



ROWSLEY LTD.
ANNUAL REPORT 2015





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Rowsley Ltd. is a real estate company with businesses in real estate consultancy, real estate development and hospitality. Our major assets include RSP Architects Planners & Engineers, one of the most established architectural practices in the region and Vantage Bay Healthcare City in Iskandar Malaysia. Rowsley also owns

Hotel Football, Café Football and GG Collections which provides hospitality management services. Joint venture agreements have been signed for St. Michael's, a landmark mixed-use development and Stock Exchange hotel in Manchester.

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

Cover Page:

Hotel Football, a minute's walk from Old Trafford, Manchester, UK

Top Left:

Watertown and Waterway Point, winner of BCA Universal Design Mark Award (Gold^{PLUS} Design) 2015

Image courtesy of Frasers Centrepoint Limited

Top Right:

Wellesley Residences in Penang

Image courtesy of Patrick Bingham-Hall

Top Right Bottom:

Café Football in Hotel Football

Corporate Profile





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.

Left:
The Oberoi Hotel Gurgaon

*Image courtesy of
East India Hotels Pvt. Ltd.,
New Delhi, India*

Letter to Shareholders

We expanded into the hospitality sector and accelerated our overseas expansion with acquisitions in Manchester, UK. The latest moves will broaden our earnings base.



NG SER MIANG
Non-Executive Independent Chairman

“Rowsley’s business model has continued to evolve in response to changing market dynamics and opportunities in growth markets.”

DEAR SHAREHOLDER,

I followed Rowsley’s transformation in the past few years with keen interest even before I came on board as Chairman of the Board and Non-Executive Independent Director on 1 December 2015.

Rowsley’s business model has continued to evolve in response to changing market dynamics and opportunities in growth markets. 2015 was characterised by diversification, both in terms of geography and business segmentation. Rowsley is now a group with core businesses in real estate consultancy, development as well as hospitality.

During the year, we expanded into the hospitality sector and accelerated our overseas expansion with acquisitions in Manchester, UK. The latest moves will broaden our earnings base and mitigate our risks across different asset classes and geographies. There will be synergies across the different businesses which will create a multiplier effect and yield greater value for shareholders.

In hospitality, our strategy is twofold. First, it is to develop/ own and manage a portfolio of hotels with unique value propositions in choice locations.

Second, it is to leverage the hospitality management know-how we have acquired to grow the hotel management business. This would allow us to earn recurrent income, as well as to participate in long-term capital appreciation. We aim to build a unique value proposition in hotel ownership and management.

MANCHESTER PROJECTS

We are excited with our investments in Manchester as the city, home to two famous football clubs, is one of the fastest growing in the UK. Manchester is at the center of the UK government's efforts to encourage investments in the North. In recent years, it has attracted many large companies such as Google, British Broadcasting Corporation and Siemens. Consequently, the Manchester real estate market and hotel occupancies have enjoyed strong growth and this is expected to continue into the future.

Our acquisitions comprised 75% stakes in three projects – Hotel Football opposite Old Trafford, Café Football close to London's Olympic Stadium and GG Collections, a hotel management firm. We have also signed joint venture agreements for a 75% stake in St. Michael's,

a £200 million landmark mixed-used development, as well as a 50% stake in a Grade II listed Edwardian Baroque building which formerly housed the Northern Stock Exchange. Plans are underway to convert this historic building in the city centre into a luxury boutique hotel with exciting restaurants and food and beverage concepts to be helmed by Michael O'Hare, one of UK's celebrity chefs.

We entered the Manchester real estate market at an opportune time as the city continues to enjoy tremendous growth potential and real estate is still reasonably priced, especially when compared with London's properties. When venturing into new markets, it is critical to have access to valuable local knowledge, experience and network. In this regard, Rowsley is fortunate to partner two of Manchester's football legends, former Manchester United stars Gary Neville and Ryan Giggs, both of whom are making their mark as successful entrepreneurs.

VANTAGE BAY HEALTHCARE CITY

We revamped our business plans for our prime 9.23 hectare Vantage Bay site in Iskandar Malaysia after a thorough strategic review. We had planned to develop a

new township which included an estimated 3,000 residential units. However, the plans to develop the residential units were set aside in the wake of weak market sentiments following the introduction of cooling measures by the Malaysian government, as well as a substantial pipeline of residential units to be developed by other developers in the next few years.

Our market assessment revealed strong prospects and growth opportunities in the region's healthcare markets, especially in Malaysia and Singapore, driven by ageing demographics, rising demand for more affordable medical services and a growing trend towards general wellness or more sophisticated care products and services. In Malaysia and Singapore, the number of people aged 60 years and above is expected to almost double by 2030 while average lifespans have also increased. In Singapore, high healthcare costs have become a major concern. These trends will continue well into the future and lend strong support to the Vantage Bay Healthcare City project. In addition, Malaysia has also seen a steady growth in medical tourists from Indonesia, China and the Middle East, in search of quality and low cost medical services, a trend that is also expected to continue.

Letter to Shareholders

We made some board and management changes towards the end of the year as part of the Group's renewal and succession plans.

To meet these market demands, Vantage Bay will be repositioned as a Healthcare City comprising medical, healthcare educational and wellness hubs, with an estimated gross development value of RM5 billion. Over the next 10 years, we will develop a specialist hospital, a community hospital, health sciences education and training facilities, long-term care facilities, an urban wellness resort, as well as other related lifestyle facilities. We signed on Thomson Medical Group, a leading healthcare service provider, as a strategic partner for the project. We are now in active discussions with internationally renowned partners to collaborate with us in Vantage Bay Healthcare City.

RSP

Our key subsidiary RSP reported a respectable year, notwithstanding difficult market conditions. RSP has met profit targets for the last three financial years and the maximum of 375 million Rowsley shares will be issued to the RSP vendors under the 2013 sales and purchase agreement. Later this year, RSP will be celebrating its 60th anniversary, a milestone amongst Singaporean companies.

During the year under review, we bought a 34.72% stake in RSP Design Consultants (India), one

of India's leading architectural services companies. The acquisition was immediately earnings accretive and added positively to the Group's bottom line in 2015.

In Singapore, we expect sentiments in the property market, in particular the private market, to remain weak. To counter this, RSP is positioning itself to capture more public infrastructure contracts, as well as win more projects overseas. We also remain on the look-out for appropriate acquisitions in relevant disciplines and markets to grow our consultancy capabilities.

FINANCIALS

For the financial year ended 31 December 2015, the Group reported a net loss of \$36.4 million, mainly due to asset impairments and lower fair value gains on purchase consideration payable to RSP vendors, against a net profit of \$49.4 million in 2014. The Group would have reported a net profit of \$3.8 million before these impairments. Group revenue totalled \$83.0 million, compared with \$87.2 million the year before, with a maiden contribution from the hospitality business.

The Group continued to maintain a healthy balance sheet, with net

assets as at 31 December 2015 of \$450.8 million, of which cash and cash equivalents totalled \$37.3 million.

In the early part of the year, the Group also successfully issued its maiden \$100 million 6.5% medium term notes. The proceeds were used to finance the Manchester and India acquisitions. Consequently, net gearing as at 31 December 2015 stood at 19%.

BOARD AND MANAGEMENT CHANGES

We made some board and management changes towards the end of the year as part of the Group's renewal and succession plans. We appointed Ms Chan Lay Hoon as Deputy Chairman and Non-Executive Non-Independent Director with effect from 1 December 2015, and Mr Ong Pang Liang as Independent Non-Executive Director with effect from 1 January 2016. Ms Chan has a wealth of experience in business, corporate strategy and finance. In particular, her experience as the former Executive Chairman of Thomson Medical Group, will be invaluable to Rowsley as we embark on our development of Vantage Bay Healthcare City.

My predecessor, Mr Chiang Chie Foo, stepped down on

1 December 2015. Three directors also stepped down on 1 January 2016 – Mr Lock Wai Han, who was also the Group Chief Executive Officer, Dr Wong Chiang Yin, a Non-Executive Non-Independent Director, and Mr Chua Hwee Song, an Independent Non-Executive Director. We thank Messrs Chiang, Lock, Wong, and Chua for their invaluable contributions to Rowsley's growth and wish them all the best in their future endeavours. We welcome Ms Chan and Mr Ong to the board.

GOING FORWARD

In recent months, the outlook for the global economy has weakened significantly. The slowdown in China, political uncertainty in the European Union, the plunge in oil prices and volatility in global stock markets have created widespread uncertainty for the short and medium term. Despite these headwinds, we believe that our diversified business strategy will create long-term value for our shareholders. The board, management and employees of Rowsley are committed to growing the company in the years ahead.



ACKNOWLEDGEMENT

On behalf of the board, I would like to express my appreciation to our customers, business associates and shareholders 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 hard work and perseverance.

We look forward to a successful 2016.

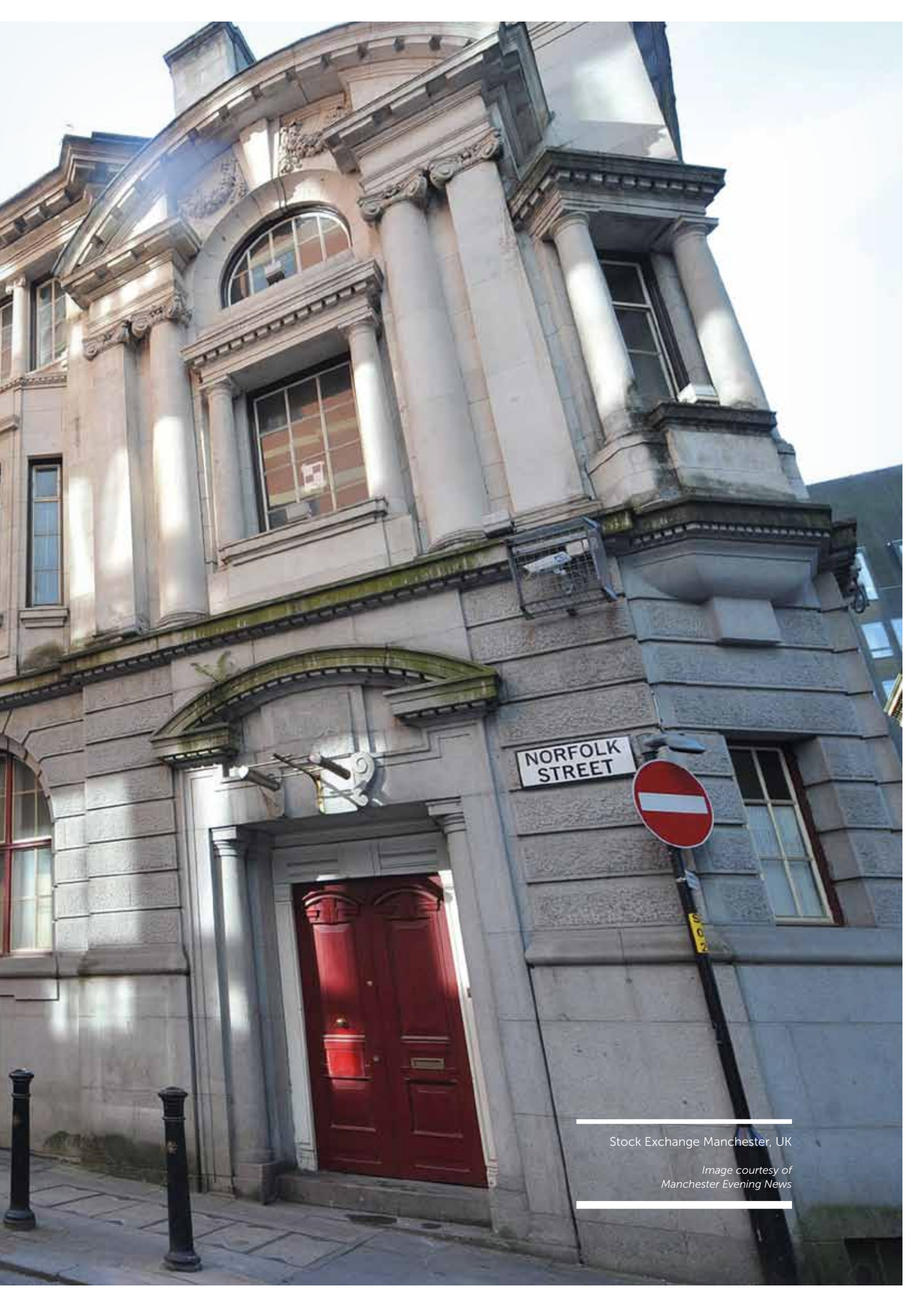
NG SER MIANG
Non-Executive
Independent Chairman

Top:
Jewel at
Changi Airport,
Singapore

*Image courtesy of
Jewel Changi Airport
Dev't, Singapore*

EXPANDING OUR GLOBAL PRESENCE

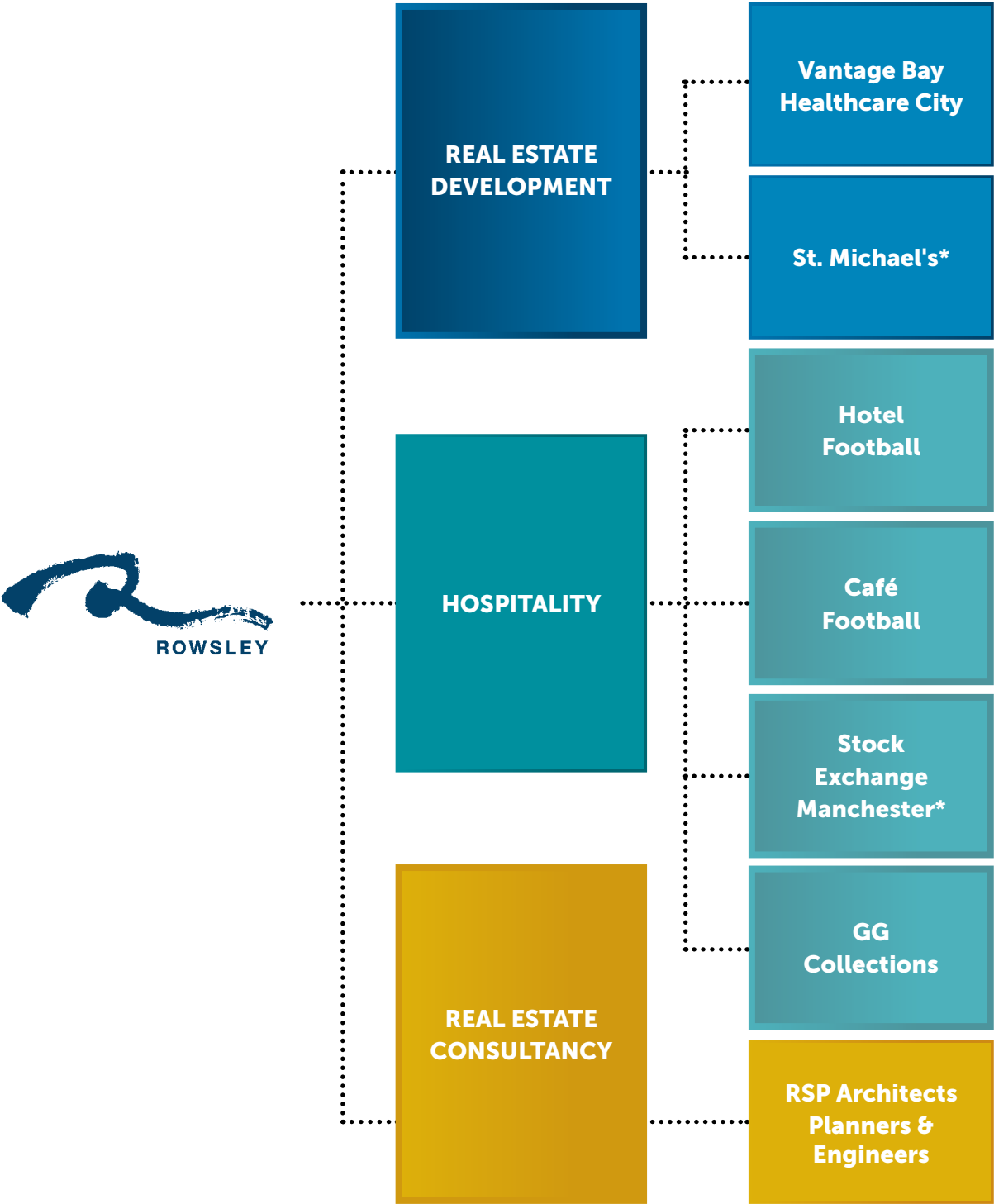




Stock Exchange Manchester, UK

*Image courtesy of
Manchester Evening News*

Corporate Structure



* Joint venture agreement signed to acquire interest

Financial Highlights



NET ASSET VALUE PER SHARE

10.1
cents

NET TANGIBLE ASSETS

S\$326.0
million

NET LOSS

S\$36.4*
million

REVENUE

S\$83.0
million

MARKET CAPITALISATION

S\$798
million

As at 31 December 2015

* Includes impairments of
S\$42.5 million

Left:
Altez, winner of FIABCI
Singapore Property
Award, Super High Rise
Category 2015

*Image courtesy of
Patrick Bingham-Hall*

Operations Review



RSP continued to generate a steady income stream from its diversified practice despite the economic slowdown in our key market, Singapore.

OVERVIEW

2 015 was an active year for the Group. We made investments in the real estate and hospitality sectors in Manchester, UK, as well as in the building design sector in India. We also repositioned our Iskandar investment into a healthcare focused development in light of the looming glut in the

high-end residential market. In March 2015, we issued our maiden \$100 million 6.5% medium term notes. The proceeds were mainly used to finance the above investments. RSP continued to generate a steady income stream from its diversified practice despite the economic slowdown in our key market, Singapore. The Group's architectural, engineering and

urban planning consultancy met profit targets for the last three financial years, and as such the RSP vendors who sold their stake to Rowsley are entitled to a maximum of 375 million Rowsley shares under the 2013 sales and purchase agreement. In April 2015, 125 million Rowsley shares were issued to the RSP vendors for having met the first earn-out target.

FINANCIALS

We reported a net loss of \$36.4 million for the financial year ended 31 December 2015, mainly due to asset impairments and lower fair value gains on purchase consideration payable to RSP vendors, against a net profit of \$49.4 million in 2014. The Group would have reported a net profit attributable to shareholders of \$3.8 million before these impairments. During the past year, impairments of \$24.4 million were taken against our Iskandar land holdings, \$8.1 million in legacy investments in three portfolio companies, as well as \$10.1 million in goodwill from the RSP acquisition. Fair value gains on purchase consideration payable to the RSP vendors was \$2.3 million versus \$54.0 million a year earlier.

Group revenue declined by 5% to \$83.0 million. The drop was mainly due to a \$5.5 million fall



Top:
Signing ceremony of St. Michael's joint venture partnership between Rowsley, Beijing Construction Group International, Gary Neville and Ryan Giggs. Gracing the ceremony were Manchester City Council's Chief Executive, Sir Howard Bernstein and Leader, Sir Richard Leese

Left:
Cyan, winner of Asia Pacific Property Award (CNBC) Best Residential Landscape Architecture 2015

Image courtesy of Far East Organization

Operations Review

in the Group's architectural, engineering and town planning services segments and was offset by a one-month contribution of \$1.4 million from the Group's new hospitality business in the UK. Earnings before interest, tax, depreciation and amortisation was a negative \$22.9 million in 2015.

Net cash used in operations was \$14.6 million as more revenue was recognised in the back of the year. Net cash used in investing activities was \$78.6 million while net cash generated from financing activities for the year was \$91.7 million, which mainly came from the issuance of the \$100 million notes issued under the Medium Term Note programme, offset by the payment of half-yearly interest on the notes. As at 31 December 2015, the Group's cash and cash equivalents totalled \$37.3 million.

VANTAGE BAY HEALTHCARE CITY

Amid the depressed market sentiment in the residential property market in Iskandar Malaysia, we revamped our plans for the mixed-use development into a medical, healthcare educational and wellness hub. This new endeavour, Vantage Bay Healthcare City, rides 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.

Vantage Bay Healthcare City will comprise a specialist hospital, a community hospital, long-term care facilities, health sciences education and training facilities, an urban wellness resort,

wellness retail services and a hotel to cater to medical tourists.

In December, we signed a Memorandum of Understanding with Thomson Medical, one of Singapore's top medical groups with a growing regional presence, to be our strategic partner to advise the Group on the project. Both Rowsley and Thomson Medical have started to explore opportunities with other reputable partners to invest and work together on various components of the Healthcare City.

Thomson Medical is also the project manager for Thomson Iskandar, an integrated development anchored by Iskandariah Hospital, a multi-specialty hospital with a capacity of 500 beds and 400 units of medical suites located adjacent to the Vantage Bay site.

We believe that the long-term potential of the Iskandar Malaysia economic zone remains high. The foreign investments it has attracted and will continue to bring in, the future transport links between Singapore and Johor Bahru and the strong prospects of the healthcare industry will combine to make Vantage Bay Healthcare City a major success.



Top:
Singapore Polytechnic Design School

Right:
Lion's Home for the Elders, Singapore

Far Right:
Hotel Jen Tanglin Singapore

Image courtesy of Hotel Jen Tanglin Singapore



ST. MICHAEL'S

The proposed 75% stake in St. Michael's will be Rowsley's largest investment in the UK to-date. In the 700,000 sq ft mixed-use development, there will be a luxurious five-star hotel, upscale apartments and offices, two new public squares and a replacement synagogue in the heart of Manchester's Central Business District.

The development, located between Jackson's Row, Bootle Street and Southmill Street, is set to become a landmark project which will help to regenerate a vital part of the city centre. St. Michael's will comprise a 200-room hotel, 147 luxury apartments, 120,000 sq ft of office space and 30,000 sq ft of retail space. The hotel will fill a niche in Manchester where quality five-star hotels are lacking, and where demand continues to outpace the supply for premier business accommodation. The design scheme is undergoing public consultation and sales of the residential units is expected to start mid-2016.

Operations Review



HOTEL FOOTBALL

Rowsley bought 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 function facilities.

Since its opening in the first quarter of 2015, Hotel Football has consistently received rave reviews and ranked #1 out of 118 hotels in Manchester on Tripadvisor.com. Hotel Football was recently named a Booking.com 2015 Award winner and the Best Business Hotel in the UK by LateRooms.com, accolades which are decided solely by guest reviews. Hotel Football was also awarded the 2016 Stellar Stays

Award by HotelsCombined and was ranked the 3rd best hotel in Greater Manchester.

CAFÉ FOOTBALL

Rowsley also invested a 75% stake in Café Football, a 120-seat restaurant in Stratford, London, next to the Olympic Stadium. The football-themed restaurant chain captures authentic football culture through the décor and menu, which is created by celebrity chef Michael Wignall. The café was opened in December 2013 and also serves a branding outlet for Hotel Football in Manchester.

GG COLLECTIONS

To grow the hospitality management business, we also invested a 75% stake in GG Collections, a hotel management company which manages Hotel Football and

Café Football. GG Collections aims to create and deliver unique and memorable hospitality experiences and build strong, successful hospitality brands. One of GG Collections’ achievements include winning The Cateys 2015 Best Marketing Campaign Award for Hotel Football. The Cateys recognises and celebrates the achievements of the best performers in the hospitality industry.

Top Left:
Gary Neville and Ryan Giggs at Hotel Football’s construction site

Top:
Café Football in Hotel Football

Right:
Café Football in London, UK



STOCK EXCHANGE MANCHESTER

In November, we entered an agreement to invest in a 50% share 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. We plan to convert the heritage building into a luxury boutique hotel with exciting restaurants and food and beverage concepts to be helmed by Michael O'Hare, one of UK's top young celebrity chefs and recently named as one of

the Top 50 most influential hospitality operators in Northern England in the Northern Restaurant and Bar Top Fifty 2016 awards.

This acquisition is part of our strategy to own a portfolio of hotels with unique value propositions. This hotel also fits into the local hospitality trend towards upscale, boutique hotels. We expect to open the hotel by middle of 2017.



Operations Review

RSP

In 2015, RSP won many prestigious awards, the highest number received in the last five years and a testament to the quality RSP is committed to delivering. Among them were the BCA Universal Design Mark Award (Platinum) for ITE Headquarters and ITE College Central @ Ang Mo Kio, FIABCI Singapore Property Award (Super High Rise Category) for Altez, and the inaugural BCA-BIM Platinum Award for Multidisciplinary – Architectural and Civil & Structural Consultant.

We added to the geographical footprint of RSP during the financial year under review with a \$20.6 million acquisition of a 34.72% interest in RSP Design Consultants (India) Private Limited, one of India's leading building design services companies. RSP India has over 360 employees in five office locations across the country and its clients include globally-renowned brands such as Microsoft, Unilever, Hilton, Tata, and IBM.

In Singapore, the government's cooling measures for the residential property market continued to keep home buyers at bay and led to a considerable slowdown in development activities. Consequently, RSP sustained a decline in its revenue from architectural services, but stakeholder confidence remained high, buoyed by new high-profile projects such as the redevelopment of Funan DigitalLife Mall.

Overseas, we booked 107 new projects across the region, including a high-profile project to design the new Infosys Campus in India. Overall, we completed 59 projects last year, including BCA Academy extension, Sentosa Cableway and China Cultural Centre in Singapore.

Architectural revenue remained the mainstay for RSP, contributing 77% to total revenue, with the rest coming from civil and structural engineering works and master planning. In terms of geographical segment, Singapore contributed the largest segment of the revenue, followed by Middle East and China.

Looking ahead, we expect sentiments in the Singapore property market, in particular the private market, to remain weak. To counter this, we are targeting to capture more public infrastructure contracts, as well as win more projects overseas. We also remain on the lookout for appropriate acquisitions in relevant disciplines and markets to grow our overall consultancy capabilities.

Top:
BCA Academy extension, winner of BCA Universal Design Mark Award (Gold^{Plus} Design) 2015

Right:
The Tenney, Junction 10, Singapore

Far Right:
Toll City, warehouse development in Singapore

Image courtesy of Toll Global Logistics



Sustainability Report



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

Through our wholly-owned subsidiary RSP, one of the most established architectural practices in Singapore and the region, our focus is on designing built environments that transform and enrich modern living. We have an active environmental sustainable unit within RSP with 19 Certified Green Mark Managers.

We are dedicated to finding the best ideas and solutions for our clients and communities by tapping on our diverse multidisciplinary teams, actively pursuing innovation, and engaging in close collaboration with clients, stakeholders, and consultants. Our strength lies in our commitment to quality and excellence in planning and design. We have in place quality management systems, with ISO14001 and ISO9001 certifications from Singapore's Building and Construction Authority.

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. He believes it is vital for master planners to adhere to three principles when creating any sustainable urban development. They must have the "humanist's heart" to understand and apply the sound values of urban development, "scientist's mind" to build efficient and effective machines, and "artist's eye" to leverage on cities' natural environments and histories.

An example of these principles at work can be seen in the master planning of Innopolis, Russia's first self-sustaining information and communications technology (ICT) township. Located 40 kilometres from Kazan, Russia's tenth largest city, the plan for Innopolis took into account the end consumers' lifestyles and behaviours. The aim was to plan

a holistic ecosystem that could significantly support Kazan's growing high-technology sector. Detailed research was carried out to identify the right mix of ICT facilities. Extensive studies of the terrain were also undertaken, contributing to comprehensive plans to create a vibrant live-work-play environment that preserves its idyllic qualities.

In China, the master planning for Changdao County, one of the country's most beautiful cluster of islands and home of the legendary Eight Immortals in Chinese mythology, involved the challenge of balancing the development of tourist attractions while retaining the islands' rustic charm. RSP focused

Top:
Changdao County
Master Plan

Right:
Innopolis
Master Plan

Far Right:
Xi Xian Xin Qu
Master Plan,
Shaanxi, China

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

on enhancing the connectivity within and between the islands and the mainland by building an extensive network of cycling paths, green connections and ferry linkages.

SUSTAINABLE DESIGN

Sustainable design is a major focus across all our key developments. Our approach 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. Sustainability is embedded in our company's practice and culture. The result is meaningful

innovations that enrich and transform lives and deliver environmental and social benefits well into the future.

The ESSEC Asia-Pacific campus, which won the 2014 BCA Green Mark Award (Platinum), is one of RSP's works which exemplifies sustainable design. To retain the surrounding natural terrain, the campus is built into the steep slope of Nepal Hill in a series of terraces that gradually step up from street level to the top of the hill at the campus's third level. A glass canopy over the main thoroughfare provides shelter and ample natural light, while natural ventilation and interspersed seats and plantings create a warm and inviting

environment. The terraced massing and layout allow a high level of permeability and breathability. Orienting the building away from the sun, using high performance glazing and extensive sun-shading devices in the facade, as well as incorporating green roofs and green landscaping, help to reduce heat gain and minimise reliance on mechanical cooling. With the wide range of energy efficient features and practices in place, the school is expected to reap potential energy savings of more than 30% per year.

Another development which incorporates sustainable design features is Watertown, a mixed-use development located beside



Sustainability Report



Punggol Waterway and nestled amidst interconnected green spaces. A pedestrianised public corridor from the MRT station threads through the site to the event plaza next to the waterway promenade to create a lively public arena that is conducive for community bonding. Sidewalks, cycling tracks and park connectors are linked to the development and public transport networks to provide mobility options and help reduce pollution by reducing vehicle trips. Electric car charging stations and green vehicle parking lots incentivise the use of greener transport. The development combines a number of sustainable best practices. Passive design elements such as high-performance glazing and excellent glass selection are used alongside active design systems like intelligent water irrigation systems to harvest rainwater for plant irrigation. These strategies achieve tangible energy and water savings as well as environmental comfort for the inhabitants. For its sustainable designs, Watertown was awarded the BCA Universal Design Mark Award (Gold^{Plus} Design) 2015 and BCA Green Mark Award (Gold^{Plus}) 2014.

We are also proud of the ITE Headquarters and ITE College Central @ Ang Mo Kio. The campus was designed to be

user-friendly, open and sustainable. The centrepiece is the Inspirational Street, which is a circulation spine enabling 10,000 students to navigate easily across four schools. Its sustainable architecture, including one of the largest Green Walls in Singapore, helps to promote a green conscious culture. In 2015, the project earned an ASEAN Energy Award and BCA Universal Design Mark Award (Platinum).

At the Holiday Inn Express Clarke Quay, we had the challenge of mitigating the harsh western sun on the hotel's exterior. RSP overcame this with the use of angled windows. Rigorous sunshade studies and detailed models were done to determine this intricate geometry. A subtle incline of the window glazing and layout of the rooms also created a spacious feeling. As a result, the award-winning hotel stands out for its distinctive geometric facade, inviting guests into its lofty, transparent ground floor with garden vistas. Intimate courtyards interconnect views across rooms and corridors at different levels while the rooftop glows with an elevated transparent pool and view of the city skyline. The project won a BCA Green Mark Award (Platinum) in 2013 for its green efforts.

COMMUNITY OUTREACH

We actively reach out to the public, including youths, through a range of exhibitions, workshops and scholarship programmes. For instance, RSP was a sponsor for the Challenge for the Urban Built Environment (CUBE) 2015 workshop organised by the Urban Redevelopment Authority. The workshop brought together youths to plan and design engaging and sustainable environments. For CUBE 2015, students were given the opportunity to step into the shoes of urban planners and develop proposals for Paya Lebar Central, one of the largest mixed-use urban regeneration

Top Left:
Watertown and
Waterway Point

*Image courtesy of
Fraser's Centrepoint Limited*

Top Right:
ESSEC Asia-Pacific,
winner of 2014 BCA
Green Mark Award
(Platinum)

Right:
Holiday Inn Express
Clarke Quay

Far Right:
CUBE 2015 Workshop

projects in Singapore. Over a four-day workshop, the student teams sat through sharing sessions, lectures and critic sessions conducted by established architects, urban planners, academics and industry partners to create proposals and models based on the relationships and coordination of all facets involved. Their work had to demonstrate how residential and commercial spaces, green lungs, economic activity, public transport, amenities and scores of other factors came together in a socially beneficial, aesthetically pleasing and economical way. RSP's architects were represented on the judging panel and as team mentors during the workshop.

RSP was also a proud sponsor of World Architecture Festival 2015, the largest international architectural event that brings together the global architectural and design community to experience a wide range of seminars, exhibitions, networking receptions and competitions. As part of the event, RSP led a group of international visitors on a tour of Marina Bay Cruise Centre Singapore, a design collaboration between RSP and Bermello, Ajamil

& Partners. The \$500 million two-storey terminal is a must-visit for purveyors of cutting-edge design and architecture.

During Archifest 2015, RSP hosted one of the tours at Architours which is a series of learning journeys organised by Singapore Institute of Architects and The Architectural Society of National University of Singapore. The tours aim to introduce to the public the design strategies behind noteworthy architectural projects in Singapore. The Architour leg of NTU Pioneer & Crescent Halls and the School of Design at Singapore Polytechnic hosted by RSP allowed the participants to learn about the design thinking behind these innovative projects.

Since the launch of Hotel Football, a number of community driven initiatives have been undertaken through the Trafford Council. As part of the Trafford Pledge, Hotel Football has given job placements and apprenticeships to young people from Trafford and the surrounding areas, as well as hosted fund-raising and community events at the hotel

facilities. Hotel Football has also partnered with Springboard Charity to support young people in hospitality.

At Hotel Football, we support the arts by partnering with University of Salford to produce football-themed works of art for the hotel. 70 pieces of art were produced by the university students and handpicked to be featured at the rooms, reception, Café Football and the Stadium Suite. The showcase of the students' art at the hotel was a tremendous opportunity for the youths to demonstrate their artistic talents and skills to a worldwide audience.

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 2015, the Southern Tigers created history by becoming the first Malaysian team to win the Asian Football Confederation Cup.



DELIVERING SUSTAINABLE RETURNS





ITE Headquarters and
ITE College Central
@ Ang Mo Kio, winner of BCA
Universal Design Mark Award
(Platinum), Singapore Landscape
Architecture Award (Gold) and
ASEAN Energy Award 2015

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.

Mr Ng is a director of various companies including Singapore Press Holdings Limited and Yanlord Land Group Limited. He is also Singapore's non-resident Ambassador to Norway, Vice Chairman of Dunman High School Advisory Committee, Chairman of the Singapore Olympic Foundation and Fundacion Valencia Club de Futbol De La Comunidad Valenciana, and a 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 and sits on the Corporate Disclosure Committee and the Remuneration Committee.

Ms Chan manages Mr Peter Lim's business portfolio and philanthropic work. She plays a pivotal role in developing the business strategies of a myriad of global businesses, ranging from sports to healthcare, automobile, motorsports, real estate development, architecture, engineering, urban planning, education, fashion and lifestyle.

Ms Chan is the Chairman and Executive 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. 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 has helmed the RSP Group as Managing Director since 2007, having first joined the architectural and engineering practice in 1984.

Mr Lai sits on the Building and Construction Authority Board and is a member of the Strata Titles Board of Singapore. He promotes best practices in design and engineering safety, construction productivity and prefabrication technology through various industry panels. He is on the NTU School of Civil and Environmental

Engineering advisory committee, the REDAS advisory panel, and a member of the Singapore Land Authority Board and the Ministry of Trade & Industry, Pro-Enterprise Panel.

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 Association of Consulting Engineers, UK, a Fellow of the Society of Project Managers, and a registered engineer 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 CapitalLand

Residential Ltd and CapitalLand Commercial Ltd. At Reem, Mr Ho led the development of two mega projects totalling about 200 hectares in Abu Dhabi. At CapitalLand, 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.

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 – Indochina, Myanmar and Thailand, 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, 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.



MS CLAIRE LEE SUK LENG
Independent Director

Ms Lee was appointed Independent Director in May 2003. She currently chairs the Remuneration Committee and sits on the Audit and Risk Management Committee and the Nominating Committee.

Ms Lee has more than 10 years of experience in corporate finance, advisory and private wealth management. She has worked in the merchant-

banking arm of Union Bank of Switzerland, UBS (East Asia) Ltd, HSBC Investment Bank Plc and Salomon Smith Barney (Singapore) Pte Ltd. She also serves on the board of directors of TMC Life Sciences Bhd in Malaysia.

Ms Lee holds a Bachelor of Business Administration (Distinction) in Finance from The University of Hawaii at Manoa.



MR GARY HO KUAT FOONG
Independent Director

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



DATO SRI DR ALBERT HONG HIN KAY
Chairman
(RSP)

Dato Sri Dr Albert Hong joined Raglan Squire & Partners as an associate in 1964, rising to Managing Partner in 1986. Upon incorporation of the RSP practice in 1992, he became Chairman and Managing Director.

Dato Sri Dr Hong is strongly associated with the success of RSP as a leading architectural and engineering practice in Singapore and the region. He was named "Businessman of the Year" in the 1994 Singapore Business Awards. In 2006, he was conferred a Fellow (Life) membership of the Singapore Institute of Architects, the Public Service Star (BBM) in recognition of his contribution to public housing as well as the Public Service Star (Bar) BBM(L) for his contribution to the construction industry. In 2009, he was conferred the award of Officer of the Most Excellent Order of the British Empire for contributions in forging strong links between the Singapore and British business communities.

Dato Sri Dr Hong was instrumental in moulding Singapore's built environment over the past 50 years and taking Singapore's class of architecture onto the world stage through the landmark buildings he designed. In 2015, he received the SG50 Outstanding Chinese Business Pioneer Award for his business acumen and creative excellence, transformation of RSP from a small architectural and engineering practice into a leading regional consultancy, active support for the arts and education through his offers of scholarships and donations, and fostering of closer business ties between Singapore and UK.

Dato Sri Dr Hong holds a Dip. in Arch from the Birmingham School of Architecture. In 1999, he was conferred an honorary doctorate by the University of Central England in Birmingham.



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 (IPE) 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 (REDAS). 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 (RIBA).

Mr Lee graduated from the Hong Kong University with a Bachelor of Architecture degree and has a Graduate Diploma (Hons) from the Architectural Association (AA) School of Architecture in London in 1981.



MR LAI HUEN POH
Managing Director
(RSP)

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



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.

Senior Management



MR HO KIAM KHEONG
Managing Director, Real Estate
(Rowsley)

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



MR TAN WEE TUCK
Chief Financial Officer
(Rowsley)

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



MS KANNAN MALINI
Head, Legal & Secretariat/
Company Secretary (Rowsley)

Ms Kannan has over 20 years' experience in the legal field focusing on mergers and acquisitions, REITs, and corporate real estate. She was previously Head, Legal & Secretariat/Company Secretary of CapitaMalls Asia Limited. She was part of the team which spearheaded its listing on the Singapore and Hong Kong stock exchanges. She has also headed the legal and secretariat team in JTC Corporation.

Ms Kannan holds a Bachelor of Laws degree from the National University of Singapore, a Master of Laws degree in Corporate and Commercial Law from the University College London, and a Master of Arts degree in South East Asian studies from the National University of Singapore.

She was admitted as an Advocate and Solicitor of the Supreme Court of Singapore in 1994 and admitted as a Solicitor of the High Court of New South Wales, Australia in 2006.



MR STEWART DAVIES
Group Operations Director
(GG Hospitality)

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

With 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 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-bedroom 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. His next move was to the 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 was awarded the Manchester Hotel of the Year Award in 2011.



MR MICHAEL HARDING
Finance Director
(GG Hospitality)

Mr Harding joined GG Hospitality as Finance Director in 2013 and has since overseen brand launches of Hotel Football and Café 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.

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.

The number of meetings of the Board and Board Committees held in FY2015 and the attendance of every board member at these meetings are disclosed in Table 1.

Corporate Governance

Table 1: Number of Board and Board Committee Meetings in FY2015 and Directors' Attendance at Meetings

Name of Director	Board	ARMC	NC	RC	IC
Number of Meetings	4	4	2	2	2
Number of Meetings Attended					
Ng Ser Miang ⁽¹⁾	N.A.	–	N.A.	–	–
Chan Lay Hoon ⁽²⁾	N.A.	–	–	N.A.	N.A.
Chiang Chie Foo ⁽³⁾	4	–	2	–	2
Lock Wai Han ⁽⁴⁾	4	4*	2*	2*	2
Tan Wee Tuck	4	4*	2*	2*	2
Lai Huen Poh	4	–	–	–	–
Ho Kiam Kheong	4	–	–	–	2*
Dr. Wong Chiang Yin ⁽⁵⁾	3	3	–	1	–
Dr. Lam Lee G	4	4	2	–	1*
Claire Lee Suk Leng	4	4	2	2	–
Chua Hwee Song ⁽⁶⁾	4	4	–	2	2
Gary Ho Kwat Foong ⁽⁷⁾	3	3	–	1	2

* Attended by invitation

Note:

1. Not applicable as Mr. Ng Ser Miang was appointed as Non-Executive Independent Chairman with effect from 1 December 2015.
2. Not applicable as Ms. Chan Lay Hoon was appointed as Non-Executive Non-Independent Deputy Chairman with effect from 1 December 2015.
3. Mr. Chiang Chie Foo resigned as Non-Executive Non-Independent Chairman with effect from 1 December 2015 to pursue personal interests.
4. Mr. Lock Wai Han resigned as Executive Director and Group CEO with effect from 1 January 2016 to pursue personal interests.
5. Dr. Wong Chiang Yin resigned as Non-Executive Non-Independent Director with effect from 1 January 2016 to pursue personal interests.
6. Mr. Chua Hwee Song resigned as Independent Director with effect from 1 January 2016 to pursue personal interests.
7. Mr. Gary Ho Kwat Foong was appointed as Independent Director with effect from 1 March 2015.

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.

New Directors will receive comprehensive and tailored induction on joining the Board. This includes an orientation programme to ensure that they are familiar with their duties as directors, as well as our business and governance practices. We will also provide training for first-time directors in areas such as accounting, legal and industry-specific knowledge where appropriate.

Apart from keeping the Board informed 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 the Singapore Institute of Directors, Singapore Exchange Securities Trading Limited ("SGX-ST" or "Singapore Exchange"), Institute of Singapore Chartered Accountants, etc. We have provided for funds for training programmes. For FY2015, the Directors had received an average of 35.1 hours in areas such as board leadership, accounting and finance, risk management, fundraising, 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.

As part of the Group's renewal and succession planning, board and management changes were announced in November 2015, with the appointment of amongst others, a Non-Executive Independent Chairman. The Board currently comprises 9 members, 3 of whom are Executive Directors, 1 of whom is Non-Executive Non-Independent Director and the remaining 5 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/she considers himself/herself to be independent and whether he/she 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 and Ms. Claire Lee Suk Leng have served on the Board for more than nine years, their independence is not affected as they continue to exercise independent judgement and demonstrate objectivity in their deliberations in the interest of the Group. In addition, they have continued to express their 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, Ms. Claire Lee Suk Leng, Mr. Gary Ho Kwat 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 below.

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 Chief Executive Officer

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.

Dr. Lam Lee G ceased to be our Lead Independent Director with effect from 1 December 2015 upon the appointment of Mr. Ng Ser Miang as our Non-Executive Independent Chairman. Where necessary, Mr. Ng 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, all of whom (including the NC Chairman) are Independent Directors.

Two NC meetings were held in FY2015.

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 FY2015.

Corporate Governance

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. Mr. Ng Ser Miang, Ms. Chan Lay Hoon and Mr. Ong Pang Liang will be retiring at our forthcoming annual general meeting and seeking re-election as Directors pursuant to Article 78 of our constitution.

This year, Mr. Ho Kiam Kheong and Dr. Lam Lee G will be retiring at our forthcoming annual general meeting and seeking re-election as Directors pursuant to Article 96 of our constitution. Ms. Claire Lee Suk Leng will also be retiring at our forthcoming annual general meeting pursuant to Article 96 of our constitution but will not be seeking re-election as Director¹. The Board wishes to record its appreciation to Ms. Lee for her invaluable contributions and guidance given to Rowsley.

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 board representations 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.

¹ Following Ms. Claire Lee Suk Leng's retirement, Mr. Gary Ho Kiat Foong will be appointed as Chairman of the Remuneration Committee, while Mr. Ng Ser Miang and Mr. Lai Huen Poh will be appointed as members of the Remuneration Committee and the Nominating Committee respectively.

Corporate Governance

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	-	-	-	-	-
Ho Kiam Kheong	25 September 2013	Member	-	-	-	-	-
Non-Executive Non-Independent Director							
Chan Lay Hoon	1 December 2015	Deputy Chairman	-	-	Member	Chairman	Member
Independent Directors							
Ng Ser Miang	1 December 2015	Chairman	-	Chairman	-	-	-
Dr. Lam Lee G	26 June 2002/ 22 April 2014	Member	Chairman	Member	-	-	-
Claire Lee Suk Leng	24 May 2003/ 22 April 2014	Member	Member	Member	Chairman	-	-
Gary Ho Kwat Foong	1 March 2015/ 29 April 2015	Member	Member	-	Member	Member	-
Ong Pang Liang	1 January 2016	Member	Member	-	-	Member	Chairman

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

Board Performance

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

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

Each Director completed the annual board performance assessment survey in November 2015. 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, individual directors also 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.

Corporate Governance

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 Singapore Exchange, 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 Singapore Exchange.

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.

Corporate Governance

Remuneration Committee

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

Two RC meetings were held in FY2015.

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 ensures 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.

Corporate Governance

Table 3 below shows the breakdown of remuneration received by the Directors for FY2015.

Table 3: Remuneration of Directors ⁽¹⁾

	Fees	Fixed Salary	Bonus and Benefits-in-kind ⁽²⁾	Total (S\$'000)
Ng Ser Miang ⁽³⁾	100%	0%	0%	6
Chan Lay Hoon ⁽⁴⁾	100%	0%	0%	4
Chiang Chie Foo ⁽⁵⁾	100%	0%	0%	183
Lock Wai Han	0%	73.08%	26.92%	889
Tan Wee Tuck	0%	82.40%	17.60%	546
Lai Huen Poh	0%	72.33%	27.67%	618
Ho Kiam Kheong	0%	79.96%	20.04%	413
Dr. Wong Chiang Yin	100%	0%	0%	53
Dr. Lam Lee G	100%	0%	0%	74
Claire Lee Suk Leng	100%	0%	0%	68
Chua Hwee Song	100%	0%	0%	64
Gary Ho Kuat Foong ⁽⁶⁾	100%	0%	0%	52

Notes:

1. As Mr. Ong Pang Liang was appointed as a Director on 1 January 2016, he is not reflected in the table.
2. No options were granted in FY2015.
3. Mr. Ng Ser Miang was appointed as Non-Executive Independent Chairman with effect from 1 December 2015.
4. Ms. Chan Lay Hoon was appointed as Non-Executive Non-Independent Deputy Chairman with effect from 1 December 2015.
5. Mr. Chiang Chie Foo resigned as Non-Executive Non-Independent Chairman with effect from 1 December 2015.
6. Mr. Gary Ho Kuat Foong was appointed as Independent Director with effect from 1 March 2015.

Table 4 below shows the breakdown of remuneration of the top 5 key executives, who are not Directors, for FY2015.

Table 4: Remuneration of Top 5 Key Executives

	Fixed Salary	Bonus and Benefits-in-kind ⁽²⁾	Total
Remuneration in the band of up to S\$750,000			
Dr. Albert Hong Hin Kay	90.16%	9.84%	100%
Remuneration in the band of up to S\$500,000			
Lee Kut Cheung	72.67%	27.33%	100%
Dr. Liu Thai Ker	72.07%	27.93%	100%
Quek Kai Hoo	85.17%	14.83%	100%
Remuneration in the band of up to S\$250,000			
Kannan Malini	84.36%	15.64%	100%

In aggregate, the total remuneration paid to the top 5 key executives, who are not Directors, for FY2015 amounted to S\$2,388,828.76.

Table 5 below shows the remuneration of employees who are immediate family members of a controlling shareholder or director for FY2015.

Corporate Governance

Table 5 below shows the breakdown of remuneration of the top 6 key executives for FY2015.

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

Remuneration in the band of up to S\$550,000	
Tan Wee Tuck	Our Executive Director and Chief Financial Officer is the nephew of our controlling shareholder, Mr. Lim Eng Hock
Remuneration in the band of up to S\$400,000	
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 FY2015.

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

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

ACCOUNTABILITY AND AUDIT

Accountability

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

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

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

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

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

Risk Management and Internal Controls

Audit and Risk Management Committee

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

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

The Board, supported by the ARMC, oversees our Group's system of internal controls and risk management. The ARMC is in turn advised by our internal and external auditors who review the adequacy and effectiveness

Corporate Governance

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 FY2015 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 four 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 FY2015.

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;

Corporate Governance

- (xi) commissioning and reviewing the findings of internal investigations conducted where fraud or impropriety is suspected, or where there is a failure of internal controls or infringement of any Singapore law, rule or regulation which is likely to have a material impact on us;
- (xii) reviewing with Management on the areas of risk that may affect our operations and the risk mitigation efforts;
- (xiii) directing and working with Management to develop and review policies and processes to address and manage identified areas of risk in a systematic and structured manner;
- (xiv) making recommendations to the Board in relation to business risks that may affect us, as and when these risks may arise; and
- (xv) reviewing and resolving any conflict of interest which may arise from the interests of our Directors, executive officers, controlling shareholders and/or their respective associates in any company carrying on a similar or competing businesses as the Group.

The ARMC had met with our external auditors, and with our internal auditors, in each case without the presence of Management. The ARMC had also conducted a review of interested person transactions for the financial year under review. Information relating to our interested person transactions for FY2015 is set out in the section "Interested Person Transactions" of this Annual Report.

The ARMC had conducted a review of all non-audit services provided by our external auditors for FY2015 and was of the opinion that the nature and extent of such non-audit services provided by the external auditors would not affect the independence and objectivity of our external auditors. The aggregate amount of audit fees paid/payable to our external auditors, KPMG LLP, for FY2015 was S\$330,409, of which audit fee amounted to S\$328,087 and non-audit fee amounted to S\$2,322. The non-audit fee was paid in relation to KPMG Tax's provision of Malaysia corporate tax computations and filings for the sub-group of Vantage Bay JB Sdn. Bhd. for FY2015.

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 property.

Corporate Governance

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 Nexia TS Risk Advisory Pte. Ltd. as our internal auditors. The internal auditors report directly to the chairman of the ARMC and report administratively to the Chief Financial Officer. The internal auditors have unfettered access to all of our documents, records, properties and personnel, including access to the ARMC.

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

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights Communications with Shareholders

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

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

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

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

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

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

Analyst briefings and a non-deal roadshow have also been held.

No dividend is declared for FY2015. 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.

Corporate Governance

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

Ms Claire Lee Suk Leng

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

Ms Claire Lee Suk Leng

Member

Mr Gary Ho Kuat Foong

Member

Mr Ong Pang Liang

Member

NOMINATING COMMITTEE

Mr Ng Ser Miang

Chairman

Dr Lam Lee G

Member

Ms Claire Lee Suk Leng

Member

REMUNERATION COMMITTEE

Ms Claire Lee Suk Leng

Chairman

Ms Chan Lay Hoon

Member

Mr Gary Ho Kuat Foong

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

Ms Chan Lay Hoon

Member

Mr Tan Wee Tuck

Member

COMPANY SECRETARIES

Ms Kannan Malini

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

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Directors' Statement

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

In our opinion:

- (a) the financial statements set up on pages 56 to 114 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debt as and when they fall due.

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

DIRECTORS

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

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

DIRECTORS' INTERESTS

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

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

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

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

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 date of appointment, if later, or at the end of the financial year.

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

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

SHARE OPTIONS

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

During the financial year, there were:

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

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

SHARE INCENTIVES

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

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

AUDIT AND RISK MANAGEMENT COMMITTEE

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

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

Directors' Statement

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 2015. The ARMC has met with the external auditors and the internal auditors, in each case without the presence of management, to discuss audit matters and any issues of concern.

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

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

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

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 2016

Independent Auditors' Report

Members of the Company
Rowsley Ltd.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Rowsley Ltd. (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 56 to 114.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

KPMG LLP
Public Accountants and Chartered Accountants

Singapore
23 March 2016

Statements of Financial Position

As at 31 December 2015

	Note	Group		Company	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Assets					
Property, plant and equipment	4	95,787	9,242	279	359
Intangible assets and goodwill	5	117,117	120,580	–	–
Investment property	6	150,916	186,820	–	–
Subsidiaries	7	–	–	552,329	568,456
Associates	8	34,014	13,276	–	–
Other investments	9	2,604	5,885	–	–
Derivatives	10	–	4,595	–	–
Deferred tax assets	19	549	–	–	–
Non-current assets		400,987	340,398	552,608	568,815
Development property	11	143,210	177,280	–	–
Work-in-progress	12	40,051	26,203	–	–
Inventories	13	280	–	–	–
Trade and other receivables	14	35,449	29,398	14,834	23,148
Cash and cash equivalents	15	37,326	36,550	15,885	3,329
Current assets		256,316	269,431	30,719	26,477
Total assets		657,303	609,829	583,327	595,292
Equity					
Share capital	16	742,202	717,225	742,202	717,225
Reserves	17	(299,064)	(215,752)	(306,720)	(195,978)
Equity attributable to equity holders of the Company		443,138	501,473	435,482	521,247
Non-controlling interests	18	7,647	–	–	–
Total equity		450,785	501,473	435,482	521,247
Liabilities					
Deferred tax liabilities	19	12,071	2,742	20	20
Purchase consideration payable	20	–	48,500	–	48,500
Borrowings	21	120,079	–	99,170	–
Non-current liabilities		132,150	51,242	99,190	48,520
Excess of progress billings over work-in-progress	12	3,756	5,165	–	–
Trade and other payables	22	21,529	24,140	3,155	1,275
Current tax payable		2,584	3,559	–	–
Purchase consideration payable	20	45,500	24,250	45,500	24,250
Borrowings	21	999	–	–	–
Current liabilities		74,368	57,114	48,655	25,525
Total liabilities		206,518	108,356	147,845	74,045
Total equity and liabilities		657,303	609,829	583,327	595,292

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

Consolidated Statement of Comprehensive Income

Year ended 31 December 2015

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

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

Statement of Changes In Equity

Year ended 31 December 2015

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

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

Statement of Changes In Equity (Cont'd)

Year ended 31 December 2015

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

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

Consolidated Statement of Cash Flows

Year ended 31 December 2015

	Note	Group 2015 \$'000	2014 \$'000
Cash flows from operating activities			
(Loss)/profit for the year		(36,420)	49,444
Adjustments for:			
Tax expense		2,409	1,667
Depreciation of property, plant and equipment		1,748	1,766
Amortisation of intangible assets		4,636	14,206
Gain on sale of available-for-sale financial assets		–	(2,340)
Loss on disposal of property, plant and equipment		441	16
Dividend income		–	(48)
Interest income		(528)	(174)
Finance costs		5,277	–
Share of profit of associates, net of tax		(1,971)	(1,381)
Impairment loss on trade receivables		197	34
Reversal of impairment loss on trade receivables		(30)	(77)
Impairment loss on goodwill		10,057	–
Impairment loss on available-for-sale financial assets		2,879	–
Impairment loss on investment in an associate		5,217	7,912
Reversal of impairment loss on amounts due from associates		(3,312)	–
Impairment loss on investment property and development property		24,354	–
Fair value changes in purchase consideration payable		(2,250)	(54,000)
Reversal of allowance for foreseeable losses		(1,222)	(3,658)
Derivative on RSP India written off		497	–
Bargain purchase gain	33	(814)	–
Unrealised foreign exchange loss/(gain)		168	(2,516)
Operating profit before working capital changes		11,333	10,851
Changes in working capital:			
Inventories		171	–
Work-in-progress		(12,626)	(2,254)
Trade and other receivables		(1,244)	(3,983)
Trade and other payables		(7,721)	6,017
Progress billings		(1,409)	(1,354)
Development property		–	(32)
Cash (used in)/generated from operations		(11,496)	9,245
Interest received		522	174
Tax paid		(3,647)	(4,953)
Net cash (used in)/generated from operating activities		(14,621)	4,466
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	33	(80,738)	–
Additions to property, plant and equipment		(1,645)	(2,485)
Proceeds from disposal of property, plant and equipment		1,685	6
Expenditure on investment property		–	(34)
Dividends received		700	748
Changes in fixed deposits		1,409	(570)
Net cash used in investing activities		(78,589)	(2,335)

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

Consolidated Statement of Cash Flows (Cont'd)

Year ended 31 December 2015

	Note	Group	
		2015 \$'000	2014 \$'000
Cash flows from financing activities			
Proceeds from issuance of medium term notes		98,951	–
Interest paid		(3,330)	–
Repayment of borrowings		(687)	–
Proceeds from issuance of ordinary shares		7	1,303
Restricted cash		(3,267)	–
Net cash generated from financing activities		91,674	1,303
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		35,141	31,657
Effect of exchange rate fluctuation on cash held		454	50
Cash and cash equivalents at end of the year	15	34,059	35,141

Significant non-cash items

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

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

Notes to the Financial Statements

Year ended 31 December 2015

These notes form an integral part of the financial statements.

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

1. DOMICILE AND ACTIVITIES

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

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

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

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

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

Notes to the Financial Statements

Year ended 31 December 2015

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.

Notes to the Financial Statements

Year ended 31 December 2015

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 the 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.

Notes to the Financial Statements

Year ended 31 December 2015

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 the 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.

Notes to the Financial Statements

Year ended 31 December 2015

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.

Notes to the Financial Statements

Year ended 31 December 2015

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 the end of each reporting period and adjusted if appropriate.

3.4 Intangible assets and goodwill

(i) Management consultancy agreement

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

(ii) Order backlog

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

(iii) Goodwill

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

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

Subsequent expenditure

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

Amortisation

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

Management consultancy agreement

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

Order backlog

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

Notes to the Financial Statements

Year ended 31 December 2015

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.

Notes to the Financial Statements

Year ended 31 December 2015

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 beverages 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.

Notes to the Financial Statements

Year ended 31 December 2015

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.

Notes to the Financial Statements

Year ended 31 December 2015

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 the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

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.

Notes to the Financial Statements

Year ended 31 December 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Impairment (cont'd)

(i) *Non-derivative financial assets (cont'd)*

Associates

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

(ii) *Non-financial assets*

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

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

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

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

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

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

Notes to the Financial Statements

Year ended 31 December 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Employee benefits

(i) *Defined contribution plans*

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

(ii) *Short-term employee benefits*

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

(iii) *Accrual for accumulated compensated absences*

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

3.12 Financial guarantee contracts

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

3.13 Revenue

(i) *Sale of development property - overseas*

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

(ii) *Contract revenue from architectural services*

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

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

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

Notes to the Financial Statements

Year ended 31 December 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue (cont'd)

(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.

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.

Notes to the Financial Statements

Year ended 31 December 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Tax

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

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

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

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

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

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

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

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

3.18 Earnings per share

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

Notes to the Financial Statements

Year ended 31 December 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Segment reporting

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

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

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

3.20 New standards and interpretations not yet adopted

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

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

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

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

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

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

Notes to the Financial Statements

Year ended 31 December 2015

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 2014		4,037	975	2,324	15	1,679	87	347	9,464
Additions		765	243	745	47	330	241	114	2,485
Disposals		–	(58)	–	(8)	(56)	–	–	(122)
Translation difference		(387)	26	45	–	19	(1)	6	(292)
At 31 December 2014/									
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	33	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
Accumulated depreciation									
At 1 January 2014		67	75	191	5	119	1	99	557
Depreciation for the year		337	187	953	6	214	27	42	1,766
Disposals		–	(40)	–	(5)	(55)	–	–	(100)
Translation difference		–	22	34	*	8	1	5	70
At 31 December 2014/									
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
Carrying amounts									
At 1 January 2014		3,970	900	2,133	10	1,560	86	248	8,907
At 31 December 2014		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

* Less than \$1,000

Notes to the Financial Statements

Year ended 31 December 2015

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

5. INTANGIBLE ASSETS AND GOODWILL

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

Notes to the Financial Statements

Year ended 31 December 2015

5. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Impairment loss

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

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

Impairment testing for cash-generating units containing goodwill

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

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

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

(i) *Discount rate*

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

(ii) *Terminal value growth rate*

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

(iii) *Budgeted EBITDA growth*

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

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

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

Notes to the Financial Statements

Year ended 31 December 2015

5. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

(iii) Budgeted EBITDA growth (cont'd)

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

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

6. INVESTMENT PROPERTY

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

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

Impairment loss

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

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

Notes to the Financial Statements

Year ended 31 December 2015

7. SUBSIDIARIES

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

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

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

Details of significant subsidiaries are as follows:

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

Notes to the Financial Statements

Year ended 31 December 2015

7. SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity interest held by the Group	
			2015 %	2014 %
Venture India Pte Ltd ^{(1) #}	Investment holding	Singapore	100	–
Old Trafford Supporters Club Limited ^{(3) #}	Hotel operations	United Kingdom	75	–

⁽¹⁾ Audited by KPMG LLP Singapore.

⁽²⁾ Audited by member firms of KPMG International.

⁽³⁾ Audited by other public accounting firm.

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

Acquired through a business combination (see Note 33).

8. ASSOCIATES

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

Associates

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

Details of material associates are as follows:

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

The Group's associates are not listed.

⁽¹⁾ Audited by other public accounting firm.

⁽²⁾ Audited by member firms of KPMG International.

Acquired through a business combination (see Note 33).

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

Notes to the Financial Statements

Year ended 31 December 2015

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.

	Squire Mech \$'000	RSP India \$'000	Immaterial associates ^(a) \$'000	Total \$'000
2015				
Revenue	16,666	25,340		
Profit after tax	211	7,569		
Other comprehensive income	(83)	–		
Total comprehensive income	128	7,569		
Attributable to investee's shareholders	128	7,569		
Non-current assets	991	6,888		
Current assets	14,429	28,707		
Non-current liabilities	–	–		
Current liabilities	(3,798)	(6,867)		
Net assets	11,622	28,728		
Attributable to investee's shareholders	11,622	28,728		
Group's interest in net assets				
of investee at beginning				
of the year				
Acquired during the year	8,001	–	5,275	13,276
Acquired during the year	–	20,586	–	20,586
Group's share of:				
– profit after tax	130	1,063	791	
– other comprehensive income	(1)	–	(12)	
– total comprehensive income	129	1,063	779	1,971
Dividend received during the year	(700)	–	–	(700)
Impairment loss during the year	–	–	(5,271)	(5,217)
Other adjustments	–	–	4,098	4,098
Carrying amount of interest in investee at end				
of the year	7,430	21,649	4,935	34,014

Notes to the Financial Statements

Year ended 31 December 2015

8. ASSOCIATES (CONT'D)

	Streamax \$'000	Squire Mech \$'000	Immaterial associates ^(a) \$'000	Total \$'000
2014				
Revenue	155,091	22,763		
Profit after tax	478	3,618		
Other comprehensive income	–	152		
Total comprehensive income	478	3,770		
Attributable to investee's shareholders	478	3,770		
Non-current assets	3,600	10,227		
Current assets	68,121	16,864		
Non-current liabilities	(6,390)	–		
Current liabilities	(43,648)	(4,231)		
Net assets	21,683	22,860		
Attributable to investee's shareholders	21,683	22,860		
Group's interest in net assets of investee at beginning of the year	5,542	7,379	–	12,921
Group's share of:				
– profit after tax	116	1,267	–	
– other comprehensive income	–	55	–	
– total comprehensive income	116	1,322	–	1,438
Dividend received during the year	–	(700)	–	(700)
Goodwill:				
– at beginning of the year	7,529	–	–	
– Impairment loss during the year	(7,529)	–	–	
	–	–	–	–
Impairment loss during the year	(383)	–	–	(383)
Carrying amount of interest in investee at end of the year	5,275	8,001	–	13,276

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

Impairment loss

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

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

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

Notes to the Financial Statements

Year ended 31 December 2015

8. ASSOCIATES (CONT'D)

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

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

(i) Discount rate

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

(ii) Terminal value growth rate

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

Impairment losses

During the year, an impairment loss of \$2,879,000 (2013: \$Nil) was recognised in respect of available-for-sale quoted equity investments, as there was a significant and prolonged decline in their fair values.

Notes to the Financial Statements

Year ended 31 December 2015

10. DERIVATIVES

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

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

11. DEVELOPMENT PROPERTY

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

Impairment loss

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

Measurement and net reliable value of development property

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

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

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

Notes to the Financial Statements

Year ended 31 December 2015

12. WORK-IN-PROGRESS

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

Source of estimation uncertainty

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

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

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

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

13. INVENTORIES

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

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

Notes to the Financial Statements

Year ended 31 December 2015

14. TRADE AND OTHER RECEIVABLES

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

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

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

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

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

Notes to the Financial Statements

Year ended 31 December 2015

14. TRADE AND OTHER RECEIVABLES (CONT'D)

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

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

Source of estimation uncertainty

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

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

15. CASH AND CASH EQUIVALENTS

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

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

Notes to the Financial Statements

Year ended 31 December 2015

16. SHARE CAPITAL

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

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

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

Issue of ordinary shares

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

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

Capital management

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

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

17. RESERVES

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

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.

Notes to the Financial Statements

Year ended 31 December 2015

18. NON-CONTROLLING INTERESTS

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

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

Acquired through a business combination (See Note 33).

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

	Old Trafford Supporters Club Limited \$'000	Other individually immaterial subsidiaries \$'000	Total \$'000
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 attributable to NCI	7,925	(278)	7,647
Cash flows from operating activities	(72)		
Cash flows from investing activities	–		
Cash flows from financing activities	(689)		
Net decrease in cash and cash equivalents	(761)		

Notes to the Financial Statements

Year ended 31 December 2015

19. DEFERRED TAX ASSETS AND LIABILITIES

Movement in temporary differences during the year

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

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

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

Unrecognised deferred tax assets

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

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

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

Notes to the Financial Statements

Year ended 31 December 2015

20. PURCHASE CONSIDERATION PAYABLE

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

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

21. BORROWINGS

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

Terms and debt repayment schedule

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

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

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

22. TRADE AND OTHER PAYABLES

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

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

Notes to the Financial Statements

Year ended 31 December 2015

23. REVENUE

Revenue comprises:

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

24. (LOSS)/PROFIT BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)

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

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

25. FINANCE COSTS

	Group	
	2015	2014
	\$'000	\$'000
Borrowings	5,277	–

Notes to the Financial Statements

Year ended 31 December 2015

26. TAX EXPENSE

	Group	
	2015	2014
	\$'000	\$'000
Current tax expense		
– Current year	2,562	3,684
– Under provision in prior years	102	235
	2,664	3,919
Deferred tax expense		
– Movements in temporary differences	(255)	(2,252)
	2,409	1,667

Tax recognised in other comprehensive income ("OCI")

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

	Group	
	2015	2014
	\$'000	\$'000

Reconciliation of effective tax rate

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

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.

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Year ended 31 December 2015

27. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share

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

(Loss)/profit attributable to ordinary shareholders:

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

Weighted average number of ordinary shares

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

Diluted (loss)/earnings per share

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

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

Weighted average number of ordinary shares (diluted)

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

Notes to the Financial Statements

Year ended 31 December 2015

28. RELATED PARTY TRANSACTIONS

Key management personnel compensation

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

Key management personnel compensation comprised:

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

Other related party transactions

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

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

Notes to the Financial Statements

Year ended 31 December 2015

29. CONTINGENT LIABILITIES

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

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

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

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Year ended 31 December 2015

30. COMMITMENTS

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

(a) Operating lease

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

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

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

(b) Capital commitments

(i) As at 31 December 2015, the Group has not entered into any contractual arrangement for development expenditure.

(ii) On 24 November 2015, the Group entered into a Joint Venture Agreement ("JVA") 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 JVA, the Company will invest approximately £3.2 million (equivalent to \$6.7 million) for a 50% stake in Finestday Limited, the joint venture company that owns Stock Exchange. The Company's and the other joint venture parties' participation in the joint venture is subject to due diligence and project financing. The Group expects the completion of the transaction in 2016.

(iii) On 27 August 2015, the Group entered into a Joint Venture Agreement ("JVA") 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 retail, office, residential and luxury hotel components sited at a land parcel bounded by Jackson's Row, Bootle Street and Southmill Street.

Under the JVA, the Group would invest approximately £40 million (equivalent to \$83.8 million) for a 75% stake in St Michael Investments Pte Ltd, the joint venture company manages the project. The Group's and the 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.

Notes to the Financial Statements

Year ended 31 December 2015

31. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

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

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

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

Credit risk

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

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

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

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

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Year ended 31 December 2015

31. 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:

	Carrying amount \$'000	Contractual cash flows		
		Within 1 year \$'000	Within 1 to 5 years \$'000	Total \$'000
Group				
31 December 2015				
Non-derivative financial liabilities				
Trade and other payables	21,529	(21,529)	–	(21,529)
Purchase consideration payable *	45,500	–	–	–
Borrowings	121,078	(1,050)	(128,792)	(129,842)
	188,107	(22,579)	(128,792)	(151,371)
31 December 2014				
Non-derivative financial liabilities				
Trade and other payables	24,140	(24,140)	–	(24,140)
Purchase consideration payable *	72,750	–	–	–
	96,890	(24,140)	–	(24,140)
Company				
31 December 2015				
Non-derivative financial liabilities				
Trade and other payables	3,155	(3,155)	–	(3,155)
Purchase consideration payable *	45,500	–	–	–
Borrowings	99,170	–	(118,000)	(118,000)
	147,825	(3,155)	(118,000)	(121,155)
Company				
31 December 2014				
Non-derivative financial liabilities				
Trade and other payables	1,275	(1,275)	–	(1,275)
Purchase consideration payable *	72,750	–	–	–
	74,025	(1,275)	–	(1,275)

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

Notes to the Financial Statements

Year ended 31 December 2015

31. 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 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 2015				
Trade and other receivables	7,485	2,747	1,917	5,647
Trade and other payables	(622)	(734)	–	(2,501)
	<u>6,863</u>	<u>2,013</u>	<u>1,917</u>	<u>3,146</u>
31 December 2014				
Trade and other receivables	113	6,094	1,231	4,674
Trade and other payables	–	(8,077)	(1,668)	(2,959)
	<u>113</u>	<u>(1,983)</u>	<u>(437)</u>	<u>1,715</u>

Company

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

Sensitivity analysis

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

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

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

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Year ended 31 December 2015

31. 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 2015				
Available-for-sale equity securities	2,604	–	–	2,604
Purchase consideration payable	–	–	45,500	45,500
31 December 2014				
Derivatives	–	–	4,595	4,595
Available-for-sale equity securities	5,885	–	–	5,885
	5,885	–	4,595	10,480
Purchase consideration payable	–	–	72,750	72,750

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

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

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31. 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
Derivatives	The fair value is calculated using expected cash flows, discounted to a present value using a risk-adjusted discount rate.	<ul style="list-style-type: none"> Discount rate of Nil (2014: 15%) 	The estimated fair value would increase if the risk-adjusted discount rate was lower.
Purchase consideration payable	The fair value is determined considering the probability of RSP Sub-Group meeting the specified earn-out targets and the share price of the Company on the date the earn-out targets are met.	<ul style="list-style-type: none"> Closing share price of \$0.182 (2014: \$0.194) Actual EBITDA margin 35% (2014: Forecast EBITDA margin 30%) Actual revenue (2014: Forecast annual revenue growth rate 10%) Actual net operating profit after tax ("NOPAT") (2014: Forecast net operating profit after tax ("NOPAT") growth rate 0%) 	The estimated fair value would increase if the share price was higher.

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

	2015		2014	
	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% (1%)	(455) 455	1% (1%)	(750) 750
• EBITDA margin	1% (1%)	N/A N/A	1% (1%)	– –
• Annual revenue growth rate	1% (1%)	N/A N/A	1% (1%)	– (1,775)
• NOPAT growth rate	1% (1%)	N/A N/A	1% (1%)	– –

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

Key unobservable inputs

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

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

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

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2015				
Investment property	–	–	150,916	150,916
31 December 2014				
Investment property	–	–	190,849	190,849

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

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

Valuation technique and significant unobservable inputs

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

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

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31. 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 2015						
Available-for-sale equity securities	9	–	2,604	–	–	2,604
Trade and other receivables #	14	33,731	–	–	–	33,731
Cash and cash equivalents	15	37,326	–	–	–	37,326
		71,057	2,604	–	–	73,661
Purchase consideration payable	20	–	–	–	(45,500)	(45,500)
Borrowings	21	–	–	(121,078)	–	(121,078)
Trade and other payables	22	–	–	(21,529)	–	(21,529)
		–	–	(142,607)	(45,500)	(188,107)
31 December 2014						
Available-for-sale equity securities	9	–	5,885	–	–	5,885
Derivatives	10	–	–	–	4,595	4,595
Trade and other receivables #	14	28,200	–	–	–	28,200
Cash and cash equivalents	15	36,550	–	–	–	36,550
		64,750	5,885	–	4,595	75,230
Purchase consideration payable	20	–	–	–	(72,750)	(72,750)
Trade and other payables	22	–	–	(24,140)	–	(24,140)
		–	–	(24,140)	(72,750)	(96,890)

Excludes prepayments.

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

	Note	Loans and receivables \$'000	Available- for-sale \$'000	Liabilities at amortised cost \$'000	Total \$'000
Company					
31 December 2015					
Trade and other receivables #	14	14,459	–	–	14,459
Cash and cash equivalents	15	15,885	–	–	15,885
		30,344	–	–	30,344
Borrowings	21	–	–	(99,170)	(99,170)
Trade and other payables	22	–	–	(3,155)	(3,155)
		–	–	(102,325)	(102,325)
31 December 2014					
Trade and other receivables #	14	22,755	–	–	22,755
Cash and cash equivalents	15	3,329	–	–	3,329
		26,084	–	–	26,084
Trade and other payables	22	–	–	(1,275)	(1,275)

Excludes prepayments.

Valuation processes applied by the Group

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

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

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

Determination of fair value

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

Investment in equity securities

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

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Year ended 31 December 2015

31. FINANCIAL RISK MANAGEMENT (CONT'D)

Derivatives

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

Purchase consideration payable

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

Borrowings

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

Other financial assets and liabilities

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

Equity price risk

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

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

This analysis assumes that all other variables remain constant.

32. OPERATING SEGMENTS

Business Segments

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

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

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

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

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

Notes to the Financial Statements

Year ended 31 December 2015

32. 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 2015							
Revenue	43,540	4,185	1,359	10,625	15,069	8,261	83,039
Non-current assets #	155,257	152,984	88,946	230	376	41	397,834
Reportable segment assets	131,273	296,390	93,101	6,024	11,401	1,997	540,186
31 December 2014							
Revenue	59,557	6,087	–	7,919	10,268	3,401	87,232
Non-current assets #	137,766	189,673	–	1,773	645	61	329,918
Reportable segment assets	99,370	371,003	–	6,671	9,632	2,573	489,249

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

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

	2015 \$'000	2014 \$'000
Profit or loss		
Total reportable segment (loss)/profit before tax	(22,382)	11,317
Unallocated amounts:		
– Impairment loss on goodwill	(10,057)	–
– Amortisation expense	(4,636)	(14,206)
– Fair value changes in purchase consideration payable	2,250	54,000
– Bargain purchase gain	814	–
– Consolidated (loss)/profit before tax	(34,011)	51,111
Assets		
Total reportable segment assets	540,186	489,249
Unallocated amounts:		
– Goodwill	108,265	107,092
– Intangible assets	8,852	13,488
– Consolidated total assets	657,303	609,829
Liabilities		
Total reportable segment liabilities	161,018	35,606
Unallocated amounts:		
– Purchase consideration payable	45,500	72,750
Consolidated total liabilities	206,518	108,356

Notes to the Financial Statements

Year ended 31 December 2015

33. ACQUISITIONS

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

During the year, the Group completed the following acquisitions:

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

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

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

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

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

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

Notes to the Financial Statements

Year ended 31 December 2015

33. ACQUISITIONS (CONT'D)

Identifiable assets acquired and liabilities assumed

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

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

Measurement of fair values

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

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

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

Goodwill / Bargain purchase gain

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

	Note	\$'000
Total consideration transferred		82,921
Assumption of shareholders' loans		(27,666)
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of acquiree		8,001
Fair value of identifiable net assets		(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	24	(814)
		10,662

Cash flow relating to the Acquisitions

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

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

Acquisition related costs

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

Notes to the Financial Statements

Year ended 31 December 2015

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.

Notes to the Financial Statements

Year ended 31 December 2015

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

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

Additional Information

ADDITIONAL BOARD COMMITTEES

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

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

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

SECURITIES TRANSACTIONS

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

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

- (a) for two weeks before the announcement of our quarterly financial results;
- (b) for one month before our full year financial results announcement;
- (c) on short-term considerations; and
- (d) if they are in possession of unpublished price sensitive information.

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

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

MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts of the Group involving the interests of any Director or controlling shareholder, either still subsisting at the end of FY2015 or if not then subsisting, entered into since the beginning of FY2015.

Additional Information

INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during FY2015 which fall under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

	Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) S\$'000
1	Lai Huen Poh	5,699	Nil
2	Lim Eng Hock	41,876*	Nil
3	Tan Wee Tuck	598	Nil

* The amounts denominated in £ have been converted into S\$ at an exchange rate of £1 to S\$2.142, which was the exchange rate as at 24 November 2015, being the acquisition date.

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.

USE OF PROCEEDS ARISING FROM EXERCISE OF BONUS WARRANTS

On 4 October 2013, there were bonus warrants issued on the basis of two warrants for every one existing ordinary share in the capital of the Company held by the shareholders of the Company. The warrants can be exercised at the exercise price of S\$0.18 per warrant within the period from 11 April 2014 to 3 October 2016.

As at 18 March 2016, the number of outstanding bonus warrants was 1,971,328,530. So far, 7,274,000 warrants were converted to ordinary shares at the exercise price of S\$0.18 per warrant. The proceeds of S\$1,309,320 have not been utilised.

The Company intends to utilise the net proceeds for general corporate purposes of the Company and its subsidiaries, including, but not limited to, financing investments, acquisitions and expansion, repayment of borrowings, general working capital and capital expenditure requirements of the Company and/or its subsidiaries. The Company will make periodic announcements on the utilisation of such proceeds.

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

N.A.

Board Committee(s) served on

Nominating Committee

Chairman

Current Directorships in Other Listed Companies

- | | |
|-------------------------------------|----------------------|
| 1. Yanlord Land Group Limited | Independent Director |
| 2. Singapore Press Holdings 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 | Vice Chairman |
| 12. International Olympic Committee | Member |
| 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 | Chairman |
| 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

Nil

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

N.A.

Board Committee(s) served on

Corporate Disclosure Committee
Investment Committee
Remuneration Committee

Member
Chairman
Member

Current Directorships in Other Listed Companies

Nil

Other Directorships / Principal Commitments

1. Bellton International Limited	Director
2. Caili 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. Mint Media Limited	Director
19. Nuggets Consulting Limited	Director
20. Perlman Investments Limited	Director
21. Pinewind Limited	Director
22. Prime Spring Holdings Limited	Director
23. PT Meriton Resources	Director
24. PT Thomson Medical	Director
25. Ridgway Capital Limited	Director
26. Rowsley Technologies Limited	Director
27. Sasteria (M) Pte Ltd	Director
28. Sasteria Holdings Pte Ltd	Director
29. Sasteria Pte Ltd	Director
30. Sephia Pte Ltd	Director
31. Singapore Olympic Foundation	Director
32. Tenion Pte Ltd	Director
33. Towerhill Pte Ltd	Director
34. Valencia Club de Futbol, S.A.D.	Chairman and Executive President
35. Vantage Plus Holdings Limited	Director
36. Wilmott Pte Ltd	Director
37. Fundacion Valencia Club de Futbol De La Comunidad Valenciana	Member of Trustee

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

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

Member, Association of Consulting Engineers, Singapore

Member, Singapore Structural Steel Society

Fellow, Society of Project Managers, Singapore

Member, The Institute of Engineers, Singapore

Registered Engineer and Accredited Checker,

Professional Engineers Board, Singapore

Chartered Engineer, The Institution of Civil Engineers, United Kingdom

Associate, The Institution of Structural Engineers

Date of First Appointment as Director

25 September 2013

Date of Last Re-appointment as Director

29 April 2015

Board Committee(s) served on

Nil

Current Directorships in Other Listed Companies

Nil

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.	Enviro-Hub Holdings Ltd	Non-Executive Director
14.	Dorset 17 Pte. Ltd.	Director
15.	VA Development Pte. Ltd.	Director
16.	RSP Planet Design Studios Pte Ltd	Director
17.	FM Ventures Pte Ltd	Director
18.	Ghana Ventures Pte Ltd	Director
19.	Venture India Pte. Ltd.	Director
20.	Thanlyn-Kyauktan Development Co Ltd	Director
21.	MPA-SMD Port Limited	Director
22.	SMD Yangon Co Ltd	Director
23.	Building and Construction Authority	Board Member
24.	Strata Titles Board of Singapore	Member
25.	Nanyang Technological University, School of Civil and Environmental Engineering, Advisory Committee	Member
26.	Real Estate Developers' Association of Singapore, Advisory Panel	Member
27.	Singapore Land Authority	Board Member
28.	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

N.A.

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

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

Master of Laws, The University of Wolverhampton

Postgraduate Certificate in Laws, City University of Hong Kong

Solicitor, High Court of Hong Kong

Honorary Fellow, CPA Australia

Fellow, Hong Kong Institute of Directors

Fellow, Hong Kong Institute of Arbitrators

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

22 April 2014

Board Committee(s) served on

Audit and Risk Management Committee

Nominating Committee

Chairman

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.	Derivatives Market Consultative Panel of Hong Kong Exchanges and Clearing Limited	Member
3.	Guardian Fund Limited	Director
4.	Hong Kong Strategy Limited	Director
5.	Hong Kong-Vietnam Chamber of Commerce	Director
6.	Lee G. Lam Associates Inc.	Director
7.	Lingnan University, Advisory Board for the Office of Service-Learning	Chairman
8.	Monte Jade Science & Technology Association of Hong Kong Limited	Director
9.	Pacific Star Capital Investment Limited	Director
10.	Sino-Australian International Trust, Co. Ltd	Director
11.	TechMatrix Research Centre Limited	Director
12.	The Australian Chamber of Commerce in Hong Kong and Macau	Director
13.	The Chamber of Hong Kong Listed Companies	Director
14.	The Hong Kong Real Property Federation	Director
15.	The Overseas Teo Chew Entrepreneurs Association Limited	Director
16.	The University of Hong Kong School of Professional and Continuing Education Alumni Limited	Director/ President
17.	Thomson Medical Centre Limited	Director
18.	Zhuhai Da Heng Qin Company Limited	Director
19.	Hong Kong-ASEAN Economic Cooperation Foundation	Director
20.	Berford Investments Limited	Director
21.	City University of Hong Kong	Member
22.	Island Road Government Primary School	Member
23.	UNESCAP Task Force on Banking and Finance	Member
24.	HK Council on Smoking and Health (COSH), HKSAR	Member
25.	HKSAR Sir Murray MacLehose Trust Fund Investment Advisory Committee	Member
26.	CMA Australia	Honorary Chairman, Asia Pacific

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

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

Further Information on Board of Directors

CLAIRE LEE SUK LENG

Independent Director

Academic and Professional Qualifications

Bachelor of Business Administration (Distinction) in Finance, The University of Hawaii at Manoa

Date of First Appointment as Director

24 May 2003

Date of Last Re-appointment as Director

22 April 2014

Board Committee(s) served on

Audit and Risk Management Committee

Member

Nominating Committee

Member

Remuneration Committee

Chairman

Current Directorships in Other Listed Companies

1. TMC Life Sciences Berhad

Independent Director

Other Directorships / Principal Commitments

Nil

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

Nil

Further Information on Board of Directors

GARY HO KUAT FOONG

Independent Director

Academic and Professional Qualifications

Bachelor of Commerce, The University of Western Australia

Bachelor of Science, The University of Western Australia

Member, CPA Australia

Member, The Institute of Singapore Chartered Accountants

Date of First Appointment as Director

1 March 2015

Date of Last Re-appointment as Director

29 April 2015

Board Committee(s) served on

Audit and Risk Management Committee

Member

Investment Committee

Member

Remuneration Committee

Member

Current Directorships in Other Listed Companies

1. UPP Holdings Limited
2. Secura Group Limited
3. TMC Life Sciences Berhad

Lead Independent Director

Independent Director

Independent Director

Other Directorships / Principal Commitments

1. Thailoy Investments Pty Ltd
2. Elnora Pty Ltd

Director

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

N.A.

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. UPP Industries Pte. Ltd.

Director

2. UPP Greentech Pte. Ltd.

Director

3. UPP Investment (Asia) Pte Ltd

Director

4. UPP Pulp & Paper (M) Sdn. Bhd.

Director

5. UPP Recycled Fibre (M) Sdn. Bhd.

Director

6. Bluewater Investments Pte Ltd

Director

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

Nil

Shareholdings and Warrantholdings Statistics

As at 18 March 2016

Number of Issued Shares	–	4,383,241,931 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 18 March 2016, 18% 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	28.91 ^(a)
2	Bellton International Limited	–	–	586,347,894	13.38 ^(a)
3	Tunku Ismail Idris Ibni Sultan Ibrahim Ismail	–	–	556,466,755	12.70 ^(a)
4	Albert Hong Hin Kay	–	–	644,920,000	14.71 ^(a)
5	Garville Pte Ltd	111,930,588	2.55	183,848,294	4.19 ^(b)
6	Lim Eng Hock	–	–	2,149,438,093	49.04 ^(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 and Warrantholdings Statistics

As at 18 March 2016

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	142	1.91	1,328	0.00
100 – 1,000	185	2.49	159,867	0.00
1,001 – 10,000	1,805	24.26	13,864,084	0.32
10,001 – 1,000,000	5,223	70.20	443,031,049	10.11
1,000,001 and above	85	1.14	3,926,185,603	89.57
	7,440	100.00	4,383,241,931	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1	UOB KAY HIAN PTE LTD	2,084,782,460	47.56
2	RAFFLES NOMINEES (PTE) LTD	789,308,900	18.01
3	MAYBANK NOMINEES (S) PTE LTD	546,000,000	12.46
4	GARVILLE PTE LTD	111,930,588	2.55
5	LIU THAI KER @ LAU AH BAH	75,080,000	1.71
6	DBS NOMINEES PTE LTD	26,590,000	0.61
7	HUD BIN ABU BAKAR	26,250,000	0.60
8	CITIBANK NOMINEES SINGAPORE PTE LTD	24,573,166	0.56
9	OCBC SECURITIES PRIVATE LTD	20,963,300	0.48
10	MAYBANK KIM ENG SECURITIES PTE LTD	16,250,000	0.37
11	UNITED OVERSEAS BANK NOMINEES	12,860,400	0.29
12	NOMURA SINGAPORE LIMITED	9,930,000	0.23
13	CIMB SECURITIES (S) PTE LTD	9,382,392	0.21
14	PHILLIP SECURITIES PTE LTD	9,254,505	0.21
15	LEE THENG KIAT	9,234,100	0.21
16	OCBC NOMINEES SINGAPORE PTE LTD	8,466,520	0.19
17	BANK OF SINGAPORE NOMINEES PTE LTD	6,660,000	0.15
18	LIM & TAN SECURITIES PTE LTD	6,024,500	0.14
19	CHONG KIN WAI	5,807,700	0.13
20	LIM HWEE LENG	4,667,262	0.11
		3,804,015,793	86.78

Shareholdings and Warrantholdings Statistics

As at 18 March 2016

ANALYSIS OF WARRANTHOLDINGS

Range of Warrantholdings	No. of Warranholders	%	No. of Warrants	%
1 – 99	142	3.65	2,486	0.00
100 – 1,000	30	0.77	23,884	0.00
1,001 – 10,000	540	13.89	3,366,998	0.17
10,001 – 1,000,000	2,975	76.50	413,318,172	20.97
1,000,001 and above	202	5.19	1,554,616,990	78.86
	3,889	100.00	1,971,328,530	100.00

TOP 20 WARRANTHOLDERS

No.	Name of Warranholder	No. of Warrants	%
1	UOB KAY HIAN PTE LTD	455,401,588	23.10
2	GARVILLE PTE LTD	223,861,176	11.36
3	PHILLIP SECURITIES PTE LTD	40,788,510	2.07
4	OCBC SECURITIES PRIVATE LTD	37,865,200	1.92
5	MAYBANK KIM ENG SECURITIES PTE LTD	35,611,000	1.81
6	KHOO POH KOON	25,450,000	1.29
7	RAFFLES NOMINEES (PTE) LTD	25,207,000	1.28
8	DBS NOMINEES PTE LTD	21,211,500	1.08
9	DIANA SNG SIEW KHIM	20,214,400	1.03
10	WEE HUI HIAN	20,213,200	1.03
11	NOMURA SINGAPORE LIMITED	18,572,000	0.94
12	RHB SECURITIES SINGAPORE PTE LTD	16,797,000	0.85
13	LEE THENG KIAT	14,308,000	0.73
14	SUAM CHEE KIT	14,252,000	0.72
15	CIMB SECURITIES (S) PTE LTD	14,220,000	0.72
16	TAN KIM SENG	14,000,000	0.71
17	UNITED OVERSEAS BANK NOMINEES PTE LTD	11,939,800	0.61
18	TANG CHONG SIM	11,000,000	0.56
19	KUAN KOK SIANG	10,657,400	0.54
20	KHO CHUAN THYE PATRICK	10,500,000	0.53
		1,042,069,774	52.88

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting of the Company will be held on Tuesday, 26 April 2016 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' Report and Audited Accounts for the financial year ended 31 December 2015 and the Auditors' Report thereon. **[Resolution 1]**
2. To re-elect Mr. Ng Ser Miang, a Director retiring pursuant to Article 78 of the Constitution of the Company. [See Explanatory Note (a)] **[Resolution 2]**
3. To re-elect Ms. Chan Lay Hoon, a Director retiring pursuant to Article 78 of the Constitution of the Company. [See Explanatory Note (a)] **[Resolution 3]**
4. To re-elect Mr. Ong Pang Liang, a Director retiring pursuant to Article 78 of the Constitution of the Company. [See Explanatory Note (a)] **[Resolution 4]**
5. To re-elect Mr. Ho Kiam Kheong, a Director retiring by rotation pursuant to Article 96 of the Constitution of the Company. [See Explanatory Note (a)] **[Resolution 5]**
6. To re-elect Dr. Lam Lee G, a Director retiring by rotation pursuant to Article 96 of the Constitution of the Company. [See Explanatory Note (a)] **[Resolution 6]**
7. To approve the sum of up to S\$366,000 as Directors' fees for the financial year ending 31 December 2016 and the payment thereof on a quarterly basis. (31 December 2015: up to S\$581,500) **[Resolution 7]**
8. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **[Resolution 8]**

SPECIAL BUSINESS

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

9. Authority to allot and issue shares in the capital of the Company

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

- (a) (i) allot and issue shares in the capital of the Company (the "Shares") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively the "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares,

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

- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force):-
 - (i) issue additional Instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this Resolution was in force; and
 - (ii) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force or such additional Instruments referred to in b(i) above,

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 9]**

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

That the Board of Directors of the Company be and is hereby authorised to offer and grant options in accordance with the provisions of the Rowsley Group Share Option Scheme 2012 (the "**Option Scheme**") and to allot and issue from time to time such number of Shares as may be required to be issued (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) pursuant to the exercise of the options granted (while the authority conferred by this Resolution is in force) under the Option Scheme, provided always that the aggregate number of Shares over which options have been granted on any date, when added to the number of new Shares issued and/or issuable and/or existing Shares transferred and/or transferable in respect of the options granted under the Option Scheme and in respect of all other share-based incentive schemes of the Company, if any, shall not exceed 15% of the total number of issued Shares (excluding treasury shares, if any) in the capital of the Company from time to time and further, unless revoked or varied by the Company in 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 10]**

11. Authority to grant awards and allot and issue Shares under the Share Grant Plan 2015

That the Board of Directors of the Company be and is hereby authorised to grant awards in accordance with the provisions of the Share Grant Plan 2015 and to allot and issue from time to time such number of fully paid-up Shares as may be required to be delivered pursuant to the vesting of awards under the Share Grant Plan 2015, provided that the total number of new Shares which may be issued or Shares which may be delivered pursuant to awards granted under the Share Grant Plan 2015, when added to the total number of new Shares issued and issuable or existing Shares delivered and deliverable in respect of awards under the Share Grant Plan 2015, and all Shares, options or awards granted under any other share scheme of the Company then in force, shall not exceed 15% of the issued share capital of the Company (excluding treasury shares, if any) from time to time. [See Explanatory Note (c)] **[Resolution 11]**

Notice of Annual General Meeting

ANY OTHER BUSINESS

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

BY ORDER OF THE BOARD

Kannan Malini

Company Secretary

Singapore
11 April 2016

EXPLANATORY NOTES:

- (a) In relation to item 2 under the heading "Ordinary Business", Mr. Ng Ser Miang will, upon re-election, continue to serve as the Non-Executive Independent Chairman of the Board of Directors and the chairman of the Nominating Committee. In addition, Mr. Ng will be appointed as a member of the Remuneration Committee with effect from 26 April 2016. Mr. Ng is considered by the Board to be independent.

In relation to item 3 under the heading "Ordinary Business", Ms. Chan Lay Hoon will, upon re-election, continue to serve as the Non-Executive Non-Independent Deputy Chairman of the Board of Directors and the chairman of the Investment Committee. Ms. Chan will cease to be a member of the Corporate Disclosure Committee and the Remuneration Committee with effect from 26 April 2016.

In relation to item 4 under the heading "Ordinary Business", Mr. Ong Pang Liang will, upon re-election, continue to serve as an Independent Director, the chairman of the Corporate Disclosure Committee and a member of the Audit and Risk Management Committee and the Investment Committee. Mr. Ong is considered by the Board to be independent.

In relation to item 5 under the heading "Ordinary Business", Mr. Ho Kiam Kheong will, upon re-election, continue to serve as an Executive Director and Managing Director, Real Estate.

In relation to item 6 under the heading "Ordinary Business", Dr. Lam Lee G will, upon re-election, continue to serve as an Independent Director, the chairman of the Audit and Risk Management Committee and a member of the Nominating Committee. In addition, Dr. Lam will be appointed as a member of the Remuneration Committee with effect from 26 April 2016. Dr. Lam is considered by the Board to be independent.

Ms. Claire Lee Suk Leng will also retire by rotation pursuant to Article 96 of the Constitution of the Company at the Annual General Meeting ("**AGM**"). She has given notice to the Company that she is not seeking re-election at the AGM. Her retirement from the Board will take effect upon the conclusion of the AGM. She will, upon retirement, cease to be an Independent Director, the chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee and the Nominating Committee. Ms. Lee is considered by the Board of Directors 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 2015.

Notice of Annual General Meeting

- (b) In relation to item 9 under the heading "Ordinary Business", if passed, the Board of Directors of the Company will be empowered, from the date of the AGM until the next AGM or the date by which the next AGM 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 AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.
- (c) In relation to item 10 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 11 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 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.
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 AGM.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 1 Kim Seng Promenade, #14-01 Great World City East Tower, Singapore 237994 not less than 48 hours before the time set for the AGM.

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 No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

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

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting ("AGM") of the Company to be held on **Tuesday, 26 April 2016 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' Report and Audited Accounts for the financial year ended 31 December 2015 and the Auditors' Report thereon		
2	Re-appointment of Mr. Ng Ser Miang as Director of the Company		
3	Re-appointment of Ms. Chan Lay Hoon as Director of the Company		
4	Re-appointment of Mr. Ong Pang Liang as Director of the Company		
5	Re-appointment of Mr. Ho Kiam Kheong as Director of the Company		
6	Re-appointment of Dr. Lam Lee G as Director of the Company		
7	Approval of Directors' fees for the financial year ending 31 December 2016		
8	Re-appointment of KPMG LLP as Auditors of the Company		
	SPECIAL BUSINESS		
9	Authority to allot and issue shares in the capital of the Company		
10	Authority to grant options and allot and issue shares under the Rowsley Group Share Option Scheme 2012		
11	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 "V" within the box provided. Otherwise, please indicate the number of votes.

Dated this _____ day of _____ 2016

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

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members of the Company, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member who is not a Relevant Intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint not more than two proxies to attend and to speak and vote on his behalf at the AGM. Where a member appoints two proxies, he shall specify the proportions of his holdings to be represented by each such proxy, failing which the appointments shall be invalid.
3. Any member who is a Relevant Intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint more than two proxies to attend and to speak and vote on its behalf at the AGM.
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 1 Kim Seng Promenade, #14-01 Great World City East Tower, Singapore 237994 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(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.



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

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Singapore 237994

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Email: contactus@rowsley.com

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