering, real estate development and hospitality. Our design and engineering business includes RSP Architects Planners & Engineers, an established architectural practice with over 60 years of experience, Squire Mech, a leading mechanical and electrical engineering consultancy, and AC Consortium, a market leader in industrial building design. Rowsley also owns Vantage Bay Healthcare City in Iskandar Malaysia, Hotel Football, Cafe Football, Stock Exchange Hotel, GG Collections and Ariva Hospitality which provide hospitality management services in the UK and Asia respectively. A joint venture agreement has been signed for St. Michael's, a landmark mixed-use development in Manchester.

Rowsley entered into a binding acquisition agreement to acquire a 100% stake in Thomson Medical and a 70.36% stake in TMC Life Sciences Berhad. During the Extraordinary General Meeting on 23 March 2018, the shareholders of Rowsley approved the acquisition and the change of the company's name to "Thomson Medical Group Limited".

LETTER TO SHAREHOLDERS

Dear Shareholders,

2017 had been a year marked with milestones, as Rowsley embarked on a business transformation with the proposed expansion into the healthcare sector, the completion of the Ariva Hospitality and AC Consortium acquisitions, the consolidation of our companies in Singapore under one roof and the appointment of new leadership across the company.

Expansion into Healthcare

In July 2017, Rowsley announced plans to venture into the healthcare sector through the acquisition of stakes in Thomson Medical Pte Ltd and TMC Life Sciences (TMCLS) from Mr Lim Eng Hock, the controlling shareholder of Rowsley. During the Extraordinary General Meeting on 23 March 2018, the shareholders of Rowsley approved the acquisition and the change of the company's name to "Thomson Medical Group Limited".

Upon completion, Rowsley is expected to be one of the largest listed healthcare players in Singapore. The acquisition will increase the company's market profile and generate investor interest. As healthcare is a leading and growing market due to ageing demographics and growing affluence, the acquisition will allow the company to capture the increasing demand for quality healthcare in this region. There will also be synergy from developing TMCLS's Thomson Iskandar Medical Hub in Iskandar Malaysia, together with Rowsley's investment in Vantage Bay Healthcare City under one company. Our enlarged company profile will further help us to attract high quality healthcare players and investors to our healthcare project in Iskandar Malaysia.

Leadership

In 2017, the Group appointed Tan Wee Tuck as Chief Executive Officer to lead Rowsley's real estate businesses with a focus on growth and innovation. Wee Tuck has been a key member of Rowsley's leadership team and as Chief Financial Officer, he oversaw the Group's finances, drove key corporate actions and spearheaded the Group's mergers and acquisitions.

As part of our continued efforts to invigorate the design and engineering business and to maintain the firm's competitive edge, the design and engineering business underwent a renewal of its leadership. With effect from 1 December 2017, Seah Chee Kien and Beh Swee Chiew were appointed as Managing Directors of RSP, Teo Yann was appointed as Managing Director of Squire Mech, and Chen Hong was appointed as Director leading RSP's master planning division. The new leaders have been appointed to chart new growth and achieve transformational change and success in an increasingly competitive environment.

Also in new roles are Lai Huen Poh as Senior Managing Director of RSP, Lee Kut Cheung as Senior Director of RSP, and Ng Eng Kiong as Senior Director of Squire Mech. They will continue to focus on strategic client relationships, oversee major projects and mentor the next generation of leaders.

Tropicana Medical Centre Kota Damansara, a hospital that is owned and managed by TMCLS

RSP Managing Director, Mr Beh Swee Chiew receiving the BCA Award from Minister of National Development, Mr Lawrence Wong

Design & Engineering

In 2017, RSP completed the acquisition of AC Consortium, making it a wholly owned subsidiary of RSP. AC Consortium is an established industrial building design firm and has a strong presence amongst small and medium-sized (SME) developers. The acquisition allows RSP to capture market share in the industrial sector, and expand its capabilities in this segment.

RSP has consistently received awards as a firm or for the projects it has designed. 2017 was no different from the year before; RSP won multiple awards including the prestigious Built Environment Leadership Award (Platinum) from the Building and Construction Authority (BCA), the first to be conferred on a multidisciplinary design consultancy firm. Other awards won included BCA's Green Mark Awards, Universal Design Mark Award, and Design and Engineering Safety Excellence Award. These awards are a testament to RSP's commitment to the design of innovative and sustainable projects.

The private property market in Singapore remained tepid in 2017, and this affected the financial performance of RSP. Key projects secured in 2017 included Nanyang Technological University Academic Building South, Singapore Institute of Technology Campus at Punggol North and the replacement of fixed gangways and passenger loading bridges at Changi Airport. Last year, we also successfully completed projects such as Watertown and Waterway Point, Toll City, Carros Centre and Church of the Transfiguration, amongst others.

Our overseas design and engineering businesses performed well, with the China offices of RSP and Squire Mech delivering strong profits and growing revenue by more than 30% in 2017. The Dubai office contributed the largest share of revenue from the overseas markets, and the Vietnam office tripled its profits from 2016. We will continue to identify and pursue growth opportunities in the overseas markets where we have presence.

Hospitality

The Group's strategy for the hospitality business continues to be twofold - to own hospitality assets with unique value propositions in choice locations, and to grow the hospitality management business where we can derive recurrent income.

Our hospitality business in the UK comprises Hotel Football Old Trafford, Cafe Football, Stock Exchange Hotel and GG Collections, our hospitality management company. Hotel Football Old Trafford continued to achieve occupancy rates which are higher than the market average and won the People's Choice Award at the Manchester Hoteliers' Association Awards in 2017. Cafe Football officially opened two new restaurants - one in Manchester at National Football Museum and another in Singapore through a franchise agreement. In 2018, we look forward to the opening of the 42-room boutique Stock Exchange Hotel which is redeveloped from a heritage building.

LETTER TO SHAREHOLDERS

Stock Exchange Hotel

We expanded our hospitality management business in Asia with the acquisition of Ariva Hospitality completed in 2017. The hospitality management firm is helmed by a team of skilled industry veterans and has approximately 7,000 keys under management and in the pipeline, spread across 39 properties in Asia Pacific. We look forward to leveraging on Ariva Hospitality to accelerate the growth of the Group's hospitality business, particularly in the Asia Pacific region.

Real Estate Development

Following public consultations held in Manchester, the refreshed plans for St. Michael's have been submitted to the Manchester City Council in December 2017 for approval. Manchester City Council has given planning permission at a local level on 8 March 2018. The application is with the Secretary of State to endorse the decision which will allow the planning permission to be issued.

The new scheme comprises a 5-star hotel, luxury apartments, Grade A offices, retail and leisure spaces. The Manchester real estate market has tremendous growth potential, and with St. Michael's premium positioning and prime location at the city centre, we are optimistic that the real estate spaces in St. Michael's will receive keen interest from the local and overseas markets.

In Iskandar Malaysia, we own the freehold land where Vantage Bay Healthcare City is sited. The healthcare city development rides on the strong growth prospects of the health and wellness sector, and is synergistic with the Group's plan to expand into the healthcare sector. TMCLS is developing Thomson Iskandar Medical Hub which is sited adjacent to Vantage Bay Healthcare City. When completed, Vantage Bay Healthcare City will be connected to the Thomson Iskandar Medical Hub. We believe in the long-term potential of the Iskandar Malaysia economic zone, as it continues to attract investments and enhances its transport links such as the Rail Transit System link between Singapore and Johor Bahru and the Kuala Lumpur-Singapore High Speed Rail.

Financial Performance

For the financial year ended 31 December 2017 (FY2017), the Group narrowed its net loss by 17% despite a dip in revenue from the financial year ended 31 December 2016 (FY2016). Rowsley reported a net loss of $58.0 million in FY2017, versus a net loss of $69.8 million in FY2016. The FY2017 results included a total of $34.5 million of non-cash impairment losses.

The Group reported a 9% decrease in revenue of $93.9 million for FY2017 as compared to $103.1 million in FY2016. The decrease in revenue was mainly due to the impact of a slowdown in Singapore's private property development sector on RSP Singapore's revenues. However, this was partially offset by strong growth in revenues from its overseas subsidiaries, as well as full-year contribution from Squire Mech,

Carros Centre *(Image courtesy of BS Capital)*

which became a wholly owned subsidiary of the Group in August 2016, and AC Consortium, which was acquired in June 2017.

Sustainability

Rowsley strives to uphold its high standards of corporate governance by adhering to sound policies and risk management practices. Sustainability is a key priority for our businesses, and a driver for the innovation of our designs. For our design and engineering business, designing built environments that are community-centric, inspiring and sensitive to the climate, culture and people's needs, remains a key focus.

Sustainability is a journey for us, as we continue to identify ways to reduce our carbon footprint on the environment, through our business operations and the spaces we design. For FY2017, we will publish our inaugural Sustainability Report, addressing the material sustainability issues that impact our businesses.

Looking Ahead

While the landscape for businesses remain uncertain in 2018, we see some bright spots. The design and engineering business is beginning to see a turnaround, with increasing activity in the Singapore private residential sector, and the Singapore government spending more in the infrastructure, institutional and industrial sectors. At the same time, revenue from the overseas markets of our design and engineering business has seen strong growth. We will strive to deepen our presence in the markets where we have operations and continue to seek strategic opportunities to expand the Group and manage our resources prudently to ride out the market challenges.

We remain confident of the long-term value of our investments and will continue to expand on our diversified business model. We believe that our multi-business, multidisciplinary strategy will set us in good stead for the next cycle of growth and will continue to leverage on the capabilities and core competencies across the Group, as we persevere in our efforts to build and grow our businesses.

Acknowledgement

On behalf of the Board of Directors, I would like to express my deep appreciation to our shareholders, business associates and partners for their unwavering support and confidence in Rowsley. I also wish to acknowledge the stewardship and guidance from fellow directors, as well as thank the management and staff for their dedication and hard work.

We look forward to a successful 2018.

NG SER MIANG
Non-Executive Independent Chairman

CORPORATE STRUCTURE

DESIGN & ENGINEERING

- RSP Architects Planners & Engineers
- Squire Mech
- AC Consortium

HOSPITALITY

- Hotel Football
- Cafe Football
- Stock Exchange Hotel
- GG Collections
- Ariva Hospitality

DEVELOPMENT & INVESTMENT

- Vantage Bay Healthcare City
- St. Michael's*

* Joint venture agreement signed to acquire interest

FINANCIAL HIGHLIGHTS

REVENUE

$93.9 million

NET ASSET VALUE PER SHARE

7.6 cents

EBITDA

($15.3)* million

NET TANGIBLE ASSETS

$305.5** million

NET LOSS

$58.0 million#

MARKET CAPITALISATION

$611.3 million

* Excludes impairments and fair value gains
** Excludes goodwill, intangible assets and deferred tax assets and liabilities
\# Includes impairments of $34.5 million

As at 31 December 2017

OPERATIONS REVIEW

Farrer Square

Church of the Transfiguration

OVERVIEW

2017 was an eventful year. We announced a strategic shift to healthcare, acquired two businesses and announced a slew of leadership changes across the Group, including appointing Mr Tan Wee Tuck as Chief Executive Officer. Our consultancy business continued to face headwinds due to the private property market but this was offset partially by strong growth in the overseas markets.

As part of our business transformation, the Group consolidated our Singapore operations into a new premise at 1 Kallang Junction in December 2017. The shift to the new office is a strategic move to unify staff from the different businesses and instil a working environment that encourages networking and collaboration across the different functions.

FINANCIALS

For the financial year ended 31 December 2017 (FY2017), the Group reported a net loss of $58.0 million in FY2017, versus a net loss of $69.8 million in the financial year ended 31 December 2016 (FY2016).

The Company reported a 9% decrease in Group revenue of $93.9 million for FY2017 as compared to $103.1 million in FY2016. The decrease in revenue was mainly due to the impact of a slowdown in Singapore's private property development sector on RSP Singapore's revenue. However, this was partially offset by strong growth in revenues from its overseas subsidiaries, as well as full-year contribution from Squire Mech which became a wholly owned subsidiary of the Group in August 2016, and AC Consortium which was acquired in June 2017.

The FY2017 results included a total of $34.3 million of non-cash impairment losses on goodwill, of which $20.0 million and $9.6 million were related to RSP and Squire Mech respectively, due to weak results in 2017. $4.7 million of goodwill impairment related to the acquisition of GG Collections was taken due to delays in projects expected to be managed by GG Collections. The effect of impairment loss on goodwill relating to Squire Mech is offset by $8.5 million of non-cash gain in purchase consideration payable related to Squire Mech.

OPERATIONS REVIEW

Singapore Institute of Technology (SIT) Campus

Net cash generated from operating activities for FY2017 amounted to $3.7 million, while net cash used in investing activities was $12.6 million. Net cash used in financing activities for the year was mainly due to payment of interest of $7.5 million, offset by proceeds from borrowings of $3.7 million. As of 31 December 2017, the Group's cash and cash equivalents amounted to $23.3 million.

On 25 March 2018, we entered into a facility agreement for $130 million of new credit facilities with Maybank. The term loan was used to redeem the $100 million notes that was due on 27 March 2018. The new facility allowed us to successfully redeem the bond and lowered the cost of our borrowings.

LEADERSHIP

In 2017, the Group appointed new leadership to steer the Group forward. Mr Tan Wee Tuck was appointed as Chief Executive Officer in September 2017. He leads Rowsley's real estate businesses with a focus on growth, innovation and renewing the leadership of its design and engineering business.

As part of our succession planning, RSP appointed new Managing Directors with effect from 1 December 2017. Mr Seah Chee Kien was appointed as Managing Director to lead the architectural business, and Mr Beh Swee Chiew was appointed to lead the engineering business of RSP.

Jewel Changi Airport (*Image courtesy of Jewel Changi Airport Devt.)*

West Park BizCentral

With their years of experience at RSP, they are able to lead the firm to best serve clients' needs and deepen the client relationships. Mr Lai Huen Poh also assumed his new role as Senior Managing Director, RSP on 1 December 2017, and continues to lead the Group's design and engineering business.

Squire Mech appointed Mr Teo Yann as Managing Director, with effect from 1 December 2017. Mr Teo has served many years at Squire Mech, and was deeply involved in the development of its China business. In his new role as Managing Director, he will focus on ramping up core capabilities and enhancing service quality with the ultimate goal of improving the client experience.

DESIGN & ENGINEERING

Our design and engineering business comprises RSP Architects Planners & Engineers, Squire Mech and AC Consortium, and is headquartered in Singapore, with overseas presence in China (Beijing, Shanghai and Chengdu), Malaysia (Kuala Lumpur, Johor Bahru, Penang), India (Chennai, Gurgaon, Bangalore, Hyderabad and Mumbai), Vietnam (Ho Chi Minh City and Hanoi) and Middle East (Dubai). The multidisciplinary practice has capabilities in architecture, civil and structural engineering, mechanical and electrical engineering, master planning, urban design and interior design. The combination of these complementary services allows us to offer more seamless and efficient multidisciplinary professional services to our clients.

OPERATIONS REVIEW

Ascott Orchard Singapore & Cairnhill Nine *(Image courtesy of Woh Hup)*

The Hillier (*Image courtesy of Patrick Bingham-Hall*)

Dareway Software Campus

RSP

On 30 June 2017, RSP completed the acquisition of AC Consortium, making it a wholly owned subsidiary of RSP. AC Consortium specialises in designing industrial buildings such as factories and warehouses and has a strong presence amongst small and medium-sized (SME) developers. The $8 million all-share deal is one in a series of deals made to continually grow Rowsley's design and engineering business.

In 2017, RSP secured close to 50 new projects overseas and in Singapore, including Nanyang Technological University (NTU) Academic Building South, Singapore Institute of Technology (SIT) Campus at Punggol North and the replacement of fixed gangways and passenger loading bridges at Changi Airport. Major ongoing projects where RSP has been appointed include Jewel Changi Airport, the redevelopment of Golden Shoe Car Park, Mandai Nature Park and the new Funan. RSP completed 66 projects in 2017, such as Watertown and Waterway Point, Toll City, Carros Centre, Church of the Transfiguration, and Yusof Ishak Mosque.

RSP won 30 awards in 2017 including the prestigious BCA Built Environment Leadership Award (Platinum) - the first to be conferred on a multidisciplinary design consultancy firm. Many of our projects won significant awards in 2017 as well, reflecting our pre-eminence in key discipline areas. Major awards include the FIABCI Singapore Property Awards for Oxley Tower, The Hillier, and Luxus Hills Phases 6 and 7, and the ASEAN Energy Award for Woh Hup Building. We also picked up numerous BCA Awards including a Universal Design Mark Award (Platinum) for Ascott Orchard Singapore and Cairnhill Nine, with Al-Falah Mosque, Construction Productivity Platinum Award for Crowne Plaza Hotel Extension, Design and Engineering Safety Excellence Award (Merit) for Intra-Island Cableway at Sentosa, four Green Mark Awards, and five Construction Excellence Awards.

Overseas, we strive to maintain a high level of innovation and service quality, developing strategies optimised to local markets. Our Dubai office contributed the largest share of revenue from overseas businesses in 2017. The Dubai office completed the Khalifa University Extension in 2017, which won the Middle East Architecture (Highly Commended) Award in 2015. We continued to expand our global reach with projects in Albania, Russia and Egypt, such as the Clubside Residences in Alburouj at East Cairo, which is developed by Capital Properties Group.

In 2017, our China office won the Successful Design Award in the spatial design category for Kirin Place, an 8,000 sqm project located in Beijing. We also won two design competitions - the Dareway Software Campus, Zhangqiu

OPERATIONS REVIEW

Sanya Pullman Hotel

Industrial Park planning and architectural design competition in Jinan, as well as the Guancheng Datong's Haidian Xibeiwang plot A3 mixed-use development conceptual design competition in Beijing. The China office was also appointed as consultants for the Wanrong Complex Development in Hangzhou Live Square.

In the Vietnam market, we tripled revenue in 2017 from 2016. We were appointed as consultants for various new projects such as mixed-use developments Hoa Binh Complex Building and Compass One, as well as a high-rise residential development, D'Edge.

Our associate office, RSP India also secured many new projects from major clients such as Google, Microsoft, Hewlett Packard Enterprise, Siemens, Accenture, Bosch, WeWork, Cisco, Wells Fargo and IBM in 2017. RSP India continues to expand its portfolio in residential townships, commercial IT parks and industrial developments.

Squire Mech

An ISO 9000 and ISO 14000 certified company, Squire Mech has a strong track record of providing Mechanical & Electrical (M&E) engineering services for major developments and facilities for clients in both the public and private sectors. In 2017, Squire Mech completed M&E consultancy work for 14 projects overseas and in Singapore, such as Carros Centre, Kranji Recreation Centre, Shanghai Amara Hotel and Shangri-La Hotel Yiwu in China.

Squire Mech continued to achieve the BCA Green Mark Award (Platinum) consistently every year for the projects it was appointed for, with Frasers Tower receiving the accolade in 2017. The consultancy firm won 21 awards in 2017, including the BCA BIM Award (Gold Plus), BCA Green Mark Award (Gold) for Northpoint Shopping Centre, and BCA Construction Excellence Award for 1919 – The Black & White Residences. Squire Mech also consistently won the ASEAN Energy Award. In 2017, Squire Mech won the ASEAN Energy Award for Woh Hup Building (New Building - Winner) and Six Battery Road (Existing Building - 1st runner up).

In 2017, Squire Mech was appointed as M&E consultants for close to 50 projects, including NTU Academic Building South and SIT Campus at Punggol North. It also secured major overseas projects, especially hospitality projects in China, such as the Hainan Sanya Hyatt Hotel, Sanya Pullman Hotel, Zhejiang Jinhua Marriott Hotel and Yangshuo Holiday Inn Hotel. Squire Mech Malaysia was also appointed for new projects in 2017 such as Berjaya's KM2 residential development at Bukit Jalil and Kwasa Sentral Shopping Mall in Damansara, Selangor, Malaysia.

AC Consortium

AC Consortium is a leading industrial building design firm in Singapore. It was incorporated in 1999, having evolved from a partnership practice since 1986. Some of its significant projects include Defu Industrial City, One Commonwealth, Cogent 1.Logistics Hub, West Park BizCentral, Loyang Enterprise and Oxley BizHub.

In 2017, projects won by AC Consortium included a warehouse development at Pioneer View for Panalpina World Transport and an industrial development at Jurong Island for Cogent Jurong Island. Three projects which were designed by AC Consortium won the PropertyGuru

One Commonwealth

Asia Property Awards (Singapore) in 2017. They are T-Space which was the winner for the Best Industrial Development award, Mandai Foodlink and Solaris @ Kallang 164 which won the Best Industrial Development (Highly Commended) awards. AC Consortium completed 6 projects in 2017, including Leng Kee Autohub and Mandai Bizhub.

AC Consortium has a strong track record in industrial building design and extensive relationships in the SME sector. As Singapore continues to evolve its industrial landscape, AC Consortium will strongly position the group to capture growth in this space.

HOSPITALITY

Ariva Hospitality

To expand our hospitality management business in Asia and develop a stable base of recurring income, we acquired Ariva Hospitality, a hotel management and consultancy firm. The acquisition was announced in September 2016, and was completed in February 2017. Ariva Hospitality is principally engaged in the provision of hotel management and consultancy services. It manages hotels and serviced apartments under its own and associated companies' brands, as well as third-party brands. Ariva Hospitality has approximately a total of 7,000 keys under management and in the pipeline, spread across 39 properties in Asia Pacific.

In March 2017, Ariva Hospitality partnered Super City, an established company which specialises in commercial and residential asset management in China, to establish a hotel management joint venture. The partnership leverages on both businesses' strengths, operating

Ariva Prio Serviced Residences

infrastructure and resources to provide the avenue to accelerate the combined entities' growth in hospitality business in Asia Pacific. Ten66 Serviced Residences in Shanghai is the first property that is managed under the Super City by Ariva brand. The 280-unit serviced residences opened in October 2017. The Super City by Ariva brand recently won the Best Rising Star Serviced Apartment Brand of China in the China Hotel Starlight Awards.

Ariva Hospitality also opened the Ariva Prio Serviced Residences in Chiang Mai in July 2017. Located next to Central Airport Plaza Mall and approximately 5 minutes away from Chiang Mai International Airport, Ariva Prio Serviced Residences has 82 apartments over 15 storeys.

OPERATIONS REVIEW

Hotel Football

UK Hospitality

Rowsley owns a 75% stake in Hotel Football, Cafe Football and GG Hospitality, a hospitality management company.

Hotel Football is a football themed hotel which is situated strategically across from the Old Trafford stadium. The hotel has 133 rooms and a presidential suite, and has facilities which include Cafe Football Old Trafford and Old Trafford Supporters Club. Hotel Football has enjoyed an average occupancy rate of more than 80% since its opening in 2015. In 2017, Hotel Football achieved an occupancy rate of 81%, higher than the 79% average occupancy rate of hotels in Manchester city centre. The average daily rate for the year was £88.50. Hotel Football is ranked one of the top ten out of 242 hotels in Greater Manchester on TripAdvisor.com and in 2017, Hotel Football was recognised as the People's Choice Best Hotel at the Manchester Hoteliers' Association Awards.

In addition to Cafe Football's two outlets at Westfield Stratford City in London and in Hotel Football Old Trafford, Cafe Football launched its third outlet in the UK at the National Football Museum in August 2017. Having a presence at the museum creates excellent exposure for the Cafe Football brand, given that more than 2.4 million visitors visited the museum since it opened in Manchester in 2012. Cafe Football also expanded outside of the UK through a franchise agreement, and Cafe Football Singapore officially opened in April 2017.

Rowsley owns a 50% stake in Stock Exchange Hotel, a 42-room boutique hotel which is being redeveloped within the historic Northern Stock Exchange building located in Manchester city centre. The Stock Exchange Hotel will also house restaurants helmed by Michael O'Hare, a UK Michelin awarded celebrity chef lauded as one of the top 50 most influential hospitality operators in the Northern Restaurant and Bar Top Fifty 2017 awards. The Stock Exchange Hotel is expected to open in the fourth quarter of 2018.

DEVELOPMENT

St. Michael's

Rowsley has a joint venture agreement to invest a 75% stake in St. Michael's, a mixed-use development located in the heart of Manchester's city centre. The joint venture partnership comprises Beijing Construction Engineering Group International and football legends Gary Neville and Ryan Giggs.

Following public consultations held in Manchester with local residents, businesses and city stakeholders, plans for St. Michael's have been submitted to the Manchester City Council on 19 December 2017 for approval. The submission is an update to the planning application which was first submitted in early 2017. The original plans were revised to take on board the comments from local stakeholders. Manchester City Council has given planning permission at a local level on 8 March 2018. The application is with the Secretary of State to endorse the decision which will allow the planning permission to be issued.

Vantage Bay Healthcare City

Vantage Bay Healthcare City is sited on a freehold waterfront land within Flagship Zone A of Iskandar Malaysia, about one kilometre away from Johor Bahru's Customs, Immigration and Quarantine (CIQ) facility. Vantage Bay Healthcare City is conceived as a medical, health educational and wellness hub. It will comprise a specialist hospital, a community hospital, long-term care facilities, health sciences education and training facilities, wellness retail services and a hotel catering to medical tourists. The development seeks to ride on the strong growth prospects of the health and wellness sector, supported by ageing demographics and demand for more sophisticated healthcare, wellness facilities and services in this part of the region.

TMC Life Sciences Berhad is developing Thomson Iskandar Medical Hub which is sited adjacent to Vantage Bay Healthcare City. Thomson Iskandar Medical Hub will comprise a 500-bed hospital, 400-suite medical tower and complementary retail space. Approvals to commence the construction of the hospital, Hospital Iskandariah are expected to be obtained in 2018. When completed, Vantage Bay Healthcare City will be connected to the Thomson Iskandar Medical Hub.

Moving forward, Vantage Bay Healthcare City will be integrated into the healthcare business because of its synergy with the Group's plans to expand in Johor Bahru through its Thomson Iskandar Medical Hub project.

Thomson Iskandar Medical Hub

BOARD OF DIRECTORS

Mr Ng was appointed Non-Executive Independent Chairman in December 2015. He currently chairs the Nominating Committee and sits on the Corporate Disclosure Committee and the Remuneration Committee.

Mr Ng is a director of various companies and is also Singapore's non-resident Ambassador to Norway, Chairman of Dunman High School Advisory Committee, Chairman of the Singapore Olympic Foundation and Fundacion Valencia Club de Futbol De La Comunidad Valenciana, and an Executive member of the International Olympic Committee and chairs its Finance Commission. He was also a Nominated Member of Parliament from 2002 to 2005.

Mr Ng has received a multitude of honours and awards for public service, including SG50 Outstanding Chinese Business Pioneers Award, the National Trades Union Congress Distinguished Service (Star) Award, Meritorious Service Medal by the Singapore Government, and the Commander's Cross – Order of Merit (Civil Division) from the Hungarian President.

Mr Ng holds a Bachelor of Business Administration (Honours) from the University of Singapore and is a Chartered Fellow at the Chartered Institute of Transport.

Ms Chan was appointed Non-Executive Non-Independent Deputy Chairman in December 2015. She currently chairs the Investment Committee.

Ms Chan was the Executive Chairman of Thomson Medical until 16 November 2015, and was the Chairman and Executive President of Spanish football club, Valencia Club de Futbol S.A.D. She also sits on the boards of several renowned companies, including McLaren Group Limited, McLaren Automotive Asia, and Meriton Holdings Limited. She is also a board member of the Singapore Olympic Foundation.

Ms Chan graduated with a Bachelor of Accountancy degree from the National University of Singapore.

Mr Tan was appointed as a Non-Executive Non-Independent Director of the Company from 25 September 2013. He was re-designated Executive Director and Group Chief Financial Officer on 18 November 2013, and also appointed Chief Executive Officer of Rowsley with effect from 18 September 2017. He leads and manages Rowsley and its subsidiaries, and works actively with the Board and Management to set the strategic direction and focus to grow the business. He currently sits on the Corporate Disclosure Committee and the Investment Committee.

Prior to joining the Company, Mr Tan spent ten years in the media industry where he headed the business development function for CNBC Asia Pacific and was also the Chief Financial Officer for NBC Universal's Television Group in Asia Pacific. He was also previously with General Electric where he held a variety of finance positions mainly in corporate as well as the healthcare business and was located in the United States, China, Japan and Europe. He started his career with Sony in international logistics.

Mr Tan holds a Master of Business Administration from the Nanyang Business School and a Bachelor of Arts in Economics and Psychology from the National University of Singapore. He is also a member of the Institute of Singapore Chartered Accountants.

Mr Lai was appointed Executive Director on 25 September 2013 and Senior Managing Director, RSP with effect from 1 December 2017. He currently sits on the Nominating Committee.

Mr Lai has helmed RSP as Managing Director since 2007, having first joined the architectural and engineering practice in 1984. As Senior Managing Director, Mr Lai is part of the management team charting the strategic direction and business performance of RSP. He is a director of various companies including Enviro-Hub Holdings Ltd. and Chiwayland International Limited. Mr Lai also sits on the Building and Construction Authority Board, the Singapore Land Authority Board, the NTU School of Civil and Environmental Engineering Advisory Committee, the REDAS Advisory Panel, and the Ministry of Trade & Industry, Pro-Enterprise Panel. He promotes best practices in design and engineering safety, construction productivity and prefabrication technology through various industry panels.

Mr Lai is a Registered Professional Engineer (Civil), a Chartered Engineer (UK), and a member of several associations like the Association of Consulting Engineers, Institute of Civil Engineers and the Singapore Structural Steel Society. He has a Bachelor of Engineering (Hons) from the University of Sheffield, UK.

BOARD OF DIRECTORS

Mr Ho was appointed Independent Director in March 2015. He currently chairs the Remuneration Committee and sits on the Audit and Risk Management Committee and the Investment Committee.

He has over 20 years' experience in corporate management and finance having been a Director of both publicly listed and private companies in Singapore, Malaysia and Australia. He is the Lead Independent Director of UPP Holdings Limited, an Independent Non-Executive Director of TMCLS and an Independent Director of Secura Group Limited.

Mr Ho holds two Bachelor degrees in Commerce and Science from the University of Western Australia. He is also a member of the Institute of Singapore Chartered Accountants and CPA Australia.

Mr Ong was appointed Independent Director in January 2016. He currently chairs the Corporate Disclosure Committee and sits on the Audit and Risk Management Committee and the Investment Committee.

Mr Ong has over 25 years of experience in banking and finance. He was formerly the Chief Financial Officer of Rowsley in 2008-2010 and the Finance Director of UPP Holdings Limited in 2010-2012. He is currently an Independent Director of UPP Holdings Limited, having relinquished his executive role in April 2012. He is also an Independent Director of Secura Group Limited. He was previously the Managing Director at Bank of America's Singapore and Shanghai branches and a management committee member of Bangkok Bank Singapore, with responsibilities for business groups and risk management functions in liquidity, balance sheet, and market risks of the banks.

Mr Ong holds a Bachelor of Business Administration from the National University of Singapore.

BOARD OF DIRECTORS

Dr Lam was appointed Independent Director in June 2002. He currently chairs the Audit and Risk Management Committee and sits on the Nominating Committee and the Remuneration Committee.

Dr Lam has over 30 years of international experience in general management, strategy consulting, corporate governance, direct investment, investment banking and fund management. He is Non-Executive Chairman – Hong Kong and ASEAN Region and Senior Adviser of Macquarie Infrastructure and Real Assets Asia, and also serves on the board of directors, the investment committee and the advisory committee of a number of publicly listed companies, investment funds and NGOs in the Asia Pacific region.

Dr Lam holds a Master of Systems Science and a Master of Business Administration from The University of Ottawa, a Master of Public Administration and a Doctor of Philosophy from The University of Hong Kong and a Master of Laws from The University of Wolverhampton. Dr Lam is also a Solicitor of the High Court of Hong Kong, an Honorary Fellow of CPA Australia, a Fellow and the Honorary Chairman – Asia Pacific of CMA Australia, a Fellow of the Hong Kong Institute of Directors and the Hong Kong Institute of Arbitrators, an Accredited Mediator of the Centre of Effective Dispute Resolution and an Honorary Fellow of the University of Hong Kong School of Professional and Continuing Education (HKU SPACE).

SENIOR MANAGEMENT

MR TAN WEE TUCK
Chief Executive Officer and
Chief Financial Officer

Information on Mr Tan Wee Tuck is found in the Board of Directors section of this Report.

MR LAI HUEN POH
Senior Managing Director, RSP

Information on Mr Lai Huen Poh is found in the Board of Directors section of this Report.

MR SEAH CHEE KIEN
Managing Director, RSP

As Managing Director, Mr Seah leads the architectural division at RSP and brings more than 30 years of experience to his work. He was previously the Chief Architect at Jurong Consultants, Senior Principal Architect at JTC Corporation, and Architect at Tangguanbee Architects.

The projects he has completed span the spectrum of land use and building types, both locally and overseas. Among the major projects he completed are Singapore's one-north's Fusionopolis and Biopolis, leading research and development hubs, Ascott Raffles Place, a heritage icon restored into a hospitality landmark, Watertown and Waterway Point, a place-making commercial and residential mixed-use development, Singapore Institute of Technology, designed as a campus of the future, and Wildlife Reserves Singapore's Mandai eco-tourism precinct.

Mr Seah is a Registered Architect, and a member of various architectural institutions like the Singapore Institute of Architects, Royal Institute of British Architects and the American Institute of Architects. He has a Bachelor of Architecture and Bachelor of Arts (Arch Studies) from the National University of Singapore.

SENIOR MANAGEMENT

MR BEH SWEE CHIEW
Managing Director, RSP

MR LEE KUT CHEUNG
Senior Director, RSP

Mr Beh leads RSP's civil and structural engineering division as Managing Director and focuses strongly on structural design excellence, good project management and delivery. He has over 30 years of project and engineering experience in Singapore and the region, leading major projects covering a diverse range from strategic industrial developments in biopharmaceutical, marine and offshore, cleantech, to manufacturing, logistics and ramp-up warehousing centres, retail, office, international schools, hospitality and residential.

Mr Beh is a Registered Professional Engineer (Civil) and a senior member of the Institution of Engineers in Singapore. He holds a Bachelor of Engineering in Civil Engineering from the National University of Singapore.

Mr Lee joined RSP as a director in 1994 and has led the architectural division as Managing Director since 2007. He took on the role of Senior Director in RSP with effect from December 2017.

Mr Lee has over 40 years of experience and expertise as a design architect and managing principal. He had a long career with the Public Works Department of Singapore before he joined RSP. He is actively involved in shaping industry practices and standards, serving in committees and on the boards of several industry panels, such as the Building and Construction Authority (BCA) Board, the Board of Architects and the Urban Redevelopment Authority's Design Advisory Panel. He was a member of the Licensing & Practice Committee of the Council for Estate Agencies from 2010 to 2016, and currently an Honorary Advisor (Architectural) for the Real Estate Developers' Association of Singapore. For his public service, he received the Public Administration Medal (Bronze) National Day Honours 1975, Public Administration Medal (Silver) National Day Honours 1991 and Public Service Medal National Day Honours 1999.

Mr Lee is a Fellow of the Singapore Institute of Architects and an ASEAN Architect and APEC Architect and Chartered Member of the Royal Institute of British Architects. He graduated from the Hong Kong University with a Bachelor of Architecture degree and has a Graduate Diploma (Hons) from the Architectural Association School of Architecture in London in 1981.

SENIOR MANAGEMENT

MR TEO YANN
Managing Director, Squire Mech

Mr Teo joined Squire Mech in 1990 as an Executive Engineer, and was appointed as Executive Director in 2011, and designated as Managing Director in December 2017. Since he joined Squire Mech, he has worked on numerous projects of various natures, such as Shangri-La's Sentosa Beach Resort Hotel, Saigon Sheraton Hotel in Ho Chi Minh City, and Pfizer Pharmaceutical Plant. Some of these projects have won awards such as the BCA Construction Excellence Awards and Energy Efficient Awards.

Mr Teo was instrumental in the expansion of Squire Mech in China and Vietnam. In 2003, he was appointed to lead Squire Mech's offices in China, and has grown the firm's presence in Shanghai, Beijing and Chengdu. In 2008, Mr Teo was appointed to grow Squire Mech's presence in Vietnam.

Mr Teo is also active in the engineering fraternity and is presently the Vice President of the Association of Consulting Engineers Singapore. He graduated with a Bachelor of Engineering (Mechanical) from the National University of Singapore in 1985.

MR NG ENG KIONG
Senior Director, Squire Mech

Mr Ng joined Squire Mech in 1990 and led the firm as Managing Director since 2000. He took on the role of Senior Director in Squire Mech, with effect from December 2017. He was instrumental in steering the firm to be a leading Mechanical & Electrical Engineering consulting firm with numerous projects, clinching many BCA Green Mark Awards and the BCA Built Environment Leadership Awards. For his dedicated efforts in improving productivity of the construction sector, Mr Ng has been recognised as a BCA Certified Construction Productivity Professional (Honorary) and is currently on the BCA Construction Productivity Awards (CPA) Assessment Committee, and the Technical Consultative Panel of the BCA Building Energy Benchmarking Report.

Mr Ng started his career with the Housing and Development Board where he held several senior management positions from 1974 to 1990. He has been an Independent Director of Mercatus Co-operative Limited since 2012, and also a Board Member of BCA International Pte Ltd since 2013. Mr Ng was a founding Board Member of the Singapore Green Building Council (SGBC) when it was incorporated in 2009, and is now their Honorary Advisor, after having served as the President from 2013 to 2015, and Immediate Past President from 2015 to 2017. He is currently a Council Member of the Singapore-Tianjin Economic & Trade Council.

Mr Ng graduated from the University of Singapore in 1974 with a Bachelor of Engineering (Electrical) in 1974 and from the National University of Singapore in 1991 with a Master of Science (Property & Maintenance Management).

SENIOR MANAGEMENT

MS GRACE YOUNG
Managing Director, AC Consortium

Ms Young joined AC Partnership in 1984 and became a Principal Partner in 1986. In 1999, she became the Managing Director of AC Consortium. Before AC Consortium, she started her career with Jurong Town Corporation from 1979 to 1983 where she held the position of Senior Architect.

With Ms Young's leadership, AC Consortium is now one of the renowned architectural firms in Singapore which specialises in designing industrial developments such as factories and warehouses. The firm has a strong presence among small and medium-sized enterprise developers. Some of its significant projects include One Commonwealth, Cogent 1.Logistics Hub, West Park BizCentral, Loyang Enterprise and Oxley BizHub.

Besides practicing as an architect, Ms Young is also a Registered Inspector with the Singapore Civil Defence Force since 1994 and is part of the Fire Safety and Security subcommittee since 2001. Ms Young graduated from the School of Architecture in the University of Singapore in 1978.

MS TAN MEOW HWA
Executive Director, AC Consortium

Ms Tan joined AC Partnership in 1989 as a Partner and in 1999, became the Executive Director of AC Consortium. The expertise and proficiency acquired from the many years in practice has enabled her and the company to be a veteran in the design of industrial developments.

Ms Tan started her career with the former Singapore Public Works Department from 1979 to 1989 where she held several executive positions. She is registered as a Qualified Person with the Singapore Board of Architect since 1984.

Ms Tan has been a Registered Inspector with the Singapore Civil Defence Force since 1996 and actively involved in the Fire Safety and Shelter Department, as well as in Regulations Codes and Standards panelist for the BCA subcommittee. She graduated from the School of Architecture in University of Singapore in 1979 with a Bachelor of Architecture.

SENIOR MANAGEMENT

MR CAMERON ONG
Executive Chairman, Ariva Hospitality

Mr Ong was one of the founders of Ariva Hospitality in October 2008, and has been leading Ariva Hospitality as the Executive Chairman since its inception. He has more than 35 years of international experience in hospitality and was formerly Chief Executive Officer and Managing Director of The Ascott Group. He previously served on the Beijing International Promotion Council and Philippines-Singapore Business Council, and has won numerous international awards and accolades. He was also voted as one of the top "Movers and Shakers" in Asia Pacific by TTG Asia, a leading publication on the travel and tourism industry.

Mr Ong has attended senior management programs in Tsinghua University, Beijing, INSEAD Business School, Fontainebleau and IMD Lausanne. He holds a Certified Hotel Administrator (CHA) qualification from the American Hotel & Lodging Educational Institute.

MR JEAN-CLAUDE ERNE
Executive Director, Ariva Hospitality

Mr Erne co-founded Ariva in October 2008. Formerly Senior Vice President (Product, Process and Procurement) and Managing Director in Europe at The Ascott Group, Mr Erne has more than 35 years of hospitality experience. Mr Erne was also formerly the Regional General Manager for Shangri-La in China. He has worked in various cities in Europe, USA and Asia.

Mr Erne has attended senior management programmes in INSEAD and Cornell University and graduated from Lausanne Hotel School with a Diploma in Hotel Management.

SENIOR MANAGEMENT

MR HASAN MALIK
Head, Legal and Company Secretary

Mr Malik was appointed Head, Legal and Company Secretary in February 2017. He has been with RSP since he joined the firm as legal counsel in 1993. Mr Malik is fully conversant with building and construction law in his management of all legal issues arising from the administration of building contracts by RSP. He continues his role in RSP as he takes on leadership of the legal and corporate secretarial function in Rowsley.

Mr Malik graduated from the National University of Singapore in 1986 with a Bachelor of Laws, and was admitted as an Advocate & Solicitor of the Supreme Court of Singapore in 1987.

MS KAREN TAN
Head, People & Culture

Ms Tan joined Rowsley in March 2018 and leads the Human Resource (HR) function in developing Rowsley's people strategy and nurturing a positive culture that attracts, engages and retains talent for business growth.

Ms Tan has over 20 years of experience in corporate HR and consulting, working with business leaders and employees across various frontline and corporate functions. She has a strong HR business partnership track record in the financial industry with companies such as GIC, Standard Chartered Bank, UBS and Citibank. As a senior consultant in Mercer Consulting, she led and successfully delivered a range of HR and mergers and acquisitions HR integration projects in Singapore, Malaysia and Australia. Her broad HR experience includes areas of performance and rewards management, leadership and talent development, organisation design and restructuring, and employee relations.

Ms Tan graduated from the University of Warwick in 2003 with a Master of Arts in Organisation Studies (with Distinction), and from the National University of Singapore in 1998 with a Bachelor of Business Administration.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

MR NG SER MIANG
Non-Executive Independent
Chairman

MS CHAN LAY HOON
Non-Executive Non-Independent
Deputy Chairman

MR TAN WEE TUCK
Executive Director,
Chief Executive Officer and
Chief Financial Officer

MR LAI HUEN POH
Executive Director and
Senior Managing Director, RSP

DR LAM LEE G
Independent Director

MR GARY HO KUAT FOONG
Independent Director

MR ONG PANG LIANG
Independent Director

AUDIT AND RISK MANAGEMENT COMMITTEE

DR LAM LEE G
Chairman

MR GARY HO KUAT FOONG
Member

MR ONG PANG LIANG
Member

NOMINATING COMMITTEE

MR NG SER MIANG
Chairman

MR LAI HUEN POH
Member

DR LAM LEE G
Member

REMUNERATION COMMITTEE

MR GARY HO KUAT FOONG
Chairman

MR NG SER MIANG
Member

DR LAM LEE G
Member

INVESTMENT COMMITTEE

MS CHAN LAY HOON
Chairman

MR TAN WEE TUCK
Member

MR GARY HO KUAT FOONG
Member

MR ONG PANG LIANG
Member

CORPORATE DISCLOSURE COMMITTEE

MR ONG PANG LIANG
Chairman

MR NG SER MIANG
Member

MR TAN WEE TUCK
Member

COMPANY SECRETARIES

MR HASAN MALIK

MS ADELINE HWEE JI-SAN

SHARE REGISTRAR

M & C SERVICES PRIVATE LIMITED
112 Robinson Road
#05-01
Singapore 068902

INDEPENDENT AUDITOR

KPMG LLP
16 Raffles Quay
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Singapore 048581

MR BARRY LEE CHIN SIANG
Partner-in-charge

PRINCIPAL BANKERS

MALAYAN BANKING BERHAD

UNITED OVERSEAS BANK LIMITED

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

STANDARD CHARTERED BANK

CIMB BANK BERHAD

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Corporate Governance Report

We are committed to high standards of corporate governance and have put in place several monitoring mechanisms to ensure effective corporate governance.

This section outlines the main corporate governance processes and practices adopted by the Group with specific reference to each of the principles and guidelines of the Code of Corporate Governance 2012 (the "**Code**").

We confirm that the Group has generally adhered to the principles and guidelines set out in the Code. Where there are material deviations from the Code, appropriate explanations are provided.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board is collectively responsible for the long-term success of the Group. The Board works with Management to achieve this objective and Management remains accountable to the Board. Apart from its statutory responsibilities and the roles set out in the Code, the key responsibilities of the Board include setting the overall strategy of the Group, formulating policies on various matters such as major investments, key operational initiatives and financial controls, reviewing the Group's financial performance, providing leadership, setting strategic direction, establishing risk management procedures and goals for Management, as well as monitoring the achievement of the goals. All Directors objectively discharge their duties and responsibilities at all time as fiduciaries in the interests of the Group.

Some of the matters that require the Board's approval or review are listed below:

(a) approval of quarterly financial statements and results announcements;
(b) approval of annual financial statements and results announcements;
(c) approval of annual reports;
(d) declaration of interim dividends and proposal of final dividends;
(e) approval of the Group's broad policies, strategies and objectives;
(f) recommendation of Board compensation to shareholders;
(g) review of succession plans for Directors;
(h) review at least annually the adequacy and effectiveness of the Group's risk management and internal control systems including establishing risk appetite and parameters, and internal control systems; and
(i) approval of annual budgets.

The Board also sets the Group's values and standards and ensures that obligations to shareholders and other stakeholders are understood and met. Each member of the Board abstains from voting on any resolutions and making any recommendations and/or participating in respect of matters in which he/she is interested.

The Board has adopted a transaction approval policy which lists out the approval limits at board, board committees and management level for capital expenditure, investments, divestments and bank borrowings and clearly indicating the matters reserved for the Board's decision. This provides Management with clear directions on matters which must be approved by the Board.

Corporate Governance Report

For effective and efficient execution of its responsibilities, the Board has, without abdicating its responsibility, established and delegated some of its authority to make decisions to the Audit and Risk Management Committee ("**ARMC**"), Nominating Committee ("**NC**"), Remuneration Committee ("**RC**"), Investment Committee ("**IC**") and Corporate Disclosure Committee ("**CDC**") (collectively referred to as the "**Board Committees**"). Each of the Board Committees has its written terms of reference setting out its duties and responsibilities which have been approved by the Board and reviewed on a regular basis.

The number of meetings of the Board and Board Committees held in FY2017 and the attendance of every board member at these meetings are disclosed in Table 1.

Table 1: Number of Board and Board Committee Meetings in FY2017 and Directors' Attendance at Meetings

Name of Director	**Board**	**ARMC**	**NC**	**RC**	**IC**
Number of Meetings	7	6	2	2	1
Number of Meetings Attended					
Ng Ser Miang	7	–	2	2	–
Chan Lay Hoon	6	–	–	–	1
Tan Wee Tuck	7	6*	2*	2*	1
Lai Huen Poh	6	–	2	2*	–
Ho Kiam Kheong(1)	5	–	–	–	1*
Dr. Lam Lee G	7	6	1	1	–
Gary Ho Kuat Foong	7	6	–	2	1
Ong Pang Liang	7	6	–	–	1

* Attended by invitation

Notes:

1. Mr. Ho Kiam Kheong resigned as Executive Director with effect from 20 September 2017.

Apart from board meetings, important or urgent matters concerning the Group are also presented for the Board's information or decision by way of written resolutions, fax, electronic mail or telephone conferencing.

A formal letter of appointment, which sets out the responsibilities and disclosure obligation, key policies and terms of reference are provided to all new Directors. New Directors will receive comprehensive and tailored induction on joining the Board. This includes an orientation programme by Management which covers our key information, corporate structure, businesses and financials. The orientation programme will ensure that new Directors are familiar with their duties as directors, as well as our business and governance practices. In addition, new Directors are introduced to our senior management during the orientation, thereby facilitating interaction and independent access to our senior management. Training will also be provided for first-time directors in areas such as accounting, legal and industry-specific knowledge where appropriate.

Apart from keeping the Board updated of all relevant new laws, regulations and changing commercial risks from time to time, we regularly inform the Directors of any relevant training and professional development programmes organised by amongst others, the Singapore Institute of Directors and Singapore Exchange Securities Trading Limited ("**SGX-ST**").

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board currently comprises 7 members, 2 of whom are Executive Directors, 1 of whom is Non-Executive Non-Independent Director and the remaining 4 are Independent Directors. Our Independent Directors make up of more than one-third of the Board.

Annually, each Independent Director is required to declare to us whether he considers himself to be independent and whether he has any relationships which would interfere, or be reasonably perceived to interfere the exercise of his/her independent business judgement. All Independent Directors have confirmed their independence as defined in the Code. All Directors are also required to disclose their interests to the Board whenever there is a change in their interests. Taking into account the views of the NC, the Board also assesses whether each Independent Director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement.

Following the NC's annual review, both the NC and the Board are of the opinion that, notwithstanding that Dr. Lam Lee G has served on the Board for more than nine years, his independence is not affected as he continues to exercise independent judgement and demonstrate objectivity in his deliberations in the interest of the Group. In addition, he has continued to express his individual viewpoints, debated issues and objectively scrutinised and challenged Management.

The Board is satisfied as to the independence of our Independent Directors, namely Mr. Ng Ser Miang, Dr. Lam Lee G, Mr. Gary Ho Kuat Foong and Mr. Ong Pang Liang.

The profiles of the Directors, including their academic and professional qualifications, shareholding in the Group, date of first appointment as a Director, date of last re-appointment as a Director, directorships or chairmanships both present and those held over the preceding three years in other listed companies, other principal commitments and the detailed Board and Board Committees' composition are set out in the section "Further Information on Board of Directors" of this Annual Report and in Table 2 on page 34.

The NC and the Board are of the view that the current Board and its Board Committees comprise Directors who, as a group, possess the necessary core competencies for effective decision making for the Group. Given the nature and scope of our operations, the current board diversity, experience and size is appropriate although this will be reviewed with the objective of increasing the proportion of Independent Directors on the Board. The Board consists of high calibre members with a wealth of knowledge, expertise and experience. They contribute valuable direction and insight, drawing from their vast experiences in matters relating to business/management, accounting/finance, legal, industry knowledge, strategic planning, customer relations and general corporate matters. At board meetings, the Directors discuss corporate strategy, budgets and financial objectives as well as challenges arising from changes in the evolving competitive landscape, openly debate and exercise objective judgement, while always acting in the best interests of all shareholders.

The Non-Executive Directors, who make up of more than half of the Board, constructively challenge and help develop proposals on strategy and review Management's performance in meeting performance targets and objectives and monitor the reporting of performance.

Corporate Governance Report

Chairman and Executive Directors

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

There is a clear division of roles and responsibilities between the Chairman and the Executive Directors, namely Mr. Tan Wee Tuck and Mr. Lai Huen Poh, which ensures an appropriate balance of power between the Board, the Chairman and the Executive Directors, thereby allowing for increased accountability and greater independent decision-making ability. The Chairman and the Executive Directors are not related to each other.

The Chairman, in consultation with the Executive Directors, initiates the holding of board meetings. The Board approves the schedule of board meetings that enables the Board to perform its duties and responsibilities while not interfering with the flow of our operations. Board meeting agenda is prepared after consultation with the Chairman and the Executive Directors.

The Chairman is responsible for representing the Board to shareholders and maintaining regular dialogue with the Executive Directors on all operational matters. He ensures that all board members are provided with adequate and timely information, and that our guidelines on corporate governance are complied with.

Where necessary, the Chairman will chair separate meetings with the Independent Directors and Non-Executive Directors, in each case without the Executive Directors being present, so as to facilitate well-balanced viewpoints on the Board, and provide feedback to the Board after such meetings. The Non-Executive Directors and the Independent Directors had separately met without the presence of Management.

The Board is of the opinion that there is sufficient independence in its exercise of objective judgement on our business affairs.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC currently comprises three members, majority of whom (including the NC Chairman) are Independent Directors.

Two NC meetings were held in FY2017.

The key responsibilities of the NC, as set out in its terms of reference, include making recommendations to the Board on relevant matters relating to the review of board succession plans for the Directors, developing a formal and transparent process in the nomination, appointment and re-appointment of directors to the Board and reviewing training and professional development programmes for the Board.

The NC recognises the importance of succession planning and ensures that the experience of longer serving directors can be drawn upon while accessing insights from newer members.

The NC reviews and assesses candidates for directorship before making recommendations to the Board. The NC also assesses the effectiveness and contribution of the Board to our strategic growth and development. The Board and the NC endeavour to ensure that the Directors appointed or re-appointed to the Board possess the experience, knowledge and skills critical to our businesses in order for balanced and effective decisions to be made. No alternate director has been appointed to the Board in FY2017.

Article 96 of our constitution requires at least one-third of the Board to retire by rotation and subject themselves to re-election by shareholders at every annual general meeting. This means that no Director stays in office for more than three years without being re-elected by shareholders. New directors are appointed by way of board resolutions after the NC has reviewed and recommended their appointment to the Board. Pursuant to Article 97 of our constitution, new directors who are appointed during the year to fill any vacancy in the Board shall hold office only until the next annual general meeting and be eligible for re-election. Pursuant to Article 78 of our constitution, new directors appointed during the year to the Board shall hold office until the next annual general meeting and be eligible for re-election.

This year, Mr. Ng Ser Miang, Ms. Chan Lay Hoon and Mr. Ong Pang Liang will be retiring at our forthcoming annual general meeting and seeking re-election as Directors pursuant to Article 96 of our constitution.

In addition, the NC is responsible for determining annually, and as and when circumstances require, if a Director is independent and providing its views to the Board for consideration.

All Directors are required to declare their directorships to the Board at the end of each financial year and as and when there is a change in their interests. The Board is of the view that a limit on the number of listed company directorships that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors such as whether they are in full-time employment and their other responsibilities. A Director with multiple directorships is expected to ensure that sufficient attention is given to the affairs of the Group. The Board believes that each individual Director is best placed to determine and ensure that he is able to devote sufficient time and attention to discharge his duties and responsibilities as a Director of the Company, bearing in mind his other commitments. All Directors have confirmed that notwithstanding the number of their individual listed company board representations and other principal commitments, they are able to devote sufficient time and attention to the affairs of the Company. In addition to these confirmations, the NC assesses whether a Director, who has multiple board representations, is able to and has been carrying out adequately and effectively his/her duties as a Director taking into account, amongst other considerations, the Director's attendance, preparedness, participation and candour.

The NC identifies suitable candidates for appointment to the Board having regard to the skills required and the skills represented on the Board. External consultants may be used from time to time to access a wide base of potential non-executive directors. These considerations will be assessed against a range of criteria including background, experience, professional skills and personal qualities. The NC and the Board will also consider whether a candidate's skills and experience will complement the existing Board and whether the candidate has sufficient time available to commit to his/her responsibilities as a Director.

Corporate Governance Report

The composition of our Board and Board Committees are set out in Table 2.

Table 2: Board and Board Committees Composition

Name of Director	Date of first appointment/last re-appointment as Director	Board	ARMC	NC	RC	IC	CDC
Executive Directors							
Tan Wee Tuck	25 September 2013/ 26 April 2017	Member	–	–	–	Member	Member
Lai Huen Poh	25 September 2013/ 26 April 2017	Member	–	Member	–	–	–
Ho Kiam Kheong[(1)]	25 September 2013/ 26 April 2016	Member	–	–	–	–	–
Non-Executive Non-Independent Director							
Chan Lay Hoon	1 December 2015/ 26 April 2016	Deputy Chairman	–	–	–	Chairman	–
Independent Directors							
Ng Ser Miang	1 December 2015/ 26 April 2016	Chairman	–	Chairman	Member	–	Member
Dr. Lam Lee G	26 June 2002/ 26 April 2016	Member	Chairman	Member	Member	–	–
Gary Ho Kuat Foong	1 March 2015/ 26 April 2017	Member	Member	–	Chairman	Member	–
Ong Pang Liang	1 January 2016/ 26 April 2016	Member	Member	–	–	Member	Chairman

Notes:

1. Mr. Ho Kiam Kheong resigned as Executive Director with effect from 20 September 2017.

Please refer to 'Further Information on Board of Directors' for more information.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.

The NC is responsible for assessing, reviewing and evaluating the performance and effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board. The performance measurement ensures that the mix of skills and experience of the Directors continue to meet our needs.

Each Director completed the annual board performance assessment survey in December 2017. Based on the returns submitted, the Company Secretaries will prepare a report to the NC through the Chief Financial Officer. The NC will meet to discuss and make recommendations to the Board. The Chairman, in consultation with the NC, may, where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors. In evaluating the Board's performance, the NC considers a set of quantitative and qualitative performance criteria which allows for comparison with industry peers and aims to enhance long-term shareholder value. The performance criteria for the board evaluation include board composition and independence, conduct of meetings, board communication and access to information, corporate strategy and planning, risk management and internal controls and performance monitoring.

As part of the annual board performance survey, evaluation is also carried out on the board committees which assesses, inter alia, the effectiveness of each board committee and whether they comprise directors with relevant expertise. In addition, individual directors carried out a self-assessment which is reviewed by the NC and discussed with the Chairman. The self-assessment focuses on attendance, commitment and contributions in the following areas:

- corporate strategies;
- finance and accounting;
- risk management;
- legal and regulatory; and
- human resources.

Based on the results of the review, the NC is satisfied that the Board and its Board Committees are able to carry out and execute their duties and responsibilities effectively.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Board receives regular updates on our businesses and performance through financial and other reports provided by Management. Such updates and reports cover background and explanatory notes and include disclosure statements, budgets and forecasts and other relevant supporting documents.

The Board fully recognises that in order to effectively discharge its responsibilities, all board members will be provided with complete, adequate and timely information prior to board meetings. Meeting papers are circulated approximately seven days prior to each meeting.

In addition, the Board has unrestricted, separate and independent access to the Company Secretaries and Management at all times. The roles of the Company Secretaries are clearly defined and their responsibilities include attending all board meetings and ensuring that board procedures are followed and regulations established by the Board and its Board Committees are complied with. The Company Secretaries are also tasked with keeping the minutes of all board meetings.

Under our constitution, the decision to appoint or remove the Company Secretaries can only be taken by the Board. The Company Secretaries ensure that our constitution, the relevant rules, regulations and legislative provisions, including the requirements of the Companies Act (Cap. 50) and the SGX-ST, are complied with. They also assist the Chairman and the Board in implementing and strengthening corporate governance practices and processes with a view to enhance long-term shareholder value. Under the direction of the Chairman, the Company Secretaries are responsible for ensuring good information flows within the Board and its Board Committees and between Management and Non-Executive Directors, as well as facilitating orientation and assisting with professional development as and when required. Our Chief Financial Officer and Company Secretaries are the primary channels of communication with the SGX-ST.

The Board is encouraged to take independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. Subject to the approval of the Chairman, the Directors, whether as a group or individually, may seek and obtain independent professional advice to assist them in their duties at our expense.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Level and Mix of Remuneration

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Remuneration Committee

The RC currently comprises three members, all of whom (including the RC Chairman) are Independent Directors.

Two RC meetings were held in FY2017.

In accordance with its written terms of reference, the key responsibilities of the RC include recommending to the Board a general framework of remuneration for the Board and key executives, and the remuneration policies for each of the Directors and key executives. The RC's review of the remuneration packages takes into consideration our long-term interests and assures that the interests of the Directors and key executives are aligned with those of the shareholders. The review covers all aspects of remuneration, including but not limited to the Directors' salaries, fees, allowances, bonuses, options, profit sharing and benefits-in-kind. The RC also oversees the management development and succession planning in the Group. The RC has access to expert advice from independent consultants on remuneration policies.

Policy in respect of Non-Executive Directors' Remuneration

Each Non-Executive Director's remuneration comprises a basic fee and an attendance fee. Non-Executive Directors who serve on the Board Committees are paid an additional fee for such services. The Chairman of each Board Committee is also paid a higher fee compared with the members of the respective committees in view of the greater responsibility carried by that office.

The RC reviews the framework for Non-Executive Directors' remuneration taking into consideration the demands and responsibilities of the Non-Executive Directors, prevailing market conditions and referencing directors' fees against comparable benchmarks, while bearing in mind our overall performance. The total fees payable to Directors is subject to approval by our shareholders at the annual general meeting.

No Director is involved in deciding his own remuneration.

Policy in respect of Executive Directors and Other Key Management Personnel's Remuneration

The remuneration policy for the Executive Directors and key executives consists of two key components, that is, fixed cash and annual variable. The fixed component includes salary, provident fund contributions and other allowances. The variable component comprises a performance-based bonus which is payable on the achievement of individual and corporate performance targets and takes into account our risk policies. Executive Directors are not paid directors' fees. The remuneration policy has been endorsed by the RC and the Board.

Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Table 3 below shows the breakdown of remuneration received by the Directors for FY2017.

Table 3: Remuneration of Directors

	Fees	Fixed Salary	Bonus and Benefits-in-kind(3)	Total ($'000)
Ng Ser Miang	100%	0%	0%	78.5
Chan Lay Hoon	100%	0%	0%	51
Tan Wee Tuck	0%	96%	4%	470
Lai Huen Poh	0%	92%	8%	484
Ho Kiam Kheong (1)	0%	97%	3%	274
Dr. Lam Lee G	100%	0%	0%	72
Gary Ho Kuat Foong	100%	0%	0%	72
Ong Pang Liang	100%	0%	0%	67

Table 4: Remuneration of Top 5 Key Executives

	Fixed Salary	Bonus and Benefits-in-kind(3)	Total
Remuneration in the band from $250,001 to $500,000			
Lee Kut Cheung	93%	7%	100%
Liu Thai Ker (2)	96%	4%	100%
Seah Chee Kien	88%	12%	100%
Ng Eng Kiong	98%	2%	100%
Beh Swee Chiew	86%	14%	100%

Notes:

1. Mr. Ho Kiam Kheong resigned as Executive Director with effect from 20 September 2017.

2. Mr. Liu Thai Ker resigned as Senior Director, RSP with effect from 30 November 2017.

3. No options were granted in FY2017.

In aggregate, the total remuneration paid to the top 5 key executives, who are not Directors, for FY2017 amounted to $1,835,835.

Table 5 below shows the remuneration of employees who are immediate family members of a controlling shareholder or director for FY2017.

Table 5: Remuneration of Employees who are immediate family members of a controlling shareholder or director

Remuneration in the band of up to $500,000	
Tan Wee Tuck	Our Executive Director, Chief Executive Officer and Chief Financial Officer is the nephew of our controlling shareholder, Mr. Lim Eng Hock
Vivien Heng Cheng Sim	An employee of the Group is the spouse of our Executive Director and Senior Managing Director, RSP, Mr. Lai Huen Poh

No termination, retirement and/or post-employment benefit was granted to any Director, the Chairman or the key executives for FY2017.

We have a share option scheme known as the "Rowsley Group Share Option Scheme 2012" which was approved by shareholders at our extraordinary general meeting held on 26 June 2012. The key terms of the share option scheme are set out in our circular dated 11 June 2012. No options have been granted under the scheme.

In addition, we have a share incentive scheme known as the "Share Grant Plan 2015" which was approved by shareholders at our extraordinary general meeting held on 29 April 2015. The key terms of the share incentive scheme are set out in our circular dated 14 April 2015. No shares have been awarded under the scheme.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is accountable to shareholders, and Management is accountable to the Board.

The Board undertakes the responsibility of overseeing our corporate performance and is accountable to shareholders for the processes and structure of directing and managing our business and affairs.

Management's accountability role is to report to the Board on our operational and financial performance by keeping the Board informed and updated with clear and precise financial and management reports on a regular basis.

Aside from adopting our corporate governance practices in line with the spirit of the Code, we also observe obligations of continuing disclosures under the SGX-ST Listing Manual by making timely, adequate and non-selective disclosure of information.

Risk Management and Internal Controls

Audit and Risk Management Committee

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Principle 12: The Board should establish an audit committee with written terms of reference which clearly set out its authority and duties.

The Board, supported by the ARMC, oversees our Group's system of internal controls and risk management. The ARMC is in turn advised by our internal and external auditors who review the adequacy and effectiveness of our material internal controls, including financial, operational, compliance and information technology controls, and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the ARMC.

In addition, the Board has received assurance from our Executive Directors (which includes our Chief Financial Officer) that (a) our financial records have been properly maintained and the financial statements for FY2017 give a true and fair view of our operations and finances; and (b) our risk management and internal control systems are effective.

The ARMC currently comprises three members, all of whom, including the ARMC Chairman, are Independent Directors. None of the ARMC member is a former partner or director of our existing auditing firm or auditing corporation. The Board is of the view that the members of the ARMC are appropriately qualified and have recent and relevant accounting/ financial management expertise or experience to discharge the functions of the ARMC. The ARMC serves as a channel of communication between the Board and the internal auditors.

Six ARMC meetings were held in FY2017.

The key responsibilities of the ARMC, as set out in its written terms of reference, include:

(i) reviewing the audit plans of our external auditors and ensuring the adequacy of our system of accounting controls and the co-operation given by Management to our external auditors;

(ii) reviewing significant financial reporting issues and judgements so as to ensure the integrity of our financial statements and any formal announcements relating to our financial performance;

(iii) reviewing and reporting to the Board at least annually the adequacy and effectiveness of our risk management and internal control systems, including financial, operational and compliance and information technology controls;

(iv) setting selection criteria for the appointment of external auditors, annually reviewing the performance of our external auditors and making recommendations for their re-appointment or appointment as the case may be, reviewing the objectivity and independence of our external auditors annually and reviewing the rotation of audit partner assigned to us and setting the maximum tenure of appointment of an external audit firm;

(v) reviewing the nature and extent of non-audit services and where our external auditors supply a substantial volume of such non-audit services to us, seek to balance the maintenance of objectivity and value for money;

(vi) setting selection criteria for the appointment of internal auditors, annually reviewing the performance of our internal auditors and approving their re-appointment or appointment as the case may be, reviewing the independence of our internal auditors annually and setting the maximum tenure of appointment of an internal audit firm;

(vii) reviewing and approving the internal audit plans including the scope and results of the internal audit procedures, ensuring that our internal auditors' primary line of reporting is to the ARMC, in particular the ARMC Chairman;

(viii) ensuring that our internal audit function is adequately resourced and has appropriate standing within the Company and ensuring the adequacy and effectiveness of our internal audit function at least annually;

(ix) reviewing and approving all forms of interested person transactions ("**IPT**") and relevant person transactions ("**RPT**") and registers of IPT and RPT quarterly;

(x) reviewing arrangements by which our staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;

(xi) commissioning and reviewing 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 us;

(xii) reviewing with Management on the areas of risk that may affect our operations and the risk mitigation efforts;

(xiii) directing and working with Management to develop and review policies and processes to address and manage identified areas of risk in a systematic and structured manner;

(xiv) making recommendations to the Board in relation to business risks that may affect us, as and when these risks may arise; and

(xv) reviewing and resolving any conflict of interest which may arise from the interests of our 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 had met with our external auditors, and with our internal auditors, in each case without the presence of Management. The ARMC had also conducted a review of interested person transactions for the financial year under review. Information relating to our interested person transactions for FY2017 is set out in the section "Interested Person Transactions" of this Annual Report.

The ARMC had conducted a review of all audit services provided by our external auditors for FY2017. The aggregate amount of audit fees paid/payable to our external auditors, KPMG LLP, for FY2017 was $243,000. No non-audit services were provided by our external auditors for FY2017.

The external auditors update the ARMC on all changes to accounting standards and issues which have a direct impact on our financial statements. The ARMC members from time to time attend training to keep abreast of changes to accounting standards and issues.

Based on our enterprise risk management framework put in place and the risk assessment made, the Board is satisfied that our risk management and internal control systems, including financial, operational, compliance and information technology controls, are adequate and effective. At the same time, the Board and Management continue to make efforts to enhance our overall risk management effectiveness. The ARMC assists the Board to oversee our risk management framework and policies.

The Board notes that the risk management and internal control systems put in place provided reasonable, but not absolute, assurance that we will not be significantly affected by any adverse event that can be reasonably foreseen as we strive to achieve our business objectives. However, the Board also notes that no risk management and internal control systems can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

The ARMC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or Management attend its meetings, and reasonable resources to enable it to discharge its functions properly.

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Board believes it is crucial to put in place a system of internal controls of our procedures and processes to safeguard shareholders' interests and our assets, and to manage risks.

The ARMC reviews, on an annual basis, the adequacy and effectiveness of the internal audit function.

The ARMC has appointed BDO LLP as our internal auditors. The internal auditors report directly to the chairman of the ARMC and report administratively to the Chief Financial Officer. The internal auditors have unfettered access to all of our documents, records, properties and personnel, including access to the ARMC.

The ARMC believes that the outsourced internal auditors have appropriate standing to perform their functions effectively and carry out their function guided by the standards set by the Internal Standards for the Professional Practice of Internal Auditing.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Communications with Shareholders

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

We have put in place an investor relations policy. The Board is mindful of the obligation to provide regular, effective and fair communication to shareholders. In line with our continuous disclosure obligations pursuant to the rules of the SGX-ST Listing Manual and the provisions of the Companies Act, the Board endeavours to keep shareholders informed of all of our major developments on a timely basis. Where there is an inadvertent disclosure made to a select group, we will make the same disclosure via SGXNet and where relevant, followed by a news release. We disclose major events and pertinent information through SGXNet and press releases in various print media.

All results, corporate announcements and shareholder reports are issued promptly and within prescribed periods.

We host a website (www.rowsley.com) to enhance communication with our shareholders and the general public.

In addition, we have appointed an investor relations firm to promote effective communication with shareholders. Any questions from shareholders could either be raised to the investor relations firm or us. These will be addressed by Management and/or the relevant person-in-charge.

Analyst and/or media briefings will also be held, when necessary.

No dividend is declared for FY2017. We are actively sourcing for new acquisitions to grow the Company. The Company will need to conserve cash for business operations and new acquisitions. We may consider dividend payments in the future subject to the level of our earnings, our financial position and other cash requirements including capital expenditure, terms of future borrowing arrangements and investments to grow the Company.

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Shareholders are given the right and opportunity to participate effectively in and to vote on resolutions at general meetings. A proxy form is sent with each notice of general meetings to all shareholders such that shareholders who are unable to attend the general meeting in person can appoint a proxy or proxies to attend and vote on their behalf.

We welcome active participation from shareholders at our general meetings. To facilitate voting by shareholders, our constitution allows shareholders to appoint not more than two proxies to attend and vote at the general meetings. In addition, we allow persons who own our shares through corporations which provide nominee or custodial services to attend our general meetings as observers.

At general meetings, Directors as well as the external auditors are present and available to address any queries by shareholders. Minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and response from the Board are prepared and made available to shareholders upon their request.

The Board notes that there should be separate resolutions at general meetings on each substantially separate issue and will provide reasons and material implications where resolutions are interlinked. All resolutions are put to vote by poll and an announcement of the detailed results is made available via SGXNet.

FINANCIAL CONTENTS

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 2017.

In our opinion:

(a) the financial statements set up on pages 54 to 130 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 2017 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, Chief Executive Officer and Chief Financial Officer)
Lai Huen Poh	(Executive Director and Senior Managing Director, RSP)
Dr Lam Lee G	
Gary Ho Kuat Foong	
Ong Pang Liang	

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 21/1/2018
Rowsley Ltd.			
Tan Wee Tuck			
– medium term note	2(1)	2(1)	2(1)
Ng Ser Miang			
– ordinary shares	–	5,200,000(2)	5,200,000(2)
Lai Huen Poh			
– ordinary shares	156,250,000(3)	146,777,400(3)	146,777,400(3)
Ong Pang Liang			
– ordinary shares	5,000,000(4)	5,000,000(4)	5,000,000(4)

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

(2) The shares are held in the name of his spouse.

(3) The shares are held through Raffles Nominees (Pte) Ltd.

(4) The shares are held through DBS Nominees Pte Ltd.

Directors' Statement

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

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 six times during the financial year ended 31 December 2017. 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 has recommended to the Board of Directors the appointment of Ernst & Young LLP as external auditor of the Company in place of the retiring auditor, KPMG LLP, 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.

Directors' Statement

AUDITORS

The retiring auditor, KPMG LLP, will not be seeking re-appointment. Ernst & Young LLP has expressed its willingness to accept appointment as auditors.

On behalf of the Board of Directors

Tan Wee Tuck	**Lai Huen Poh**
Director	Director

26 March 2018

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 statement of financial position of the Group and the Company as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and 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 54 to 130.

In our opinion, the accompanying financial statements of the Group and 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 financial position of the Group and the Company as at 31 December 2017 and of the financial performance, changes in equity and 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.

Impairment assessment of goodwill of $49.9 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**"), Squire Mech Private Limited and its subsidiaries ("**Squire Mech Sub-Group**") and AC Consortium Pte. Ltd. ("**AC Consortium**"). These entities have been identified as separate cash generating units ("**CGUs**").

The Management has assessed the recoverable amounts of the CGUs calculated based on their value-in-use, using discounted cash flow forecasts in which the Management made judgements over certain key inputs in relation to discount rate, terminal growth rate and budgeted profit growth rate.

How the matter was addressed in our audit

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 profit growth rate against historical trends and available industry data, 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

The key assumptions used by the Management in the impairment assessment are assessed to be within the range of available industry data and comparable to historical trends, taking into consideration committed contracts.

Valuation of investment properties of $151.6 million and development properties of $143.2 million
(Refer to Notes 6,10 and 30 to the financial statements)

The key audit matter

The Management performs annual impairment review on the investment properties and development properties located in Iskandar, Johor, Malaysia, which are carried at cost less accumulated impairment losses and net realisable value respectively. The Management has assessed the recoverable amount of the investment properties and net realisable value of development properties, 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 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 within the range of available industry data.

Revenue recognition of $76.4 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.

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 $32.4 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 contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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

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

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and 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.

Independent Auditors' Report

Members of the Company

Rowsley Ltd. and its subsidiaries

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.

- 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.

Independent Auditors' Report

Members of the Company
Rowsley Ltd. and its subsidiaries

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
26 March 2018

Statements of Financial Position

As at 31 December 2017

	Note	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
Assets					
Property, plant and equipment	4	**66,359**	56,173	**123**	161
Intangible assets and goodwill	5	**59,056**	83,316	**–**	–
Investment property	6	**151,612**	148,444	**–**	–
Subsidiaries	7	**–**	–	**463,781**	507,416
Associates	8	**27,321**	26,866	**–**	–
Other investments	9	**1,940**	2,041	**–**	–
Deferred tax assets	18	**532**	548	**–**	–
Non-current assets		**306,820**	317,388	**463,904**	507,577
Development property	10	**143,152**	140,163	**–**	–
Work-in-progress	11	**32,422**	35,863	**–**	–
Inventories	12	**234**	302	**–**	–
Trade and other receivables	13	**35,638**	37,149	**4,543**	10,007
Cash and cash equivalents	14	**23,268**	37,580	**5,881**	6,644
Current assets		**234,714**	251,057	**10,424**	16,651
Total assets		**541,534**	568,445	**474,328**	524,228
Equity					
Share capital	15	**788,267**	782,967	**788,267**	782,967
Reserves	16	**(427,569)**	(377,707)	**(419,572)**	(360,848)
Equity attributable to equity holders of the Company		**360,698**	405,260	**368,695**	422,119
Non-controlling interests	17	**828**	2,140	**–**	–
Total equity		**361,526**	407,400	**368,695**	422,119
Liabilities					
Deferred tax liabilities	18	**4,372**	3,171	**20**	20
Purchase consideration payable	19	**12,842**	11,513	**–**	–
Borrowings	20	**21,175**	116,100	**–**	99,526
Non-current liabilities		**38,389**	130,784	**20**	99,546
Liabilities					
Excess of progress billings over work-in-progress	11	**5,616**	3,714	**–**	–
Trade and other payables	21	**34,324**	24,846	**5,707**	2,563
Current tax payable		**789**	706	**–**	–
Purchase consideration payable	19	**800**	–	**–**	–
Borrowings	20	**100,090**	995	**99,906**	–
Current liabilities		**141,619**	30,261	**105,613**	2,563
Total liabilities		**180,008**	161,045	**105,633**	102,109
Total equity and liabilities		**541,534**	568,445	**474,328**	524,228

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

Consolidated Statement of Comprehensive Income

Year ended 31 December 2017

	Note	Group 2017 $'000	Group 2016 $'000
Revenue	22	**93,881**	103,135
Other income		**10,227**	12,202
Staff costs		**(72,227)**	(69,250)
Operating expenses		**(49,326)**	(41,032)
Foreign exchange loss, net		**(142)**	(1,843)
Share of profit of associates, net of tax		**2,252**	789
Fair value changes in purchase consideration payable		**8,511**	8,532
Gain on remeasurement of previously held equity interest in an associate which became a subsidiary		**–**	4,338
Impairment loss on investment in available-for-sale financial assets		**(143)**	(636)
Impairment loss on goodwill on subsidiaries		**(34,343)**	(42,445)
Impairment loss on property, plant and equipment		**–**	(30,444)
Loss before interest, tax, depreciation and amortisation ("EBITDA")	23	**(41,310)**	(56,654)
Interest income		**155**	306
Finance costs	24	**(7,452)**	(7,559)
Depreciation and amortisation expenses		**(8,873)**	(13,024)
Results from operating activities		**(57,480)**	(76,931)
Tax (expense)/credit	25	**(493)**	7,108
Loss for the year		**(57,973)**	(69,823)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		**6,777**	(16,548)
Net change in fair value of available-for-sale financial assets		**(101)**	(563)
Net change in fair value of available-for-sale financial assets reclassified to profit and loss		**143**	636
Other comprehensive income for the year, net of tax		**6,819**	(16,475)
Total comprehensive income for the year		**(51,154)**	(86,298)
Loss attributable to:			
Equity holders of the Company		**(56,155)**	(63,298)
Non-controlling interests		**(1,818)**	(6,525)
Loss for the year		**(57,973)**	(69,823)
Total comprehensive income attributable to:			
Equity holders of the Company		**(49,862)**	(78,643)
Non-controlling interests		**(1,292)**	(7,655)
Total comprehensive income for the year		**(51,154)**	(86,298)
Earnings per share			
Basic loss per share (cents)	26	**(1.193)**	(1.379)
Diluted loss per share (cents)	26	**(1.193)**	(1.379)

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

Statement of Changes in Equity

Year ended 31 December 2017

	Note	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

Statement of Changes in Equity

Year ended 31 December 2017

	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
		Attributable to owners of the Company						
At 1 January 2017		**782,967**	**(72,159)**	**363**	**(305,911)**	**405,260**	**2,140**	**407,400**
Total comprehensive income for the year								
Loss for the year		–	–	–	(56,155)	(56,155)	(1,818)	(57,973)
Other comprehensive income								
Foreign currency translation differences for foreign operations		–	6,251	–	–	6,251	526	6,777
Net change in fair value of available-for-sale financial assets		–	–	(101)	–	(101)	–	(101)
Changes in fair value of available-for-sale financial assets reclassified to profit or loss		–	–	143	–	143	–	143
Total comprehensive income for the year		–	6,251	42	(56,155)	(49,862)	(1,292)	(51,154)
Transactions with owners, recorded directly in equity								
Contribution by and distribution to owners								
Issuance of ordinary shares	15	5,360	–	–	–	5,360	–	5,360
Issue costs		(60)	–	–	–	(60)	–	(60)
Total contribution by and distribution to owners		5,300	–	–	–	5,300	–	5,300
Changes in ownership interests in subsidiaries								
Acquisition of subsidiaries with non-controlling interests	32	–	–	–	–	–	(20)	(20)
Total changes in ownership interests in subsidiaries		–	–	–	–	–	(20)	(20)
Total transactions with owners		5,300	–	–	–	5,300	(20)	5,280
At 31 December 2017		**788,267**	**(65,908)**	**405**	**(362,066)**	**360,698**	**828**	**361,526**

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

Consolidated Statement of Cash Flows

Year ended 31 December 2017

	Note	Group 2017 $'000	Group 2016 $'000
Cash flows from operating activities			
Loss for the year		**(57,973)**	(69,823)
Adjustments for:			
Amortisation of intangible assets		**4,932**	8,330
Acquisition expenses arising from proposed acquisition		**6,582**	–
Depreciation of property, plant and equipment		**3,941**	4,694
Fair value changes in purchase consideration payable		**(8,511)**	(8,532)
Finance costs		**7,452**	7,559
Gain on disposal of available-for-sale financial assets		**–**	(32)
(Gain)/Loss on disposal of property, plant and equipment		**(13)**	61
Gain on remeasurement of previously held equity interest in an associate which became a subsidiary		**–**	(4,338)
Impairment loss on available-for-sale financial assets		**143**	636
Impairment loss on goodwill on subsidiaries		**34,343**	42,445
Impairment loss on property, plant and equipment		**–**	30,444
Impairment loss on trade and other receivables		**2,295**	971
Interest income		**(155)**	(306)
Property, plant and equipment written off		**1,399**	–
Reversal of allowance for foreseeable losses		**(436)**	(1,180)
Reversal of impairment loss on trade and other receivables		**(150)**	(347)
Share of profit of associates, net of tax		**(2,252)**	(789)
Tax expense/(credit)		**493**	(7,108)
Unrealised foreign exchange (gain)/loss		**(72)**	1,665
Operating (loss)/profit before working capital changes		**(7,982)**	4,350
Changes in working capital:			
Inventories		**68**	(65)
Work-in-progress		**3,877**	6,571
Trade and other receivables		**1,302**	2,522
Trade and other payables		**5,383**	(2,759)
Progress billings		**1,902**	(42)
Cash generated from operations		**4,550**	10,577
Interest received		**155**	307
Tax paid		**(1,029)**	(3,220)
Net cash generated from operating activities		**3,676**	7,664

Consolidated Statement of Cash Flows

Year ended 31 December 2017

	Note	Group 2017 $'000	2016 $'000
Cash flows from investing activities			
Additions to investment in associate		**(70)**	–
Additions to property, plant and equipment		**(14,155)**	(2,434)
Changes in fixed deposits		**1,290**	(1,384)
Dividends received		**2,873**	1,746
Expenditure on investment property		**(3)**	(739)
Payments made on acquisition expenses arising from proposed acquisition		**(3,404)**	–
Net cash inflows on acquisition of subsidiaries	32	**877**	3,290
Net proceeds from disposal of available-for-sale financial assets		**–**	32
Proceeds from disposal of property, plant and equipment		**13**	248
Net cash (used in)/generated from investing activities		**(12,579)**	759
Cash flows from financing activities			
Interest paid		**(7,452)**	(7,203)
Proceeds from borrowings		**3,707**	–
Repayment of borrowings		**–**	(994)
Expenditure from issuance of ordinary shares		**(60)**	(30)
Net cash used in financing activities		**(3,805)**	(8,227)
Net (decrease)/increase in cash and cash equivalents		**(12,708)**	196
Cash and cash equivalents at beginning of the year		**32,929**	34,059
Effect of exchange rate fluctuation on cash held		**(314)**	(1,326)
Cash and cash equivalents at end of the year	14	**19,907**	32,929

Significant non-cash items

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

(i) 8,000,000 ordinary shares to the vendors of Ariva Pte Ltd ("Ariva"), representing an initial consideration issued upon completion of the acquisition of the entire issued and paid up share capital of Ariva on 28 February 2017; and

(ii) 60,773,480 ordinary shares to the vendors of AC Consortium Pte Ltd ("AC Consortium"), representing an initial consideration issued upon completion of the acquisition of the entire issued and paid up share capital of AC Consortium on 30 June 2017.

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

(i) 250,000,000 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 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

Year ended 31 December 2017

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 26 March 2018.

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 at 1 Kallang Junction, #03-01, Singapore 339263.

The financial statements of the Group as at and for the year ended 31 December 2017 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 the 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:

Note 5	–	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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (Cont'd)

(i) Business combinations (cont'd)

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 translated 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 translated 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 translation 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (Cont'd)

(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) Customer contract

Customer contract, which was acquired by the Group, comprises contracts pertaining to the Group's right 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Intangible assets and goodwill (Cont'd)

(iv) 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.

Customer contract

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of 10 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Investment property (Cont'd)

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (Cont'd)

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Impairment (Cont'd)

(i) Non-derivative financial assets (Cont'd)

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Impairment (Cont'd)

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Employee benefits (Cont'd)

(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, civil and structural engineering, master planning, and mechanical and engineering 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue (Cont'd)

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Tax (Cont'd)

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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 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
At 1 January 2017		85,165	1,324	4,393	18	2,281	115	213	93,509
Additions		9,667	747	578	–	3,160	3	–	14,155
Acquisitions through business combinations	32	–	–	2	–	–	4	–	6
Disposals/Written offs		–	(415)	(226)	–	(1,624)	–	(34)	(2,299)
Reclassifications		(642)	–	(69)	–	(2)	713	–	–
Translation difference		1,419	(25)	(69)	–	(43)	2	(5)	1,279
At 31 December 2017		**95,609**	**1,631**	**4,609**	**18**	**3,772**	**837**	**174**	**106,650**
Accumulated depreciation and impairment loss									
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)
Reclassifications		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
At 1 January 2017		33,843	391	2,148	7	914	33	–	37,336
Depreciation for the year		2,456	230	871	4	326	12	42	3,941
Disposals/Written offs		–	(46)	(159)	–	(661)	–	(34)	(900)
Reclassifications		(271)	301	(30)	–	–	–	–	–
Translation difference		29	(23)	(56)	–	(34)	1	(3)	(86)
At 31 December 2017		**36,057**	**853**	**2,774**	**11**	**545**	**46**	**5**	**40,291**
Carrying amounts									
At 1 January 2016		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
At 31 December 2017		**59,552**	**778**	**1,835**	**7**	**3,227**	**791**	**169**	**66,359**

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Furniture and fittings $'000	Computers $'000	Office equipment $'000	Renovation $'000	Motor vehicles $'000	Total $'000
Company						
Cost						
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
At 1 January 2017	9	162	10	–	136	317
Additions	–	13	–	–	–	13
Disposals/Written offs	(6)	(9)	(1)	–	–	(16)
At 31 December 2017	**3**	**166**	**9**	**–**	**136**	**314**
Accumulated depreciation						
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
At 1 January 2017	4	131	2	–	19	156
Depreciation for the year	2	27	2	–	18	49
Disposals/Written offs	(5)	(9)	–	–	–	(14)
At 31 December 2017	**1**	**149**	**4**	**–**	**37**	**191**
Carrying amounts						
At 1 January 2016	13	78	29	1	158	279
At 31 December 2016	5	31	8	–	117	161
At 31 December 2017	**2**	**17**	**5**	**–**	**99**	**123**

As at 31 December 2017, buildings with carrying amounts of $57,152,000 (2016: $42,077,000) were pledged as security for credit facilities.

5. INTANGIBLE ASSETS AND GOODWILL

	Note	Management consultancy agreement $'000	Order backlog $'000	Customer contracts $'000	Goodwill $'000	Total $'000
Cost						
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
At 1 January 2017		–	25,524	–	352,619	378,143
Acquisitions through business combination	32	–	–	9,634	5,322	14,956
Translation difference		–	–	–	59	59
At 31 December 2017		**–**	**25,524**	**9,634**	**358,000**	**393,158**
Accumulated amortisation and impairment loss						
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
At 1 January 2017		–	21,081	–	273,746	294,827
Amortisation for the year		–	1,698	3,234	–	4,932
Impairment loss		–	–	–	34,343	34,343
At 31 December 2017		**–**	**22,779**	**3,234**	**308,089**	**334,102**
Carrying amounts						
At 1 January 2016		6,359	2,493	–	108,265	117,117
At 31 December 2016		–	4,443	–	78,873	83,316
At 31 December 2017		**–**	**2,745**	**6,400**	**49,911**	**59,056**

Impairment test

Impairment loss of $20,000,000 (2016: $37,579,000) was recognised in relation to RSP and its subsidiaries ("**RSP Sub-Group**") CGU following the Group's goodwill impairment testing. Based on the Group's assessment, the carrying amount of RSP Sub-Group CGU was determined to be $20,000,000 (2016: $37,579,000) higher than its recoverable amount. The impairment loss was fully allocated to goodwill.

Impairment loss of $4,707,000 (2016: $4,866,000) 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 Group's assessment, the carrying amount of GGC Sub-Group CGU was determined to be $4,707,000 (2016: $4,866,000) higher than its recoverable amount. The impairment loss was fully allocated to goodwill.

5. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Impairment loss of $9,636,000 (2016: $Nil) was recognised in relation to Squire Mech Private Limited and its subsidiaries ("**Squire Mech Sub-Group**") CGU following the Group's goodwill impairment testing. Based on the assessment, the carrying amount of Squire Mech Sub-Group CGU was determined to be $9,636,000 (2016: $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:

	2017 $'000	2016 $'000
Cost		
RSP Sub-Group	**328,336**	328,336
GGC Sub-Group	**9,573**	9,514
Squire Mech Sub-Group	**14,769**	14,769
AC Consortium Pte Ltd ("**AC Consortium**")	**5,322**	–
	358,000	352,619

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 based on historical trends and available industry data from both external and internal sources.

	RSP Sub-Group %	GGC Sub-Group %	Squire Mech Sub-Group %	AC Consortium %
2017				
Forecast period (years)	**3**	**3**	**3**	**3**
Discount rate	**11.9**	**10.6**	**11.7**	**11.7**
Terminal growth rate	**2.4**	**2.0**	**2.0**	**2.0**
Budgeted profit growth rate	**45.0**	**–**	**–**	**–**
2016				
Forecast period (years)	3	5	3	–
Discount rate	12.0	10.5	11.6	–
Terminal growth rate	2.0	2.0	2.3	–
Budgeted profit growth rate	28.0	3.0	–	–

5. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

(i) Discount rate

The discount rate was a post-tax measure estimated based on historical 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 budgeted profit which management believed was consistent with the assumption that a market participant would make.

(iii) Budgeted profit growth

Budgeted profit is expressed as the compound annual growth rates in the initial forecast period of the plans used for impairment testing and was based on historical trends and available industry data.

Following the impairment loss recognised in the goodwill relating to RSP Sub-Group and Squire Mech 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 AC Consortium CGU exceeded its carrying amount by approximately $2,999,000. 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 2017 %
Discount rate	**15.8**
Terminal growth rate	**(3.8)**

6. INVESTMENT PROPERTY

	Group 2017 $'000	Group 2016 $'000
Cost		
At 1 January	**159,882**	162,602
Additions	**3**	739
Reversal	**(62)**	–
Translation difference	**3,476**	(3,459)
At 31 December	**163,299**	159,882
Accumulated impairment losses		
At 1 January	**11,438**	11,686
Translation difference	**249**	(248)
At 31 December	**11,687**	11,438
Carrying amounts		
At 31 December	**151,612**	148,444
Fair value		
At 31 December	**151,612**	148,444

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 investment property portion accounts for 51.31% of the total land area.

Impairment loss

Management estimated the recoverable amount of the Land based on fair value 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 2017 $'000	Company 2016 $'000
Unquoted shares, at cost	**443,617**	443,617
Loans to subsidiaries	**443,698**	443,211
Less: Impairment losses	**(423,534)**	(379,412)
	463,781	507,416

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 and GGC using the value-in-use approach. Based on the assessment, additional impairment losses of $44,122,000 (2016: $53,103,000) was recognised in the financial statements.

7. SUBSIDIARIES (CONT'D)

Details of significant subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation	Effective equity interest held by the Group 2017 %	2016 %
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
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**	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**	50
Ariva Pte. Ltd.(3)#	Hotel management and consultancy	Singapore	**100**	–
AC Consortium Pte Ltd (3)#	Architects	Singapore	**100**	–

(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	
	2017	2016
	$'000	$'000
Investments in associates	**27,321**	26,866

Associates

At the reporting date, the Group has one (2016: one) associate that is material and six (2016: three) associates that are not material to the group. All are equity accounted.

Details of material associates as at 31 December 2017 are as follows:

Name of associates	Principal activities	Place of incorporation	Effective equity interest held by the Group	
			2017	2016
			%	%
RSP Design Consultants (India) Private Ltd [1] (“**RSP India**”)	Design consultancy	India	**34.72**	34.72

The Group’s associates are not listed.

(1) Audited by member firm of KPMG International.

8. ASSOCIATES (CONT'D)

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.

	RSP India $'000	Immaterial associates[a] $'000	Total $'000
2017			
Revenue	**25,328**		
Profit after tax	**8,086**		
Other comprehensive income	**–**		
Total comprehensive income	**8,086**		
Attributable to investee's shareholders	**8,086**		
Non-current assets	**4,443**		
Current assets	**29,757**		
Non-current liabilities	**(45)**		
Current liabilities	**(3,693)**		
Net assets	**30,462**		
Attributable to investee's shareholders	**30,462**		
Group's interest in net assets of investee at beginning of the year	**21,360**	**5,506**	**26,866**
Acquired during the year	**–**	**1,081**	**1,081**
Group's share of:			
– profit after tax	**2,808**	**481**	**3,289**
– other comprehensive income	**–**	**–**	**–**
– total comprehensive income	**2,808**	**481**	**3,289**
Amortisation of intangible assets	**(1,037)**	**–**	**(1,037)**
Dividend received during the year	**(2,873)**	**–**	**(2,873)**
Foreign currency translation differences	**–**	**(5)**	**(5)**
Carrying amount of interest in investee at end of the year	**20,258**	**7,063**	**27,321**

8. ASSOCIATES (CONT'D)

	RSP India $'000	Squire Mech[b] $'000	Immaterial associates[a] $'000	Total $'000
2016				
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

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 $9,378,000 (2016: $9,349,000), of which $29,000 (2016: $84,000) was the share of current year's losses. The Group has no obligation in respect of these losses.

b) 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.

9. OTHER INVESTMENTS

	Group 2017 $'000	Group 2016 $'000
Available-for-sale financial assets		
Quoted available-for-sale equity investments	**1,940**	2,041

Impairment losses

During the financial year, an impairment loss of $143,000 (2016: $636,000) 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 2017 $'000	Group 2016 $'000
Cost		
At 1 January	**151,016**	155,068
Reversal	**(58)**	–
Translation difference	**3,283**	(4,052)
At 31 December	**154,241**	151,016
Accumulated loss		
At 1 January	**10,853**	11,858
Translation difference	**236**	(1,005)
At 31 December	**11,089**	10,853
Carrying amount		
At 31 December	**143,152**	140,163

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 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 2017 $'000	Group 2016 $'000
Work-in-progress, at cost	**311,539**	260,861
Attributable profits	**91,011**	86,334
	402,550	347,195
Allowance for foreseeable losses	**(2,935)**	(3,375)
	399,615	343,820
Progress payments received and receivable	**(372,809)**	(311,671)
	26,806	32,149
Represented by:		
– Work-in-progress	**32,422**	35,863
– Excess of progress billings over work-in-progress	**(5,616)**	(3,714)
	26,806	32,149

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 2017 $'000	Group 2016 $'000
Food and beverage consumables	**234**	302

In 2017, $5,943,000 (2016: $3,217,000) of inventories were recognised as an expense during the year and included in operating expenses.

13. TRADE AND OTHER RECEIVABLES

	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
Trade receivables	**27,937**	30,893	**–**	–
Less: Accumulated impairment losses	**(2,784)**	(628)	**–**	–
	25,153	30,265	**–**	–
Amounts due from:				
– subsidiaries (non-trade)	**–**	–	**39,814**	32,639
Less: Accumulated impairment losses	**–**	–	**(37,082)**	(23,012)
	–	–	**2,732**	9,627
Deposits paid to:				
– affiliates	**821**	1,058	**689**	–
– third parties	**1,650**	528	**–**	57
Management consultancy fee receivable	**1,228**	1,266	**–**	–
Other receivables	**3,688**	2,574	**75**	19
	7,387	5,426	**764**	76
Loans and receivables	**32,540**	35,691	**3,496**	9,703
Prepayments	**3,098**	1,458	**1,047**	304
	35,638	37,149	**4,543**	10,007

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 2017 $'000	Impairment losses 2017 $'000	Gross 2016 $'000	Impairment losses 2016 $'000	Gross 2017 $'000	Impairment losses 2017 $'000	Gross 2016 $'000	Impairment losses 2016 $'000
Not past due	**16,642**	**–**	18,357	–	**40,578**	**37,082**	32,715	23,012
Past due 0 – 30 days	**5,732**	**–**	7,930	87	**–**	**–**	–	–
Past due 31 – 90 days	**2,608**	**–**	2,968	157	**–**	**–**	–	–
More than 91 days	**10,342**	**2,784**	7,064	384	**–**	**–**	–	–
	35,324	**2,784**	36,319	628	**40,578**	**37,082**	32,715	23,012

13. TRADE AND OTHER RECEIVABLES (CONT'D)

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

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	**628**	120	**23,012**	23,012
Acquisition through business combinations	**36**	406	**–**	–
Impairment loss recognised	**2,295**	971	**14,070**	–
Impairment loss reversed	**(150)**	(347)	**–**	–
Written-off	**–**	(558)	**–**	–
Translation difference	**(25)**	36	**–**	–
At 31 December	**2,784**	628	**37,082**	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	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank and in hand	**17,373**	30,527	**2,520**	3,329
Short-term deposits	**5,895**	7,053	**3,361**	3,315
	23,268	37,580	**5,881**	6,644
Fixed deposits with maturities of more than 3 months	**–**	(1,336)	**–**	–
Restricted cash	**(3,361)**	(3,315)	**(3,361)**	(3,315)
Cash and cash equivalents in the consolidated statement of cash flows	**19,907**	32,929	**2,520**	3,329

The weighted average effective interest rate per annum relating to the fixed deposits during the year for the Group is 1.92% (2016: 2.10%). Interest rates reprice monthly.

15. SHARE CAPITAL

	2017 No. of shares '000	2016 No. of shares '000
Company		
Fully paid ordinary shares, with no par value		
In issue at beginning of the year	**4,669,644**	4,383,242
Issued as settlement of contingent consideration liability	**–**	250,000
Issued as initial consideration upon completion of the acquisitions of:		
– Squire Mech Private Limited ("**Squire Mech**")	**–**	36,400
– Ariva Pte Ltd ("**Ariva**")	**8,000**	–
– AC Consortium Pte Ltd ("**AC Consortium**")	**60,773**	–
Exercise of warrants	**–**	2
In issue at end of the year	**4,738,417**	4,669,644

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) 8,000,000 ordinary shares to the vendors of Ariva, representing an initial consideration issued upon completion of the acquisition of the entire issued and paid up share capital of Ariva; and

(b) 60,773,480 ordinary shares to the vendors of AC Consortium, representing an initial consideration issued upon completion of the acquisition of the entire issued and paid up share capital of AC Consortium.

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

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

(b) 36,400,000 ordinary shares to the vendors of 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; and

(c) 2,000 ordinary 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	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Accumulated losses	**(362,066)**	(305,911)	**(419,572)**	(360,848)
Foreign currency translation reserve	**(65,908)**	(72,159)	**–**	–
Fair value reserve	**405**	363	**–**	–
	(427,569)	(377,707)	**(419,572)**	(360,848)

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	
			2017	2016
			%	%
Old Trafford Supporters Club Limited	Hotel operations	United Kingdom	**25**	25
Finestday Limited	Hotel operations	United Kingdom	**50**	50

17. NON-CONTROLLING INTERESTS (CONT'D)

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
2017				
Revenue	**14,441**	**–**		
Loss after tax	**(3,212)**	**(24)**		
Other comprehensive income	**569**	**54**		
Total comprehensive income	**(2,643)**	**30**		
Attributable to NCI:				
– Loss after tax	**(803)**	**(12)**	**(1,003)**	**(1,818)**
– Other comprehensive income	**142**	**27**	**357**	**526**
– Total comprehensive income	**(661)**	**15**	**(646)**	**(1,292)**
Non-current assets	**42,704**	**15,993**		
Current assets	**1,050**	**625**		
Non-current liabilities	**(19,919)**	**(3,347)**		
Current liabilities	**(24,592)**	**(8,998)**		
Net assets	**(757)**	**4,273**		
Net assets/(liabilities) attributable to NCI	**(189)**	**2,137**	**(1,120)**	**828**
Cash flows (used in)/from operating activities	**(367)**	**1,090**		
Cash flows used in investing activities	**(791)**	**(9,476)**		
Cash flows (used in)/from financing activities	**(326)**	**3,462**		
Net decrease in cash and cash equivalents	**(1,484)**	**(4,924)**		

17. NON-CONTROLLING INTERESTS (CONT'D)

	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	(4,775)	–		
Total comprehensive income	(29,814)	(2)		
Attributable to NCI:				
– Loss after tax	(6,260)	(1)	(264)	(6,525)
– OCI	(1,193)	–	63	(1,130)
– Total comprehensive income	(7,453)	(1)	(201)	(7,655)
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		

18 DEFERRED TAX ASSETS AND LIABILITIES

Movement in temporary differences during the year

	At 1 January 2016 $'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	Recognised in profit or loss (Note 25) $'000	Recognised in equity $'000	Acquisitions through business combinations (Note 32) $'000	At 31 December 2017 $'000
Group									
Deferred tax assets									
Tax losses	549	64	(84)	19	548	–	(16)	–	532
Deferred tax liabilities									
Property, plant and equipment	(10,245)	6,303	1,539	(4)	(2,407)	198	(163)	–	(2,372)
Intangible assets	(1,525)	1,458	–	(764)	(831)	464	–	(1,697)	(2,064)
Other provisions	(301)	368	–	–	67	(3)	–	–	64
	(12,071)	8,129	1,539	(768)	(3,171)	659	(163)	(1,697)	(4,372)
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	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Deferred tax assets	**532**	548	**–**	–
Deferred tax liabilities	**(4,372)**	(3,171)	**(20)**	(20)

Unrecognised deferred tax assets

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

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Tax losses and unutilised donations	**19,619**	13,098	**2,518**	2,799

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	
	2017	**2016**
	$'000	**$'000**
Non-current liabilities		
AC Consortium Vendors	**3,600**	–
Ariva Vendors	**6,648**	–
Squire Mech Vendors	**2,594**	11,513
	12,842	11,513
Current liabilities		
Ariva Vendors	**800**	–
	800	–
	13,642	11,513

AC Consortium Vendors

The contingent consideration liability arose from the acquisition of AC Consortium Pte Ltd ("**AC Consortium**"), through RSP Architects Planners & Engineers (Pte) Ltd ("**RSP**") for a total consideration of $8,000,000, to be satisfied by way of allotment and issuance of equivalent number of ordinary shares based on the market price of the settlement date. An initial consideration of 60,773,480 ordinary shares was issued to AC Consortium Vendors upon completion of the acquisition of AC Consortium on 30 June 2017. The remaining consideration shall be payable subject to the terms and conditions set out in the sale and purchase agreement, which include the achievement of earn-out targets.

Ariva Vendors

The contingent consideration liability arose from the acquisition of Ariva Pte Ltd ("**Ariva**"), through Rowsley Hospitality Holdings Pte. Ltd. for a total consideration of $9,000,000, to be satisfied by way of cash payments of $2,600,000 and allotment and issuance of 53,333,333 ordinary shares. An initial consideration, which comprised cash payments of $1,000,000 together 8,000,000 ordinary shares were issued to Ariva Vendors upon completion of the acquisition of Ariva on 28 February 2017. The remaining consideration shall be payable subject to the terms and condition set out in the sale and purchase agreement, which include the achievement of earn-out targets.

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 Private Limited ("**Squire Mech**") through 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 consideration shall be payable subject to the terms and conditions set out in the sale and purchase agreement, which include the achievement of earn-out targets.

20 BORROWINGS

	Group		Company	
	2017	**2016**	**2017**	**2016**
	$'000	**$'000**	**$'000**	**$'000**
Non-current				
Secured bank loans	**21,175**	16,574	**–**	–
Unsecured notes	**–**	99,526	**–**	99,526
	21,175	116,100	**–**	99,526
Current				
Secured bank loans	**184**	995	**–**	–
Unsecured notes	**99,906**	–	**99,906**	–
	100,090	995	**99,906**	–
	121,265	117,095	**99,906**	99,526

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
31 December 2017				
Secured bank loans	**GBP**	**2.30% + Libor - 2.70% + Libor**	**2021 – 2022**	**21,359**
Unsecured notes	**SGD**	**6.50**	**2018**	**99,906**
				121,265
31 December 2016				
Secured bank loans	GBP	3% + Libor	2019	17,569
Unsecured notes	SGD	6.50	2018	99,526
				117,095

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.

The secured bank loans are secured by legal charges over certain buildings of subsidiaries.

20 BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Borrowings $'000	Share capital $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Accumulated losses $'000	Non-controlling interests $'000	Total $'000
As at 1 January 2017	117,095	782,967	(72,159)	363	(305,911)	2,140	524,495
Changes from financing cash flows							
– Interest paid	(7,452)	–	–	–	–	–	(7,452)
– Proceeds from borrowings	3,707	–	–	–	–	–	3,707
– Expenditure from issuance of ordinary shares	–	(60)	–	–	–	–	(60)
Total changes from financing cash flows	(3,745)	(60)	–	–	–	–	(3,805)
Changes arising from acquisition of subsidiaries	–	5,360	–	–	–	(20)	5,340
Effect of changes in foreign exchange rates	463	–	6,251	–	–	526	7,240
Changes in fair value of available-for-sale financial assets	–	–	–	42	–	–	42
Other changes (liabilities-related)							
– Interest expense incurred	7,452	–	–	–	–	–	7,452
Total equity-related other changes							
– Loss for the year	–	–	–	–	(56,155)	(1,818)	(57,973)
As at 31 December 2017	121,265	788,267	(65,908)	405	(362,066)	828	482,791

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Trade payables	**12,740**	5,716	**–**	–
Accrued operating expenses	**13,479**	9,656	**3,952**	821
Accrued interest	**1,692**	1,692	**1,692**	1,692
Amounts due to non-controlling shareholders of a subsidiary	**2,163**	3,904	**–**	–
Amounts due to directors	**896**	650	**–**	–
Amounts due to companies in which directors have a substantial interest	**–**	35	**–**	–
Other payables	**3,354**	3,193	**63**	50
	34,324	24,846	**5,707**	2,563

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

22. REVENUE

Revenue comprises:

	Group	
	2017	2016
	$'000	$'000
Architectural services	**48,810**	60,379
Civil and structural engineering services	**8,871**	14,524
Master planning services	**6,007**	6,459
Mechanical and engineering services	**12,691**	5,476
Food and beverage	**9,045**	8,668
Room sales	**7,654**	7,629
Others	**803**	–
	93,881	103,135

23. LOSS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION ("EBITDA")

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

	Note	Group 2017 $'000	Group 2016 $'000
Audit fees paid to auditors:			
– Auditors of the Company		**333**	432
– Other auditors		**172**	78
Professional fees		**285**	608
Operating lease expenses		**6,376**	5,913
Project expenses		**16,756**	15,312
Staff costs:			
– Wages, salaries and bonuses		**63,850**	63,109
– Contributions to defined contribution plans		**5,377**	5,325
– Others		**3,000**	816
Gain on disposal of available-for-sale financial assets		**–**	(32)
Management consultancy fee		**(1,057)**	(1,145)
Reversal of allowances for foreseeable losses		**(436)**	(1,180)
Wages reimbursed from customers		**(7,755)**	(9,130)

24. FINANCE COSTS

	Group 2017 $'000	Group 2016 $'000
Borrowings	**7,452**	7,559

25. TAX EXPENSE/(CREDIT)

	Group 2017 $'000	Group 2016 $'000
Current tax expense		
– Current year	**814**	1,091
– Under/(Over) provision in prior years	**338**	(6)
	1,152	1,085
Deferred tax credit		
– Movements in temporary differences	**(659)**	(8,212)
– Under provision in prior years	**–**	19
	(659)	(8,193)
	493	(7,108)

25. TAX EXPENSE/(CREDIT) (CONT'D)

Reconciliation of effective tax rate

	Group	
	2017	**2016**
	$'000	**$'000**
Loss before tax	**(57,480)**	(76,931)
Tax calculated at 17% (2016: 17%)	**(9,771)**	(13,078)
Expenses not deductible for tax purposes	**10,508**	10,774
Income not subject to tax	**(2,011)**	(3,399)
Effects of tax rates in foreign jurisdiction	**208**	(768)
Effects of share of results of associates, presented net of tax	**(383)**	(134)
Tax exempt income	**–**	(26)
Tax incentives	**(142)**	(639)
Current year losses for which no deferred tax asset was recognised	**1,724**	149
Under provision in prior years	**338**	13
Others	**22**	–
	493	(7,108)

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. There 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 2017 was based on the loss attributable to ordinary shareholders of $56,155,000 (2016: $63,298,000), and a weighted average number of ordinary shares outstanding of 4,707,175,695 (2016: 4,591,466,461), calculated as follows:

Loss attributable to ordinary shareholders:

	Group	
	2017	**2016**
	$'000	**$'000**
Loss attributable to ordinary shareholders for basic earnings per share	**(56,155)**	(63,298)

26. EARNINGS PER SHARE (CONT'D)

Weighted average number of ordinary shares

	Group	
	2017	2016
	'000	'000
Issued ordinary shares at beginning of the year	**4,669,644**	4,383,242
Effect of shares issued	**37,532**	208,224
Weighted average number of ordinary shares during the year	**4,707,176**	4,591,466

Diluted loss per share

The diluted loss per share for 2017 and 2016 is the same as the basic loss per share as the warrants issued by the Company had expired during the year ended 31 December 2016.

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	
	2017	2016
	$'000	$'000
Short-term employment benefits	**5,088**	3,507
Post-employment benefits	**105**	81
	5,193	3,588

27. RELATED PARTY TRANSACTIONS (CONT'D)

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	
	2017	**2016**
	$'000	**$'000**
With affiliates:		
Rental paid/payable	**(3,891)**	(4,163)
Advanced rental deposits paid/payable	**(689)**	–
Rental deposits paid/payable	**(689)**	–
Consultancy fees paid/payable	**(7)**	(10)
With associates:		
Dividends received	**2,873**	1,746
Management consultancy fees received/receivable	**1,057**	1,145
Consultancy fees received/receivable	**31**	206
Consultancy fees paid/payable	**(7)**	(68)
With key management personnel:		
Issue of earn-out shares	**–**	35,405
Rental of office	**–**	(68)
With controlling shareholder:		
Hotel apartment rental fee	**881**	902
Consultancy fees received/receivable	**–**	4,455
Rental received/receivable	**26**	13

28. CONTINGENT LIABILITIES

(i) 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 a condominium. During the current financial year, RSP Sub-Group came to a full and final settlement for the said claim.

(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.

28. CONTINGENT LIABILITIES (CONT'D)

(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	
	2017	2016
	$'000	$'000
Performance guarantees	–	63
Bank guarantees	–	57
Performance bonds	–	456

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	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Payable:				
– Within 1 year	**4,212**	5,931	**92**	8
– After 1 year but within 5 years	**13,798**	2,959	**365**	17
– After 5 years	**15,395**	3,869	**378**	–
	33,405	12,759	**835**	25

(b) Capital commitments

(i) At reporting date, the Group has the following capital expenditures contracted but not provided for in the financial statements:

	Group	
	2017	2016
	$'000	$'000
Property, plant and equipment	**9,173**	–

29. COMMITMENTS (CONT'D)

(b) Capital commitments (Cont'd)

(ii) 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 $71.96 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 2017, the above acquisition has not been completed.

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.

30. FINANCIAL RISK MANAGEMENT (CONT'D)

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 2017				
Non-derivative financial liabilities				
Trade and other payables	**34,324**	**(34,324)**	**–**	**(34,324)**
Purchase consideration payable*	**13,642**	**(800)**	**(800)**	**(1,600)**
Borrowings	**121,265**	**(102,422)**	**(23,451)**	**(125,873)**
	169,231	**(137,546)**	**(24,251)**	**(161,797)**
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)
Company				
31 December 2017				
Non-derivative financial liabilities				
Trade and other payables	**5,707**	**(5,707)**	**–**	**(5,707)**
Borrowings	**99,906**	**(101,478)**	**–**	**(101,478)**
	105,613	**(107,185)**	**–**	**(107,185)**
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)

* The Group's obligation under the Sale and Purchase Agreement with the Squire Mech Vendors, Ariva Vendors and AC Consortium Vendors (2016: vendors of Squire Mech Vendors) (See Note 19) is to issue ordinary shares of the Company for settlement of purchase consideration, except for a remaining cash payment of $1,600,000 (2016: $Nil) payable to Ariva Vendors.

30. FINANCIAL RISK MANAGEMENT (CONT'D)

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**"), Emirates Dirham ("**AED**") and Sterling Pound ("**Pound**").

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	Pound $'000
Group					
31 December 2017					
Trade and other receivables	**886**	**2,213**	**5,074**	**7,800**	**5,032**
Trade and other payables	**(511)**	**(852)**	**(896)**	**(4,585)**	**(12,194)**
	375	**1,361**	**4,178**	**3,215**	**(7,162)**
31 December 2016					
Trade and other receivables	3,142	3,021	4,781	6,445	3,308
Trade and other payables	(569)	(3,139)	(787)	(4,667)	(8,196)
	2,573	(118)	3,994	1,778	(4,888)

Company

The Company is not exposed to significant foreign currency risks as at 31 December 2017 and 31 December 2016.

30. FINANCIAL RISK MANAGEMENT (CONT'D)

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 2016.

	Loss before tax	
	2017	**2016**
	$'000	**$'000**
Group		
USD	**38**	257
MYR	**136**	(12)
RMB	**418**	399
AED	**321**	178
Pound	**(716)**	(489)
	197	333

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

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Group				
31 December 2017				
Available-for-sale equity securities	**1,940**	**–**	**–**	**1,940**
Purchase consideration payable	**–**	**–**	**(13,642)**	**(13,642)**
31 December 2016				
Available-for-sale equity securities	2,041	–	–	2,041
Purchase consideration payable	–	–	(11,513)	(11,513)

30. FINANCIAL RISK MANAGEMENT (CONT'D)

Fair value hierarchy (Cont'd)

Financial assets and liabilities carried at fair value (Cont'd)

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

	2017 $'000	2016 $'000
Group		
At 1 January	**(11,513)**	(45,500)
Acquisitions through business combinations	**(17,000)**	(15,340)
Settlement of contingent consideration liability	**6,360**	40,795
Total unrealised gains recognised in profit or loss	**8,511**	8,532
At 31 December	**(13,642)**	(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
2017			
Purchase consideration payable	The fair value is determined considering the probability of AC Consortium, Ariva Sub-Group and 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 $0.129 • Actual revenue • Actual net operating profit after tax ("**NOPAT**")	The estimated fair value would increase if the share price was higher.
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 revenue • Actual net operating profit after tax ("**NOPAT**")	The estimated fair value would increase if the share price was higher.

30. FINANCIAL RISK MANAGEMENT (CONT'D)

Fair value hierarchy (Cont'd)

Financial assets and liabilities carried at fair value (Cont'd)

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.

	2017		2016	
	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%**	**(84)**	1%	(115)
	(1%)	**84**	(1%)	115

Key unobservable inputs

Purchase consideration payables as at the reporting date was determined with actual financial result of AC Consortium, Ariva Sub-Group and Squire Mech Sub-Group (2016: Squire Mech Sub-Group) and closing share price of $0.129 (2016: $0.123).

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 2017				
Investment property	**–**	**–**	**151,612**	**151,612**
31 December 2016				
Investment property	–	–	148,444	148,444

The fair value of investment property as at 31 December 2017 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.

30. FINANCIAL RISK MANAGEMENT (CONT'D)

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 $296 (2016: $290)	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 2017						
Available-for-sale equity securities	9	**–**	**1,940**	**–**	**–**	**1,940**
Trade and other receivables#	13	**32,540**	**–**	**–**	**–**	**32,540**
Cash and cash equivalents	14	**23,268**	**–**	**–**	**–**	**23,268**
		55,808	**1,940**	**–**	**–**	**57,748**
Purchase consideration payable	19	**–**	**–**	**–**	**(13,642)**	**(13,642)**
Borrowings	20	**–**	**–**	**(121,265)**	**–**	**(121,265)**
Trade and other payables	21	**–**	**–**	**(34,324)**	**–**	**(34,324)**
		–	**–**	**(155,589)**	**(13,642)**	**(169,231)**
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)

30. FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments (Cont'd)

	Note	Loans and receivables $'000	Available-for-sale $'000	Liabilities at amortised cost $'000	Fair value through profit and loss $'000	Total $'000
Company						
31 December 2017						
Trade and other receivables#	13	**3,496**	**–**	**–**	**–**	**3,496**
Cash and cash equivalents	14	**5,881**	**–**	**–**	**–**	**5,881**
		9,377	**–**	**–**	**–**	**9,377**
Borrowings	20	**–**	**–**	**(99,906)**	**–**	**(99,906)**
Trade and other payables	21	**–**	**–**	**(5,707)**	**–**	**(5,707)**
		–	**–**	**(105,613)**	**–**	**(105,613)**
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)

\# 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.

30. FINANCIAL RISK MANAGEMENT (CONT'D)

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 AC Consortium, Ariva Sub-Group and Squire Mech Sub-Group (2016: 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.

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	
	2017	**2016**
	$'000	**$'000**
Quoted available-for-sale equity investments	**194**	204

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.

31. OPERATING SEGMENTS (CONT'D)

Business Segments (Cont'd)

	Property development and investment $'000	Architectural, engineering and town planning $'000	Hospitality $'000	Investments $'000	Inter-segment eliminations $'000	Total $'000
31 December 2017						
Total revenue from external customers	**106**	**76,379**	**17,396**	**–**	**–**	**93,881**
Inter-segment revenue	**–**	**–**	**474**	**15,000**	**(15,474)**	**–**
Interest income	**6**	**90**	**–**	**280**	**(221)**	**155**
Depreciation and amortisation	**379**	**3,092**	**5,353**	**49**	**–**	**8,873**
Reportable segment (loss)/ profit before tax	**7,502**	**(25,589)**	**(14,780)**	**(58,890)**	**34,277**	**(57,480)**
Share of profit of associates	**–**	**2,215**	**37**	**–**	**–**	**2,252**
Tax expense/(credit)	**–**	**644**	**(151)**	**–**	**–**	**493**
Reportable segment assets	**297,352**	**162,674**	**70,780**	**451,507**	**(440,779)**	**541,534**
Associates	**–**	**26,208**	**1,113**	**–**	**–**	**27,321**
Capital expenditure*	**6**	**3,858**	**10,281**	**13**	**–**	**14,158**
Reportable segment liabilities	**392,421**	**41,363**	**97,418**	**106,756**	**(457,950)**	**180,008**
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	9,919	2,717	94	–	13,024
Reportable segment (loss)/ profit before tax	(12,824)	(28,352)	(33,681)	(54,751)	52,677	(76,931)
Share of profit of associates	–	789	–	–	–	789
Tax expense/(credit)	–	(848)	(6,260)	–	–	(7,108)
Reportable segment assets	291,573	204,644	63,645	553,721	(545,138)	568,445
Associates	–	26,866	–	–	–	26,866
Capital expenditure*	1,529	1,043	414	187	–	3,173
Reportable segment liabilities	391,940	41,208	76,625	102,314	(451,042)	161,045

* Comprises property, plant and equipment of $14,155,000 (2016: $2,434,000) and expenditure on investment property of $3,000 (2016: $739,000).

31. OPERATING SEGMENTS (CONT'D)

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 2017							
Revenue	**38,703**	**1,406**	**17,396**	**10,414**	**19,105**	**6,857**	**93,881**
Non-current assets #	**83,624**	**153,908**	**66,197**	**370**	**197**	**52**	**304,348**
Reportable segment assets	**154,600**	**298,848**	**64,227**	**9,676**	**10,665**	**3,518**	**541,534**
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	190,852	292,779	63,128	7,396	11,753	2,537	568,445

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

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 entire issued and paid up capital of Ariva Pte. Ltd. ("**Ariva**") pursuant to the terms and conditions of the sale and purchase agreement entered into between Rowsley Hospitality Holdings Pte Ltd ("**RHH**") and Ong Ah Luan Cameron, Lee Sok Fang Phyllis, and Jean-Claude Erne (collectively, "**Ariva Vendors**") for a total consideration of $9,000,000, to be satisfied by way of cash payments of up to $2,600,000 and allotment and issuance of up to 53,333,333 ordinary shares ("**Consideration Shares**").

32. ACQUISITIONS (CONT'D)

(ii) Acquisition of the entire issued and paid up capital of AC Consortium Pte. Ltd. ("**AC Consortium**") pursuant to the terms and conditions of the sale and purchase agreement entered into between RSP Architects Planners & Engineers (Pte) Ltd and Grace Young Kok Inn and Tan Meow Hwa (collectively, "**AC Consortium Vendors**") for a total consideration of $8,000,000, to be satisfied by way of allotment and issuance of equivalent number of ordinary shares based on the market price of the settlement date.

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

The acquisition of Ariva 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.

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

Purchase considerations of the Acquisitions

	$'000
Purchase consideration for acquisition of Ariva	9,000
Purchase consideration for acquisition of AC Consortium	8,000
	17,000

In conjunction with the acquisition of Ariva and AC Consortium, the payment of the purchase considerations to AC Consortium Vendors and Ariva Vendors are subject to AC Consortium and the Ariva Sub-Group achieving certain earn-out targets based on their respective cumulative net operating profit after tax for certain periods.

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
Property, plant and equipment	4	6
Intangible assets	5	9,634
Associates		1,011
Trade and other receivables		1,649
Cash and cash equivalents		1,877
Trade and other payables		(818)
Tax liabilities		(4)
Deferred tax liabilities	18	(1,697)
Net identifiable assets and liabilities acquired		11,658
Non-controlling interests		20
		11,678
Goodwill arising from acquisition	5	5,322
Total purchase consideration		17,000

32. ACQUISITIONS (CONT'D)

Goodwill arising from the Acquisitions

Goodwill arising from the Acquisitions has been recognised as follows:

	Note	$'000
Purchase consideration for the Acquisitions		17,000
Fair value of identifiable net assets		(11,678)
Excess of purchase consideration over fair value of identifiable net assets, representing goodwill arising from the Acquisitions	5	5,322

Cash flows relating to the Acquisitions

	$'000
Cash consideration	1,000
Less: Cash and cash equivalents acquired	(1,877)
Net cash inflows	(877)

For the period from the acquisition date to 31 December 2017, the Acquisitions contributed revenue of $3,262,000 and net attributable loss of $393,000 to the Group. There is no significant effect on the Group's consolidated revenue had the Acquisitions occurred on 1 January 2017.

Acquisition related costs

The Group incurred acquisition-related costs of $171,693 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 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 "**Squire Mech 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 2016 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.

32. ACQUISITIONS (CONT'D)

Purchase considerations of the 2016 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 certain period.

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
Property, plant and equipment	4	6,806
Intangible assets	5	3,921
Work-in-progress		1,203
Trade and other receivables		5,365
Cash and cash equivalents		5,456
Trade and other payables		(6,491)
Tax liabilities		(126)
Deferred tax liabilities	18	(749)
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 2016 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

32. ACQUISITIONS (CONT'D)

Cash flows relating to the 2016 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 2016 Acquisitions contributed revenue of $6,324,000 and net attributable profit of $1,560,000 to the Group. There was no significant effect on the Group's consolidated revenue had the 2016 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.

33. SUBSEQUENT EVENTS

(a) On 18 December 2017, the Company had entered into a definitive agreement with Mr Lim Eng Hock, the controlling shareholder of the Company, to acquire his 100% equity interest in Thomson Medical Pte Ltd and 70.36% equity interest in TMC Life Sciences Berhad ("**TMCLS**") ("**Proposed Acquisition**") for a total consideration of $1,600,000,000, to be satisfied by way of allotment and issuance of up to 21,333,333,334 ordinary shares at an issue price of $0.075 ("**Consideration Shares**") and acquire 597,319,410 warrants in TMCLS ("**Sale Warrants**"), to be satisfied by cash, based on a sum equivalent to the volume weighted average price of Sale Warrants traded on Bursa Malaysia Securities Berhad for the 1-month period immediately preceding the date falling 4 market days prior to the date of the extraordinary general meeting ("**EGM**"), multiplied by the number of warrants.

The Company also intends to change its name from Rowsley Ltd. to Thomson Medical Group Limited upon completion of the Proposed Acquisition ("**Change of Name**").

The Company also proposed a bonus issue of:

(i) up to 9,476,834,822 bonus warrants (the "**Bonus Warrants**") on the basis of two (2) Bonus Warrants for every one (1) existing share held by the shareholders as at a books closure date to be determined by the directors, each Bonus Warrant carrying the right to subscribe for one (1) new share (each, a "**New Share**") at the exercise price of $0.09 for each New Share, and which is exercisable during the period commencing from the date of its issue up to the market day immediately preceding the first anniversary of its date of issue; and

(ii) up to 9,476,834,822 additional company warrants (the "**Piggyback Warrants**") on the basis of one (1) Piggyback Warrant for every one (1) Bonus Warrant which is exercised, each Piggyback Warrant carrying the right to subscribe for one (1) New Share at the exercise price of $0.12 for each New Share, and which is exercisable from the date of its issue up to the market day immediately preceding the fourth anniversary of date of issue of the Bonus Warrants (and, for the avoidance of doubt, not the fourth anniversary of the date of issue of the Piggyback Warrant).

33. SUBSEQUENT EVENTS (CONT'D)

The Bonus Warrants and the Piggyback Warrants are collectively referred to as the "**Warrants**".

The Company had also announced on 23 February 2018 that approval in-principle has been granted by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") to the Company for the Proposed Acquisition and the admission, listing and quotation of the Consideration Shares, the Warrants and the New Shares on the SGX-ST, subject to fulfilment of certain conditions as set out.

Further to the foregoing, the consideration of Sale Warrants was RM103,754,335 (approximately $34.8 million) as announced on 17 March 2018.

Shareholders' approval for the Proposed Acquisition, Change of Name and proposed issuance of Warrants were obtained at an EGM held on 23 March 2018.

(b) The Company has on 25 March 2018 entered into a facility agreement for $130 million of new credit facilities, comprising a $100 million 18 months term loan facility and a $30 million revolving credit facility with Malayan Banking Berhad, Singapore Branch. The term loan will be used to redeem the $100 million Medium Term Notes ("**Notes**") that will be due on 27 March 2018 issued by the Company under its $500 million unsecured Multicurrency Medium Term Note Programme established on 17 November 2014. Following the redemption and cancellation of the Notes on such due date, there will be no outstanding Notes. The revolving credit facility will be used to fund working capital requirements, business expansion, acquisition, and any other investments related to the healthcare industry, real estate industry and the hospitality industry.

34. FULL CONVERGENCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) AND ADOPTION OF NEW STANDARDS

Applicable to 2018 financial statements

In December 2017, the Accounting Standards Council ("**ASC**") issued the Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I). As a result, this will be the last set of financial statements prepared under the current FRS.

In adopting the new framework, the Group will be required to apply the specific transition requirements in *SFRS(I) 1* First-time Adoption of Singapore Financial Reporting Standards (International).

34. FULL CONVERGENCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) AND ADOPTION OF NEW STANDARDS (CONT'D)

Applicable to 2018 financial statements (Cont'd)

In addition to the adoption of the new framework, the Group will also concurrently apply the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- *SFRS(I) 15* Revenue from Contracts with Customers which includes the clarifications to *IFRS 15* Revenue from Contracts with Customers issued by the IASB in April 2016;

- *SFRS(I) 9* Financial Instruments which includes the amendments to *IFRS 4* Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts issued by the IASB in September 2016;

- requirements in *SFRS(I) 2* Share-based Payment arising from the amendments to *IFRS 2* – Classification and Measurement of Share-based Payment Transactions issued by the IASB in June 2016;

- requirements in *SFRS(I) 1-40* Investment Property arising from the amendments to *IAS 40* – Transfers of Investment Property issued by the IASB in December 2016;

- requirements in *SFRS(I) 1* arising from the amendments to *IFRS 1* – Deletion of short-term exemptions for first-time adopters issued by the IASB in December 2016;

- requirements in *SFRS(I) 1-28* Investments in Associates and Joint Ventures arising from the amendments to *IAS 28* – Measuring an associate or joint venture at fair value issued by the IASB in December 2016; and

- *SFRS(I) INT 22* Foreign Currency Transactions and Advance Consideration.

The Group does not expect the application of the above standards and interpretations to have a significant impact on the financial statements, except for SFRS(I) 15 and SFRS(I) 9.

34. FULL CONVERGENCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) AND ADOPTION OF NEW STANDARDS (CONT'D)

Summary of quantitative impact

The Group is currently finalising the transition adjustments. The following reconciliations provide an estimate of the expected impacts on initial application of SFRS(I) 1, SFRS(I) 15 and SFRS(I) 9 on the Group's and the Company's financial position as at 31 December 2017 and 1 January 2018.

Consolidated statement of financial position

	31 December 2017			1 January 2018	
	Current framework $'000	SFRS(I) 1 $'000	SFRS(I) framework $'000	SFRS(I) 9 $'000	SFRS(I) framework $'000
Group					
Assets					
Property, plant and equipment	**66,359**	**–**	**66,359**	–	66,359
Intangible assets and goodwill	**59,056**	**–**	**59,056**	–	59,056
Investment property	**151,612**	**–**	**151,612**	–	151,612
Associates	**27,321**	**–**	**27,321**	–	27,321
Other investments	**1,940**	**–**	**1,940**	–	1,940
Deferred tax assets	**532**	**–**	**532**	–	532
Non-current assets	**306,820**	**–**	**306,820**	–	306,820
Development property	**143,152**	**–**	**143,152**	–	143,152
Work-in-progress	**32,422**	**–**	**32,422**	–	32,422
Inventories	**234**	**–**	**234**	–	234
Trade and other receivables	**35,638**	**–**	**35,638**	(375)	35,263
Cash and cash equivalents	**23,268**	**–**	**23,268**	–	23,268
Current assets	**234,714**	**–**	**234,714**	(375)	234,339
Total assets	**541,534**	**–**	**541,534**	(375)	541,159
Equity					
Share capital	**788,267**	**–**	**788,267**	–	788,267
Foreign currency translation reserve	**(65,908)**	**–**	**(65,908)**	–	(65,908)
Fair value reserve	**405**	**–**	**405**	–	405
Accumulated losses	**(362,066)**	**–**	**(362,066)**	(365)	(362,431)
Equity attributable to equity holders of the Company	**360,698**	**–**	**360,698**	(365)	360,333
Non-controlling interests	**828**	**–**	**828**	(10)	818
Total equity	**361,526**	**–**	**361,526**	(375)	361,151
Liabilities					
Deferred tax liabilities	**4,372**	**–**	**4,372**	–	4,372
Purchase consideration payable	**12,842**	**–**	**12,842**	–	12,842
Borrowings	**21,175**	**–**	**21,175**	–	21,175
Non-current liabilities	**38,389**	**–**	**38,389**	–	38,389

34. FULL CONVERGENCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) AND ADOPTION OF NEW STANDARDS (CONT'D)

Consolidated statement of financial position (Cont'd)

	31 December 2017			1 January 2018	
	Current framework $'000	SFRS(I) 1 $'000	SFRS(I) framework $'000	SFRS(I) 9 $'000	SFRS(I) framework $'000
Group					
Excess of progress billings over work-in-progress	**5,616**	**–**	**5,616**	–	5,616
Trade and other payables	**34,324**	**–**	**34,324**	–	34,324
Current tax payable	**789**	**–**	**789**	–	789
Purchase consideration payable	**800**	**–**	**800**	–	800
Borrowings	**100,090**	**–**	**100,090**	–	100,090
Current liabilities	**141,619**	**–**	**141,619**	–	141,619
Total liabilities	**180,008**	**–**	**180,008**	–	180,008
Total equity and liabilities	**541,534**	**–**	**541,534**	(375)	541,159

34. FULL CONVERGENCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) AND ADOPTION OF NEW STANDARDS (CONT'D)

Statement of financial position of the Company

	31 December 2017			1 January 2018	
	Current framework $'000	SFRS(I) 1 $'000	SFRS(I) framework $'000	SFRS(I) 9 $'000	SFRS(I) framework $'000
Company					
Assets					
Property, plant and equipment	**123**	**–**	**123**	–	123
Subsidiaries	**463,781**	**–**	**463,781**	–	463,781
Non-current assets	**463,904**	**–**	**463,904**	–	463,904
Trade and other receivables	**4,543**	**–**	**4,543**	(40)	4,503
Cash and cash equivalents	**5,881**	**–**	**5,881**	–	5,881
Current assets	**10,424**	**–**	**10,424**	(40)	10,384
Total assets	**474,328**	**–**	**474,328**	(40)	474,288
Equity					
Share capital	**788,267**	**–**	**788,267**	–	788,267
Accumulated losses	**(419,572)**	**–**	**(419,572)**	(40)	(419,612)
Total equity	**368,695**	**–**	**368,695**	(40)	368,655
Liabilities					
Deferred tax liabilities	**20**	**–**	**20**	–	20
Non-current liabilities	**20**	**–**	**20**	–	20
Trade and other payables	**5,707**	**–**	**5,707**	–	5,707
Borrowings	**99,906**	**–**	**99,906**	–	99,906
Current liabilities	**105,613**	**–**	**105,613**	–	105,613
Total liabilities	**105,633**	**–**	**105,633**	–	105,633
Total equity and liabilities	**474,328**	**–**	**474,328**	(40)	474,288

34. FULL CONVERGENCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) AND ADOPTION OF NEW STANDARDS (CONT'D)

SFRS(I) 1

When the Group adopts SFRS(I) in 2018, the Group will apply SFRS(I) 1 with 1 January 2017 as the date of transition for the Group and the Company. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2018, restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. Except as described below, the Group does not expect the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 to have any significant impact on the financial statements.

Foreign currency translation reserve

The Group currently does not plan to elect the optional exemption in SFRS(I) 1 to reset its cumulative FCTR for all foreign operations to nil at the date of transition.

SFRS(I) 15

SFRS(I) 15 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.

The Group plans to adopt SFRS(I) 15 in its financial statements for the year ending 31 December 2018, using the retrospective approach. As a result, the Group will apply all of the requirements of SFRS(I) 15 retrospectively, except as described below, and the comparative period presented in the 2018 financial statements will be restated.

The Group plans to use the practical expedients for completed contracts. This means that completed contracts that began and ended in the same comparative reporting period, as well as completed contracts at the beginning of the earliest period presented, are not restated.

The expected impact upon the adoption of SFRS(I) 15 are described below.

Contract revenue from architectural, civil and structural engineering, master planning, and mechanical and engineering services

The Group currently recognised its 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.

The Group does not expect the impact on the financial statements arising from SFRS(I) 15 to be significant because:

- the Group continues to account for each contract as one performance obligation as 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 recognises its revenue over time as the Group's performance does not create an asset with alternative use to the Group and it has an enforceable right to payment for performance completed to date; and

- The Group measures the progress towards complete satisfaction of the performance obligation based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the percentage of contract costs incurred to date to the estimated total cost for the contract).

34. FULL CONVERGENCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) AND ADOPTION OF NEW STANDARDS (CONT'D)

Revenue from hospitality services

The Group currently recognised its revenue from the rental of hotel rooms and other hotel facilities when the services are rendered. The Group does not expect the impact on the financial statements arising from SFRS(I) 15 to be significant because the Group satisfies the performance obligation and the services are transferred to the customers when the services are rendered.

The Group currently recognised its revenue from the sale of food and beverage when the goods are delivered. The Group does not expect the impact on the financial statements arising from SFRS(I) 15 to be significant because the Group satisfies the performance obligation and the goods are transferred to the customers when the goods are delivered.

SFRS(I) 9

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, and a new expected credit loss model for calculating impairment of financial assets.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 will generally be applied by the Group retrospectively, except as described below.

- The Group plans to take advantage of the exemption in IFRS 1 allowing it not to restate comparative information in the 2018 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in accumulated losses and reserves as at 1 January 2018.

- The following assessments have to be made on the basis of facts and circumstances that existed at 1 January 2018.

  – The determination of the business model within which a financial asset is held.

  – The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  – The designation of an investment in equity instruments that is not held for trading as at fair value through other comprehensive income ("**FVOCI**").

  – The designation and revocation of previous designations of certain financial assets and financial liabilities measured at fair value through profit or loss ("**FVTPL**").

The expected impact on adoption of SFRS(I) 9 are described below. The information below reflects the Group's expectation of the implications arising from changes in the accounting treatment, however, the actual tax effect may change when the transition adjustments are finalised.

34. FULL CONVERGENCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) AND ADOPTION OF NEW STANDARDS (CONT'D)

Classification and measurement: financial assets

For available-for-sale ("**AFS**") equity securities currently held at fair value, the Group expects to continue measuring most of these AFS equity securities amounting to $1,940,000 at fair value under SFRS(I) 9.

The Group plans to elect to present in other comprehensive income the changes in fair value of its equity securities that are held by the Group because these investments are not held for trading. For equity securities that have been designated at fair value through profit or loss ("**FVTPL**"), the Group expects to continue measuring these equity securities at FVTPL.

As at 1 January 2018, the Group does not expect any impact in the carrying amount of investment in equity instruments.

Impairment

SFRS(I) 9 replaces the current 'incurred loss' model with a forward-looking expected credit loss ("**ECL**") model. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and certain loan commitments and financial guarantee contracts.

Under SFRS 9, loss allowances of the Group will be measured on either of the following bases:

- general approach with 12-months ECLs. These are ECLs that result from possible default events within the 12 months after the reporting date; or

- simplified approach with lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group plans to apply the general approach and record 12-months ECL on all trade and other receivables. The Group and the Company expect an increase in impairment for trade and other receivables of $375,000 and $40,000 for the Group and the Company, respectively as at 1 January 2018.

The Group is currently finalising the testing of its expected credit loss model and the quantum of the final transition adjustments may be different upon finalisation.

Applicable to financial statements for the year 2019 and thereafter

The following new SFRS(I), amendments to and interpretations of SFRS(I) are effective for annual periods beginning after 1 January 2018:

Applicable to 2019 financial statements

- SFRS(I) 16 *Leases*

- IFRIC 23 *Uncertainty over Income Tax Treatments*

The Group is still in the process of assessing the impact of these new SFRS(I), amendments to and interpretations of SFRS(I) on the financial statements. The Group's preliminary assessment of SFRS(I) 16, which is expected to have a more significant impact on the Group, is as described below.

34. FULL CONVERGENCE WITH SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) AND ADOPTION OF NEW STANDARDS (CONT'D)

SFRS(I) 16

SFRS(I) 16 replaces the existing lease accounting guidance. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if SFRS(I) 15 is also applied. SFRS(I) 16 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 plans to adopt the standard when it becomes effective in 2019 and expects to apply the standard using the modified retrospective approach. The Group also expects the ROU assets recognised at date of initial application to be equal to their lease liabilities.

The Group is likely to elect the practical expedient not to reassess whether a contract contains a lease at the date of initial application, 1 January 2019. Accordingly, existing lease contracts that are still effective on 1 January 2019 continue to be accounted for as lease contracts under SFRS(I) 16. The Group has performed a preliminary assessment of the impact on its financial statements based on its existing operating lease arrangements (refer to note 29(a)).

Until 2018, the approximate financial impact of the standard is unknown due to factors that impact calculation of lease liabilities such as discount rate, expected term of leases including renewal options and exemptions for short-term leases. The Group will continue to assess its portfolio of leases to calculate the impending impact of transition to the new standard.

The Group expects its existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. The operating lease commitments on an undiscounted basis amount to approximately 5.9% of the consolidated total assets and 17.7% of consolidated total liabilities. Under the new standard, remaining lease payments of the operating leases will be recognised at their present value discounted using appropriate discount rate. In addition, the nature of expenses related to those leases will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities.

35. 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.

35. SHARE OPTIONS (CONT'D)

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 the Plan. No Awards under the Plan were granted during the current financial year.

Additional Information

ADDITIONAL BOARD COMMITTEES

Apart from the ARMC, the NC and the RC, the Board has also delegated some of its authority to make decisions to the IC and the CDC.

In accordance with its terms of reference, the key responsibilities of the IC include overseeing investment evaluations and making assessments as to the suitability and profitability of the Company's participation in business projects. The IC oversees the Group's investment management and activities, assesses and evaluates investment, development and divestment opportunities, oversees strategies and issues impacting the Group's overall risk profile, reviews analysis of risks and assumptions associated with existing and new investments, and evaluates all investment, development and divestment opportunities which require the Board's approval and makes recommendations to the Board.

The key responsibilities of the CDC, as set out in its terms of reference, include reviewing corporate disclosure matters relating to the Company, reviewing and approving certain SGXNet announcements and/or press releases and pursuing best practices in terms of transparency.

SECURITIES TRANSACTIONS

We have a policy on dealings in our securities for compliance by the Directors and employees of the Group. It sets out the implications of insider trading and guidance on such dealings.

Our Directors and employees are not allowed to deal in our shares:

(a) for two weeks before the announcement of our quarterly financial results;

(b) for one month before our full year financial results announcement;

(c) on short-term considerations; and

(d) if they are in possession of unpublished price sensitive information.

In addition, Directors would be required to seek board approval before trading in our securities.

All Directors and employees of the Group are also expected to observe all applicable insider trading laws at all times even when dealing in securities within permitted trading periods.

MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts of the Group involving the interests of any Director or controlling shareholder, either still subsisting at the end of FY2017 or if not then subsisting, entered into since the beginning of FY2017.

Additional Information

INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during FY2017 which fall under Chapter 9 of the Listing Manual of the SGX-ST are as follows:

	Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) S$'000
1	Lim Eng Hock (Controlling Shareholder)	907	Nil

We have in place an IPT and RPT policy which ensures that any IPT and RPT entered into by our Group are on normal commercial terms and not prejudicial to the interests of our minority shareholders. The policy sets out the definitions of IPT and RPT, as well as the procedures for entering into IPT and RPT.

Each business unit/department head is responsible for determining whether the contracting party is an interested person ("**IP**") or a relevant person ("**RP**"). Where it is not possible to compare against the terms of other transactions with unrelated third parties, the IPT or RPT will be approved by the ARMC, which members have no interest in the transaction. The business unit/department head is required to inform the relevant business chief financial officer or financial controller and report to our Chief Financial Officer before entering into any transaction with the IP or RP, regardless of the value of each transaction. In addition, each subsidiary company is required to maintain a register to record all IPT and RPT which are entered into and submit such registers to our Chief Financial Officer. The ARMC will review all IPT and RPT and the internal audit reports to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Listing Manual) are complied with.

CODE OF BUSINESS CONDUCT

We have adopted a Code of Business Conduct to regulate the standards of our ethical conduct for our Directors, officers and employees. They are required to observe the Code and also maintain high standards of integrity in compliance with the law, regulations and our policies.

WHISTLE-BLOWING POLICY

Our ARMC has approved and implemented a whistle-blowing policy which encourages our employees, in confidence, to raise concerns about possible corporate improprieties in matters of financial reporting and other matters. Examples include:

- forgery or alteration of any cheque, bank draft or any other financial or other document belonging or relating to our Group;
- misappropriation of funds, supplies, or other assets;
- profiteering as a result of insider knowledge of corporate activities;
- disclosing confidential or proprietary information to outside parties;

Additional Information

- accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to our Group;
- any other financial malpractice, impropriety or fraud;
- failure to comply with laws and regulations;
- criminal activity;
- improper conduct or unethical behavior; and
- attempts to conceal any of the above.

Reports under the whistle-blowing policy may be made to the ARMC Chairman. He will consider the information made available to him and decide on:

- the creation and constitution of an investigating committee, if necessary;
- the person who will lead the investigation;
- the procedure(s) to be followed; and
- the scope of the concluding report.

Our whistle-blowing policy assures our employees who make reports in good faith of malpractice or impropriety in the workplace that they will not be dismissed, penalised or discriminated against by us as a result of the making of such reports. The identity of the employee making the allegation will also be kept confidential and confined to the Investigating Committee as long as it does not hinder or frustrate any investigation.

Further Information on Board of Directors

NG SER MIANG
Non-Executive Independent Chairman

Date of First Appointment as Director	1 December 2015
Date of Last Re-appointment as Director	26 April 2016
Board Committee(s) served on	
Corporate Disclosure Committee	Member
Nominating Committee	Chairman
Remuneration Committee	Member
Current Directorships in Other Listed Companies	
1. Yanlord Land Group Limited[2]	Independent Director
Other Directorships / Principal Commitments	
1. Orchid Marine Services Private Limited	Director
2. TIBS International Pte Ltd	Chairman
3. OMS Distripark Pte Ltd	Director
4. HGM Holdings Pte Ltd[1]	Director
5. NCI Golf Pte Ltd	Chairman
6. Singapore Olympic Foundation	Chairman
7. Magic Dragon Media Pte Ltd	Director
8. Valencia Club de Futbol, S.A.D.	Director
Past Directorships held over the preceding 3 years in Other Listed Companies	
1. Singapore Press Holdings Limited	Independent Director

Notes:
1. HGM Holdings Pte Ltd was struck off on 1 June 2017.
2. Resignation as Director of Yanlord Land Group Limited with effect from 6 June 2017.

Further Information on Board of Directors

CHAN LAY HOON
Non-Executive Non-Independent Deputy Chairman

Academic and Professional Qualifications
Bachelor of Accountancy, National University of Singapore

Date of First Appointment as Director	1 December 2015
Date of Last Re-appointment as Director	26 April 2016

Board Committee(s) served on

Investment Committee	Chairman

Current Directorships in Other Listed Companies
Nil

Other Directorships / Principal Commitments

1.	Bellton International Limited	Director
2.	Caili (Hong Kong) Limited	Director
3.	Caili Limited	Director
4.	Double Click Pte Ltd	Director
5.	Gao Fei Investments Limited	Director
6.	Incanto Investments Limited	Director
7.	Jovina Investments Limited	Director
8.	Kestrel Capital Pte Ltd	Director
9.	Kestrel Investments Pte Ltd	Director
10.	Mclaren Automotive Asia Pte Ltd	Director
11.	Mclaren Automotive Limited	Director
12.	Mclaren Group Limited	Director
13.	Meriton Capital Limited	Director
14.	Meriton Holdings Limited	Director
15.	Merlington Investments Limited	Director
16.	Perlman Investments Limited	Director
17.	Pinewind Limited	Commissioner
18.	PT Meriton Resources	Director
19.	Rowsley Technologies Limited	Director
20.	Sasteria (M) Pte Ltd	Director
21.	Sephia Pte Ltd	Director
22.	Singapore Olympic Foundation	Director
23.	Tenion Pte Ltd	Director
24.	Towerhill Pte Ltd	Director
25.	Vantage Plus Holdings Limited	Director
26.	Project 92 Limited	Director

Past Directorships held over the preceding 3 years in Other Listed Companies
Nil

Further Information on Board of Directors

TAN WEE TUCK
Executive Director, Chief Executive Officer and Chief Financial Officer

Academic and Professional Qualifications
Bachelor of Arts in Economics and Psychology, National University of Singapore
Master of Business Administration, Nanyang Business School
Member, The Institute of Singapore Chartered Accountants

Date of First Appointment as Director	25 September 2013
Date of Last Re-appointment as Director	26 April 2017

Board Committee(s) served on

Corporate Disclosure Committee	Member
Investment Committee	Member

Current Directorships in Other Listed Companies
Nil

Other Directorships / Principal Commitments

1.	RSP Architects Planners & Engineers (Pte) Ltd	Director
2.	Vantage Bay JB Sdn. Bhd.	Director
3.	SKIES VB Sdn. Bhd.	DIrector
4.	VB1 Property Sdn. Bhd.	DIrector
5.	VB2 Property Sdn. Bhd.	DIrector
6.	VB3 Property Sdn. Bhd.	DIrector
7.	VB4 Property Sdn. Bhd.	DIrector
8.	VB5 Property Sdn. Bhd.	DIrector
9.	SSP Innovations Pte Ltd	DIrector
10.	Rowsley Sports Pte. Ltd.	DIrector
11.	Renewable Metal Resources Pte. Ltd.	DIrector
12.	Rowsley (SM) Pte. Ltd.	DIrector
13.	Rowsley Hospitality Holdings Pte. Ltd.	DIrector
14.	Rowsley (CFL) Pte. Ltd.	DIrector
15.	Rowsley (HFM) Pte. Ltd.	DIrector
16.	Old Trafford Supporters Club Limited	DIrector
17.	GG Hospitality Management Limited	DIrector
18.	Café Football Limited	DIrector
19.	Orchid Leisure Limited	DIrector
20.	GG Collections Private Limited	DIrector
21.	Rowsley (Stox) Pte. Ltd.	DIrector
22.	Menu Pte. Ltd.	DIrector
23.	Crystal Wines & Spirits Pte Ltd	DIrector
24.	Rowsley (BM) Pte. Ltd.	DIrector
25.	Squire Mech Private Limited	DIrector
26.	Easy & Light Group Pte. Ltd.	DIrector
27.	Finestday Limited	DIrector
28.	Ariva Pte. Ltd.	DIrector
29.	Ariva Hospitality Pte. Ltd.	DIrector
30.	Vanguard Rowsley Innovations Pte. Ltd.	DIrector

Past Directorships held over the preceding 3 years in Other Listed Companies
Nil

Further Information on Board of Directors

LAI HUEN POH
Executive Director and Senior Managing Director, RSP

Academic and Professional Qualifications
Bachelor of Engineering, Sheffield University
Associate, Association of Consulting Engineers, Singapore
Member, Singapore Structural Steel Society
Fellow, Society of Project Managers, Singapore
Fellow, The Institute of Engineers, Singapore
Chartered Engineer, The Institution of Civil Engineers, United Kingdom
Associate, The Institution of Structural Engineers, United Kingdom
Registered Engineer and Accredited Checker, Professional Engineers Board, Singapore

Date of First Appointment as Director	25 September 2013
Date of Last Re-appointment as Director	26 April 2017
Board Committee(s) served on	
Nominating Committee	Member
Current Directorships in Other Listed Companies	
1. Enviro-Hub Holdings Ltd.	Non-Executive Director
2. CWG International Limited	Independent Director
Other Directorships / Principal Commitments	
1. RSP Architects Planners & Engineers (Pte) Ltd	Senior Managing Director
2. Vantage Bay JB Sdn. Bhd.	Director
3. SKIES VB Sdn. Bhd.	Director
4. VB1 Property Sdn. Bhd.	Director
5. VB2 Property Sdn. Bhd.	Director
6. VB3 Property Sdn. Bhd.	Director
7. VB4 Property Sdn. Bhd.	Director
8. VB5 Property Sdn. Bhd.	Director
9. Squire Mech Private Limited	Director
10. Kenga Investments Pte Ltd	Director
11. 15 Scotts 3F Pte. Ltd.	Director
12. SMD International Pte Ltd	Director
13. VA Development Pte. Ltd.	Director
14. FM Ventures Pte Ltd	Director
15. Ghana Ventures Pte Ltd	Director
16. Venture India Pte. Ltd.	Director
17. Thanlyn-Kyauktan Development Co Ltd	Director
18. MPA-SMD Port Limited	Director
19. SMD Yangon Co Ltd	Director
20. Vanguard Rowsley Innovations Pte Ltd	Director
21. Building and Construction Authority	Director
22. Strata Titles Board of Singapore	Member
23. Nanyang Technological University, School of Civil and Environmental Engineering, Advisory Committee	Member
24. Real Estate Developers' Association of Singapore, Advisory Panel	Member
25. Singapore Land Authority	Board Member
26. Singapore Government, Pro-Enterprise Panel	Member

Past Directorships held over the preceding 3 years in Other Listed Companies
Nil

Further Information on Board of Directors

GARY HO KUAT FOONG
Independent Director

Academic and Professional Qualifications
Bachelor of Commerce, The University of Western Australia
Bachelor of Science, The University of Western Australia
Member, CPA Australia
Member, The Institute of Singapore Chartered Accountants

Date of First Appointment as Director	1 March 2015
Date of Last Re-appointment as Director	26 April 2017
Board Committee(s) served on	
Audit and Risk Management Committee	Member
Investment Committee	Member
Remuneration Committee	Chairman
Current Directorships in Other Listed Companies	
1. UPP Holdings Limited	Lead Independent Director
2. Secura Group Limited	Independent Director
3. TMC Life Sciences Berhad	Independent Director
Other Directorships / Principal Commitments	
1. Thailoy Investments Pty Ltd	Director
2. Elnora Pty Ltd	Director

Past Directorships held over the preceding 3 years in Other Listed Companies
Nil

Further Information on Board of Directors

ONG PANG LIANG
Independent Director

Academic and Professional Qualifications
Bachelor of Business Administration, University of Singapore

Date of First Appointment as Director	1 January 2016
Date of Last Re-appointment as Director	26 April 2016
Board Committee(s) served on	
Audit and Risk Management Committee	Member
Corporate Disclosure Committee	Chairman
Investment Committee	Member
Current Directorships in Other Listed Companies	
1. UPP Holdings Limited	Independent Director
2. Secura Group Limited	Independent Director
Other Directorships / Principal Commitments	
1. Bluewater Investments Pte Ltd	Director

Past Directorships held over the preceding 3 years in Other Listed Companies
Nil

Further Information on Board of Directors

DR. LAM LEE G
Independent Director

Academic and Professional Qualifications
Bachelor of Sciences and Mathematics, The University of Ottawa
Master of Systems Science, The University of Ottawa
Master of Business Administration, The University of Ottawa
Postgraduate Diploma in Public Administration, Carleton University
Master of Public Administration, The University of Hong Kong
Doctor of Philosophy, The University of Hong Kong
Bachelor of Laws (Honours), Manchester Metropolitan University
Postgraduate Diploma in English and Hong Kong Law, Manchester Metropolitan University
Master of Laws, The University of Wolverhampton
Certificate in Professional Accountancy, The Chinese University of Hong Kong
Postgraduate Certificate in Laws, City University of Hong Kong
Solicitor, High Court of Hong Kong
Honorary Fellow, CPA Australia Hong Kong
Fellow, Hong Kong Institute of Directors
Fellow, Hong Kong Institute of Arbitrators
Fellow, CMA Australia
Accredited Mediator, The Centre of Effective Dispute Resolution (CEDR)
Honorary Fellow, The University of Hong Kong School of Professional and Continuing Education (HKU SPACE)

Date of First Appointment as Director	26 June 2002
Date of Last Re-appointment as Director	26 April 2016

Board Committee(s) served on

Audit and Risk Management Committee	Chairman
Nominating Committee	Member
Remuneration Committee	Member

Current Directorships in Other Listed Companies

1.	Adamas Finance Asia Limited	Non-executive director
2.	Asia-Pacific Strategic Investments Limited	Independent non-executive director
3.	AustChina Holdings Limited (Former name: Coalbank Limited)	Independent non-executive director
4.	China LNG Group Limited	Non-executive director
5.	China Shandong Hi-Speed Financial Group Limited	Non-executive director
6.	CSI Properties Limited	Independent non-executive director
7.	Elife Holdings Limited (Former Name: Sino Resources Group Limited)	Independent non-executive director
8.	Glorious Sun Enterprises Limited	Independent non-executive director
9.	Haitong Securities Company Limited	Independent non-executive director
10.	Hua Long Jin Kong Company Limited (Former Name: Highlight China IoT International Limited	Independent non-executive director
11.	Huarong Investment Stock Corporation Limited	Independent non-executive director
12.	Kidsland International Holdings Limited	Independent non-executive director
13.	Mei Ah Entertainment Group Limited	Independent non-executive director
14.	National Arts Entertainment and Culture Group Ltd.	Non-executive director
15.	Singapore eDevelopment Ltd	Non-executive director
16.	Sunwah International Limited	Independent non-executive director
17.	Sunwah Kingsway Capital Holdings Limited	Non-executive director
18.	Tianda Pharmaceuticals Limited	Non-executive director
19.	Top Global Limited	Independent non-executive director
20.	Vongroup Limited	Independent non-executive director
21.	Xi'an Haitiantian Holdings Company Limited (Former Name: Xi'an Haitian Antenna Holdings Company Limited)	Independent non-executive director

Further Information on Board of Directors

Other Directorships / Principal Commitments

1. Chiu Yang Residents' Association of Hong Kong Limited
2. Hong Kong-ASEAN Economic Cooperation Foundation Limited
3. Hong Kong Casin Holdings Limited
4. Hong Kong Cyberport Management Company Limited
5. Hong Kong Strategy Limited
6. Hong Kong SWATOW Merchants Association (STCC)
7. Hong Kong-Vietnam Chamber of Commerce
8. ITF Corporation
9. Monte Jade Science & Technology Association of Hong Kong Limited
10. Murray, Lam & Kan Capital Limited
    (previously known as Berford Investments Limited)
11. Orange Grove Enterprises PTE. Ltd.
12. Pacific Basin Economic Council (PBEC)
13. TechMatrix Research Centre Limited
14. The Australian Chamber of Commerce in Hong Kong and Macau
15. The Chinese General Chamber of Commerce (CGCC)
16. The Hong Kong Real Property Federation
17. The Overseas Teo Chew Entrepreneurs Association Limited
18. The University of Hong Kong School of Professional and Continuing Education Alumni Limited
19. Thomson Medical Centre Limited
20. Zhuhai Da Heng Qin Company Limited

Past Directorships held over the preceding 3 years in Other Listed Companies

1. Mingyuan Medicare Development Company Limited
2. Heng Fai Enterprises Limited
3. UDL Holdings Limited
4. Imagi International Holdings Limited
5. Roma Group Limited
6. Vietnam Equity Holding

Shareholdings Statistics

as at 14 March 2018

Number of Issued shares	-	4,738,417,411 shares
Number of Treasury Shares Held	-	Nil
Class of shares	-	Fully paid ordinary shares
Voting rights	-	1 vote per ordinary share

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 14 March 2018, 37.33% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual is complied with.

SUBSTANTIAL SHAREHOLDERS

Based on the Company's Register of Substantial Shareholders as well as disclosures received from Substantial Shareholders, the shareholdings of our Substantial Shareholders are as follows:-

No.	Substantial Shareholders	Direct Interest		Deemed Interest	
		No. of Shares	%	No. of Shares	%
1	Jovina Investments Limited	-	-	1,267,311,317	26.75[a]
2	Bellton International Limited	-	-	586,347,894	12.37[a]
3	Tunku Ismail Idris Ibni Sultan Ibrahim Ismail	-	-	556,466,755	11.74[a]
4	Garville Pte Ltd	111,930,588	2.36	183,848,294	3.88[b]
5	Lim Eng Hock	-	-	2,149,438,093	45.36[c]

Notes:

(a) These shares are held through nominees.

(b) Garville Pte Ltd is deemed interested in the shares registered in the name of Garville (Hong Kong) Limited by virtue of Section 4 of the Securities and Futures Act, Cap. 289.

(c) Lim Eng Hock is deemed interested in the shares registered in the name of Jovina Investments Limited, Bellton International Limited, Garville Pte Ltd and Garville (Hong Kong) Limited by virtue of Section 4 of the Securities and Futures Act, Cap. 289.

Shareholdings Statistics

as at 14 March 2018

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	143	1.42	1,314	0.00
100 - 1,000	211	2.09	170,267	0.00
1,001 - 10,000	1,884	18.65	14,446,384	0.31
10,001 - 1,000,000	7,662	75.87	867,757,920	18.31
1,000,001 and above	199	1.97	3,856,041,526	81.38
	10,099	100.00	4,738,417,411	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1	UOB KAY HIAN PTE LTD	2,078,822,960	43.87
2	MAYBANK NOMINEES (S) PTE LTD	586,000,000	12.37
3	RAFFLES NOMINEES (PTE) LTD	151,044,825	3.19
4	GARVILLE PTE LTD	111,930,588	2.36
5	DBS NOMINEES PTE LTD	63,493,328	1.34
6	CITIBANK NOMINEES SINGAPORE PTE LTD	61,076,673	1.29
7	OCBC SECURITIES PRIVATE LTD	43,263,600	0.91
8	MAYBANK KIM ENG SECS PTE LTD	41,015,604	0.87
9	CGS-CIMB SECURITIES (S) PTE LTD	38,450,100	0.81
10	YOUNG KOK INN	30,853,591	0.65
11	PHILLIP SECURITIES PTE LTD	26,908,205	0.57
12	TANG CHONG SIM	22,192,900	0.47
13	LAI HUEN POH	21,777,400	0.46
14	TAN MEOW HWA	20,569,060	0.43
15	LI LEE YU	19,870,000	0.42
16	UNITED OVERSEAS BANK NOMINEES PTE LTD	19,479,000	0.41
17	DIANA SNG SIEW KHIM	16,100,200	0.34
18	LEE KUT CHEUNG	13,247,700	0.28
19	LIM & TAN SECURITIES PTE LTD	12,742,200	0.27
20	RHB SECURITIES SINGAPORE PTE LTD	12,576,000	0.27
		3,391,413,934	71.58

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting of the Company will be held on Tuesday, 24 April 2018 at 10.00 a.m. at Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 to transact the following businesses:-

AS ORDINARY BUSINESS

Resolution 1 To receive and adopt the Directors' Statement, Audited Financial Statements and the Auditors' Report for the financial year ended 31 December 2017.

Resolution 2 To re-elect Mr. Ng Ser Miang, a Director retiring by rotation pursuant to Article 96 of the Constitution of the Company.

Resolution 3 To re-elect Ms. Chan Lay Hoon, a Director retiring by rotation pursuant to Article 96 of the Constitution of the Company.

Resolution 4 To re-elect Mr. Ong Pang Liang, a Director retiring by rotation pursuant to Article 96 of the Constitution of the Company.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following as Ordinary Resolution(s):-

Resolution 5 To appoint Ernst & Young as Auditor of the Company in place of the retiring Auditor, KPMG LLP, to hold office until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors of the Company to fix their remuneration.

Resolution 6 Authority to allot and issue shares in the capital of the Company

That pursuant to Section 161 of the Companies Act, Cap. 50, the Constitution of the Company and the listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Board of Directors of the Company be and is hereby authorised to:-

(a) (i) allot and issue shares in the capital of the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively the "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares,

at any time to such persons, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force):-

(i) issue additional Instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this Resolution was in force; and

(ii) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force or such additional Instruments referred to in b(i) above,

PROVIDED ALWAYS THAT:-

(I) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares, if any) at the time of the passing of this Resolution (as calculated in accordance with subparagraph (II) below), of which the aggregate number of Shares issued other than on a pro rata basis to existing shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the Company's total number of issued Shares (excluding treasury shares, if any) (as calculated in accordance with subparagraph (II) below);

(II) (subject to such manner of calculation as may be prescribed by SGX-ST for the purpose of determining the aggregate number of Shares that may be issued under subparagraph (I) above), the percentage of the issued Shares is based on the Company's total number of issued Shares (excluding treasury shares, if any) at the time of the passing of this Resolution after adjusting for:

(a) the issue of the 21,333,333,334 Consideration Shares on completion of the Proposed Acquisition;

(b) the issue of the New Shares arising from the exercise of up to 9,476,834,822 Bonus Warrants and 9,476,834,822 Piggyback Warrants to be issued pursuant to the Proposed Bonus Issue of Bonus Warrants and Piggyback Warrants

(each capitalised term in (a) and (b) above shall have the same meaning ascribed to them in the Company's circular to Shareholders dated 28 February 2018);

(c) new Shares arising from the conversion or exercise of any other convertible securities;

(d) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the SGX-ST Listing Manual; and

(e) any subsequent bonus issue, consolidation or subdivision of Shares; and

(III) (unless revoked or varied by the Company in a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Resolution 7 Authority to grant options and allot and issue Shares under the Rowsley Group Share Option Scheme 2012

That the Board of Directors of the Company be and is hereby authorised to offer and grant options in accordance with the provisions of the Rowsley Group Share Option Scheme 2012 (the "**Option Scheme**") and to allot and issue from time to time such number of Shares as may be required to be issued (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) pursuant to the exercise of the options granted (while the authority conferred by this Resolution is in force) under the Option Scheme, provided always that the aggregate number of Shares over which options have been granted on any date, when added to the number of new Shares issued and/or issuable and/or existing Shares transferred and/or transferable in respect of the options granted under the Option Scheme and in respect of all other share-based incentive schemes of the Company, if any, shall not exceed 15% of the total number of issued Shares (excluding treasury shares, if any) in the capital of the Company from time to time and further, unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall remain in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Notice of Annual General Meeting

Resolution 8 Authority to grant awards and allot and issue Shares under the Share Grant Plan 2015

That the Board of Directors of the Company be and is hereby authorised to grant awards in accordance with the provisions of the Share Grant Plan 2015 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 Share Grant Plan 2015, provided that the total number of new Shares which may be issued or Shares which may be delivered pursuant to awards granted under the Share Grant Plan 2015, when added to the total number of new Shares issued and issuable or existing Shares delivered and deliverable in respect of awards under the Share Grant Plan 2015, 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, if any) from time to time.

ANY OTHER BUSINESS

To transact any other business that may be transacted at an annual general meeting.

BY ORDER OF THE BOARD

Hasan Malik
Company Secretary

Singapore
9 April 2018

Notes to Resolutions:

Resolution 2 is to re-elect Mr. Ng Ser Miang who will, upon re-election, continue to serve as Non-Executive Independent Chairman, Chairman of the Nominating Committee, and a member of the Remuneration Committee and Corporate Disclosure Committee. Mr. Ng is considered by the Board to be independent.

Resolution 3 is to re-elect Ms. Chan Lay Hoon who will, upon re-election, continue to serve as Non-Executive Non-Independent Deputy Chairman, and Chairman of the Investment Committee.

Resolution 4 is to re-elect Mr. Ong Pang Liang will, upon re-election, continue to serve as an Independent Director, Chairman of the Corporate Disclosure Committee, and a member of the Audit and Risk Management Committee and the Investment Committee. Mr. Ong is considered by the Board to be independent.

More information on the Directors can be found in the "Further Information on Board of Directors" section of the Company's Annual Report 2017.

Resolution 6 is to empower the Board of Directors of the Company, from the date of the Annual General Meeting until the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to issue Shares and convertible securities in the Company up to an amount not exceeding 50% of the total number of issued Shares (excluding treasury shares, if any), with a sub-limit of 20% for issues other than on a pro rata basis to shareholders. The aggregate number of Shares which may be issued shall be based on the total number of issued Shares at the time this Resolution is passed, after adjusting for the issue of the 21,333,333,334 Consideration Shares on completion of the Proposed Acquisition, the issue of the New Shares arising from the exercise of up to 9,476,834,822 Bonus Warrants and 9,476,834,822 Piggyback Warrants to be issued pursuant to the Proposed Bonus Issue of Bonus Warrants and Piggyback Warrants (all as set-out in the Company's circular to Shareholders dated 28 February 2018), new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed, and any subsequent bonus issue or consolidation or subdivision of Shares. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Resolution 7 is to empower the Board of Directors of the Company to offer and grant options and to allot and issue Shares pursuant to the exercise of the options under the Option Scheme.

Resolution 8 is to empower the Board of Directors of the Company to offer and grant awards in accordance with the provisions of the Share Grant Plan 2015 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 Share Grant Plan 2015.

The Committee administering the Share Grant Plan 2015 currently does not intend, in any given year, to grant the awards under the Share Grant Plan 2015 and the options under the Option Scheme which would comprise more than 1.5% of the total number of issued Shares (excluding treasury shares, if any) from time to time. However, if less than 1.5% of the total number of issued Shares (excluding treasury shares, if any) is granted as the awards under the Share Grant Plan 2015 and the options under the Option Scheme in any given year, the balance may be used by the Company to make grants of the awards or the options in subsequent years.

Notes:

1. A member who is not a Relevant Intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint not more than two proxies to attend and to speak and vote on his behalf at the Annual General Meeting. Where a member appoints two proxies, he shall specify the proportions of his holdings to be represented by each such proxy, failing which the appointments shall be invalid.

2. Any member who is a Relevant Intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint more than two proxies to attend and to speak and vote on its behalf at the Annual General Meeting.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 1 Kallang Junction, #03-01, Singapore 339263 not less than 72 hours before the time set for the Annual General Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy or proxies and/or representative(s) to attend and to speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy or proxies and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy or proxies and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy or proxies and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

APPENDIX DATED 9 APRIL 2018

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Appendix is circulated to the Shareholders (as defined in this Appendix) of Rowsley Ltd. (the "**Company**") together with the Company's annual report for the financial year ended 31 December 2017 (the "**2017 Annual Report**"). Its purpose is to explain to the Shareholders the rationale and provide information to the Shareholders for the Proposed Change of Auditor (as defined in this Appendix) to be tabled at the annual general meeting of the Company ("**AGM**") to be held at Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 on 24 April 2018 at 10.00 a.m..

The Notice of the AGM and a proxy form are enclosed with the 2017 Annual Report.

If you have sold all your Shares (as defined in this Appendix), you should immediately forward this Appendix, the 2017 Annual Report and proxy form to the purchaser or to the bank, stockbroker or agent through whom the sale was effected for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

If you are in any doubt as to the contents herein or as to any action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

ROWSLEY

ROWSLEY LTD.

(to be renamed Thomson Medical Group Limited)
(Incorporated in the Republic of Singapore)
(Company Registration No. 199908381D)

APPENDIX TO SHAREHOLDERS
IN RELATION TO
THE PROPOSED CHANGE OF AUDITOR

CONTENTS

DEFINITIONS

For the purpose of this Appendix, the following definitions have, where appropriate, been used:

"2017 Annual Report"	:	The annual report of the Company for the financial year ended 31 December 2017
"2018 AGM"	:	The annual general meeting of the Company to be held on 24 April 2018 at Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 at 10.00 a.m., notice of which is enclosed with the 2017 Annual Report
"AGM"	:	The annual general meeting of the Company
"Board"	:	The board of the Directors for the time being
"CDP"	:	The Central Depository (Pte) Limited
"Companies Act"	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"Company" or "Rowsley"	**:**	Rowsley Ltd.
"Directors"	:	The directors of the Company for the time being
"Enlarged Group"	:	The group of companies comprising the Group and the Target Group following the completion of the Proposed Acquisition
"Ernst & Young"	:	Ernst & Young LLP
"Group"	:	The Company and its subsidiaries
"KPMG"	:	KPMG LLP
"Listing Manual"	:	The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
"Notice of Nomination"	:	A notice of nomination of Ernst & Young as the proposed new auditor of the Company dated 26 March 2018 from a Shareholder
"Proposed Acquisition"	:	Has the meaning ascribed to it in paragraph 2.2 of this Appendix
"Proposed Change of Auditor"	:	The appointment of Ernst & Young as the auditor of the Company, in place of the retiring auditor of the Company, KPMG
"Securities Account"	:	Securities accounts maintained by a Depositor with CDP but not including securities sub-accounts maintained with a Depository Agent
"Securities and Futures Act"	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	Persons who are registered as holders of the Shares except where the registered holder is CDP, in which case the term "**Shareholders**" shall in relation to such Shares mean the Depositors whose Securities Accounts with CDP are credited with the Shares
"Shares"	:	Ordinary shares in the capital of the Company
"Target Group"	:	Sasteria Pte. Ltd. and its subsidiaries

The terms "**Depositor**", "**Depository Register**" and "**Depository Agent**" shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act. The term "**treasury share**" shall have the meaning ascribed to it in Section 4 of the Companies Act. Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act or the Listing Manual or any modification thereof and used in this Appendix shall, where applicable, have the same meaning assigned to it under the Companies Act or the Listing Manual or any modification thereof, unless otherwise provided.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons, where applicable, shall include corporations.

Any reference to a time of a day and date in this Appendix is a reference to Singapore time and date unless otherwise stated.

ROWSLEY LTD.

(to be renamed Thomson Medical Group Limited)
(Incorporated in the Republic of Singapore)
(Company Registration No. 199908381D)

Directors:

Mr Ng Ser Miang (Chairman and Non-Executive Independent Director)
Ms Chan Lay Hoon (Deputy Chairman and Non-Executive Non-Independent Director)
Mr Tan Wee Tuck (Executive Director, Chief Executive Officer and Chief Financial Officer)
Mr Lai Huen Poh (Executive Director and Senior Managing Director, RSP)
Dr Lam Lee G (Independent Director)
Mr Gary Ho Kuat Foong (Independent Director)
Mr Ong Pang Liang (Independent Director)

Registered Office:

1 Kallang Junction #03-01
Singapore 339263

9 April 2018

To: The Shareholders

Dear Sir/Madam

THE PROPOSED CHANGE OF AUDITOR

1. INTRODUCTION

1.1 The Company's existing auditor, KPMG, were re-appointed as the auditor of the Company at the last AGM of the Company held on 26 April 2017, to hold office until the conclusion of the forthcoming 2018 AGM. KPMG has served as auditor of the Company since the financial year ended 31 December 2013.

1.2 The Company proposes to seek Shareholders' approval at the 2018 AGM for Ernst & Young to be appointed as the auditor of the Company, in place of KPMG.

1.3 The purpose of this Appendix is to provide Shareholders with information pertaining to, and explain the rationale for, the Proposed Change of Auditor.

1.4 The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Appendix.

2. RATIONALE FOR THE PROPOSED CHANGE OF AUDITOR

2.1 As set out in the Company's circular to Shareholders dated 28 February 2018, the Company intends to acquire *inter alia* the entire issued and paid-up share capital of Sasteria Pte. Ltd. (the "**Proposed Acquisition**"). Shareholder approval for the Proposed Acquisition was obtained at an extraordinary general meeting of the Company held on 23 March 2018.

2.2 Ernst & Young was appointed as auditor of Sasteria Pte. Ltd. on 8 November 2011 and was appointed as auditor of its principal subsidiaries, Thomson Medical Pte. Ltd. and TMC Life Sciences Berhad on 1 April 2011 and 23 January 2017 respectively. Ernst & Young has been the auditor of the Target Group (excluding TMC Life Sciences Berhad and its subsidiaries) since the financial year ended 31 August 2011. In view of the Proposed Acquisition, the Audit and Risk Management is of the view that it would be appropriate to consider a change of auditor of the Company.

2.2 In reviewing the suitability of Ernst & Young, the Audit and Risk Management Committee and the Board took into consideration various factors, such as that Ernst & Young has adequate resources and experience to handle the audit, the audit engagement partner assigned to the audit has the appropriate level of experience and there will be an adequate number of suitably experienced supervisory and professional staff assigned to the audit, having due regard to the size, businesses and complexity of the Enlarged Group. Following the review, the Audit and Risk Management Committee and the Board are of the opinion that Ernst & Young will be able to meet the audit requirements of the Enlarged Group, and Rules 712 and 715 of the Listing Manual will be complied with.

2.3 The scope of audit services to be provided by Ernst & Young will be comparable to the services currently provided by KPMG. Following the above, Ernst & Young had, on 29 March 2018, given their written consent to be appointed as auditor of the Company, subject to approval of the Shareholders at the 2018 AGM. Pursuant to Section 205(11) of the Companies Act, the Company has also received the Notice of Nomination. A copy of the Notice of Nomination is enclosed at the Annex to this Appendix.

2.4 The appointment of Ernst & Young would be effective upon obtaining the approval of Shareholders at the 2018 AGM for the Proposed Change of Auditor. If approved, Ernst & Young will hold office until the conclusion of the next annual general meeting of the Company.

2.5 In view of the above, KPMG will retire and not seek re-appointment as auditor of the Company at the 2018 AGM, being the end of their current term. The Directors wish to express their appreciation for the past services rendered by KPMG.

3. INFORMATION ON ERNST & YOUNG

3.1 Ernst & Young, registered with the Accounting and Corporate Regulatory Authority, is one of the largest professional service firms in Singapore, and is among the Big Four accounting firms in Singapore.

3.2 Ernst & Young has more than 128 years of experience providing audit, tax and professional services to Singapore and the global markets and employs more than 230,000 people globally. Ernst & Young has relevant industry experience with audit clients in the real estate, hospitality and healthcare industries which the Company is in.

3.3 Max Loh Khum Whai, a partner with Ernst & Young, will be assigned to the audit of the Company as the lead engagement partner. Max Loh Khum Whai is a member of the Institute of Singapore Chartered Accountants (ISCA). Max Loh Khum Whai has more than 25 years of experience in providing audit and assurance services to a variety of clients, including public companies listed on the SGX-ST. He also has relevant experience in the real estate, hospitality and healthcare industries.

3.4 More information about Ernst & Young, its values and its services can be found on Ernst & Young's website at http://www.ey.com.

4. CONFIRMATIONS

In accordance with the requirements of Rule 1203(5) of the Listing Manual:

(a) the outgoing auditor of the Company, KPMG, has confirmed that it is not aware of any professional reasons why the new auditor, Ernst & Young, should not accept appointment as auditor of the Company;

(b) the Company confirms that there were no disagreements with the outgoing auditor of the Company, KPMG, on accounting treatments within the last 12 months;

(c) the Company confirms that, save as disclosed in this Appendix, it is not aware of any circumstances connected with the Proposed Change of Auditor that should be brought to the attention of the Shareholders;

(d) the specific reasons for the Proposed Change of Auditor are set out in Section 2 above; and

(e) the Company confirms that it complies with Rules 712 and 715 of the Listing Manual in relation to the proposed appointment of Ernst & Young. The Company will be engaging Ernst & Young as the auditor for its significant foreign incorporated subsidiaries and associated companies (if any).

5. CONSENTS

Each of KPMG and Ernst & Young has given and has not withdrawn its consent to the issue of this Appendix with the inclusion of its name and all references thereto, in the form and context in which it appears in this Appendix.

6. STATEMENT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee has reviewed the Proposed Change of Auditor, and after taking into account the audit quality indicators introduced by the Accounting and Corporate Regulatory Authority on the selection of auditors, the suitability of Ernst & Young, the Group's audit requirements and the requirements of the Listing Manual, recommends the proposed appointment of Ernst & Young as auditor of the Company in place of the outgoing auditor of the Company, KPMG.

7. DIRECTORS' RECOMMENDATIONS

The Directors, having taken into account the Audit and Risk Management Committee's recommendations, are satisfied that Ernst & Young will be able to meet the audit requirements of the Group and are of the opinion that the proposed appointment of Ernst & Young as auditor of the Company in place of the retiring auditor, KPMG, is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Change of Auditor to be proposed at the forthcoming 2018 AGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

8.1 Shareholders who are unable to attend the 2018 AGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the proxy form attached to the notice of the 2018 AGM in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 1 Kallang Junction, #03-01 Singapore 339263, not later than 72 hours before the time fixed for the 2018 AGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the 2018 AGM if he so wishes in place of the proxy if he finds that he is able to do so.

8.2 A Depositor shall not be regarded as a member of the Company entitled to attend the 2018 AGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP not less than 72 hours before the 2018 AGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Change of Auditor, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

10. DOCUMENTS FOR INSPECTION

A copy of the following documents may be inspected at the registered office of the Company at 1 Kallang Junction #03-01, Singapore 339263, during normal business hours from the date of this Appendix up to and including the date of the 2018 AGM:

(a) the 2017 Annual Report;

(b) the Constitution of the Company;

(c) the professional clearance letter issued by KPMG to Ernst & Young; and

(d) the letter of consent to act as auditor of the Company from Ernst & Young.

Yours faithfully
For and on behalf of the Board of Directors of
Rowsley Ltd.

Tan Wee Tuck
Executive Director and Chief Executive Officer

26 March 2018

The Board of Directors
Rowsley Ltd.
1 Kallang Junction #03-01
Singapore 339263

Dear Sirs

Notice of Nomination

Pursuant to the provisions of Section 205 of the Companies Act, Chapter 50 of Singapore, I, Lai Huen Poh, in my capacity as a member of Rowsley Ltd. (the "**Company**"), hereby give notice of my nomination of Ernst & Young LLP of One Raffles Quay, North Tower, Level 18, Singapore 048583 for appointment as independent auditor of the Company in place of the retiring auditor, KPMG LLP of 16 Raffles Quay, #22-00 Hong Leong Building, Singapore 048581, at the forthcoming annual general meeting of the Company on 24 April 2018 or any adjournment thereof.

Yours faithfully

Lai Huen Poh
Member, Rowsley Ltd.

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Proxy Form
Annual General Meeting

ROWSLEY LTD.
(to be renamed Thomson Medical Group Limited)
(Incorporated in the Republic of Singapore)
Company Registration No. 199908381D

I/We ____

NRIC/Passport/Co. Registration No.____

of____
being a member/members of **ROWSLEY LTD.** hereby appoint:

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

and/or (delete as appropriate)

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

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting ("**AGM**") of the Company to be held on **Tuesday, 24 April 2018 at 10.00 a.m.** at Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM. If no person is named in the above boxes, the Chairman of the AGM shall be my/our proxy to vote, for or against the Resolutions to be proposed at the AGM as indicated hereunder for me/us and on my/our behalf at the AGM and at any adjournment thereof.

No.	Resolutions Relating to:	*For	*Against
ORDINARY BUSINESS			
1.	Directors' Statement, Audited Financial Statements and the Auditors' Report for the financial year ended 31 December 2017		
2.	Re-election of Mr. Ng Ser Miang as Director of the Company		
3.	Re-election of Ms. Chan Lay Hoon as Director of the Company		
4.	Re-election of Mr. Ong Pang Liang as Director of the Company		
SPECIAL BUSINESS			
5.	Appointment of Ernst & Young as Auditors of the Company in place of the retiring Auditor, KPMG, to hold office until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors of the Company to fix their remuneration		
6.	Authority to allot and issue shares in the capital of the Company		
7.	Authority to grant options and allot and issue shares under the Rowsley Group Share Option Scheme 2012		
8.	Authority to grant awards and allot and issue shares under the Share Grant Plan 2015		

* If you wish to use all your Votes "For" or "Against", please indicate with a "X" or "√" within the box provided. Otherwise, please indicate the number of votes.

Dated this __________ day of _______________ 2018

Total number of Shares held in:	
Depository Register	
Register of Members	

____
Signature(s) of Member(s) or
Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members of the Company, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you .

2. A member who is not a Relevant Intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint not more than two proxies to attend and to speak and vote on his behalf at the AGM. Where a member appoints two proxies, he shall specify the proportions of his holdings to be represented by each such proxy, failing which the appointments shall be invalid.

3. Any member who is a Relevant Intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint more than two proxies to attend and to speak and vote on its behalf at the AGM.

4. A proxy need not be a member of the Company.

5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 1 Kallang Junction, #03-01, Singapore 339263 not less than 72 hours before the time set for the AGM.

6. The instrument appointing a proxy or proxies shall be in writing and signed by the appointer or by an attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.

7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by the attorney, the power of attorney (or other authority) or a notarially duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Cap. 50.

9. The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument of proxy. In addition, in case of members whose shares are entered in the Depository Register, the Company may reject an instrument of proxy lodged if the member, being the appointer, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy/proxies and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

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ROWSLEY

(to be renamed Thomson Medical Group Limited)
(Incorporated in the Republic of Singapore)
Company Registration No. 199908381D

1 Kallang Junction, #03-01,
Singapore 339263

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