



## ROWSLEY LTD.

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

### Unaudited Third Quarter Financial Statement Announcement For The Financial Period Ended 30 September 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 30 SEPTEMBER 2017

	Group			Group		
	3 <sup>rd</sup> quarter ended 30 September			9 months ended 30 September		
	2017	2016	Change	2017	2016	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	26,168	24,604	6	71,246	67,409	6
Other income	A 1,738	3,367	(48)	6,891	8,983	(23)
Staff costs	(17,546)	(17,661)	(1)	(53,980)	(48,523)	11
Other expenses	B (9,247)	(8,853)	4	(25,113)	(28,044)	(10)
Foreign exchange loss, net	(120)	(217)	(45)	(584)	(2,233)	(74)
Share of profit of associated companies	350	1,074	(67)	1,690	1,142	48
Fair value changes in purchase consideration payable	(7,919)	(749)	957	(830)	8,251	NM
Gain on remeasurement of previously held equity interest in an associate which became subsidiary	-	7,163	NM	-	7,163	NM
<b>(Loss)/Profit before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>(6,576)</b>	<b>8,728</b>	<b>NM</b>	<b>(680)</b>	<b>14,148</b>	<b>NM</b>
Interest income	39	43	(9)	116	178	(35)
Finance costs	C (1,857)	(1,893)	(2)	(5,546)	(5,679)	(2)
Depreciation and amortisation	(1,355)	(1,531)	(11)	(4,120)	(4,627)	(11)
<b>Results from operating activities</b>	<b>(9,749)</b>	<b>5,347</b>	<b>NM</b>	<b>(10,230)</b>	<b>4,020</b>	<b>NM</b>
Tax (expense)/credit	D (201)	(156)	29	(406)	197	NM
<b>(Loss)/Profit for the period</b>	<b>(9,950)</b>	<b>5,191</b>	<b>NM</b>	<b>(10,636)</b>	<b>4,217</b>	<b>NM</b>
<b>Other comprehensive income</b>						
<b>Items that are or may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation differences - foreign operations	1,939	(6,846)	NM	1,146	(10,821)	NM
Net change in fair value of available-for-sale financial assets	(111)	(463)	(76)	(604)	(1,028)	(41)
<b>Other comprehensive income for the period, net of tax</b>	<b>1,828</b>	<b>(7,309)</b>	<b>NM</b>	<b>542</b>	<b>(11,849)</b>	<b>NM</b>
<b>Total comprehensive income for the period</b>	<b>(8,122)</b>	<b>(2,118)</b>	<b>283</b>	<b>(10,094)</b>	<b>(7,632)</b>	<b>32</b>
<b>(Loss)/Profit attributable to:</b>						
Equity holders of the Company	(9,800)	5,394	NM	(10,156)	4,866	NM
Non-controlling interests	(150)	(203)	(26)	(480)	(649)	(26)
<b>(Loss)/Profit for the period</b>	<b>(9,950)</b>	<b>5,191</b>	<b>NM</b>	<b>(10,636)</b>	<b>4,217</b>	<b>NM</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	(8,080)	(1,686)	379	(9,785)	(5,381)	82
Non-controlling interests	(42)	(432)	(90)	(309)	(2,251)	(86)
<b>Total comprehensive income for the period</b>	<b>(8,122)</b>	<b>(2,118)</b>	<b>283</b>	<b>(10,094)</b>	<b>(7,632)</b>	<b>32</b>

NM – Not meaningful

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

	Group		Group	
	3 <sup>rd</sup> quarter ended 30 September		9 months ended 30 September	
	2017	2016	2017	2016
Basic earnings per share	(0.207)	0.116	(0.216)	0.107
Diluted earnings per share	(0.207)	0.116	(0.216)	0.107

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

	Group			Group		
	3 <sup>rd</sup> quarter ended 30 September			9 months ended 30 September		
	2017	2016	Change	2017	2016	Change
	\$'000	\$'000	%	\$'000	\$'000	%
(A) Other income						
Management consultancy fee	188	138	36	705	544	30
Sales of prints	76	40	90	213	137	55
Jobs credit/government grant	44	175	(75)	438	590	(26)
Wages reimbursed from customers	1,397	2,255	(38)	5,395	6,884	(22)
Gain on disposal of available for sale financial assets	-	-	NM	-	32	NM
Gain on disposal of property, plant and equipment	2	10	(80)	2	11	(82)
Others	31	749	(96)	138	785	(82)
	<u>1,738</u>	<u>3,367</u>	<u>(48)</u>	<u>6,891</u>	<u>8,983</u>	<u>(23)</u>
(B) Other expenses						
Selling and marketing expenses	(124)	(876)	(86)	(382)	(2,639)	(86)
Directors' fee	(99)	(91)	9	(260)	(280)	(7)
Professional fees	(350)	(580)	(40)	(1,246)	(1,667)	(25)
Rental	(1,575)	(1,545)	2	(4,633)	(4,178)	11
Travelling and entertainment expenses	(606)	(511)	19	(2,063)	(1,527)	35
Loss on disposal of property, plant and equipment	-	-	NM	-	(63)	NM
Repairs and maintenance	(597)	(500)	19	(1,670)	(1,454)	15
Project expenses	(3,037)	(2,067)	47	(8,755)	(9,543)	(8)
Administrative expenses	(73)	(93)	(22)	(195)	(236)	(17)
Reversal of allowance for foreseeable losses	(639)	(85)	652	29	380	(92)
Gifts and donations	-	(19)	NM	(10)	(361)	(97)
Advertisement	(44)	(63)	(30)	(181)	(126)	44
Telephone and internet	(64)	(74)	(14)	(237)	(218)	9
Utilities	(97)	(84)	15	(274)	(229)	20
Printing and stationery	(103)	(124)	(17)	(286)	(294)	(3)
Leasing of office equipment	(56)	13	NM	(135)	(106)	27
Hotel and café operating costs	(1,147)	(1,040)	10	(3,284)	(3,316)	(1)
Impairment loss on trade and other receivables	(149)	(471)	(68)	(149)	(471)	(68)
Others	(487)	(643)	(24)	(1,382)	(1,716)	(19)
	<u>(9,247)</u>	<u>(8,853)</u>	<u>4</u>	<u>(25,113)</u>	<u>(28,044)</u>	<u>(10)</u>

	Group			Group		
	3 <sup>rd</sup> quarter ended 30 September			9 months ended 30 September		
	2017	2016	Change	2017	2016	Change
	\$'000	\$'000	%	\$'000	\$'000	%
(C) Finance costs						
Interest on bank loans	(121)	(164)	(26)	(398)	(535)	(26)
Interest expense on Medium Term Notes	(1,736)	(1,729)	0	(5,148)	(5,144)	0
	<u>(1,857)</u>	<u>(1,893)</u>	(2)	<u>(5,546)</u>	<u>(5,679)</u>	(2)
(D) Tax expense						
Current tax expense	(106)	(274)	(61)	(383)	(442)	(13)
Current deferred tax credit	110	63	75	328	587	(44)
(Over)/Under provision in respect of prior years	(205)	55	NM	(351)	52	NM
	<u>(201)</u>	<u>(156)</u>	29	<u>(406)</u>	<u>197</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.**

**STATEMENTS OF FINANCIAL POSITION**

	Group		Company	
	As at 30 Sep 17	As at 31 Dec 16	As at 30 Sep 17	As at 31 Dec 16
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	62,005	56,173	132	161
Goodwill	93,251	78,873	-	-
Intangible assets	3,170	4,443	-	-
Investment property	148,447	148,444	-	-
Subsidiaries	-	-	500,913	507,416
Associates	25,905	26,866	-	-
Other investments	1,437	2,041	-	-
Deferred tax assets	537	548	-	-
	<b>334,752</b>	<b>317,388</b>	<b>501,045</b>	<b>507,577</b>
<b>Current assets</b>				
Development property	140,163	140,163	-	-
Work-in-progress	38,276	35,863	-	-
Inventories	290	302	-	-
Amounts due from subsidiaries – non-trade	-	-	28,178	9,627
Trade and other receivables	35,671	37,149	1,326	380
Cash and cash equivalents	26,695	37,580	6,461	6,644
	<b>241,095</b>	<b>251,057</b>	<b>35,965</b>	<b>16,651</b>
<b>Total assets</b>	<b>575,847</b>	<b>568,445</b>	<b>537,010</b>	<b>524,228</b>
<b>EQUITY</b>				
Share capital	788,267	782,967	788,267	782,967
Fair value reserve	(241)	363	-	-
Foreign currency translation reserve	(71,184)	(72,159)	-	-
Accumulated losses	(316,067)	(305,911)	(351,832)	(360,848)
<b>Equity attributable to owners of the Company</b>	<b>400,775</b>	<b>405,260</b>	<b>436,435</b>	<b>422,119</b>
<b>Non-controlling interests</b>	<b>1,791</b>	<b>2,140</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>402,566</b>	<b>407,400</b>	<b>436,435</b>	<b>422,119</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities	3,046	3,171	20	20
Borrowings	19,883	116,100	-	99,526
Purchase consideration payable	22,183	11,513	-	-
	<b>45,112</b>	<b>130,784</b>	<b>20</b>	<b>99,546</b>
<b>Current liabilities</b>				
Excess of progress billings over work-in-progress	6,046	3,714	-	-
Trade and other payables	21,116	24,846	747	2,563
Current tax payable	399	706	-	-
Purchase consideration payable	800	-	-	-
Borrowings	99,808	995	99,808	-
	<b>128,169</b>	<b>30,261</b>	<b>100,555</b>	<b>2,563</b>
<b>Total liabilities</b>	<b>173,281</b>	<b>161,045</b>	<b>100,575</b>	<b>102,109</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>575,847</b>	<b>568,445</b>	<b>537,010</b>	<b>524,228</b>

**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 30 Sep 2017		As at 31 Dec 2016	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank loan	-	-	995	-
Medium Term Notes	-	99,808	-	-

Amount repayable after one year:

	As at 30 Sep 2017		As at 31 Dec 2016	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank loan	19,883	-	16,574	-
Medium Term Notes	-	-	-	99,526

**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. One of the bank loans is secured by a fixed and floating charge over the assets of the borrowing subsidiary. Another bank loan is secured by the shares of the borrowing subsidiary held by the borrowing subsidiary's holding company.

**1(c) 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		Group	
	3 <sup>rd</sup> quarter ended 30 September		9 months ended 30 September	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Cash flows from operating activities</b>				
(Loss)/Profit for the period	(9,950)	5,191	(10,636)	4,217
Adjustments for:				
- Tax expense/ (credit)	201	156	406	(197)
- Depreciation of property, plant and equipment	931	1,332	2,847	4,032
- Amortisation of intangible assets	424	199	1,273	595
- Gain on disposal of available-for-sale financial assets	-	-	-	(32)
- Gain on disposal of property, plant and equipment	(2)	(10)	(2)	(11)
- Loss on disposal of property, plant and equipment	-	-	-	63
- Interest income	(39)	(43)	(116)	(178)
- Interest expense	1,857	1,893	5,546	5,679
- Share of profit of associated companies	(350)	(1,074)	(1,690)	(1,142)
- Gain on remeasurement of previously held equity interest in An associate which became a subsidiary	-	(7,163)	-	(7,163)
- Fair value changes in purchase consideration payable, net of settlement loss	7,919	749	830	(8,251)
- Impairment loss on trade and other receivables	149	471	149	471
- Reversal of impairment loss on trade and other receivables	(74)	-	(178)	-
- Addition/(Reversal) of allowance for foreseeable losses	639	85	(29)	(380)
- Unrealised foreign exchange loss/(gain)	82	1,048	(9)	2,071
<b>Operating profit/(loss) before working capital changes</b>	<b>1,787</b>	<b>2,834</b>	<b>(1,609)</b>	<b>(226)</b>
Changes in working capital :				
- Inventories	(1)	(21)	12	(28)
- Work-in-progress	(1,940)	(2,275)	(2,384)	(446)
- Trade and other receivables	(2,730)	8,760	3,444	16,605
- Trade and other payables	1,913	(1,159)	(2,822)	(5,586)
- Progress billings	615	(2,036)	2,332	(464)
Cash generated from operations	(356)	6,103	(1,027)	9,855
- Interest received	28	30	85	141
- Tax paid	(217)	(1,022)	(1,025)	(2,755)
<b>Net cash (used in)/generated from operating activities</b>	<b>(545)</b>	<b>5,111</b>	<b>(1,967)</b>	<b>7,241</b>
<b>Cash flows from investing activities</b>				
Net cash flows on acquisition of subsidiaries	-	3,274	877	3,274
Investment in an associated company	-	-	(70)	-
Additions to property, plant and equipment	(2,215)	(1,009)	(6,747)	(1,941)
Proceeds from disposal of property, plant and equipment	2	10	2	135
Net proceeds from disposal of available-for-sale financial assets	-	-	-	32
Expenditure on investment properties	-	(232)	(3)	(756)
Dividend received from an associated company	-	-	2,873	1,396
Movement in fixed deposits	3,368	(626)	1,336	(1,304)
<b>Net cash generated from/(used in) investing activities</b>	<b>1,155</b>	<b>1,417</b>	<b>(1,732)</b>	<b>836</b>
<b>Cash flows from financing activities</b>				
Expenditure from issuance and listing of ordinary shares	-	-	(60)	(30)
Interest paid	(3,496)	(3,707)	(7,185)	(7,318)
Proceeds from / (Repayment) of borrowings	1,409	-	1,653	(248)
<b>Net cash used in financing activities</b>	<b>(2,087)</b>	<b>(3,707)</b>	<b>(5,592)</b>	<b>(7,596)</b>

	Group		Group	
	3 <sup>rd</sup> quarter ended 30 September		9 months ended 30 September	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,477)</b>	<b>2,821</b>	<b>(9,291)</b>	<b>481</b>
Cash and cash equivalents at beginning of the period	24,812	30,331	32,929	34,059
Effect of exchange rate changes on cash held	45	(95)	(258)	(1,483)
<b>Cash and cash equivalents at end of the period</b>	<b>23,380</b>	<b>33,057</b>	<b>23,380</b>	<b>33,057</b>
<b>Cash and cash equivalents comprise:</b>				
Cash and bank balances	23,324	29,837	23,324	29,837
Short-term deposits	3,371	7,791	3,371	7,791
	<b>26,695</b>	<b>37,628</b>	<b>26,695</b>	<b>37,628</b>
Less: Fixed deposits with maturities of more than 3 months	-	(1,304)	-	(1,304)
Cash held in interest service reserve account	(3,315)	(3,267)	(3,315)	(3,267)
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>23,380</b>	<b>33,057</b>	<b>23,380</b>	<b>33,057</b>

#### **Notes to Consolidated Statement of Cash Flows**

During the financial period ended 30 September 2017, the Group completed the following acquisitions:

- (i) Acquisition of the entire issued and paid-up share capital of AC Consortium Pte Ltd (“AC Consortium”) on 30 June 2017. The aggregate consideration for the acquisition was up to \$8,000,000, to be satisfied by way of allotment and issue of new shares of the Company.

An initial consideration of \$4,400,000 amounting to 60,773,480 shares based on a weighted average share price of \$0.0724 per share were allotted and issued to AC Consortium vendors.

- (ii) Acquisition of the entire issued and paid-up share capital of Ariva Pte Ltd (“Ariva”) on 28 February 2017. 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.

An initial consideration of 8,000,000 shares amounting to \$960,000, based on the closing share price of \$0.12 per share on the acquisition date, were allotted and issued to Ariva vendors together with cash payment of \$1,000,000.

((i) and (ii) collectively known as the “Acquisitions”.)

For the above Acquisitions, 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 Acquisitions were as follows:

	<b>AC Consortium \$'000</b>	<b>Ariva \$'000</b>	<b>Total \$'000</b>
Property, plant and equipment	4	2	6
Cash and cash equivalents	1,712	165	1,877
Investment in associates	-	151	151
Trade and other receivables	1,115	528	1,643
Trade and other payables	(153)	(701)	(854)
Non-controlling interests	-	40	40
<b>Total net assets of subsidiary company</b>	<b>2,678</b>	<b>185</b>	<b>2,863</b>
Provisional goodwill arising from acquisition	5,322	8,815	14,137
<b>Total purchase consideration</b>	<b>8,000</b>	<b>9,000</b>	<b>17,000</b>
Initial consideration:			
- Issue of shares	4,400	960	5,360
- Cash paid	-	1,000	1,000
Purchase consideration payable	3,600	7,040	10,640
	<b>8,000</b>	<b>9,000</b>	<b>17,000</b>
<b>Net cash outflows from the acquisition</b>			
Cash and cash equivalents acquired	1,712	165	1,877
Purchase consideration paid	-	(1,000)	(1,000)
<b>Net cashflows on acquisition</b>	<b>1,712</b>	<b>(835)</b>	<b>877</b>



- 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 capitalisation 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				Total \$'000	Non- controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000	Accumulated losses \$'000			
<b>At 1 January 2017</b>	782,967	(72,159)	363	(305,911)	405,260	2,140	407,400
<b>Total comprehensive income for the period</b>							
Loss for the period	-	-	-	(10,156)	(10,156)	(480)	(10,636)
<i>Other comprehensive income</i>							
Foreign currency translation differences for foreign operations	-	975	-	-	975	171	1,146
Net change in fair value of available-for-sale financial assets	-	-	(604)	-	(604)	-	(604)
<b>Total comprehensive income for the period</b>	-	975	(604)	(10,156)	(9,785)	(309)	(10,094)
<b>Transactions with owners, recorded directly in equity</b>							
<b>Contribution by and distributions to owners</b>							
Issuance of ordinary shares	5,360	-	-	-	5,360	-	5,360
Issue costs	(60)	-	-	-	(60)	-	(60)
<b>Total contribution by and distributions to owners</b>	5,300	-	-	-	5,300	-	5,300
<b>Changes in ownership interests in subsidiaries</b>							
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	(40)	(40)
Total changes in ownership interests in subsidiary	-	-	-	-	-	(40)	(40)
<b>Total transactions with owners, recorded directly in equity</b>	5,300	-	-	-	5,300	(40)	5,260
<b>At 30 September 2017</b>	788,267	(71,184)	(241)	(316,067)	400,775	1,791	402,566

**Group**

	Attributable to owners of the Company						Total equity \$'000
	Share capital \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000	Accumulated losses \$'000	Total \$'000	Non-controlling interests \$'000	
<b>At 1 January 2016</b>	742,202	(56,741)	290	(242,613)	443,138	7,647	450,785
<b>Total comprehensive income for the period</b>							
Profit/(Loss) for the period	-	-	-	4,866	4,866	(649)	4,217
<i>Other comprehensive income</i>							
Foreign currency translation differences for foreign operations	-	(9,219)	-	-	(9,219)	(1,602)	(10,821)
Net change in fair value of available-for-sale financial assets	-	-	(1,028)	-	(1,028)	-	(1,028)
<b>Total comprehensive income for the period</b>	-	(9,219)	(1,028)	4,866	(5,381)	(2,251)	(7,632)
<b>Transactions with owners, recorded directly in equity</b>							
<b>Contribution by and distributions to owners</b>							
Issuance of ordinary shares	40,795	-	-	-	40,795	-	40,795
Issue costs	(30)	-	-	-	(30)	-	(30)
<b>Total contribution by and distributions to owners</b>	40,765	-	-	-	40,765	-	40,765
<b>Total transactions with owners, recorded directly in equity</b>	40,765	-	-	-	40,765	-	40,765
<b>At 30 September 2016</b>	782,967	(65,960)	(738)	(237,747)	478,522	5,396	483,918

## STATEMENT OF CHANGES IN EQUITY

### Company

	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
<b>At 1 January 2017</b>	782,967	(360,848)	422,119
<b>Total comprehensive income for the period</b>			
Profit for the period	-	9,016	9,016
<b>Total comprehensive income for the period</b>	-	9,016	9,016
<b>Transactions with owners, recorded directly in equity</b>			
<i>Contribution by and distributions to owners</i>			
Issuance of ordinary shares	5,360	-	5,360
Issue costs	(60)	-	(60)
<b>Total contribution by and distributions to owners</b>	5,300	-	5,300
<b>At 30 September 2017</b>	<u>788,267</u>	<u>(351,832)</u>	<u>436,435</u>
<b>At 1 January 2016</b>	742,202	(306,720)	435,482
<b>Total comprehensive income for the period</b>			
Profit for the period	-	1,439	1,439
<b>Total comprehensive income for the period</b>	-	1,439	1,439
<b>Transactions with owners, recorded directly in equity</b>			
<i>Contribution by and distributions to owners</i>			
Issuance of ordinary shares	40,795	-	40,795
Issue costs	(30)	-	(30)
<b>Total contribution by and distributions to owners</b>	40,765	-	40,765
<b>At 30 September 2016</b>	<u>782,967</u>	<u>(305,281)</u>	<u>477,686</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.**

There was no change in the Company's share capital since 30 June 2017. As at 30 September 2017, there was no outstanding warrant (30 September 2016: 1,971,328,530).

**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 30 Sep 2017	As at 31 Dec 2016
Number of issued shares	4,738,417,411	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 30 September 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).**

	3rd quarter ended		9 months ended	
	30 September		30 September	
	2017	2016	2017	2016
EPS based on net profit attributable to shareholders of the Company (cents):				
Basic	(0.207)	0.116*	(0.216)*	0.107*
Diluted	(0.207)**	0.116**	(0.216)**	0.107**
Weighted average number of ordinary shares on issue as at the end of the period	4,738,417,411	4,656,189,757	4,696,647,351	4,565,217,113
Weighted average number of ordinary shares on issue after adjusting for effects of dilutive warrants as at the end of the period	4,738,417,411	4,656,189,757	4,696,647,351	4,565,217,113

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

\*\* 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	
	30 Sep 2017	31 Dec 2016
Net asset value per ordinary share of		
Group (cents)	8.46	8.68
Company (cents)	9.21	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**

**Third quarter ended 30 September 2017 ("Q3FY2017") vs Third quarter ended 30 September 2016 ("Q3FY2016")**

1. The Group reported a revenue of \$26.17 million for Q3FY2017, as compared to \$24.60 million recorded in Q3FY2016. The increase of \$1.57 million or 6% was mainly due to new revenue of \$2.44 million from Squire Mech Pte Ltd (which became a wholly-owned subsidiary company in August 2016), \$1.01 million from AC Consortium Pte Ltd and \$0.36 million from hospitality segment but offset by RSP revenue which fell \$2.28 million in the same period.
2. Other income for Q3FY2017 amounted to \$1.74 million, as compared to \$3.37 million recorded for Q3FY2016. The decrease of \$1.63 million or 48% was primarily attributable to decline in wages reimbursed from customers.
3. Operating expenses amounted to \$9.25 million for Q3FY2017, a decrease of \$0.39 million or 4%. The decrease was mainly due to reduction in marketing and selling expenses of \$0.75 million, offset by increase in project expenses of \$0.97 million in the same period.
4. The fair value changes of \$7.92 million for Q3FY2017 arose from remeasurement of the Company's purchase consideration payable in the form of share payment at the higher closing share price as at 30 September 2017.
5. Share of profit from associated companies decreased to \$0.35 million in Q3FY2017 from a gain of \$1.07 million in Q3FY2016, as the improved financial performance of RSP India and RSP Malaysia were more significant in the same quarter last year and Squire Mech ceased to be an associated company in August 2016.
6. The decrease in depreciation and amortisation of \$0.17 million or 11%, from \$1.53 million in Q3FY2016 to \$1.36 million in Q3FY2017, was primarily due to lower depreciation charges arising from accounting adjustments for Hotel Football and weaker sterling pound, offset by an increase in amortisation of intangible assets of \$0.28 million, arising from the acquisition of Squire Mech.
7. Overall, the Group recorded a negative EBITDA of \$6.58 million and a loss for the period of \$9.95 million.

## **9 months ended 30 September 2017 ("9MFY2017") vs 9 months ended 30 September 2016 ("9MFY2016")**

1. The Group reported a revenue of \$71.25 million for 9MFY2017, as compared to \$67.41 million in the same period last year. The increase of \$3.84 million or 6% was mainly due to new revenue of \$12.62 million from Squire Mech but offset by a fall in RSP revenue of \$9.28 million in the same period.
2. Other income for 9MFY2017 amounted to \$6.89 million, as compared to \$8.98 million recorded for 9MFY2016. The decrease of \$2.09 million or 23% was primarily attributable to decline in wages reimbursed from customers.
3. Staff costs were \$53.98 million for 9MFY2017, an increase of \$5.46 million or 11% from 9MFY2016. This was mainly contributed by Squire Mech amounting to \$5.82 million.
4. Operating expenses amounted to \$25.11 million for 9MFY2017, a decrease of \$2.93 million or 10%. The decrease was mainly due to reduction in project and professional fees of \$1.21 million as well as marketing and selling expenses of approximately \$2.26 million. However, this was offset by an increase in rental expenses of \$0.46 million and travelling expenses of \$0.54 million attributable to Squire Mech and AC Consortium.
5. The net foreign exchange loss of \$0.58 million mainly arose from realised foreign exchange loss in first quarter of the year as a result of depreciation of Sterling pound against Singapore dollar.
6. Share of profit from associated companies increased to \$1.69 million for 9MFY2017, an increase of \$0.55 million or 48%. It was a result a share of losses of \$0.73 million from Squire Mech as an associate company for 9MFY2016, prior to it being a wholly-owned subsidiary in August 2016.
7. The fair value loss of \$0.83 million for 9MFY2017 arose from remeasurement of the Company's purchase consideration payable in the form of share payment at the higher closing share price as at 30 September 2017.
8. The decrease in depreciation and amortisation of \$0.51 million, from \$4.63 million in 9MFY2016 to \$4.12 million in 9MFY2017, was primarily due to lower depreciation charges as a result of accounting adjustments for Hotel Football, offset by an increase of \$0.86 million in amortisation of intangible assets arising from the acquisition of Squire Mech.
9. Overall, the Group recorded a negative EBITDA of \$0.68 million and a loss for the period of \$10.64 million.

### **Review of Statement of Financial Position**

1. The Group recorded net assets of \$402.57 million as at 30 September 2017 compared with \$407.40 million as at 31 December 2016, before excluding minority interests. The decrease was mainly due to fair value changes in purchase consideration payable in the form of share payment at a higher closing share price as at 30 September 2017.
2. The Group recorded property, plant and equipment of \$62.01 million as at 30 September 2017 compared with \$56.17 million as at 31 December 2016. The increase was due to construction-in-progress of Stock Exchange Hotel in UK.
3. The increase in goodwill from \$78.87 million as at 31 December 2016 to \$93.25 million as at 30 September 2017 was mainly due to provisional goodwill arising from the acquisition of AC Consortium Pte Ltd and Ariva Pte Ltd.
4. The decline in trade and other receivables from \$37.15 million as at 31 December 2016 to \$35.67 million as at 30 September 2017 was largely due to increase in collections by RSP, offset by deposits of \$0.69 million for new office premises.
5. The decline in the associates was primarily due to receipt of dividend from RSP India during the nine months ended 30 September 2017.

6. The Group recorded a lower debit balance of foreign currency translation reserve balance of \$71.18 million as at 30 September 2017, compared to \$72.16 million as at 31 December 2016. The decrease was largely due as a result of strengthening of Sterling Pound against Singapore Dollar in Q3FY2017 which impacted on the translation of the Group's UK subsidiaries.
7. The increase in purchase consideration payable, from \$11.51 million as at 31 December 2016 to \$22.98 million as at 30 September 2017, was due to new additions of earn-out consideration payable to vendors following the Group's acquisitions of Ariva Pte Ltd and AC Consortium Pte Ltd in February 2017 and June 2017 respectively.
8. Trade and other payables declined to \$21.12 million, a decrease of \$3.73 million. This was primarily due to increase in payments by RSP, as well as, certain accruals and provisions reflected would relate to a nine-month period instead of a full fiscal year period .
9. Due to the foregoing, net asset value per share for the Group decreased to 8.46 cents as at 30 September 2017, from 8.68 cents as at 31 December 2016.

#### **Review of Statement of Cash Flows**

1. Net cash used in operating activities for Q3FY2017 amounted to \$0.54 million, which was mainly due to negative working capital changes and tax payment.
2. Net cash generated from investing activities for Q3FY2017 was \$1.15 million, which was mainly attributable to net maturity of fixed deposits amounting \$3.37 million, offset by additions of property, plant and equipment of \$2.22 million.
3. Net cash used in financing activity for Q3FY2017 of 2.09 million was mainly due to payment of interest of \$3.50 million, offset by new borrowings of \$1.41million.
4. Overall, the net decrease in cash and cash equivalents for Q3FY2017 was \$1.48 million.
5. As at 30 September 2017, the Group's cash and cash equivalents amounted to \$23.38 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.**

On 18 July 2017, the Group announced its plan to expand into the healthcare sector with the signing of a non-legally binding term sheet to purchase the healthcare assets of Mr Lim Eng Hock, a controlling shareholder of Rowsley. The healthcare assets include a 100% stake in Thomson Medical Pte Ltd and a 70.36% stake in TMC Life Sciences Berhad.

The Group is in the process of preparing and negotiating the terms of the definitive agreement and will make appropriate update announcements in due course.

**10. Dividend**

	Period ended	
	30 Sep 2017	30 Sep 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 30 September 2017, the exercise proceeds balance amounting to \$309,680 had been utilized for working capital.

**15. Negative Confirmation pursuant to rule 705(5)**

We, Tan Wee Tuck and Lai Huen Poh, 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 30 September 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 Executive Officer

Lai Huen Poh  
Executive Director and Managing Director, RSP

3 November 2017