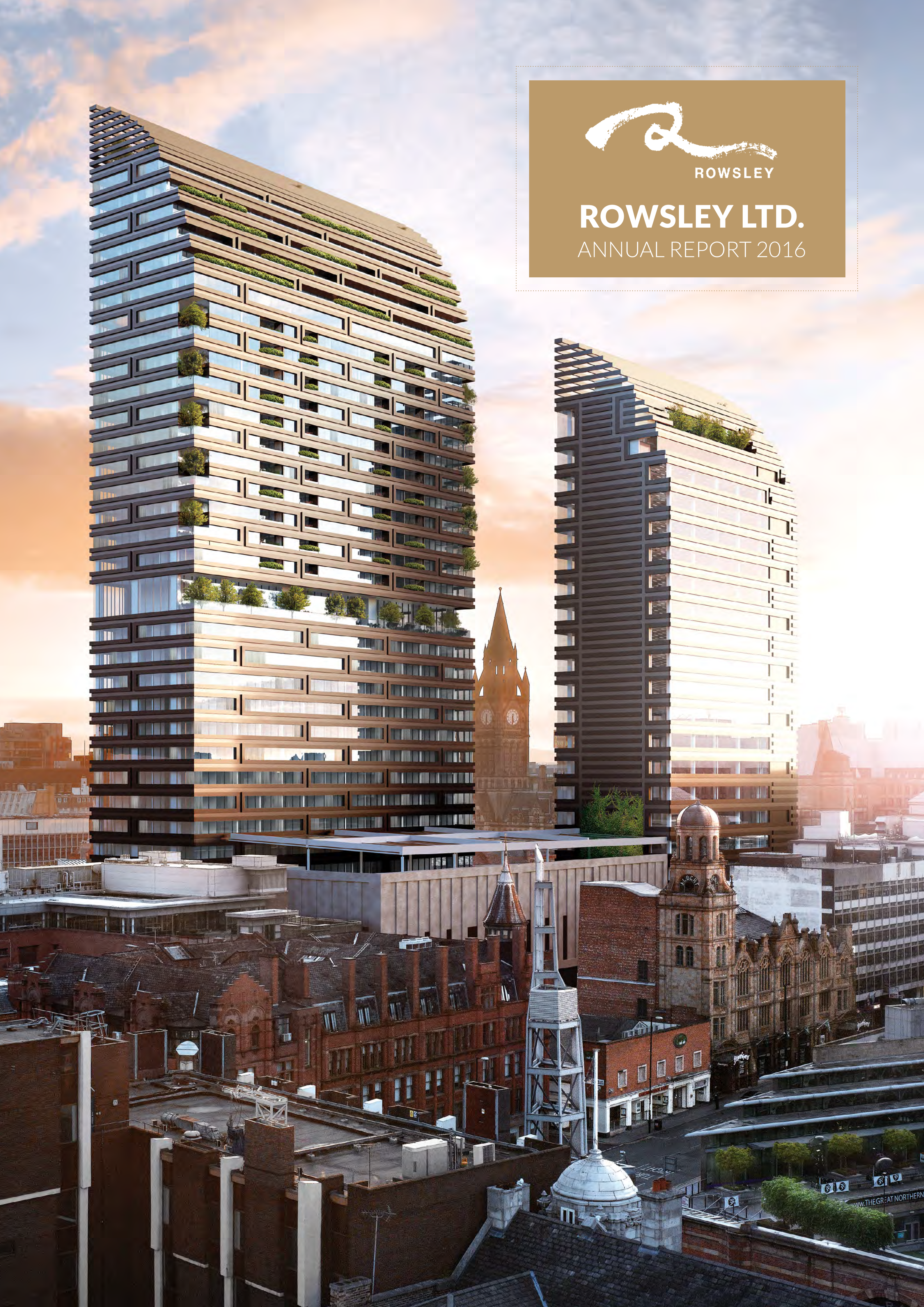


ROWSLEY

ROWSLEY LTD.

ANNUAL REPORT 2016

Contents

1 Corporate Profile
2 Letter to Shareholders
6 Corporate Structure
7 Financial Highlights
8 Operations Review
16 Sustainability
20 Board of Directors
24 Senior Management
29 Corporate Governance
41 Corporate Directory
42 Financial Statements
124 Additional Information
127 Further Information on Board of Directors
136 Shareholdings Statistics
138 Notice of Annual General Meeting

Cover page: St. Michael's in Manchester city centre

St. Michael's

Corporate Profile

Rowsley Ltd. is a diversified real estate company with businesses in design and engineering, real estate development and hospitality. Our major assets include RSP Architects Planners & Engineers, one of the most established architectural practices in the region, Squire Mech, a leading mechanical and electrical engineering consultancy, and Vantage Bay Healthcare City in Iskandar Malaysia. Rowsley also owns Hotel Football, Cafe Football, Stock Exchange Hotel, GG Collections which provides hospitality management services and Ariva, a fast-growing hospitality company in Asia. A joint venture agreement has been signed for St. Michael's, a landmark mixed-use development in Manchester.

Rowsley Ltd. has been listed on the Singapore Exchange since 2002.

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.

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.

Letter to Shareholders

"We remain confident of the long-term value of our investments and will continue to expand on our diversified business model."

NG SER MIANG
Chairman

Dear Shareholders,

In 2016, Rowsley continued to focus on building its portfolio in design and engineering, real estate development and hospitality. The Group made two acquisitions, Squire Mech and Ariva Hospitality, completed its 50% acquisition of the Stock Exchange Hotel in Manchester, entered into a partnership with the National Football Museum of UK, and expanded its Cafe Football brand to Singapore.

However, 2016 has also proven to be a challenging year. Our Group was affected by major external events and weak market conditions. In the UK, the results of the Brexit referendum created much market uncertainties and led to a significant decline in the Sterling. In Singapore, the private property market continued to contract, while Malaysia saw continued uncertainties and an extended decline in the Ringgit.

Hospitality

The Group's strategy for the hospitality business continues to be twofold. First, is to own and operate a portfolio of hospitality assets with unique value propositions in choice locations. Second, is to grow the hospitality management business. This strategy allows us to earn recurrent income, as well as to participate in long-term capital appreciation.

Our current hospitality portfolio comprises 75% stakes in three assets – Hotel Football Old Trafford, Cafe Football and GG Collections, a hospitality management firm. In December 2016, we added to this portfolio through the completion of a 50% stake in the Stock Exchange Hotel in Manchester. Plans are underway to convert this historic building in the city centre into a 39-room 5-star boutique hotel which will open in late 2017. As part of our St. Michael's mixed development, we will also be constructing a 201-room 5-star hotel in the center of Manchester.

We also expanded our hospitality management business in Asia with the acquisition of Ariva Hospitality, a fast-growing hotel management and consultancy firm. Helmed by a team of skilled industry veterans, Ariva has more than 6,500 keys under management and in the pipeline, spread across 47 properties in Asia Pacific. The transaction which was announced in September 2016, was completed in February 2017. We look forward to growing Ariva further, and leveraging on Ariva to accelerate the growth of the Group's hospitality business, particularly in the Asia Pacific region.

As part of our expansion plans for the football themed brands, we are opening a third Cafe Football outlet in the UK at the National Football Museum. We have tied up with the Manchester based National Football Museum for their events catering and the loan of exclusive football memorabilia to be displayed at our football themed properties. We have also franchised the Cafe Football brand to Singapore, the first outside of the UK.

Jewel Changi Airport - *image courtesy of Jewel Changi Airport Devt.*

Real Estate Development

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 for approval of the planning permission. The plans comprise a hotel, residential apartments, Grade A offices, and retail and leisure spaces, including two new sky bars and restaurants.

The Manchester real estate market has tremendous growth potential as there is an undersupply of prime residential property in the city centre. We are optimistic that St. Michael's Residences will receive keen interest from buyers and investors in the UK and overseas.

Throughout 2016, we had discussions with various operators and investors to establish a range of healthcare services in Vantage Bay Healthcare City. These discussions are still in progress and we expect them to accelerate when Thomson Iskandar, the medical hub developed by TMC Life Sciences Berhad and sited adjacent to Vantage Bay Healthcare City, commences construction.

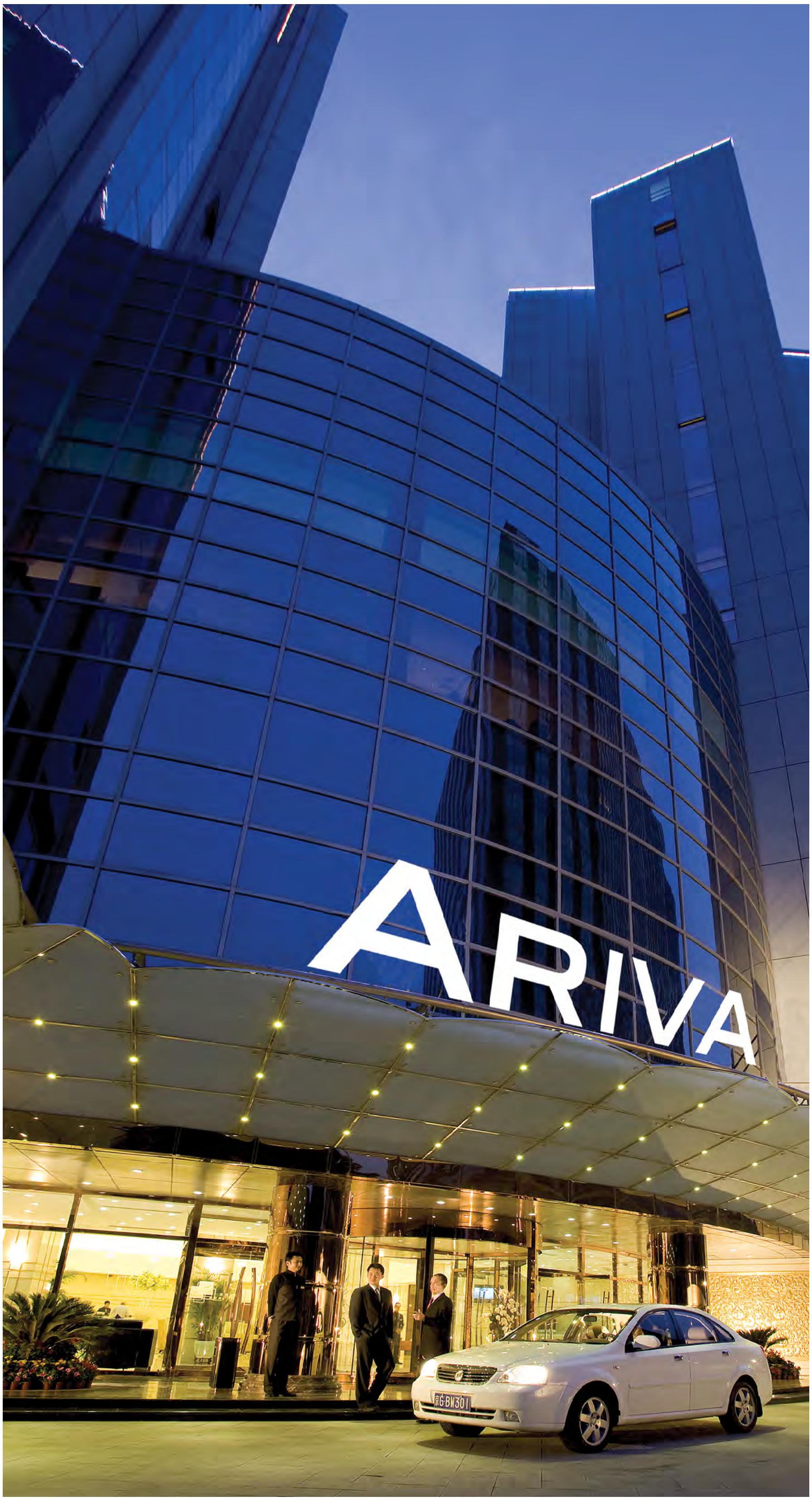
Design & Engineering

In 2016, RSP completed the acquisition of the balance 65% paid up share capital of Squire Mech to make it a wholly owned subsidiary. RSP is now a multi-disciplinary, fully integrated, end-to-end, design and engineering services company. Coupled with the acquisition of a 34.7% stake in RSP Design Consultants (India) Private Limited in 2015, RSP now has more than 1,300 employees in more than eleven cities around the world.

Many RSP projects garnered significant awards in 2016, reflecting our pre-eminence in key discipline areas. Awards include the International Architecture Awards for Jewel Changi Airport and d'Leedon. RSP also picked up numerous Building & Construction Authority (BCA) Awards including a Universal Design Mark Platinum Award and Construction Productivity Platinum Award for CapitaGreen, a Design and Engineering Safety Excellence Award for Sky Habitat, and four Construction Excellence Awards.

The private property market in Singapore further contracted last year. This affected the financial performance of RSP but the business continues to be profitable. Importantly, RSP continues to win key projects such as masterplanning for the Mandai nature precinct and design of the new Funan. RSP will continue to pursue public infrastructure contracts in Singapore such as the upcoming Singapore-Kuala Lumpur high-speed rail project, as well as growth opportunities in overseas market like Vietnam and Dubai.

Letter to Shareholders



Ariva Beijing West Hotel & Serviced Apartment

Stock Exchange Hotel

"We will continue to seek strategic opportunities to expand the Group and manage our resources prudently to ride out the current market challenges."

Squire Mech is a consultant for the Singapore Sports Hub

Financial Performance

For the financial year ended 31 December 2016, the Group reported revenue of $103.1 million, up 24% on contributions from Squire Mech and a full-year contribution from the UK hospitality business.

Net attributable loss was $63.3 million, mainly due to asset impairments, against a net loss of $36.3 million in 2015. The net loss included impairments of $72.9 million for three businesses – RSP, Hotel Football and GG Collections. Excluding the asset impairments and fair value gains, earnings before interest, depreciation and tax (EBITDA) stood at $4.0 million.

The Group continued to maintain a strong balance sheet, with net assets as at 31 December 2016 of $407.4 million, of which cash and cash equivalents totalled $37.6 million.

Moving Forward

We expect the market uncertainties to persist in 2017. At the same time, we also see some bright spots. The weaker Sterling means future investments in the UK will be cheaper. In Singapore, the fall in private sector projects is being offset by increasing government stimulus in the infrastructure, institutional and industrial sectors. Overseas, certain markets are still growing.

We remain confident of the long-term value of our investments and will continue to expand on our diversified business model. We will continue to seek strategic opportunities to expand the Group and manage our resources prudently to ride out the current market challenges.

Acknowledgement

On behalf of the Board of Directors, I would like to express my heartfelt appreciation to our shareholders, business associates and partners for their continued support and confidence in Rowsley. I also wish to acknowledge the good counsel and guidance from fellow directors, as well as thank the management and staff for their dedication and valuable contributions.

We look forward to a successful 2017.

NG SER MIANG
Non-Executive
Independent Chairman

Corporate Structure

DESIGN & ENGINEERING

- RSP Architects Planners & Engineers
- Squire Mech

HOSPITALITY

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

REAL ESTATE DEVELOPMENT

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

* Joint venture agreement signed to acquire interest

Financial Highlights

REVENUE

S$103.1 million

NET ASSET VALUE PER SHARE

8.7 cents

EBITDA

S$4.0 million*

NET TANGIBLE ASSETS

S$321.9 million

NET LOSS

S$69.8 million#

MARKET CAPITALISATION

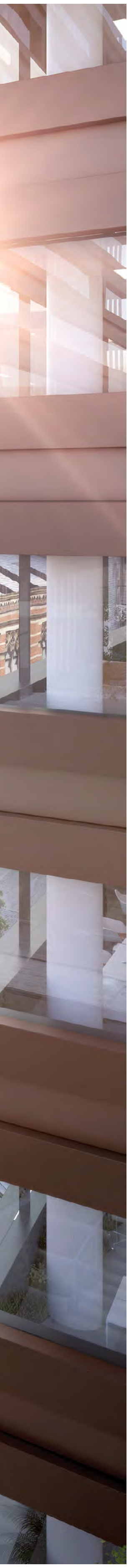
S$574.4 million

* excluding impairments and fair value gains
\# includes impairments of S$73.5 million

As at 31 December 2016

Operations Review

St. Michael's Square



Rowsley continued to expand its businesses in design and engineering, real estate development and hospitality in 2016.

The Steps at St. Michael's

OVERVIEW

2016 has been a challenging year as our Group was affected by major external events and weak market conditions. In the UK, Brexit has created much market uncertainties and led to a depreciation of the British Pound. In Singapore, the private property market saw lacklustre performance, while Malaysia experienced continued uncertainties and an extended decline in the Ringgit.

Notwithstanding these headwinds, Rowsley continued to expand its businesses in design and engineering, real estate development and hospitality in 2016. The Group made two acquisitions, Squire Mech and Ariva Hospitality, completed its 50% acquisition of the Stock Exchange Hotel in Manchester, entered into a partnership with the National Football Museum of UK, and franchised its Cafe Football brand to Singapore.

FINANCIALS

For the financial year ended 31 December 2016 (FY16), the Group reported a net loss attributable to equity holders of $63.3 million, mainly due to asset impairments, up from a net loss of $36.3 million for the financial year ended 31 December 2015 (FY15). Excluding impairments and fair value gains, EBITDA stood at approximately $4.0 million, supported by double-digit top-line growth.

Impairments of $72.9 million were taken against three businesses - RSP ($37.6 million), Hotel Football ($30.4 million) and GG Collections ($4.9 million).

RSP was affected by a weak property market in Singapore. However, the business continues to be profitable and key projects secured last year included masterplanning for the Mandai nature precinct and design of the new Funan.

Earnings for Hotel Football in Manchester had tracked below management's projections, resulting in an impairment loss. The impairment reflects a conservative approach in view of the uncertain market ahead due to Brexit. Hotel Football has tremendous brand value and growth potential. The impairment does not consider the value that would arise from an expansion of the brand.

Our UK hospitality management arm, GG Collections had been affected by lower income from Hotel Football. Therefore, an impairment had been made against the goodwill arising from this acquisition.

Group revenue rose 24% to $103.1 million, against $83.0 million in FY15. They included a full-year contribution from the UK hospitality business, which was acquired in November 2015, and revenue contributed by Squire Mech, which was previously an associated company but became a wholly owned subsidiary of the Group in August 2016. The 34.7% stake in RSP India, acquired in August 2015, also contributed a full-year share of earnings to the Group.

Operations Review

The Group recorded a fair value gain of $4.3 million when Squire Mech became a wholly owned subsidiary; the gain represented the difference between the carrying amount of the cost of investment of the 35% associate and the enterprise value of Squire Mech at the date of acquisition.

Net cash generated from operating activities for FY16 amounted to $7.6 million, while net cash used in financing activities for the year was mainly due to payment of interest of $7.2 million. As of 31 December 2016, the Group's cash and cash equivalents amounted to $37.6 million.

DEVELOPMENT

St. Michael's

Rowsley signed 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 also comprises Beijing Construction Engineering Group International (BCEGI) 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 for approval of the planning permission.

The 700,000 sq ft mixed-use development will comprise a 201-room 5-star hotel, 159 luxury apartments, 138,000 sq ft of Grade A office space, retail space, two new public squares and a new Reform Synagogue. St. Michael's will also feature three striking public spaces within the strategically located site, adjacent to the Manchester Town Hall.

St. Michael's is envisioned to be a landmark destination within the Manchester city to further grow the economy, provide jobs and support businesses, tourism and culture. The Manchester real estate market has tremendous growth potential as there is currently an undersupply of prime residential property in the city centre. We are optimistic that St. Michael's Residences will receive keen interest from buyers and investors in the UK and overseas.

Rowsley continues to invest in Manchester as the city is one of the largest and fastest-growing UK cities, and is home to half of the Northwest's Top 500 businesses and two of the world's highest-earning football clubs. It is one of UK's largest cities outside of London, with a population of over 2.5 million. Manchester prides itself as a city of entrepreneurism and innovation with a thriving digital sector. New businesses have been launched at record rates in Greater Manchester, and MNCs including Google, Kellogg's, ITV, Bank of New York, and Siemens, have located their regional headquarters there.

St. Michael's

Hotel Football

Vantage Bay Healthcare City

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. Vantage Bay Healthcare City seeks to ride on the strong growth prospects of the health and wellness sector, supported by the increasing population, ageing demographics and increasing demand for more sophisticated healthcare, wellness facilities and services in this part of the region.

Thomson Medical, one of Singapore's top medical groups, is our strategic partner for the integrated healthcare city development. Its related company, TMC Life Sciences Berhad is developing a 500-bed general hospital which is sited adjacent to Vantage Bay Healthcare City. Both Rowsley and Thomson Medical have been in active discussions with other reputable partners to invest and work together on various components of the healthcare city. These discussions are still in progress and we expect them to accelerate when the general hospital commences construction in 2017 after relevant authorities' approvals have been obtained.

As the plan for the healthcare city is a long-term one, we started a lifestyle cluster at Vantage Bay in November 2016, called 'the ViBe' which includes F&B offerings and a pharmacy managed by TMC Life Sciences. The F&B tenants include an Asian fusion fine dining restaurant, seafood bar, Penang café and a patisserie. Besides injecting some liveliness to the area, the ViBe has allowed Vantage Bay to start earning recurring income from the rental of spaces to the tenants.

We believe that the long-term potential of the Iskandar Malaysia economic zone remains high as it continues to attract foreign investments and enhances its transport links such as the Rail Transit System link between Singapore and Johor Bahru and the Singapore-KL High Speed Rail which is targeted for completion in 2026.

HOSPITALITY

Hotel Football

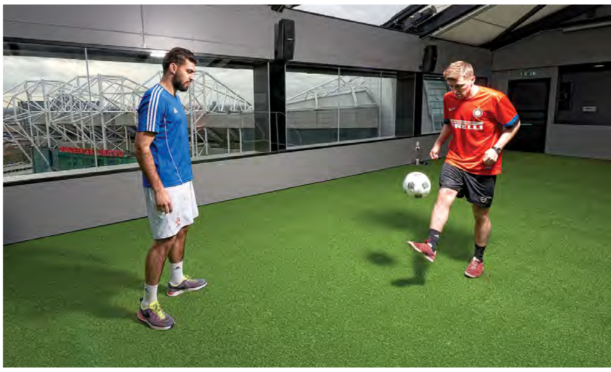
Rowsley owns a 75% stake in Hotel Football – a 134-room football themed hotel located across the Old Trafford stadium, home to one of the world's top football clubs, Manchester United. The hotel's many facilities include a roof-top football pitch, the Old Trafford Supporters Club bar lounge and conference facilities.

For 2016, Hotel Football achieved a occupancy rate of 82%, higher than the 79% average occupancy rate in Manchester city centre. Average Daily Rate for the year was £83. Since its opening in 2015, Hotel Football has consistently been ranked first or second out of

Operations Review

Our UK partners, Ryan Giggs and Gary Neville

Old Trafford Supporters Club at Hotel Football



Heaven, a rooftop football pitch and event space at Hotel Football

all hotels in Manchester on TripAdvisor.com. Awards which Hotel Football achieved in 2016 includes the TripAdvisor Certificate of Excellence 2016, Booking.com Guest Review Award 2016, and LateRooms.com Simply The Guest Award for Best Business Hotel in the UK.

The expansion plan for Hotel Football is to launch over 5,000 rooms within the next 10 years, especially in Europe and Asia cities which have huge football fan base.

Cafe Football

Rowsley also owns a 75% stake in Cafe Football, which started with two outlets at Westfield Stratfort City in London and in Hotel Football Old Trafford. As part of our expansion plans for the football themed brands, we are opening a third outlet in the UK at the National Football Museum. More than half a million visitors step foot into the museum annually and having a presence at the museum will be a fantastic exposure to the Cafe Football brand. We have also expanded the brand to Singapore through a franchise agreement.

To enhance the football themed experience for our guests, we have also tied up with the Manchester based National Football Museum for the loan of its collection of over 140,000 football memorabilia to be displayed at our football themed properties. Hotel Football and Cafe Football will also have access to the various interactive games and experiences developed by the National Football Museum. We have also signed an exclusive agreement to handle all the events catering at the 400-capacity venue which has in the past hosted illustrious events such as the Annual Football Hall of Fame. The partnership with National Football Museum allows us to strategically position ourselves alongside the well-known museum to enable us to evolve the experience at Cafe Football.

Stock Exchange Hotel

In December, we completed the investment of a 50% stake in Manchester's historic Northern Stock Exchange building. The Edwardian Baroque building, with its impressive central dome, was built in 1906 and has great architectural merits. It is listed on the Statutory List of Buildings of Special Architectural or Historic Interest in the UK. The acquisition of Stock Exchange Hotel is part of our strategy to own a portfolio of hotels with unique value propositions.

The heritage building will be converted into a luxury boutique hotel with exciting F&B concepts helmed by Michael O'Hare, one of UK's top celebrity chefs and named as one of the top 50 most influential hospitality operators in Northern England in the Northern Restaurant and Bar Top Fifty 2017 awards. Michael O'Hare's restaurants at Stock Exchange Hotel will include 'The Man Who Fell To Earth', a 50-seat fine dining restaurant and 'Are Friends Electric' which is an 80-seat rooftop kitchen restaurant and bar.

National Football Musuem - *image courtesy of Daniel Hopkinson*

Cafe Football Singapore

Match Day Hospitality at Hotel Football

Planning approval for the hotel has been attained and construction on the site has commenced. The hotel is expected to start operations in late 2017.

GG Collections

Rowsley also owns a 75% stake in GG Collections, which owns the Hotel Football and Cafe Football brands, and GG Hospitality Management, a hospitality management company. GG Collections aims to create and deliver unique and memorable hospitality experiences and build strong, successful hospitality brands.

GG Hospitality Management continues to manage Hotel Football and Cafe Football, and has recently secured management agreements for two F&B brands in Manchester – 'The Rabbit In The Moon', an Asian fusion restaurant by Michael O'Hare, and 'Mahiki Manchester'.

Ariva

To expand our hospitality management business in Asia and develop a stable base of recurring income, we have acquired Ariva Hospitality, a fast-growing hotel management and consultancy firm which has more than 6,500 keys under management and in the pipeline, spread across 47 properties in Asia Pacific. The transaction which was announced in September 2016, was completed in February 2017. Following the completion of the acquisition, Ariva is now a wholly owned subsidiary of Rowsley Hospitality Holdings Pte. Ltd.

Ariva was founded in October 2008 by industry veterans Cameron Ong, formerly Chief Executive Officer and Managing Director of CapitaLand's The Ascott Group, and Jean-Claude Erne, formerly Senior Vice President, Product, Process and Procurement and Managing Director in Europe at The Ascott Group. Messrs Ong and Erne will continue to lead and grow Ariva as Executive Chairman and Executive Director respectively.

Ariva manages hotels and serviced apartments under its own and associated companies' brands. The Ariva acquisition brings to the Group additional industry expertise and market access to accelerate the growth of Rowsley's hospitality business in the Asia Pacific region.

Operations Review

Jewel Changi Airport - *image courtesy of Jewel Changi Airport Devt.*

DESIGN & ENGINEERING

RSP

2016 was a milestone for RSP as it celebrated its 60th anniversary. Many RSP projects garnered significant awards in 2016, reflecting our pre-eminence in key discipline areas. Awards include the International Architecture Awards for Jewel Changi Airport and d'Leedon, and Skytrax World Airport World's Best Airport Hotel and Best Airport Hotel in Asia for Crowne Plaza Airport Hotel for which RSP was engineer. Locally, Sentosa Cableway & Stations was voted one of Top 50 Engineering Feats in a national competition commemorating SG50. RSP also picked up numerous BCA Awards including a Universal Design Mark Platinum Award and Construction Productivity Platinum Award for CapitaGreen, a Design and Engineering Safety Excellence Award for Sky Habitat, and four Construction Excellence Awards.

In 2016, RSP completed the acquisition of the balance 65% paid up share capital of Squire Mech to make it a wholly owned subsidiary of RSP. Coupled with the acquisition of a 34.7% stake in RSP Design Consultants (India) Private Limited in 2015, RSP is now a multi-disciplinary, fully integrated, end-to-end design and engineering services company. The acquisition further strengthens the multi-disciplinary capabilities of the Group by allowing full control of mechanical and electrical engineering (M&E) consultancy services, to complement architecture, master planning, and civil and structural engineering under RSP. The combination of these highly complementary services will offer an even more seamless and efficient multi-disciplinary professional services platform which is a compelling value proposition to clients.

The private property market in Singapore further contracted last year. This affected the financial performance of RSP but the business continues to be profitable. However, the fall in private sector projects was balanced by increasing government stimulus in the infrastructure, institutional and industrial sectors, which created a pipeline of opportunities such as the upcoming Singapore-KL high-speed rail project.

Last year, a significant portion of RSP's projects in Singapore was secured through public tender, and they include JTC's multi-user yard, Immigration & Checkpoints Authority's new annex building and retrofitting works, and Ministry of Education's wide-scale upgrading programme for government schools. This trend is likely to persist through 2017 and beyond with infrastructure and education at the frontline of the country's economic and social development plans. RSP will continue to position itself to cope best with industry pressures and ramp up its skill and technology levels, so as to diversify to areas that hold the greatest growth potential.

Overseas, RSP continues to maintain a high level of innovation and service quality, developing strategies optimised to their local markets. RSP India secured

d'Leedon

Paya Lebar Square

prominent projects across India from repeat clients such as Microsoft, Olympia and Embassy Group. RSP China capitalised on strong client relations to drive its internationalisation agenda and is now engaged with a long-term client, major media group StarTimes, in a line-up of projects across Africa. RSP Vietnam and RSP Dubai have also seen strong growth in business. We will continue to pursue growth opportunities in these markets.

After more than five decades of helming RSP, Dr Albert Hong stepped down as Executive Chairman to take on the role of Non-Executive Chairman with effect from 1 March 2017. Dr Hong has been instrumental in leading RSP to where it is now and we would like to thank Dr Hong for his dedicated and outstanding service.

Squire Mech

Squire Mech has a staff strength of almost 200 employees and is headquartered in Singapore with offices in Shanghai, Beijing, Chengdu and Kuala Lumpur. An ISO 9000, ISO 14000 and bizSAFE certified company, it has a strong track record of providing M&E engineering for major developments and facilities for clients in both the public and private sectors.

In 2016, Squire Mech secured 17 major projects, which include the redevelopment of Thong Sia Building at Bideford Road, the Angel Playing Cards Factory in Tuas, the Catholic Archdiocesan Hub at Thomson Road, St. John's & St. Margaret's Nursing Home and Annex Building at Dover Avenue. It also secured large-scale overseas projects, including the Lusail Commercial Development in Doha, Qatar and the Kwasa Sentral Retail Mall in Kuala Lumpur, Malaysia.

Squire Mech continued to achieve the BCA Green Mark Platinum Award consistently every year, with the Nanyang Academy of Fine Arts Campus 3 receiving the accolade in 2016. It was also the M&E Engineer for CapitaGreen which won the inaugural Singapore Green Building Council (SGBC) - BCA Sustainability Leadership in Design & Performance Award, Commercial category, and Marine Blue which won the BCA BIM Award (Gold). These awards are a testament to the quality of work which Squire Mech has provided to our clients.

In China, Squire Mech completed several projects in 2016 – the Suzhou Ascendas Xinsu office development, Changchun Hyatt Hotel, the Haikou Zhonghuan mixed development comprising hotel, office and retail shops, and Fuzhou Shiou Mall which is an office and retail development.

Looking ahead, Squire Mech will work even more closely with RSP and leverage on the network and resources of the group to secure more projects.

Sustainability

Regional Center in Doumen District, Zhuhai, Guangdong Province

HKF Office Warehouse

Rowsley is dedicated to sustainability through the businesses and activities we conduct, whether in our design and engineering practices, real estate development or hospitality activities.

Rowsley is dedicated to sustainability through the businesses and activities we conduct, whether in our design and engineering practices, real estate development or hospitality activities.

At our major subsidiary, RSP, one focus is on developing environmentally sustainable designs and solutions. Through its innovative, sustainable solutions and people-focused systems, RSP enriches and transforms lives by playing a role in ensuring a sustainable future for clients, employees and communities.

RSP has been certified by Singapore's Building and Construction Authority (BCA) against ISO14001 and ISO9001 standards. It maintains the benchmark through an annual internal audit - a rigorous process of document reviews, interviews with key personnel, and inspections of operations conducted in three focus areas of environment, operations and management. The audit ensures that systems are firmly in place to allow for effective planning, a structured approach, and accountability that reaches across organisational boundaries.

As a company highly conscious of the impact of its business activities on the environment, RSP has an environmental sustainable unit comprising 16 Certified Green Mark Managers. These innovative thinkers lead the sustainable strategy and support environmental and social risk management across all projects. RSP is committed to helping clients set new industry standards, choose responsible partners, and make a significant positive impact on the environment.

Master Planning

In our master planning division led by RSP Senior Director, Dr Liu Thai Ker, we have planned and shaped more than 50 cities, townships and districts around the world. Dr Liu, with over 50 years of experience in master planning and architectural design, has been the Founding Chairman of the Centre for Liveable Cities since 2008.

In developing the concept master plan for a township in Doumen District in Guangdong, China, care was taken to respect and take the best advantage of the area's historically rich assets and water bodies to create a sustainable and liveable habitat. Careful studies were carried out using the Singapore New Town Model to ensure that land use achieved an appropriate mix of different facilities and amenities that serve educational, medical, recreational and commercial needs. Structures and roads were planned to allow for smooth traffic flow. Urban design principles and guidelines were proposed for the urban design of the regional center. This will aid the government to control the individual developments within the regional center according to the proposed urban design.

Sustainability

CUBE 2016

BCA Industry Job Shadowing 2016

Sustainable Design

RSP's approach to sustainable design is collaborative and dynamic, using pioneering technologies to create green and efficient spaces while actively promoting good design consciousness among our stakeholders and the community. The result is meaningful innovations that deliver environmental and social benefits well into the future.

The BCA Academy's Academic Tower is an example of breaking new ground in sustainable construction leveraging on the latest technologies. Building Information Modelling (BIM) was used in the design phase to create a space with optimal space utility and flexibility to the client while economising structural cost. Structural elements are constructed 88% precast, one of the highest in Singapore. Regenerative lifts convert gravitational force into renewable energy while pump-less water tanks supply water for the building. Together with a plethora of other green features like water-efficient fittings and underground rainwater harvesting tank, the building attained a high buildability score of 80, way above the 66 points required for institutional buildings. These sustainable features have enabled the building to achieve 35% energy savings. In 2016, the Academic Tower was awarded a BCA Design & Engineering Safety Excellence Merit and BCA Green Mark Platinum.

The HKF Office Warehouse was designed to meet BCA's Green Mark Platinum standards and the sustainability goals of the client. More than half of the building facade is designed with greenery to significantly reduce solar heat gain and cooling load requirements. The green facade also provides relief to the concrete and glass components of the building, creating an environment conducive for social interactions. Green construction is addressed by aligning access corridors to form breezeways while allowing natural light into the building. Energy-efficient light fittings, water-efficient sanitary fittings, and Photovoltaic cells help reduce energy consumption in the long term. To further reduce carbon footprint, non-toxic building materials approved under the Singapore Green Labelling Scheme were used, while bicycle and electric car lots and an electric car charging station encourage people to adopt more sustainable modes of transport. The HKF Office Warehouse was awarded a BCA Green Mark Platinum in 2016.

'Going green' is one of Squire Mech's core values in bringing value to our clients' developments. One notable project is the upgrading of the Nanyang Academy of Fine Arts campus which was undertaken by Squire Mech. Within the campus, Air Handling Units are equipped with Ultraviolet C emitters for better indoor air quality, lower maintenance, and more efficient water and energy usage. Electronic air filtration system were also introduced to 'haze-proof' the campus. These green features have resulted in estimated energy savings of 754,958 kWh/year and estimated savings of $150,000 per year in electrical tariffs, and the campus was awarded a BCA Green Mark Platinum in 2016.

Community Outreach

In 2016, RSP focused sustainability efforts on outreach and education. Our experts participated as thought leaders at the WORLDBEX Seminar in the Philippines in March, the BCA Design for Maintainability Seminar in September, and ZAK World of Façades South East Asia in October, where they shared best practices and contributed to topics in relation to standards, innovation and collaboration in sustainability. At Singapore Green Building Week - International Green Building Conference (SGBW-IGBC) 2016 and Archifest 2016, RSP hosted project tours to the Academic & Workshop Block at BCA Academy, Punggol Waterway Point and Marina Bay Cruise Centre, where participants could learn about the vital role building designs play in shaping a green and liveable Singapore.

RSP avidly supports education initiatives that nurture young talent in the industry. It participated in River Valley High School's Higher Education, Career Guidance & Scholarships (HECGS) Day 2016,

Community Chest Heartstrings Walk 2016

Staff at Hotel Football

providing career planning advice to students interested in architecture. Since 2012, RSP has participated in the BCA Industry Job Shadowing Programme where we host a group of Junior College students for half a day at our headquarters, explaining to them about RSP and our work. RSP architects have also served as judges and mentors in URA's Challenge for the Urban & Built Environment (CUBE), a workshop that aims to engage and educate Singapore youth about the nation's urban development. RSP extends its outreach beyond borders, hosting overseas delegates and students for mutual learning sessions and tours of our prominent projects.

Global PARK(ing) Day saw RSP's design teams take their creativity outdoors, where they repurposed four carpark lots at the Singapore headquarters into a temporary public area where visitors could relax and socialise. Such community-based activities reinforce in our teams the importance of addressing community and context issues in their work.

In the UK, Hotel Football strives to create development opportunities within the Trafford community. The hotel has hosted many events in conjunction with the borough, including the 'Young Enterprise Area Finals' in March, career fairs in September and November, and various events for schools and community groups throughout the year. Through the Old Trafford Supporters Club (OTSC) that is housed in the hotel, we have raised a total of £24,000 for the Trafford Youth Development Trust in 2016 through a £1 voluntary donation by fans who visit the OTSC.

We are also dedicated in our efforts to develop interpersonal relationships with the Trafford community. As part of the support we render to the local groups, we invited a Trafford dance troupe to perform outside the hotel on a match day and sponsored the troupe to give them the opportunity to perform in the Street Dance European Championships. Being a member of the 'Trafford Pledge' ensures that 15% of our workforce comes from the Trafford area. Throughout the year, we hired interns from the Trafford area, including the winner of Trafford Council's Young Enterprise Award, and continue to welcome new candidates from all backgrounds.

In Malaysia, Rowsley reaches out to the community with its support for football. Its support of Johor Darul Ta'zim Football Club, or the Southern Tigers, seeks to bring all residents in Johor together. Football is well loved in Malaysia and those in Johor are especially passionate about the Southern Tigers, playing to full capacity in their 30,000-seat stadium regularly. In 2016, the Southern Tigers won the Malaysia FA Cup for the first time, and the Malaysia Super League for the third consecutive year.

Employee Engagement

A committee is formed every year to lead a comprehensive staff support programme overseeing employee engagement, health and welfare. Apart from work, staff are kept engaged in meaningful and beneficial activities such as sports events, cultural enrichment and charity involvement such as the Community Chest Heartstrings Walk 2016. As part of the drive towards occupational health and safety and reducing environmental footprint, an e-waste collection and an office-wide spring cleaning exercise were organised to raise employee awareness of these issues and extend it to their everyday lives.

Trafford dance troupe performing outside Hotel Football

Board of Directors

MR NG SER MIANG
Non-Executive Independent Chairman

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 including Yanlord Land Group Limited. He is also Singapore's non-resident Ambassador to Norway, Chairman of Dunman High School Advisory Committee, 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 LAY HOON
Non-Executive Non-Independent Deputy Chairman

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

Ms Chan is the Chairman and President of Spanish football club, Valencia Club de Futbol. She is also a Trustee of the Fundacion Valencia Club de Futbol De La Comunidad Valenciana's Board. Ms Chan was the Executive Chairman of Thomson Medical Pte Ltd, one of Southeast Asia's largest private medical services providers for women and children, until 16 November 2015. She also sits on the boards of several renowned companies, including McLaren Automotive 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 WEE TUCK
Executive Director and Chief Financial Officer

Mr Tan was appointed Non-Executive Non-Independent Director of the Company from 25 September to 17 November 2013 and was redesignated Executive Director and Group Chief Financial Officer on 18 November 2013. He is currently Executive Director and Chief Financial Officer since 1 January 2016. He has oversight for all the Group's corporate functions including investments, finance, legal, human resources and investor relations and works actively with the Board and Management to drive the Group's businesses. 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 HUEN POH
Executive Director and Managing Director, RSP

Mr Lai was appointed Executive Director in September 2013 and redesignated Executive Director and Managing Director, RSP, with effect from January 2016. He currently sits on the Nominating Committee.

Mr Lai has helmed the RSP Group as Managing Director since 2007, having first joined the architectural and engineering practice in 1984. 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 graduated from Sheffield University with a Bachelor of Engineering. Upon graduation, he worked with Balfours Consulting Engineers in the UK for four years before coming to Singapore. Mr Lai is a Chartered Engineer with the Institution of Civil Engineers, UK, a member of the Singapore Structural Steel Society, the Institution of Engineers and the Strata Titles Board of Singapore, an associate of the Institution of Structural Engineers and the Association of Consulting Engineers, a Fellow of the Society of Project Managers and an Accredited Checker with the Professional Engineers Board, Singapore.

Board of Directors

MR HO KIAM KHEONG
Executive Director and
Managing Director, Real Estate

Mr Ho was appointed Executive Director in September 2013 and redesignated Executive Director and Managing Director, Real Estate with effect from January 2016. He is also the Chief Executive Officer of Vantage Bay JB Sdn Bhd, which spearheads the development of Vantage Bay Healthcare City.

Mr Ho brings with him more than 25 years of experience in the real estate industry. Prior to joining the Company as Executive Director, he held various senior positions in real estate companies, including Chief Development Officer of Reem Investments PJSC and Senior Vice President (New Markets) at CapitaLand Residential Ltd and CapitaLand Commercial Ltd. At Reem, Mr Ho led the development of two mega projects totalling about 200 hectares in Abu Dhabi. At CapitaLand, he also managed the group's expansion into frontier markets like Russia, Kazakhstan, India, Vietnam and Malaysia. He was also in charge of the international business at SembCorp Engineers & Constructors Pte Ltd, and was Managing Director of ST Architects & Engineers.

Mr Ho holds a Master of Science (Engineering) from the University of Liverpool and a Bachelor of Engineering from the National University of Singapore.

DR LAM LEE G
Independent Director

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 Chairman – ASEAN Region and Senior Adviser – Asia of Macquarie Infrastructure and Real Assets, 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 and an Accredited Mediator of the Centre of Effective Dispute Resolution.

MR GARY HO KUAT FOONG
Independent Director

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 TMC Life Sciences Bhd 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 PANG LIANG
Independent Director

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 Shanghai branch 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.

Senior Management

MR HO KIAM KHEONG
Managing Director, Real Estate

Information on Mr Ho Kiam Kheong is found in the Board of Directors section of this Report.

MR LAI HUEN POH
Managing Director (RSP)

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

MR LEE KUT CHEUNG
Managing Director (RSP)

Mr Lee joined RSP as a director in 1994 and has led RSP as Managing Director since 2007. Mr Lee had a long career with the Public Works Department of Singapore before he joined RSP. He has served on the boards of several industry panels through the years and is currently a member of the Building & Construction Authority's International Panel of Experts on Construction Productivity. He has been a member of the Licensing & Practice Committee of the Council for Estate Agencies since 2010, 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.

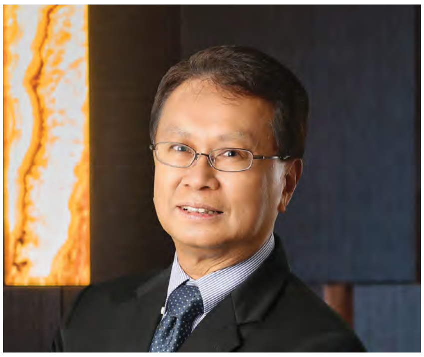
Mr Lee is a Fellow of the Singapore Institute of Architects and an ASEAN Architect and APEC Architect and Chartered Member of the Royal Institute of British Architects.

Mr Lee 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.

DR LIU THAI KER
Senior Director
(RSP)

Dr Liu is an architect-planner and currently a Senior Director of RSP, which he joined in 1992. In addition to architecture projects in Singapore, Dr Liu has provided architecture and urban planning services in around 40 cities outside Singapore. The sizes of these city planning projects range from a few hundred thousand people to 12 million people. Dr Liu is also the Founding Chairman of the advisory board of Centre for Liveable Cities, since 2008. The Centre for Liveable Cities is a knowledge hub created under the Ministry of National Development and the Ministry of the Environment and Water Resources, focusing on urban development related issues.

Dr Liu is often described as the father of city planning in Singapore, an accolade for his 24 years of public service where he was chief architect and CEO of the Housing and Development Board and later chief planner and CEO of the Urban Redevelopment Authority of Singapore. In the field of architectural education, he served as Chairman of the advisory committee for the School of Architecture at National University of Singapore (NUS). He has also been appointed Adjunct Professor of the NUS School of Design & Environment, the NUS Lee Kuan Yew School of Public Policy, as well as the College of Humanities, Arts & Social Sciences at Nanyang Technological University.



MR NG ENG KIONG
Managing Director
(Squire Mech)

Mr Ng is the Managing Director of Squire Mech Pte Ltd, having joined the practice in 1990. He was instrumental in steering the firm to be a leading Mechanical & Electrical Engineering (M&E) consulting firm with numerous projects, clinching many Building and Construction Authority (BCA) Green Mark Awards, and achieving the BCA Built Environment Leadership Awards, Gold Class. For his dedicated efforts in improving productivity of construction sector, Mr Ng has been recognised as a BCA Certified Construction Productivity Professional (Honorary).

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 Ltd since 2012, and also a Director of Building Construction Authority International Pte Ltd since 2013. Mr Ng was a founding Board member of the Singapore Green Building Council when it was incorporated in May 2009, and is the Immediate Past President, after having served as the President from 2013 to 2015.

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

MR TAN WEE TUCK
Chief Financial Officer

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

MR HASAN MALIK
Head, Legal
Company Secretary

Mr Hasan 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 Hasan 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 role in the Rowsley Group.

Mr Hasan 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.

MR STEWART DAVIES
Group Operations Director (Hospitality, UK)

Mr Davies successfully oversaw Hotel Football's opening in 2015 as General Manager, which prepared him for his current role at GG Hospitality.

With over 20 years' experience in the hospitality industry, Mr Davies started his career through the Radisson Edwardian Graduate Management Programme, where he completed an intensive three-year fast-track course. He then became Revenue Manager of the five-star Radisson Edwardian Hampshire Hotel in Leicester Square. He later became Hotel Manager of the five-star Radisson Edwardian Manchester Hotel in 2006. The prestigious 263-room hotel was under Mr Davies's management for over four years during which it won numerous awards including the Manchester Hotel of the Year in 2006 and 2007 and the Silver Award in the Visit England National Hotel of the Year in 2008. His next move was to the four-star City Inn Hotel in central Manchester. Between 2009 and 2013, Mr Davies improved efficiencies and oversaw the rebranding of City Inn Hotels to Mint Hotels as well as the change of ownership from Mint Hotels to Double Tree Hilton. Under Mr Davies's leadership, Mint Hotel achieved double-digit growth over four consecutive years and was awarded the Manchester Hotel of the Year Award in 2011.

MR MICHAEL HARDING
Group Finance Director (Hospitality, UK)

Mr Harding joined GG Hospitality as Finance Director in 2013 and has since overseen brand launches of Hotel Football and Cafe Football, while undertaking a pivotal role in a number of significant opportunities for GG Hospitality.

Mr Harding has worked in the hospitality industry in the UK for over 20 years and has helped to shape many leading international hotels and restaurants. Mr Harding started by heading an audit team for the Tower Hotel, an 800-room property in central London. He was later Finance Director for the Stafford Hotel and coordinated the hotel's smooth transition to the Kempinski Hotel Group in 2010. Mr Harding won the internal Best Financial Performance award in the same year as a direct result of initiating a cost saving exercise at the hotel leading to a reduction in operational costs.

Senior Management

MR CAMERON ONG
Executive Chairman
(Ariva)

Mr Ong founded Ariva in October 2008. He has more than 35 years of international experience in hospitality and was formerly Chief Executive Officer and Managing Director of The Ascott Group, which is the largest owner/operator of serviced apartments outside of the USA. He previously served as the international advisory to Beijing International Promotion Council and Philippines-Singapore Business Council and has won numerous international awards and accolades.

Mr Ong attended senior management programs in Tsinghua University, INSEAD Business School and IMD Business School. He is also a Certified Hotel Administrator (CHA) from The American Hotel & Lodging Educational Institute.

MR JEAN-CLAUDE ERNE
Executive Director
(Ariva)

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 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.

Corporate Governance

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.

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.

Corporate Governance

The number of meetings of the Board and Board Committees held in FY2016 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 FY2016 and Directors' Attendance at Meetings

Name of Director	Board	ARMC	NC	RC	IC
Number of Meetings	4	4	2	2	1
Number of Meetings Attended					
Ng Ser Miang	4	–	2	1	1*
Chan Lay Hoon	4	–	–	1	1
Tan Wee Tuck	4	4*	2*	2*	1
Lai Huen Poh	4	1*	1*+ 1	2*	1*
Ho Kiam Kheong	4	1*	1*	–	1*
Dr. Lam Lee G	4	4	2	1	–
Gary Ho Kuat Foong	4	4	–	2	1
Ong Pang Liang (1)	4	4	–	–	1
Claire Lee Suk Leng (2)	1	1	1	1	–

* Attended by invitation

Notes:
1. Mr. Ong Pang Liang was appointed as Independent Director with effect from 1 January 2016.
2. Ms. Claire Lee Suk Leng resigned as Independent Director with effect from 26 April 2016.

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**"). We have provided for funds for training programmes. For FY2016, the Directors had received an average of 38.1 hours of training and updates conducted by our Management in areas such as board diversity, sustainability reporting, continuing obligations of board and board committees, industry-specific knowledge, outlook on global economy, and laws and regulations.

Corporate Governance

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 8 members, 3 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 in page 33.

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

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, Mr. Lai Huen Poh and Mr. Ho Kiam Kheong, 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 FY2016.

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 FY2016.

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.

Corporate Governance

This year, Mr. Tan Wee Tuck, Mr. Lai Huen Poh and Mr. Gary Ho Kuat Foong 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.

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 appointed/last re-appointment as Director	Board	ARMC	NC	RC	IC	CDC
Executive Directors							
Tan Wee Tuck	25 September 2013/ 29 April 2015	Member	–	–	–	Member	Member
Lai Huen Poh	25 September 2013/ 29 April 2015	Member	–	Member	–	–	–
Ho Kiam Kheong	25 September 2013/ 29 April 2016	Member	–	–	–	–	–
Non-Executive Non-Independent Director							
Chan Lay Hoon	1 December 2015/ 26 April 2016	Deputy Chairman	–	–	–	Chairman	–
Independent Director							
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/ 29 April 2015	Member	Member	–	Chairman	Member	–
Ong Pang Liang	1 January 2016/ 26 April 2016	Member	Member	–	–	Member	Chairman

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

Corporate Governance

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 2016. 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.

Corporate Governance

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 FY2016.

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 FY2016.

Table 3: Remuneration of Directors(1)

	Fees	Fixed Salary	Bonus and Benefits-in-kind(1)	Total (S$'000)
Ng Ser Miang	100%	0%	0%	79
Chan Lay Hoon	100%	0%	0%	54
Tan Wee Tuck	0%	96%	4%	469
Lai Huen Poh	0%	93%	7%	483
Ho Kiam Kheong	0%	94%	6%	381
Dr. Lam Lee G	100%	0%	0%	68
Gary Ho Kuat Foong	100%	0%	0%	64
Ong Pang Liang (2)	100%	0%	0%	60
Claire Lee Suk Leng (3)	100%	0%	0%	22

Notes:
1. No options were granted in FY2016.
2. Mr. Ong Pang Liang was appointed as Independent Director with effect from 1 January 2016.
3. Ms. Claire Lee Suk Leng resigned as Independent Director with effect from 26 April 2016.

Table 4 below shows the breakdown of remuneration of the top 5 key executives, who are not Directors, for FY2016.

Table 4: Remuneration of Top 5 Key Executives

	Fixed Salary	Bonus and Benefits-in-kind(1)	Total (S$'000)
Remuneration in the band from S$500,001 to S$750,000			
Dr. Albert Hong Hin Kay	95%	5%	100%
Remuneration in the band from S$250,001 to S$500,000			
Lee Kut Cheung	93%	7%	100%
Dr. Liu Thai Ker	96%	4%	100%
Remuneration in the band of up to S$250,000			
Ng Eng Kiong*	97%	3%	100%
Hasan Malik	81%	19%	100%

In aggregate, the total remuneration paid to the top 5 key executives, who are not Directors, for FY2016 amounted to S$1,864,400.

* Mr Ng Eng Kiong's total remuneration is computed for the period commencing from the completion of the Group's aquisition of Squire Mech Private Limited.

Corporate Governance

Table 5 below shows the remuneration of employees who are immediate family members of a controlling shareholder or director for FY2016.

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

Remuneration in the band of up to S$500,000	
Tan Wee Tuck	Our Executive Director 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 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 FY2016.

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

Corporate Governance

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 FY2016 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.

Four ARMC meetings were held in FY2016.

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;

Corporate Governance

(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 FY2016 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 FY2016. The aggregate amount of audit fees paid/payable to our external auditors, KPMG LLP, for FY2016 was S$437,060. No non-audit services were provided by our external auditors for FY2016.

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 (UK) as our internal auditors for Old Trafford Supporters Club Limited. 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.

Corporate Governance

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 FY2016. We are actively sourcing for new acquisitions to grow the Company. The Company will need to keep large amounts of cash for 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.

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 and
Chief Financial Officer

MR LAI HUEN POH
Executive Director and
Managing Director, RSP

MR HO KIAM KHEONG
Executive Director and
Managing Director, Real Estate

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

MR LEE PIN KWAN

SHARE REGISTRAR

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

INDEPENDENT AUDITOR

KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581

MR BARRY LEE CHIN SIANG
Partner-in-charge

PRINCIPAL BANKERS

UNITED OVERSEAS BANK LIMITED

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

STANDARD CHARTERED BANK

CIMB BANK BERHAD

SOLICITORS

CHANG SEE HIANG & PARTNERS

REGISTERED OFFICE

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

Tel : (65) 6731 1677
Fax : (65) 6733 9143
Email : contactus@rowsley.com
Website : www.rowsley.com

Financial Contents

43 Directors' Statement

48 Independent Auditors' Report

53 Statements of Financial Position

54 Consolidated Statement of Comprehensive Income

55 Statement of Changes In Equity

57 Consolidated Statement of Cash Flows

59 Notes to the Financial Statements

Directors' Statement

We submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2016.

In our opinion:

(a) the financial statements set up on pages 53 to 123 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debt as and when they fall due.

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

DIRECTORS

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

Ng Ser Miang	(Non-Executive Independent Chairman)
Chan Lay Hoon	(Non-Executive Non-Independent Deputy Chairman)
Tan Wee Tuck	(Executive Director and Chief Financial Officer)
Lai Huen Poh	(Executive Director and Managing Director, RSP)
Ho Kiam Kheong	(Executive Director and Managing Director, Real Estate)
Dr Lam Lee G	
Gary Ho Kuat Foong	
Ong Pang Liang	
Claire Lee Suk Leng	(Resigned on 26 April 2016)

DIRECTORS' INTERESTS

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

Name of director and corporation in which interests are held	Holdings at beginning of the financial year	Holdings at end of the financial year	Holdings as at 21/1/2017
Rowsley Ltd.			
Tan Wee Tuck			
– medium term note	2[(1)]	2[(1)]	2[(1)]
Lai Huen Poh			
– ordinary shares	125,000,000[(2)]	156,250,000[(2)]	156,250,000[(2)]
Ong Pang Liang			
– ordinary shares	5,000,000[(3)]	5,000,000[(3)]	5,000,000[(3)]

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

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

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

Directors' Statement

DIRECTORS' INTERESTS (CONT'D)

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

Except as disclosed in this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this statement and in note 27 to the financial statements, since the end of the last financial year, no director had received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has substantial financial interest.

SHARE OPTIONS

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

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

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

SHARE INCENTIVES

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

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

AUDIT AND RISK MANAGEMENT COMMITTEE

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

- Dr Lam Lee G (Chairman)
- Gary Ho Kuat Foong
- Ong Pang Liang
- Claire Lee Suk Leng (Resigned on 26 April 2016)

AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

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;

Directors' Statement

AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

(viii) reviews all forms of interested person transactions ("**IPT**") and relevant person transactions ("**RPT**") and registers of IPT and RPT quarterly and approves them in accordance with the Company's "Interested Person Transaction and Relevant Person Transaction" policy as required and which may be amended from time to time by the Board;

(ix) reviews transactions falling within the scope of the Listing Manual, in particular matters pertaining to interested person transactions and acquisitions and realisations as laid down in Chapters 9 and 10 of the Listing Manual;

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

(xi) commissions and reviews the findings of internal investigations conducted where fraud or impropriety is suspected, or where there is a failure of internal controls or infringement of any Singapore law, rule or regulation which is likely to have a material impact on the Group;

(xii) undertakes such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the ARMC;

(xiii) generally undertakes such other functions and duties as may be required by statute, the Listing Manual or the Code of Corporate Governance, and by such amendments made thereto from time to time;

(xiv) reviews with the Management on the areas of risk that may affect the Group's operations and the risk mitigation efforts;

(xv) directs and works with the Management to develop and review policies and processes to address and manage identified areas of risk in a systematic and structured manner;

(xvi) makes recommendations to the Board in relation to business risks that may affect the Group, as and when these risks may arise; and

(xvii) reviews and resolves any conflict of interest which may arise from the interests of the Directors, Executive Officers, Controlling Shareholders and/or their respective associates in any company carrying on a similar or competing businesses as the Group.

The ARMC met four times during the financial year ended 31 December 2016. The ARMC has met with the external auditors and the internal auditors, in each case without the presence of management, to discuss audit matters and any issues of concern.

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

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

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

Directors' Statement

AUDITORS

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

On behalf of the Board of Directors

Tan Wee Tuck
Director

Ho Kiam Kheong
Director

23 March 2017

Independent Auditors' Report

Members of the Company
Rowsley Ltd. and its subsidiaries

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Rowsley Ltd. ("the **Company**") and its subsidiaries ("the **Group**"), which comprise the consolidated statements of financial position of the Group and the statement of financial position of the Company as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 53 to 123.

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

Basis for opinion

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

Key audit matters

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

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

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

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

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

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

Independent Auditors' Report

Members of the Company
Rowsley Ltd. and its subsidiaries

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The key audit matter
The Group's revenue from architectural and engineering services is recognised in profit or loss using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to the estimated total cost for the contract. Significant judgement is applied in assessing the total costs to be incurred for each of the projects.

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

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

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

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

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

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

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

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

Independent Auditors' Report

Members of the Company
Rowsley Ltd. and its subsidiaries

Other information

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

- 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.

Report on other legal and regulatory requirements

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

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
23 March 2017

Statements of Financial Position

As at 31 December 2016

		Group		Company	
	Note	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Assets					
Property, plant and equipment	4	**56,173**	95,787	**161**	279
Intangible assets and goodwill	5	**83,316**	117,117	**–**	–
Investment property	6	**148,444**	150,916	**–**	–
Subsidiaries	7	**–**	–	**507,416**	552,329
Associates	8	**26,866**	34,014	**–**	–
Other investments	9	**2,041**	2,604	**–**	–
Deferred tax assets	18	**548**	549	**–**	–
Non-current assets		**317,388**	400,987	**507,577**	552,608
Development property	10	**140,163**	143,210	**–**	–
Work-in-progress	11	**35,863**	40,051	**–**	–
Inventories	12	**302**	280	**–**	–
Trade and other receivables	13	**37,149**	35,449	**10,007**	14,834
Cash and cash equivalents	14	**37,580**	37,326	**6,644**	15,885
Current assets		**251,057**	256,316	**16,651**	30,719
Total assets		**568,445**	657,303	**524,228**	583,327
Equity					
Share capital	15	**782,967**	742,202	**782,967**	742,202
Reserves	16	**(377,707)**	(299,064)	**(360,848)**	(306,720)
Equity attributable to equity holders of the Company		**405,260**	443,138	**422,119**	435,482
Non-controlling interests	17	**2,140**	7,647	**–**	–
Total equity		**407,400**	450,785	**422,119**	435,482
Liabilities					
Deferred tax liabilities	18	**3,171**	12,071	**20**	20
Purchase consideration payable	19	**11,513**	–	**–**	–
Borrowings	20	**116,100**	120,079	**99,526**	99,170
Non-current liabilities		**130,784**	132,150	**99,546**	99,190
Liabilities					
Excess of progress billings over work-in-progress	11	**3,714**	3,756	**–**	–
Trade and other payables	21	**24,846**	21,529	**2,563**	3,155
Current tax payable		**706**	2,584	**–**	–
Purchase consideration payable	19	**–**	45,500	**–**	45,500
Borrowings	20	**995**	999	**–**	–
Current liabilities		**30,261**	74,368	**2,563**	48,655
Total liabilities		**161,045**	206,518	**102,109**	147,845
Total equity and liabilities		**568,445**	657,303	**524,228**	583,327

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

Consolidated Statement of Comprehensive Income

Year ended 31 December 2016

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

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

Statement of Changes in Equity

Year ended 31 December 2016

	Note	Attributable to owners of the Company						
		Share capital $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2015		717,225	(10,129)	692	(206,315)	501,473	–	501,473
Total comprehensive income for the year								
Loss for the year		–	–	–	(36,298)	(36,298)	(122)	(36,420)
Other comprehensive income								
Foreign currency translation differences for foreign operations		–	(46,612)	–	–	(46,612)	(232)	(46,844)
Net change in fair value of available-for-sale financial assets		–	–	(3,281)	–	(3,281)	–	(3,281)
Changes in fair value of available-for-sale financial assets reclassified to profit or loss		–	–	2,879	–	2,879	–	2,879
Total comprehensive income for the year		–	(46,612)	(402)	(36,298)	(83,312)	(354)	(83,666)
Transactions with owners, recorded directly in equity								
Contribution by and distribution to owners								
Issuance of ordinary shares	15	25,007	–	–	–	25,007	–	25,007
Issue costs		(30)	–	–	–	(30)	–	(30)
Total contribution by and distribution to owners		24,977	–	–	–	24,977	–	24,977
Changes in ownership interests in subsidiaries								
Acquisition of subsidiaries with non-controlling interests	32	–	–	–	–	–	8,001	8,001
Total changes in ownership interests in subsidiaries		–	–	–	–	–	8,001	8,001
Total transactions with owners		24,977	–	–	–	24,977	8,001	32,978
At 31 December 2015		742,202	(56,741)	290	(242,613)	443,138	7,647	450,785

Statement of Changes in Equity (Cont'd)

Year ended 31 December 2016

	Note	Attributable to owners of the Company						
		Share capital $'000	Foreign currency translation reserve $'000	Fair value reserve $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2016		742,202	(56,741)	290	(242,613)	443,138	7,647	450,785
Total comprehensive income for the year								
Loss for the year		–	–	–	(63,298)	(63,298)	(6,525)	(69,823)
Other comprehensive income								
Foreign currency translation differences for foreign operations		–	(15,418)	–	–	(15,418)	(1,130)	(16,548)
Net change in fair value of available-for-sale financial assets		–	–	(563)	–	(563)	–	(563)
Changes in fair value of available-for-sale financial assets reclassified to profit or loss		–	–	636	–	636	–	636
Total comprehensive income for the year		–	(15,418)	73	(63,298)	(78,643)	(7,655)	(86,298)
Transactions with owners, recorded directly in equity								
Contribution by and distribution to owners								
Issuance of ordinary shares	15	40,795	–	–	–	40,795	–	40,795
Issue costs		(30)	–	–	–	(30)	–	(30)
Total contribution by and distribution to owners		40,765	–	–	–	40,765	–	40,765
Changes in ownership interests in subsidiaries								
Acquisition of subsidiaries with non-controlling interests	32	–	–	–	–	–	2,148	2,148
Total changes in ownership interests in subsidiaries		–	–	–	–	–	2,148	2,148
Total transactions with owners		40,765	–	–	–	40,765	2,148	42,913
At 31 December 2016		782,967	(72,159)	363	(305,911)	405,260	2,140	407,400

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

Consolidated Statement of Cash Flows

Year ended 31 December 2016

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

Consolidated Statement of Cash Flows (Cont'd)

Year ended 31 December 2016

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

Significant non-cash items

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

(i) 250,000,000 (2015: 125,000,000) ordinary shares to the vendors of RSP Architects Planners & Engineers (Pte) Ltd ("RSP") as final settlement of the remaining purchase consideration payable following RSP achieving certain earn-out targets as agreed and set out in the sales and purchase agreement between the Company and the vendors of RSP in 2013; and

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

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

Notes to the Financial Statements
Year ended 31 December 2016

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 23 March 2017.

1. DOMICILE AND ACTIVITIES

Rowsley Ltd. (the Company) is listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and incorporated and domiciled in the Republic of Singapore. The address of its registered office is 15 Scotts Road, #07-00 Thong Teck Building, Singapore 228218.

The financial statements of the Group as at and for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the "**Group**" and individually as "**Group entities**") and the Group's interest in associates.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 32 Business Combinations.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Consolidation

(i) Business combinations

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

The Group measures goodwill at the acquisition date as:

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

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

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

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

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

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

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

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

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 retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

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

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

(ii) Foreign operations

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

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

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

3. 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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (Cont'd)

(iii) Depreciation (Cont'd)

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

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

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.4 Intangible assets and goodwill

(i) Management consultancy agreement

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

(ii) Order backlog

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

(iii) Goodwill

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

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

Subsequent expenditure

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

Amortisation

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

Management consultancy agreement

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

Order backlog

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life ranging from 1 to 5 years.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Investment property

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

Investment property is stated at cost and accumulated impairment losses.

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

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

Depreciation

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

Transfers

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

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

3.6 Development property

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Construction work in progress

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

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

3.8 Inventories

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

3.9 Financial instruments

(i) Non-derivative financial assets

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

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

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

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

Loans and receivables

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (Cont'd)

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

Available-for-sale financial assets

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

Available-for-sale financial assets comprise equity securities.

(ii) Non-derivative financial liabilities

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

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

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

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

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

Other financial liabilities comprise borrowings and trade and other payables.

(iii) Share capital

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

(iv) Derivatives

Non-trading derivatives

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Impairment

(i) Non-derivative financial assets

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

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

Loans and receivables

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

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

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

Available-for-sale financial assets

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

Associates

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

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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Employee benefits (Cont'd)

(iii) Accrual for accumulated compensated absences

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

3.12 Financial guarantee contracts

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

3.13 Revenue

(i) Sale of development property - overseas

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

(ii) Contract revenue from architectural services

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

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

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

(iii) Hospitality services

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

(iv) Dividends

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

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

(v) Management consultancy fee

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Inter-company interest-free loans

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

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

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

3.15 Lease payments

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

3.16 Finance income and finance costs

Interest income

Interest income is recognised using the effective interest method.

Interest expense

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

3.17 Tax

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Tax (Cont'd)

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

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

3.18 Earnings per share

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

3.19 Segment reporting

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

Segment results that are reported to the Group's Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses and tax assets and liabilities.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016 and earlier application is permitted; however, the Group has not early applied the following new or amended standards in preparing these statements.

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

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

New standards

Summary of the requirements	**Potential impact on the financial statements**
FRS 115 *Revenue from Contracts with Customers*	
FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*. FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its 2018 financial statements. When applying the full retrospective method, an entity may also expect to use a series of practical expedients to ease transition.	Based on the initial assessment, the Group expects the following key changes: **Identification of performance obligations –** The Group currently recognises revenue for each contract using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to the estimated total cost for the contract. Under FRS 115, the Group is required to identify performance obligations within each contract and account for each performance obligation separately if they are distinct; or the contract to continue to be accounted for as one performance obligation if it can be demonstrated that the Group provides a significant integrated service, or the goods and services within the contract are highly dependent on or integrated with other goods or services. The Group is in the process of evaluating the criteria required for contracts with multiple performance obligations, also determining the extent and necessary processes to monitor, assess and track the recognition of revenue for each performance obligation. **Transition –** The Group plans to adopt the standard when it becomes effective in 2018 using the full retrospective approach. The Group is currently performing a detailed analysis under FRS 115 to determine its election of the practical expedients and to quantify the transition adjustments on its financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 New standards and interpretations not yet adopted (Cont'd)

New standards

Summary of the requirements	**Potential impact on the financial statements**
FRS 109 *Financial Instruments*	
FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 January 2018.	Based on the initial assessment, the Group expects the following key changes: **Classification and measurement –** The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109. Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109. For financial assets currently held at fair value, the Group expects to continue measuring the cost of these assets at fair value under FRS 109. The available-for-sale ("AFS") equity securities are held as long-term investments by the Group. For these, the Group expects to elect to present subsequent changes in fair value in OCI, only dividend income is recognised in profit or loss. Any subsequent fair value changes are recognised in OCI and will not be reclassified to profit or loss even upon divestment. **Impairment –** The Group plans to apply the simplified approach and record lifetime expected impairment losses on all trade receivables and any contract assets arising from the application of FRS 115. On adoption of FRS 109, the Group expects an increase in the impairment loss allowance as it does not require collateral in respect of its loans and receivables. The Group is currently refining its impairment loss estimation methodology to quantify the impact on its financial statements. **Transition** – The Group plans to adopt the standard when it becomes effective in 2018 without restating comparative information; and is gathering data to quantify the potential impact arising from the adoption.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 New standards and interpretations not yet adopted (Cont'd)

New standards Summary of the requirements	**Potential impact on the financial statements**
FRS 116 *Leases*	
FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use ("ROU") assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor. When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*, and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. FRS 116 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if FRS 115 is also applied.	The Group has performed a preliminary high-level assessment of the new standard on its existing operating lease arrangements as a lessee (refer to Note 29(a)). Based on the preliminary assessment, the Group expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard. The operating lease commitments on an undiscounted basis amount to approximately 2.2% of the total assets and 7.9% of total liabilities. Assuming no additional new operating leases in future years until the effective date, the Group expects the amount of ROU assets and lease liability to be lower due to discounting and as the lease terms run down. The Group plans to adopt the standard when it becomes effective in 2019. The Group will perform a detailed analysis of the standard, including the transition options and practical expedients in 2017.

4. PROPERTY, PLANT AND EQUIPMENT

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

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 2015	29	149	42	10	318	548
Additions	3	16	–	1	–	20
Disposals	(1)	–	–	–	–	(1)
At 31 December 2015	31	165	42	11	318	567
At 1 January 2016	31	165	42	11	318	567
Additions	4	2	7	36	136	185
Disposals	(26)	(5)	(39)	(47)	(318)	(435)
At 31 December 2016	9	162	10	–	136	317
Accumulated depreciation						
At 1 January 2015	13	39	5	4	128	189
Depreciation for the year	6	48	8	6	32	100
Disposals	(1)	–	–	–	–	(1)
At 31 December 2015	18	87	13	10	160	288
At 1 January 2016	18	87	13	10	160	288
Depreciation for the year	4	48	8	15	20	95
Disposals	(18)	(4)	(19)	(25)	(161)	(227)
At 31 December 2016	4	131	2	–	19	156
Carrying amounts						
At 1 January 2015	16	110	37	6	190	359
At 31 December 2015	13	78	29	1	158	279
At 31 December 2016	5	31	8	–	117	161

Impairment test

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

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

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

Key assumptions used in discounted cash flow projection calculations

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

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

(i) Discount rate

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

(ii) Terminal growth rate

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

(iii) Budgeted EBITDA growth

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

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

(iv) Average occupancy rate and room rate

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

5. INTANGIBLE ASSETS AND GOODWILL

	Note	Management consultancy agreement $'000	Order backlog $'000	Goodwill $'000	Total $'000
Cost					
At 1 January 2015		7,164	21,603	328,336	357,103
Acquisitions through business combination	32	–	–	11,476	11,476
Translation difference		–	–	(246)	(246)
At 31 December 2015		7,164	21,603	339,566	368,333
At 1 January 2016		7,164	21,603	339,566	368,333
Acquisitions through business combination	32	–	3,921	14,769	18,690
Translation difference		–	–	(1,716)	(1,716)
Written-off		(7,164)	–	–	(7,164)
At 31 December 2016		–	25,524	352,619	378,143
Accumulated amortisation and impairment loss					
At 1 January 2015		447	14,832	221,244	236,523
Amortisation for the year		358	4,278	–	4,636
Impairment loss		–	–	10,057	10,057
At 31 December 2015		805	19,110	231,301	251,216
At 1 January 2016		805	19,110	231,301	251,216
Amortisation for the year		6,359	1,971	–	8,330
Impairment loss		–	–	42,445	42,445
Written-off		(7,164)	–	–	(7,164)
At 31 December 2016		–	21,081	273,746	294,827
Carrying amounts					
At 1 January 2015		6,717	6,771	107,092	120,580
At 31 December 2015		6,359	2,493	108,265	117,117
At 31 December 2016		–	4,443	78,873	83,316

Impairment test

Impairment loss of $37,579,000 (2015: $10,057,000) was recognised in relation to RSP and its subsidiaries ("**RSP Sub-Group**") CGU following the Group's goodwill impairment testing. Based on the assessment, the carrying amount of RSP Sub-Group CGU was determined to be $37,579,000 (2015: $10,057,000) higher than its recoverable amount. The impairment loss was fully allocated to goodwill.

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

5. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Impairment testing for cash-generating units containing goodwill

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

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

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

Key assumptions used in discounted cash flow projection calculations

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

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

(i) Discount rate

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

(ii) Terminal growth rate

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

(iii) Budgeted EBITDA growth

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

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

5. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Key assumptions used in discounted cash flow projection calculations (Cont'd)

The estimated recoverable amount of Squire Mech Sub-Group CGU exceeded its carrying amount by approximately $4,045,000. Management has identified that a reasonably possible change in two assumptions could cause the carrying amount to exceed the recoverable amount.

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

	Change required for carrying amount to equal the recoverable amount
	2016
	%
Discount rate	**13.1**
Terminal growth rate	**0.8**

6. INVESTMENT PROPERTY

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

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

6. INVESTMENT PROPERTY (CONT'D)

Impairment loss

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

Management estimated the recoverable amount of the Land based on fair value less costs of disposals, estimated using the Direct Comparison Method. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used (see Note 30).

7. SUBSIDIARIES

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

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

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

Details of significant subsidiaries are as follows:

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

7. SUBSIDIARIES (CONT'D)

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

(1) Audited by KPMG LLP Singapore.

(2) Audited by member firms of KPMG International.

(3) Audited by other public accounting firms.

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

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

8. ASSOCIATES

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

Associates

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

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

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

The Group's associates are not listed.

(1) Audited by member firm of KPMG International.

(2) Audited by other public accounting firm.

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

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	Squire Mech $'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

Notes to the Financial Statements
Year ended 31 December 2016

8. ASSOCIATES (CONT'D)

	RSP India $'000	Squire Mech $'000	Immaterial associates[a] $'000	Total $'000
2015				
Revenue	25,340	16,666		
Profit after tax	7,569	211		
Other comprehensive income	–	(83)		
Total comprehensive income	7,569	128		
Attributable to investee's shareholders	7,569	128		
Non-current assets	6,888	991		
Current assets	28,707	14,429		
Non-current liabilities	–	–		
Current liabilities	(6,867)	(3,798)		
Net assets	28,728	11,622		
Attributable to investee's shareholders	28,728	11,622		
Group's interest in net assets of investee at beginning of the year	–	8,001	5,275	13,276
Acquired during the year	20,586	–	–	20,586
Group's share of:				
– profit/(loss) after tax	1,063	130	791	1,984
– other comprehensive income	–	(1)	(12)	(13)
– total comprehensive income	1,063	129	779	1,971
Dividend received during the year	–	(700)	–	(700)
Impairment loss during the year	–	–	(5,217)	(5,217)
Other adjustments	–	–	4,098	4,098
Carrying amount of interest in investee at end of the year	21,649	7,430	4,935	34,014

[a] The Group has not recognised losses relating to SMD International Pte Ltd where its share of losses exceeds the Group's interest in this associate. The Group's cumulative share of unrecognised losses at the reporting date was $12,602,000 (2015: $12,518,000), of which $84,000 (2015: $424,000) was the share of current year's losses. The Group has no obligation in respect of these losses.

Impairment loss

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

8. ASSOCIATES (CONT'D)

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

	2015 %
Group	
Discount rate	10.0
Terminal growth rate	0.0
Budgeted EBITDA growth rate	0.0

(i) Discount rate

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

(ii) Terminal growth rate

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

(iii) Budgeted EBITDA growth

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

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

9. OTHER INVESTMENTS

	Group	
	2016 $'000	2015 $'000
Available-for-sale financial assets		
Quoted available-for-sale equity investments	**2,041**	2,604

Impairment losses

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

10. DEVELOPMENT PROPERTY

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

Impairment loss

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

Measurement of net realisable value of development property

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

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

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

11. WORK-IN-PROGRESS

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

Source of estimation uncertainty

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

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

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

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

12. INVENTORIES

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

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

13. TRADE AND OTHER RECEIVABLES

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

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

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

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

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

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

Source of estimation uncertainty

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

The Group's and the Company's exposure to credit and currency risks, are disclosed in Note 30.

14. CASH AND CASH EQUIVALENTS

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

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

15. SHARE CAPITAL

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

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

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

Issue of ordinary shares

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

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

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

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

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

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

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

Capital management

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

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

16. RESERVES

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

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

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

17. NON-CONTROLLING INTERESTS

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

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

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

Notes to the Financial Statements

Year ended 31 December 2016

17. NON-CONTROLLING INTERESTS (CONT'D)

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

18 DEFERRED TAX ASSETS AND LIABILITIES

Movement in temporary differences during the year

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

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

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

Unrecognised deferred tax assets

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

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

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

19. PURCHASE CONSIDERATION PAYABLE

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

Squire Mech Vendors

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

RSP Vendors

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

During the financial year, the Company issued 250,000,000 (2015: 125,000,000) ordinary shares to the RSP Vendors as final settlement of the remaining purchase consideration payable following RSP Sub-Group achieving certain earn-out targets.

20 BORROWINGS

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

20 BORROWINGS (CONT'D)

Terms and debt repayment schedule

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

	Currency	Nominal interest rate %	Year of maturity	Carrying amount $'000
Group and Company				
31 December 2016				
Secured bank loan	GBP	3% + Libor	2018	17,569
Unsecured notes	SGD	6.50	2018	99,526
				117,095
31 December 2015				
Secured bank loan	GBP	3% + Libor	2018	21,908
Unsecured notes	SGD	6.50	2018	99,170
				121,078

Unsecured notes comprise $100,000,000 Medium Term Notes ("**MTN**") issued by the Company at fixed rate of 6.50% as part of an unsecured Multicurrency Medium Term Note Programme established on 17 November 2014 with programme limit of $500,000,000. Unless previously redeemed or purchased and cancelled, the MTN is redeemable at their principal amounts on its maturity date in March 2018.

21. TRADE AND OTHER PAYABLES

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

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

22. REVENUE

Revenue comprises:

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

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

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

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

24. FINANCE COSTS

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

25. TAX (CREDIT)/EXPENSE

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

Tax recognised in other comprehensive income ("OCI")

	Group					
	2016			**2015**		
	Before tax $'000	**Tax benefits $'000**	**Net of tax $'000**	**Before tax $'000**	**Tax benefits $'000**	**Net of tax $'000**
Translation differences for foreign operations	**(72,159)**	**–**	**(72,159)**	(56,741)	–	(56,741)
Available-for-sale financial assets	**363**	**–**	**363**	290	–	290

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

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

Source of estimation uncertainty

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

26. EARNINGS PER SHARE

Basic loss per share

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

Loss attributable to ordinary shareholders:

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

26. EARNINGS PER SHARE (CONT'D)

Weighted average number of ordinary shares

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

Diluted loss per share

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

27. RELATED PARTY TRANSACTIONS

Key management personnel compensation

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

Key management personnel compensation comprised:

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

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

28. CONTINGENT LIABILITIES

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

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

(ii) An associate of the Group, RSP India is defending its position in a criminal complaint filed by the Council of Architecture in India (the "**Criminal Complaint**"). No summons has been issued to RSP India in respect of the Criminal Complaint as at the date of this report. Based on the legal advice, the directors are of the opinion that the penalties or fines that may be imposed are not expected to have a material adverse impact on the Group's financial position at the reporting date.

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

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

29. COMMITMENTS

At the reporting date, the Group and the Company has the following commitments:

(a) Operating lease

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

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

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

(b) Capital commitments

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

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

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

29. COMMITMENTS (CONT'D)

(b) Capital commitments (Cont'd)

(ii) On 24 November 2015, the Group entered into a joint venture agreement with Gary Neville, Ryan Giggs and Sherborne Corporate Services Limited and Kenilworth Consultants Inc to invest in and redevelop the Northern Stock Exchange building in Manchester, United Kingdom into a boutique hotel ("**Stock Exchange**"). Stock Exchange will be extensively renovated into a boutique hotel, restaurants, conference/ events space, rooftop bar and basement gym.

Under the joint venture agreement, the Group will invest approximately £3.2 million (equivalent to $6.7 million) for a 50% stake in Finestday Limited, the joint venture company that owns Stock Exchange. The acquisition was completed during the financial year.

30. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

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

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

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

Credit risk

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

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

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

As at the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

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 2016				
Non-derivative financial liabilities				
Trade and other payables	**24,846**	**(24,846)**	**–**	**(24,846)**
Purchase consideration payable*	**11,513**	**–**	**–**	**–**
Borrowings	**117,095**	**(7,870)**	**(118,646)**	**(126,516)**
	153,454	**(32,716)**	**(118,646)**	**(151,362)**
31 December 2015				
Non-derivative financial liabilities				
Trade and other payables	21,529	(21,529)	–	(21,529)
Purchase consideration payable*	45,500	–	–	–
Borrowings	121,078	(1,050)	(128,792)	(129,842)
	188,107	(22,579)	(128,792)	(151,371)
Company				
31 December 2016				
Non-derivative financial liabilities				
Trade and other payables	**2,563**	**(2,563)**	**–**	**(2,563)**
Borrowings	**99,526**	**(5,948)**	**(101,532)**	**(107,480)**
	102,089	**(8,511)**	**(101,532)**	**(110,043)**
31 December 2015				
Non-derivative financial liabilities				
Trade and other payables	3,155	(3,155)	–	(3,155)
Purchase consideration payable*	45,500	–	–	–
Borrowings	99,170	–	(118,000)	(118,000)
	147,825	(3,155)	(118,000)	(121,155)

* The Company's obligation under the Sale and Purchase Agreement with Squire Mech Vendor (2015: RSP Vendors) (See Note 19) is to issue share of up to 93,600,000 (2015: 250,000,000) shares. Thus, there is no future contractual cash flows.

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**") and Emirates Dirham ("**AED**").

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

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

	USD $'000	MYR $'000	RMB $'000	AED $'000
Group				
31 December 2016				
Trade and other receivables	**3,142**	**3,021**	**4,781**	**6,445**
Trade and other payables	**(569)**	**(3,139)**	**(787)**	**(4,667)**
	2,573	**(118)**	**3,994**	**1,778**
31 December 2015				
Trade and other receivables	7,485	2,747	1,917	5,647
Trade and other payables	(622)	(734)	–	(2,501)
	6,863	2,013	1,917	3,146

Company

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

Sensitivity analysis

A 10% strengthening of the foreign currencies against Singapore dollar at 31 December would have decreased/(increased) loss before tax by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for the previous financial year ended 31 December 2015.

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

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

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 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 December 2016				
Available-for-sale equity securities	**2,041**	**–**	**–**	**2,041**
Purchase consideration payable	**–**	**–**	**11,513**	**11,513**
31 December 2015				
Available-for-sale equity securities	2,604	–	–	2,604
Purchase consideration payable	–	–	45,500	45,500

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

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

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

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
2016			
Purchase consideration payable	The fair value is determined considering the probability of Squire Mech Sub-Group meeting the specified earn-out targets and the share price of the Company on the date the earn-out targets are met.	• Closing share price of $0.123 • Actual EBITDA margin 27% • Actual revenue • Actual net operating profit after tax ("NOPAT")	The estimated fair value would increase if the share price was higher.
2015			
Purchase consideration payable	The fair value is determined considering the probability of RSP Sub-Group meeting the specified earn-out targets and the share price of the Company on the date the earn-out targets are met.	• Closing share price of $0.182 • Actual EBITDA margin 35% • Actual revenue • Actual net operating profit after tax ("NOPAT")	The estimated fair value would increase if the share price was higher.

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

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

30. FINANCIAL RISK MANAGEMENT (CONT'D)

Key unobservable inputs

Purchase consideration payables as at the reporting date was determined with actual financial result of Squire Mech Sub-Group (2015: RSP Sub-Group) and closing share price of $0.123 (2015: $0.182) which was determined based on the Forward Pricing Theory Approach.

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

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2016				
Investment property	–	–	**148,444**	**148,444**
31 December 2015				
Investment property	–	–	150,916	150,916

The fair value of investment property as at 31 December 2016 is based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction.

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

Valuation technique and significant unobservable inputs

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

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Direct Comparison Method: The Direct Comparison approach involves the analysis of comparable sales of similar properties and adjusting the sale prices to those reflective of the investment properties.	Price per square foot $290 (2015: $296)	Significant increases in price per square foot would result in a significantly higher fair value measurement.

30. FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments

	Note	Loans and receivables $'000	Available-for-sale $'000	Liabilities at amortised cost $'000	Fair value through profit and loss $'000	Total $'000
Group						
31 December 2016						
Available-for-sale equity securities	9	**–**	**2,041**	**–**	**–**	**2,041**
Trade and other receivables#	13	**35,691**	**–**	**–**	**–**	**35,691**
Cash and cash equivalents	14	**37,580**	**–**	**–**	**–**	**37,580**
		73,271	**2,041**	**–**	**–**	**75,312**
Purchase consideration payable	19	**–**	**–**	**–**	**(11,513)**	**(11,513)**
Borrowings	20	**–**	**–**	**(117,095)**	**–**	**(117,095)**
Trade and other payables	21	**–**	**–**	**(24,846)**	**–**	**(24,846)**
		–	**–**	**(141,941)**	**(11,513)**	**(153,454)**
31 December 2015						
Available-for-sale equity securities	9	–	2,604	–	–	2,604
Trade and other receivables#	13	33,731	–	–	–	33,731
Cash and cash equivalents	14	37,326	–	–	–	37,326
		71,057	2,604	–	–	73,661
Purchase consideration payable	19	–	–	–	(45,500)	(45,500)
Borrowings	20	–	–	(121,078)	–	(121,078)
Trade and other payables	21	–	–	(21,529)	–	(21,529)
		–	–	(142,607)	(45,500)	(188,107)

30. FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments (Cont'd)

	Note	Loans and receivables $'000	Liabilities at amortised cost $'000	Fair value through profit and loss $'000	Total $'000
Company					
31 December 2016					
Trade and other receivables#	13	**9,703**	**–**	**–**	**9,703**
Cash and cash equivalents	14	**6,644**	**–**	**–**	**6,644**
		16,347	**–**	**–**	**16,347**
Borrowings	20	**–**	**(99,526)**	**–**	**(99,526)**
Trade and other payables	21	**–**	**(2,563)**	**–**	**(2,563)**
		–	**(102,089)**	**–**	**(102,089)**
31 December 2015					
Trade and other receivables#	13	14,459	–	–	14,459
Cash and cash equivalents	14	15,885	–	–	15,885
		30,344	–	–	30,344
Purchase consideration payable	19	–	–	(45,500)	(45,500)
Borrowings	20	–	(99,170)	–	(99,170)
Trade and other payables	21	–	(3,155)	–	(3,155)
		–	(102,325)	(45,500)	(147,825)

Excludes prepayments.

Valuation processes applied by the Group

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

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

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

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 Squire Mech Sub-Group (2015: RSP Sub-Group) meeting the specified earn-out targets and the share price of the Company on the date the earn-out targets are met.

Borrowings

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

Other financial assets and liabilities

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

Equity price risk

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

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

This analysis assumes that all other variables remain constant.

31. OPERATING SEGMENTS

Business Segments

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

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

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

31. OPERATING 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 2016						
Total revenue from external customers	**33**	**86,839**	**16,263**	**–**	**–**	**103,135**
Inter-segment revenue	**–**	**–**	**545**	**10,000**	**(10,545)**	**–**
Interest income	**10**	**225**	**–**	**282**	**(211)**	**306**
Depreciation and amortisation	**294**	**2,730**	**2,717**	**94**	**7,189**	**13,024**
Reportable segment (loss)/ profit before tax	**(21,824)**	**18,026**	**(22,726)**	**(1,648)**	**(6,516)**	**(34,688)**
Share of profit of associates	**–**	**789**	**–**	**–**	**–**	**789**
Tax expense/(credit)	**–**	**396**	**(6,260)**	**–**	**(1,244)**	**(7,108)**
Reportable segment assets	**291,573**	**143,525**	**58,996**	**536,173**	**(545,138)**	**485,129**
Associates	**–**	**26,866**	**–**	**–**	**–**	**26,866**
Capital expenditure*	**1,529**	**1,043**	**414**	**187**	**–**	**3,173**
Reportable segment liabilities	**391,940**	**29,412**	**76,625**	**102,314**	**(450,759)**	**149,532**
31 December 2015						
Total revenue from external customers	–	82,309	1,359	–	(629)	83,039
Inter-segment revenue	–	–	59	10,000	(10,059)	–
Interest income	17	192	–	405	(86)	528
Depreciation and amortisation	311	1,430	(152)	100	4,695	6,384
Reportable segment profit/ (loss) before tax	(81,517)	27,439	802	(121,171)	152,065	(22,382)
Share of profit of associates	–	2,029	–	(58)	–	1,971
Tax expense/(credit)	–	2,425	(16)	–	–	2,409
Reportable segment assets	296,390	128,691	93,185	585,962	(564,042)	540,186
Associates	–	34,014	–	–	–	34,014
Capital expenditure*	29	1,588	8	20	–	1,645
Reportable segment liabilities	386,294	32,522	85,709	128,045	(471,552)	161,018

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

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 2016							
Revenue	**44,886**	**7,836**	**16,264**	**5,514**	**21,700**	**6,935**	**103,135**
Non-current assets #	**113,841**	**151,037**	**49,180**	**362**	**334**	**45**	**314,799**
Reportable segment assets	**112,184**	**292,779**	**58,480**	**7,396**	**11,753**	**2,537**	**485,129**
31 December 2015							
Revenue	43,540	4,185	1,359	10,625	15,069	8,261	83,039
Non-current assets #	155,257	152,984	88,946	230	376	41	397,834
Reportable segment assets	131,273	296,390	93,101	6,024	11,401	1,997	540,186

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

31. OPERATING SEGMENTS (CONT'D)

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

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

32. ACQUISITIONS

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

During the financial year, the Group completed the following acquisitions:

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

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

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

32. ACQUISITIONS (CONT'D)

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

The acquisition of Finestday is in line with Group's strategy to develop or acquire good hospitality real estate in choice locations, and to allow shareholders to participate in long-term capital appreciation and recurrent income through hotel earnings.

Purchase considerations of the Acquisitions

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

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

Identifiable assets acquired and liabilities assumed

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

	Note	$'000
Work-in-progress		1,203
Trade and other receivables		5,365
Cash and cash equivalents		5,456
Property, plant and equipment	4	6,806
Intangible assets	5	3,921
Deferred tax liabilities	18	(749)
Trade and other payables		(6,491)
Tax liabilities		(126)
Net identifiable assets and liabilities acquired		15,385
Non-controlling interests		(2,148)
		13,237
Goodwill arising from the acquisition of Squire Mech	5	14,769
Total purchase consideration		28,006

32. ACQUISITIONS (CONT'D)

Goodwill arising from the Acquisitions

Goodwill arising from the Acquisitions has been recognised as follows:

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

Cash flows relating to Acquisitions

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

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

Acquisition related costs

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

During the previous financial year, the Group completed the following acquisitions:

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

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

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

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

32. ACQUISITIONS (CONT'D)

Acquisition related costs (Cont'd)

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

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

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

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

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

Identifiable assets acquired and liabilities assumed

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

	Note	$'000
Inventories		449
Trade and other receivables		2,051
Cash and cash equivalents		2,183
Property, plant and equipment	4	91,150
Deferred tax assets	18	561
Associates	8	20,586
Trade and other payables		(31,365)
Borrowings		(23,091)
Deferred tax liabilities	18	(9,930)
Net identifiable assets and liabilities acquired		52,594

Measurement of fair values

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

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

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

32. ACQUISITIONS (CONT'D)

Goodwill/Bargain purchase gain

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

	Note	$'000
Total consideration transferred		82,921
Assumption of shareholders' loans		(27,666)
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of acquiree		8,001
Fair value of identifiable net assets acquired		(52,594)
Excess of purchase consideration over fair value of identifiable net assets		10,662
Goodwill arising from the acquisition of GGC	5	11,476
Bargain purchase gain on acquisition of CF and OL	23	(814)
		10,662

Cash flow relating to the Acquisitions

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

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

Acquisition related costs

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

33. SUBSEQUENT EVENT

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

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

34. SHARE OPTIONS

Share Option Scheme 2012

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

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

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

(a) at the market price; or

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

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

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

(a) the option holder ceasing to be in the employment of the Group or a non executive director for any reason whatsoever;

(b) the bankruptcy of the option holder or the happening of any other event which result in his being deprived of the legal or beneficial ownership of such option; or

(c) in the event of misconduct on the part of the option holder, as determined by the committee in its absolute discretion.

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

34. 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 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 subsistingat the end of FY2016 or if not then subsisting, entered into since the beginning of FY2016.

Additional Information

INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during FY2016 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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
		S$'000	**S$'000**
1	Lai Huen Poh (Director)	6,013	Nil
2	Lim Eng Hock (Controlling Shareholder)	857	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.

Additional Information

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;
- 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

Academic and Professional Qualifications
Bachelor of Business Administration with Honours, University of Singapore
Fellow, The Chartered Institute of Transport, 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	
Corporate Disclosure Committee	Member
Nominating Committee	Chairman
Remuneration Committee	Member
Current Directorships in Other Listed Companies	
1. Yanlord Land Group Limited	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	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
9. Fundacion Valencia Club de Futbol De La Comunidad Valenciana	Chairman
10. Singapore's non-resident Ambassador to Norway	Ambassador
11. Dunman High School Advisory Committee	Chairman
12. International Olympic Committee	Executive Board
13. International Olympic Committee, Finance Commission	Chairman
14. Southeast Asian Games Federation Council	Member
15. Olympic Council of Asia, Advisory Committee	Chairman
16. Singapore National Olympic Council, Executive Committee	Member
17. Singapore National Olympic Council, Finance Committee	Chairman
18. Singapore Olympic Academy, Board of Governors	Chairman
Past Directorships held over the preceding 3 years in Other Listed Companies	
1. Singapore Press Holdings Limited	Independent Director

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.	Catpital Pte Ltd	Director
4.	Double Click Pte Ltd	Director
5.	Gao Fei Investments Limited	Director
6.	Gilberta Investments Limited	Director
7.	Incanto Investments Limited	Director
8.	J S Corporate Services Pte Ltd	Director
9.	Jovina Investments Limited	Director
10.	Kestrel Capital Pte Ltd	Director
11.	Kestrel Investments Pte Ltd	Director
12.	Mclaren Automotive Asia Pte Ltd	Director
13.	Mclaren Automotive Limited	Director
14.	Meriton Capital Limited	Director
15.	Meriton Holdings Limited	Director
16.	Merlington Investments Limited	Director
17.	Mint Capital Limited	Director
18.	Nuggets Consulting Limited	Director
19.	Perlman Investments Limited	Director
20.	Pinewind Limited	Director
21.	Prime Spring Holdings Limited	Director
22.	PT Meriton Resources	Commissioner
23.	Ridgway Capital Limited	Director
24.	Rowsley Technologies Limited	Director
25.	Sasteria (M) Pte Ltd	Director
26.	Sasteria Holdings Pte Ltd	Director
27.	Sasteria Pte Ltd	Director
28.	Sephia Pte Ltd	Director
29.	Singapore Olympic Foundation	Director
30.	Tenion Pte Ltd	Director
31.	Towerhill Pte Ltd	Director
32.	Valencia Club de Futbol, S.A.D.	Chairman and President
33.	Vantage Plus Holdings Limited	Director
34.	Wilmott Pte Ltd	Director
35.	Fundacion Valencia Club de Futbol De La Comunidad Valenciana	Member of Trustee
36.	Valencia Club de Futbol (Asia) Pte Ltd	Director
37.	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 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	29 April 2015

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

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 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
Member, 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	29 April 2015

Board Committee(s) served on

Nominating Committee	Member

Current Directorships in Other Listed Companies

1.	Enviro-Hub Holdings Ltd.	Non-Executive Director
2.	Chiwayland International Limited	Independent Director

Other Directorships / Principal Commitments

1.	RSP Architects Planners & Engineers (Pte) Ltd	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.	Dorset 17 Pte. Ltd.	Director
14.	VA Development Pte. Ltd.	Director
15.	RSP Planet Design Studios Pte Ltd	Director
16.	FM Ventures Pte Ltd	Director
17.	Ghana Ventures Pte Ltd	Director
18.	Venture India Pte. Ltd.	Director
19.	Thanlyn-Kyauktan Development Co Ltd	Director
20.	MPA-SMD Port Limited	Director
21.	SMD Yangon Co Ltd	Director
22.	Building and Construction Authority	Board Member
23.	Strata Titles Board of Singapore	Member
24.	Nanyang Technological University, School of Civil and Environmental Engineering, Advisory Committee	Member
25.	Real Estate Developers' Association of Singapore, Advisory Panel	Member
26.	Singapore Land Authority	Board Member
27.	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

HO KIAM KHEONG
Executive Director and Managing Director, Real Estate

Academic and Professional Qualifications
Bachelor of Engineering, National University of Singapore
Master of Science (Engineering), University of Liverpool

Date of First Appointment as Director	25 September 2013
Date of Last Re-appointment as Director	26 April 2016

Board Committee(s) served on
Nil

Current Directorships in Other Listed Companies
Nil

Other Directorships / Principal Commitments

1.	Essensia Pte. Ltd.	Director
2.	ISKY Pte. Ltd.	Director
3.	Vantage Bay JB Sdn. Bhd.	Chief Executive Officer
4.	SKIES VB Sdn. Bhd.	Director
5.	VB1 Property Sdn. Bhd.	Director
6.	VB2 Property Sdn. Bhd.	Director
7.	VB3 Property Sdn. Bhd.	Director
8.	VB4 Property Sdn. Bhd.	Director
9.	VB5 Property Sdn. Bhd.	Director
10.	Rowsley (SM) Pte. Ltd.	Director
11.	Rowsley Hospitality Holdings Pte. Ltd.	Director
12.	Rowsley (CFL) Pte. Ltd.	Director
13.	Rowsley (HFM) Pte. Ltd.	Director
14.	St Michael Investments Pte. Ltd.	Director
15.	Old Trafford Supporters Club Limited	Director
16.	GG Hospitality Management Limited	Director
17.	Café Football Limited	Director
18.	Orchid Leisure Limited	Director
19.	GG Collections Private Limited	Director
20.	Rowsley (Stox) Pte. Ltd.	Director
21.	SSP Innovations Pte Ltd	Director
22.	Rowsley Sports Pte. Ltd.	Director
23.	Renewable Metal Resources Pte. Ltd.	Director
24.	Rowsley (BM) Pte. Ltd.	Director
25.	Finestday Limited	Director
26.	Ariva Pte. Ltd.	Director
27.	Ariva Hospitality 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)

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.	Asia-Pacific Strategic Investments Limited	Independent Director
2.	China LNG Group Limited	Non-Executive Director
3.	Coalbank Limited	Independent Director
4.	CSI Properties Limited	Independent Director
5.	Glorious Sun Enterprises Limited	Independent Director
6.	Mei Ah Entertainment Group Limited	Independent Director
7.	Sino Resources Group Limited	Independent Director
8.	Sunwah International Limited	Independent Director
9.	Sunwah Kingsway Capital Holdings Limited	Non-Executive Director
10.	Top Global Limited	Independent Director
11.	Vietnam Equity Holding	Independent Director
12.	Vietnam Property Holding	Independent Director
13.	Vongroup Limited	Independent Director

Further Information on Board of Directors

Other Directorships / Principal Commitments

1.	Chiu Yang Residents' Association of Hong Kong Limited	Director
2.	Hong Kong Strategy Limited	Director
3.	Hong Kong SWATOW Merchants Association (STCC)	Director
4.	Hong Kong-Vietnam Chamber of Commerce	Director
5.	Lingnan University, Advisory Board for the Office of Service-Learning	Chairman
6.	Monte Jade Science & Technology Association of Hong Kong Limited	Director
7.	Sino-Australian International Trust, Co. Ltd	Director
8.	TechMatrix Research Centre Limited	Director
9.	The Australian Chamber of Commerce in Hong Kong and Macau	Director
10.	The Chinese General Chamber of Commerce in Hong Kong and Macau	Director
11.	The Hong Kong Real Property Federation	Director
12.	The Overseas Teo Chew Entrepreneurs Association Limited	Director
13.	The University of Hong Kong School of Professional and Continuing Education Alumni Limited	Director/President
14.	Thomson Medical Centre Limited	Director
15.	Zhuhai Da Heng Qin Company Limited	Director
16.	Hong Kong-ASEAN Economic Cooperation Foundation	Director
17.	Hong Kong Cyberport Management Company Limited	Chairman/Director
18.	Murray, Lam & Kan Capital Limited	Director
19.	Orange Grove Enterprises Pte. Ltd.	Director
20.	City University of Hong Kong	Member of the Court
21.	UNESCAP Business Advisory Council Task Force on Banking and Finance	Member
22.	HKSAR, HK Council on Smoking and Health (COSH)	Member
23.	HKSAR Sir Murray MacLehose Trust Fund Investment Advisory Committee	Member
24.	CMA Australia Hong Kong	Honorary Chairman, Asia Pacific
25.	Hong Kong Casin Holdings Limited	Director

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

1.	China Communication Telecom Services Company Limited	Non-Executive Director
2.	Next-Generation Satellite Communications Limited	Independent Director
3.	Far East Holdings International Limited	Independent Director
4.	Hutchison Harbour Ring Limited	Independent Director
5.	Ruifeng Petroleum Chemical Holdings Limited	Independent Director
6.	Mingyuan Medicare Development Company Limited	Independent Director
7.	Heng Fai Enterprises Limited	Non-Executive Director
8.	UDL Holdings Limited	Non-Executive Director
9.	Imagi International Holdings Limited	Independent Director

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	29 April 2015

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

Shareholdings Statistics

As at 16 March 2017

Number of Issued Shares	-	4,677,643,931 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 16 March 2017, 20% 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	27.09[(a)]
2	Bellton International Limited	-	-	586,347,894	12.54[(a)]
3	Tunku Ismail Idris Ibni Sultan Ibrahim Ismail	-	-	556,466,755	11.90[(a)]
4	Albert Hong Hin Kay	-	-	745,254,100	15.93[(a)]
5	Garville Pte Ltd	111,930,588	2.39	183,848,294	3.93[(b)]
6	Lim Eng Hock	-	-	2,149,438,093	45.95[(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 16 March 2017

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	142	1.89	1,328	0.00
100 - 1,000	182	2.43	154,967	0.00
1,001 - 10,000	1,713	22.84	13,078,484	0.28
10,001 - 1,000,000	5,362	71.49	492,787,520	10.54
1,000,001 and above	101	1.35	4,171,621,632	89.18
	7,500	100.00	4,677,643,931	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1	UOB KAY HIAN PTE LTD	2,050,299,960	43.83
2	DBS NOMINEES PTE LTD	768,451,312	16.43
3	MAYBANK NOMINEES (S) PTE LTD	586,000,000	12.53
4	RAFFLES NOMINEES (PTE) LTD	139,652,988	2.99
5	CITIBANK NOMINEES SINGAPORE PTE LTD	122,719,566	2.62
6	GARVILLE PTE LTD	111,930,588	2.39
7	CIMB SECURITIES (S) PTE LTD	39,207,031	0.84
8	OCBC SECURITIES PRIVATE LTD	28,834,400	0.62
9	LAI HUEN POH	21,777,400	0.47
10	MAYBANK KIM ENG SECURITIES PTE LTD	18,514,900	0.40
11	LEE KUT CHEUNG	15,447,700	0.33
12	UNITED OVERSEAS BANK NOMINEES PTE LTD	12,662,400	0.27
13	CHONG KIN WAI	11,680,600	0.25
14	PHILLIP SECURITIES PTE LTD	11,330,205	0.24
15	TAN KOK HEE RICHARD	10,400,000	0.22
16	NG ENG KIONG	10,360,000	0.22
17	LEE THENG KIAT	9,934,100	0.21
18	RHB SECURITIES SINGAPORE PTE LTD	8,523,000	0.18
19	CHANG MENG TENG	8,400,000	0.18
20	OCBC NOMINEES SINGAPORE PTE LTD	8,306,520	0.18
		3,994,432,670	85.40

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of the Company will be held on Wednesday, 26 April 2017 at 10.00 a.m. at Holiday Inn Singapore Atrium, 317 Outram Road, Singapore 169075 to transact the following businesses:-

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement, Audited Financial Statements and the Auditors' Report for the financial year ended 31 December 2016. **[Resolution 1]**

2. To re-elect Mr. Tan Wee Tuck, a Director retiring by rotation pursuant to Article 96 of the Constitution of the Company. [See Explanatory Note (a)] **[Resolution 2]**

3. To re-elect Mr. Lai Huen Poh, a Director retiring by rotation pursuant to Article 96 of the Constitution of the Company. [See Explanatory Note (a)] **[Resolution 3]**

4. To re-elect Mr. Gary Ho Kuat Foong, a Director retiring by rotation pursuant to Article 96 of the Constitution of the Company. [See Explanatory Note (a)] **[Resolution 4]**

5. To approve the sum of up to S$347,000 as Directors' fees for the financial year ending 31 December 2017 and the payment thereof on a quarterly basis. (31 December 2016: up to S$366,000) **[Resolution 5]**

6. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **[Resolution 6]**

SPECIAL BUSINESS

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

7. <u>Authority to allot and issue shares in the capital of the Company</u>

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,

Notice of Annual General Meeting

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) new Shares arising from the conversion or exercise of convertible securities;

(b) 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

(c) 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. [See Explanatory Note (b)] **[Resolution 7]**

8. <u>Authority to grant options and allot and issue Shares under the Rowsley Group Share Option Scheme 2012</u>

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. [See Explanatory Note (c)] **[Resolution 8]**

9. <u>Authority to grant awards and allot and issue Shares under the Share Grant Plan 2015</u>

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.
[See Explanatory Note (c)] **[Resolution 9]**

Notice of Annual General Meeting

ANY OTHER BUSINESS

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

BY ORDER OF THE BOARD

Hasan Malik
Company Secretary

Singapore
11 April 2017

Explanatory Notes:

(a) In relation to item 2 under the heading "Ordinary Business", Mr. Tan Wee Tuck will, upon re-election, continue to serve as an Executive Director and Chief Financial Officer and a member of the Corporate Disclosure Committee and the Investment Committee. Mr. Tan is the nephew of our controlling shareholder, Mr. Lim Eng Hock.

In relation to item 3 under the heading "Ordinary Business", Mr. Lai Huen Poh will, upon re-election, continue to serve as an Executive Director and Managing Director, RSP and a member of the Nominating Committee.

In relation to item 4 under the heading "Ordinary Business", Mr. Gary Ho Kuat Foong will, upon re-election, continue to serve as an Independent Director, the chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee and the Investment Committee. Mr. Ho 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 2016.

(b) In relation to item 7 under the heading "Ordinary Business", if passed, the Board of Directors of the Company will be empowered, 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 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.

(c) In relation to item 8 under the heading "Ordinary Business", if passed, the Board of Directors of the Company will be empowered to offer and grant options and to allot and issue Shares pursuant to the exercise of the options under the Option Scheme.

In relation to item 9 under the heading "Ordinary Business", if passed, the Board of Directors of the Company will be empowered 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 15 Scotts Road, #07-00 Thong Teck Building, Singapore 228218 not less than 48 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.

INTENTIONALLY LEFT BLANK

Proxy Form

ROWSLEY LTD.

(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 **Wednesday, 26 April 2017 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 2016		
2.	Re-appointment of Mr. Tan Wee Tuck as Director of the Company		
3.	Re-appointment of Mr. Lai Huen Poh as Director of the Company		
4.	Re-appointment of Mr. Gary Ho Kuat Foong as Director of the Company		
5.	Approval of Directors' fees for the financial year ending 31 December 2017		
6.	Re-appointment of KPMG LLP as Auditors of the Company		
SPECIAL BUSINESS			
7.	Authority to allot and issue shares in the capital of the Company		
8.	Authority to grant options and allot and issue shares under the Rowsley Group Share Option Scheme 2012		
9.	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 ________________ 2017

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 15 Scotts Road, #07-00 Thong Teck Building, Singapore 228218 not less than 48 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.

ROWSLEY

(Incorporated in the Republic of Singapore)
Company Registration No. 199908381D

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

Tel: (65) 6731 1677
Fax: (65) 6733 9143
Email: contactus@rowsley.com

www.rowsley.com