



ROWSLEY LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 199908381D)

(the "Company")

Unaudited First Quarter Financial Statement Announcement For The Financial Period Ended 31 March 2017

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) (i) A statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

Group

	First quarter ended		
	31 Mar 2017	31 Mar 2016	Change
	\$'000	\$'000	%
Revenue	22,554	20,489	10
Other income	A 2,556	3,137	(19)
Staff costs	(18,729)	(15,696)	19
Operating expenses	B (7,859)	(8,566)	(8)
Foreign exchange loss, net	(372)	(1,149)	(68)
Share of profit of associated companies	573	568	1
Fair value changes in purchase consideration payable	2,921	9,000	(68)
Profit before interest, tax, depreciation and amortisation (EBITDA)	1,644	7,783	(79)
Interest income	31	106	(71)
Finance costs	C (1,840)	(1,895)	(3)
Depreciation and amortisation	(1,369)	(1,561)	(12)
Results from operating activities	(1,534)	4,433	NM
Tax (expense)/credit	D (202)	98	NM
(Loss)/Profit for the period	(1,736)	4,531	NM
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations	(7,053)	7,897	NM
Net change in fair value of available-for-sale financial assets	(282)	(251)	12
Other comprehensive income for the period, net of tax	(7,335)	7,646	NM
Total comprehensive income for the period	(9,071)	12,177	NM
(Loss)/Profit attributable to:			
Equity holders of the Company	(1,553)	4,765	NM
Non-controlling interests	(183)	(234)	(22)
Profit for the period	(1,736)	4,531	NM
Total comprehensive income attributable to:			
Equity holders of the Company	(8,724)	13,214	NM
Non-controlling interests	(347)	(1,037)	(67)
Total comprehensive income for the period	(9,071)	12,177	NM

NM – Not meaningful

Earnings per share attributable to ordinary shareholders of the Company (cents per share)
Group

	First quarter ended	
	31 Mar 2017	31 Mar 2016
Basic (loss)/earnings per share	(0.033)	0.108
Diluted (loss)/earnings per share	(0.033)	0.108

1 (a) (ii) Notes to the Consolidated Statement of Comprehensive Income

	Group		
	First quarter ended		Change %
	31 Mar 2017 \$'000	31 Mar 2016 \$'000	
(A) Other income			
Management consultancy fee	110	178	(38)
Sales of prints	35	44	(20)
Jobs credit/government grant	165	277	(40)
Wages reimbursed from customers	2,166	2,590	(16)
Gain on disposal of available-for-sale financial assets	-	32	(100)
Others	80	16	400
	<u>2,556</u>	<u>3,137</u>	(19)
(B) Other expenses			
Selling and marketing expenses	(104)	(877)	(88)
Directors' fee	(88)	(102)	(14)
Professional fees	(340)	(519)	(34)
Rental	(1,549)	(1,306)	19
Travelling and entertainment expenses	(733)	(637)	15
Loss on disposal of property, plant and equipment	-	(33)	(100)
Repairs and maintenance	(546)	(474)	15
Project expenses	(3,246)	(2,918)	11
Administrative expenses	(67)	(77)	(13)
Reversal of allowance for foreseeable losses	539	271	99
Gifts and donations	(16)	(62)	(74)
Advertisement	(49)	(19)	158
Telephone and internet	(91)	(76)	20
Utilities	(77)	(74)	4
Printing and stationery	(104)	(83)	25
Leasing of office equipment	(39)	(37)	5
Hotel and cafe operating costs	(937)	(1,074)	(13)
Others	(412)	(469)	(12)
	<u>(7,859)</u>	<u>(8,566)</u>	(8)

Group			
	First quarter ended		
	31 Mar 2017	31 Mar 2016	Change
	\$'000	\$'000	%
(C) Finance costs			
Interest on bank loans	(146)	(188)	(22)
Interest on Medium Term Notes	(1,694)	(1,707)	(1)
	<u>(1,840)</u>	<u>(1,895)</u>	(3)
(D) Tax expense			
Current tax expense	(235)	(345)	(32)
Current deferred tax credit	33	443	(93)
	<u>(202)</u>	<u>98</u>	NM

NM – Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 31 Mar 17 \$'000	As at 31 Dec 16 \$'000	As at 31 Mar 17 \$'000	As at 31 Dec 16 \$'000
ASSETS				
Non-current assets				
Property, plant and equipment	55,332	56,173	144	161
Goodwill	87,501	78,873	-	-
Intangible assets	4,018	4,443	-	-
Investment property	145,680	148,444	-	-
Subsidiaries	-	-	153,228	507,416
Associates	25,828	26,866	-	-
Other investments	1,759	2,041	-	-
Deferred tax assets	516	548	-	-
	<u>320,634</u>	<u>317,388</u>	<u>153,372</u>	<u>507,577</u>
Current assets				
Development property	137,551	140,163	-	-
Work-in-progress	37,150	35,863	-	-
Inventories	266	302	-	-
Amounts due from subsidiaries – non-trade	-	-	365,670	9,627
Trade and other receivables	31,686	37,149	491	380
Cash and cash equivalents	29,382	37,580	5,563	6,644
	<u>236,035</u>	<u>251,057</u>	<u>371,724</u>	<u>16,651</u>
Total assets	<u>556,669</u>	<u>568,445</u>	<u>525,096</u>	<u>524,228</u>
EQUITY				
Share capital	783,897	782,967	783,897	782,967
Fair value reserve	81	363	-	-
Foreign currency translation reserve	(79,048)	(72,159)	-	-
Accumulated losses	(307,464)	(305,911)	(359,416)	(360,848)
Equity attributable to owners of the Company	<u>397,466</u>	<u>405,260</u>	<u>424,481</u>	<u>422,119</u>
Non-controlling interests	1,753	2,140	-	-
Total equity	<u>399,219</u>	<u>407,400</u>	<u>424,481</u>	<u>422,119</u>
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	2,906	3,171	20	20
Borrowings	16,702	116,100	99,617	99,526
Purchase consideration payable	15,632	11,513	-	-
	<u>35,240</u>	<u>130,784</u>	<u>99,637</u>	<u>99,546</u>
Current liabilities				
Excess of progress billings over work-in-progress	2,912	3,714	-	-
Trade and other payables	18,119	24,846	978	2,563
Current tax payable	587	706	-	-
Borrowings	100,592	995	-	-
	<u>122,210</u>	<u>30,261</u>	<u>978</u>	<u>2,563</u>
Total liabilities	<u>157,450</u>	<u>161,045</u>	<u>100,615</u>	<u>102,109</u>
TOTAL EQUITY AND LIABILITIES	<u>556,669</u>	<u>568,445</u>	<u>525,096</u>	<u>524,228</u>

1(b) (ii) Aggregate amount of the group's borrowings and debt securities.

Group

Amount repayable in one year or less, or on demand:

	As at 31 Mar 2017		As at 31 Dec 2016	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank loan	975	-	995	-

Amount repayable after one year:

	As at 31 Mar 2017		As at 31 Dec 2016	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank loan	16,702	-	16,574	-
Medium Term Notes	-	99,617	-	99,256

Medium Term Notes ("MTN")

On 27 March 2015, the Company issued S\$100 million 6.5 per cent fixed rate notes due 2018 ("Notes") under the S\$500 million Multicurrency Medium Term Note Programme that was established on 17 November 2014.

The net proceeds arising from the issuance of the Notes (after deducting issue expenses) would be used 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.

Details of Collateral

The Notes are secured by a charge over an interest service reserve account in which the Company maintains an interest reserve amount equivalent to six months' interest on the Notes. The bank loan is secured by a fixed and floating charge over the assets of the borrowing subsidiary.

11 A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	First quarter ended	
	31 Mar 2017	31 Mar 2016
	\$'000	\$'000
Cash flows from operating activities		
(Loss)/profit for the period	(1,736)	4,531
Adjustments for:		
- Tax expense/(credit)	202	(98)
- Depreciation of property, plant and equipment	945	1,362
- Amortisation of intangible assets	424	199
- Gain on sale of available-for-sale financial assets	-	(32)
- Loss on disposal of property, plant and equipment	-	33
- Interest income	(31)	(106)
- Interest expense	1,840	1,895
- Share of profit of associated companies	(573)	(568)
- Fair value changes in purchase consideration payable	(2,921)	(9,000)
- Reversal of allowance for foreseeable losses	(539)	(271)
- Unrealised foreign exchange (gain)/loss	(124)	896
Operating loss before working capital changes	(2,513)	(1,159)
Changes in working capital :		
- Inventories	36	12
- Work-in-progress	(748)	(707)
- Trade and other receivables	6,289	10,760
- Trade and other payables	(5,495)	(6,481)
- Progress billings	(802)	(666)
Cash (used in)/generated from operations	(3,233)	1,759
- Interest received	16	94
- Tax paid	(420)	(631)
Net cash (used in)/generated from operating activities	(3,637)	1,222
Cash flows from investing activities		
Net cash outflows on acquisition of subsidiary	(835)	-
Additions to property, plant and equipment	(1,745)	(567)
Proceeds from disposal of property, plant and equipment	-	132
Net proceeds from disposal of available-for-sale financial assets	-	32
Expenditure on investment property	(1)	-
Dividend received from an associate	1,762	687
Movement in fixed deposits	1,336	(2,152)
Net cash generated from/(used in) investing activities	517	(1,868)
Cash flows from financing activities		
Expenditure from issuance and listing of ordinary shares	(30)	(30)
Interest paid	(3,462)	(3,429)
Addition/(repayment) of borrowings	244	(271)
Net cash used in financing activities	(3,248)	(3,730)

	Group	
	First quarter ended	
	31 Mar 2017	31 Mar 2016
	\$'000	\$'000
Net decrease in cash and cash equivalents	(6,368)	(4,376)
Cash and cash equivalents at beginning of the period	32,929	34,059
Effect of exchange rate changes on cash held	(494)	(1,015)
Cash and cash equivalents at end of the period	26,067	28,668
Cash and cash equivalents comprise:		
Cash and bank balances	27,087	28,041
Short-term deposits	2,295	6,046
	29,382	34,087
Less: Fixed deposits with maturities of more than 3 months	-	(2,152)
Cash held in interest service reserve account	(3,315)	(3,267)
Cash and cash equivalents in the consolidated statement of cash flows	26,067	28,668

Notes to Consolidated Statement of Cash Flows

On 28 February 2017, the Group completed its acquisition of the entire issued and paid-up share capital of Ariva Pte Ltd ("Ariva"). The aggregate consideration for the acquisition was up to \$10,600,000, to be satisfied by way of cash and the allotment and issue of new shares of the Company, at an issue price of \$0.15 per consideration share. Based on the closing share price of \$0.12 per share on the acquisition date, the total purchase consideration amounted to \$9,000,000.

An initial consideration of 8,000,000 shares were allotted and issued to Ariva vendors together with cash payment of \$1,000,000. The balance of the consideration shall be paid and/or allotted subject to the terms and conditions set out in the sale and purchase agreement, which includes the achievement of certain targets.

The identifiable assets acquired, liabilities assumed and the net cash flows from the acquisition were as follows:

	\$'000
Property, plant and equipment	2
Cash and cash equivalents	165
Investment in associates	151
Trade and other receivables	528
Trade and other payables	(491)
Borrowing	(210)
Non-controlling interests	40
Total net assets of subsidiary company	185
Provisional goodwill arising from acquisition	8,815
Total purchase consideration	9,000
Initial consideration:	
- Issue of shares	960
- Cash paid	1,000
Purchase consideration payable	7,040
	9,000
Net cash outflows from the acquisition	
Cash and cash equivalents acquired	165
Purchase consideration	(1,000)
Net cashflows on acquisition	(835)

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY

Group

	Attributable to owners of the Company						
	Share capital \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000	Accumulated losses \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 January 2017	782,967	(72,159)	363	(305,911)	405,260	2,140	407,400
Total comprehensive income for the period							
Profit for the period	-	-	-	(1,553)	(1,553)	(183)	(1,736)
<i>Other comprehensive income</i>							
Foreign currency translation differences for foreign operations	-	(6,889)	-	-	(6,889)	(164)	(7,053)
Net change in fair value of available-for-sale financial assets	-	-	(282)	-	(282)	-	(282)
Total comprehensive income for the period	-	(6,889)	(282)	(1,553)	(8,724)	(347)	(9,071)
Transactions with owners, recorded directly in equity							
Contribution by and distributions to owners							
Issuance of ordinary shares	960	-	-	-	960	-	960
Issue costs	(30)	-	-	-	(30)	-	(30)
Total contribution by and distributions to owners	930	-	-	-	930	-	930
Changes in ownership interests in subsidiaries							
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	(40)	(40)
Total changes in ownership interests in subsidiary	-	-	-	-	-	(40)	(40)
Total transactions with owners, recorded directly in equity	930	-	-	-	930	(40)	890
At 31 March 2017	783,897	(79,048)	81	(307,464)	397,466	1,753	399,219

Group

	Attributable to owners of the Company						
	Share capital \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000	Accumulated losses \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
At 1 January 2016	742,202	(56,741)	290	(242,613)	443,138	7,647	450,785
Total comprehensive income for the period							
Profit for the period	-	-	-	4,765	4,765	(234)	4,531
<i>Other comprehensive income</i>							
Foreign currency translation differences for foreign operations	-	8,700	-	-	8,700	(803)	7,897
Net change in fair value of available-for-sale financial assets	-	-	(251)	-	(251)	-	(251)
Total comprehensive income for the period	-	8,700	(251)	4,765	13,214	(1,037)	12,177
Transactions with owners, recorded directly in equity							
Contribution by and distributions to owners							
Issuance of ordinary shares	36,500	-	-	-	36,500	-	36,500
Issue costs	(30)	-	-	-	(30)	-	(30)
Total contribution by and distributions to owners	36,470	-	-	-	36,470	-	36,470
Total transactions with owners, recorded directly in equity	36,470	-	-	-	36,470	-	36,470
At 31 March 2016	778,672	(48,041)	39	(237,848)	492,822	6,610	499,432

Company

	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 January 2017	782,967	(360,848)	422,119
Total comprehensive income for the period			
Profit for the period	-	1,432	1,432
Transactions with owners, recorded directly in equity			
<i>Contribution by and distributions to owners</i>			
Issuance of ordinary shares	960	-	960
Issue costs	(30)	-	(30)
Total contribution by and distributions to owners	930	-	930
At 31 March 2017	<u>783,897</u>	<u>(359,416)</u>	<u>424,481</u>
At 1 January 2016	742,202	(306,720)	435,482
Total comprehensive income for the period			
Profit for the period	-	1,739	1,739
Transactions with owners, recorded directly in equity			
<i>Contribution by and distributions to owners</i>			
Issuance of ordinary shares	36,500	-	36,500
Issue costs	(30)	-	(30)
Total contribution by and distributions to owners	36,470	-	36,470
At 31 March 2016	<u>778,672</u>	<u>(304,981)</u>	<u>473,691</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issues, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the quarter ended 31 March 2017, the Company issued 8,000,000 ordinary shares at market value of \$960,000 to Jean-Claude Erne, Lee Sok Fang, Phyllis and Ong Ah Luan Cameron together with a cash payment of \$1 million, as initial consideration for the acquisition of the entire issued and paid-up share capital of Ariva Pte. Ltd. The balance of the consideration shall be paid and/or allotted subject to the terms and conditions set out in the sale and purchase agreement.

As at 31 March 2017, there was no outstanding warrant (31 March 2016: nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at end of the immediately preceding year.

	As at 31 Mar 2017	As at 31 Dec 2016
Number of issued shares	4,677,643,931	4,669,643,931
Number of treasury shares	Nil	Nil

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There was no sale, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the period ended 31 March 2017, as compared with the Group's audited financial statements for the year ended 31 December 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

There is no change in the accounting policies and methods of computation adopted.

6. Earnings per ordinary share (“EPS”) of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends :-

- (a) Based on the weighted average number of ordinary shares on issue; and
- (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	For the financial period ended	
	31 Mar 2017	31 Mar 2016
EPS based on net profit attributable to shareholders of the Company (cents):		
Basic*	(0.033)	0.108
Diluted**	(0.033)***	0.108***
Weighted average number of ordinary shares on issue as at the end of the period	4,672,488,375	4,405,219,953
Weighted average number of ordinary shares on issue after adjusting for effects of dilutive warrants as at the end of the period	4,672,488,375	4,405,219,953

* Based on weighted average number of fully paid shares in issue.

** Based on weighted average number of fully paid shares in issue after adjusting for effects of all dilutive potential ordinary shares.

*** The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	As at	
	31 Mar 2017	31 Dec 2016
Net asset value per ordinary share of		
Group (cents)	8.50	8.68
Company (cents)	9.07	9.04

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Statement of Comprehensive Income

1. The Group reported a revenue of \$22.55 million for the first quarter of the current financial year ("Q1FY2017"), as compared to \$20.49 million in the same quarter last year ("Q1FY2016"). The increase of \$2.06 million was mainly due to contribution of \$2.72 million from Squire Mech Private Limited ("Squire Mech"), offset by the decline in RSP's revenue of \$0.52 million and \$0.16 from the UK hospitality segment due to decline in Sterling Pound against Singapore Dollar. Squire Mech, previously an associate, became a subsidiary of the Group on 4 August 2016.
2. Other income for Q1FY2017 amounted to \$2.56 million, as compared to \$3.14 million recorded for Q1FY2016. The slight decline of \$0.58 million was primarily attributable to decline in wages reimbursed from customers of \$0.42 million.
3. Staff costs were \$18.73 million for Q1FY17, an increase of \$15.70 million from Q1FY2016. Squire Mech added \$2.67 million of staff costs and the remaining balance of \$0.36 million was attributable to the existing businesses.
4. Operating expenses amounted to \$7.86 million for Q1FY2017, a decrease of \$0.71 million. The drop was mainly due to a) decrease in selling and marketing expenses of \$0.77 million; b) decline in professional fee of \$0.18 million; and c) drop in hotel and café operating expenses of \$0.14 million due to decline in Sterling Pound, but partially offset by the inclusion of \$0.44 million of operating expenses from Squire Mech following the acquisition.
5. The net foreign exchange loss of \$0.37 million mainly arose from depreciation of US dollar, Sterling Pound, Malaysian Ringgit and Renminbi against Singapore dollar in Q1FY2017.
6. The fair value gain of \$2.92 million arose from remeasurement of the Company's purchase consideration payable in the form of share payment at the lower closing share price as at 31 March 2017.
7. The decrease in depreciation and amortisation of \$0.19 million, from \$1.56 million in Q1FY2016 to \$1.37 million in Q1FY2017, was primarily due to lower depreciation for the hotel building of the UK hospitality group of \$0.47 million offset by an increase of \$0.28 million in amortisation of intangible assets arising from the acquisition of Squire Mech.
8. Overall, the Group recorded EBITDA of \$1.64 million and a loss for the period of \$1.74 million. Excluding the fair value gain on purchase consideration payable, EBITDA would be negative at \$1.28 million and a loss of \$4.66 million would be recorded for Q1FY2017.
9. The Group reported a basic loss per share of 0.033 cents for Q1FY2017 compared to earnings per share of 0.108 cents for Q1FY2016.

Review of Statement of Financial Position

1. The Group recorded net assets of \$399.22 million as at 31 March 2017 compared with \$407.40 million as at 31 December 2016, before excluding minority interests. The decrease was mainly due to depreciation of the Sterling Pound and Malaysian Ringgit which affected our UK and Malaysian assets respectively. The decrease was partially offset by increase in provisional goodwill.
2. The Group recorded property, plant and equipment of \$55.33 million as at 31 March 2017 compared with \$56.17 million as at 31 December 2016. The decrease, besides depreciation, was again due to the depreciation of the Sterling Pound against Singapore Dollar.
3. The increase in goodwill from \$78.87 million as at 31 December 2016 to \$87.50 million as at 31 March 2017 was mainly due to provisional goodwill arising from the acquisition of Ariva Pte Ltd.
4. The Group recorded a value of \$145.68 million for investment property as at 31 March 2017 compared with \$148.44 million as at 31 December 2016. The decrease was mainly due to weakening of the Malaysian Ringgit against the Singapore Dollar during the quarter under review. By the same reason, the value of the development property also decreased to \$137.55 million as at 31 March 2017, from \$140.16 million.
5. The decrease in trade and other receivables from \$37.15 million as at 31 December 2016 to \$31.69 million as at 31 March 2017 was largely due to more receipts by RSP from its clients.
6. The decline in the associates was primarily due to receipt of dividend from RSP India during the quarter ended 31 March 2017.
7. The Group recorded a higher debit balance of foreign currency translation reserve balance of \$79.05 million as at 31 March 2017, compared to \$72.16 million as at 31 December 2016. The increase was largely due to exchange loss arising from translation of the Group's UK and Malaysian subsidiaries as a result of the weakening of Sterling Pound and Malaysian Ringgit against Singapore Dollar.
8. The increase in purchase consideration payable, from \$11.51 million as at 31 December 2016 to \$15.63 million as at 31 March 2017, was largely due to new addition of earn-out consideration payable to Ariva's vendor following the Group's acquisition on 28 February 2017.
9. Trade and other payables decreased to \$18.12 million as at 31 March 2017, from \$24.85 million as at 31 December 2016. This was primarily due to more payments by RSP.
10. Due to the foregoing, net asset value per share for the Group decreased to 8.50 cents as at 31 March 2017, from 8.68 cents as at 31 December 2016.

Review of Statement of Cash Flows

1. Net cash used in operating activities for Q1FY17 amounted to \$3.64 million, which was mainly due to negative working capital changes and tax payment.
2. Net cash generated from investing activities for Q1FY17 was \$0.52 million, which was mainly attributable to receipt of dividend from RSP India of \$1.77 million, and net maturity of fixed deposits of \$1.34 million, partially offset by additions of property, plant and equipment of \$1.75 million and net cash outflow of \$0.84 million for the acquisition of Ariva Pte Ltd.
3. Net cash used in financing activities for Q1FY17 amounted to \$3.25 million, which was mainly due to payment of interest on the \$100 million notes issued under the MTN Programme.
4. Overall, the net decrease in cash and cash equivalents for the Q1FY17 was \$6.37 million.
5. As at 31 March 2017, the Group's cash and cash equivalents amounted to \$29.38 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The group has completed the acquisition of Ariva Pte Ltd on 28 February 2017. The group expects that Ariva will help to enhance the group's hospitality business in the Asia Pacific region.

Planning approvals and consultations with relevant authorities continue to be work in progress for the St Michael's project in the UK.

The private real estate market in Singapore is showing signs of bottoming out in recent months. If the market begins to recover, the group expects its design and engineering business to benefit from this recovery.

11. Dividend

	Period ended	
	31 Mar 2017	31 Mar 2016
(a) Declaration of interim (final) ordinary dividend	None	None
(b) (i) Dividend amount per share (cents)	Not applicable	Not applicable
(b) (ii) Previous corresponding period (cents)	-	-
(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend derived.	Not applicable	Not applicable
(d) The date the dividend is paid	Not applicable	Not applicable
(e) Book closure date	Not applicable	Not applicable

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There was no reportable IPT as required under Rule 920(1)(a)(ii) and no IPT general mandate has been obtained during the reporting financial period.

14. Update on use of exercise proceeds from Warrants Issue.

As at 31 March 2017, the use of the exercise proceeds of \$1,309,680 raised from the exercise of warrants issued on 4 October 2013 is as follows:

Use of Proceeds	Amount Utilised	Balance
Cash payment to Ariva Pte Ltd's vendors in relation to the acquisition	\$1,000,000	\$309,680

The Company will continue to make periodic announcements on the material disbursement of any proceeds arising from the exercise of the Warrants as and when such proceeds are materially disbursed.

15. Negative Confirmation pursuant to rule 705(5)

We, Tan Wee Tuck and Ho Kiam Kheong, being two directors of Rowsley Ltd. (the “Company”) do hereby confirm on behalf of the directors of the Company that to the best of their knowledge nothing has come to the attention of the board of directors of the Company which may render the financial statements for the financial period ended 31 March 2017 to be false or misleading in any material aspect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in appendix 7.7) under rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Tan Wee Tuck
Executive Director and Chief Financial Officer

Ho Kiam Kheong
Executive Director and Managing Director, Real Estate

26 April 2017