



ROWSLEY LTD.

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

Unaudited Full Year Financial Statement Announcement For The Financial Year Ended 31 December 2016

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 YEAR ENDED 31 DECEMBER 2016 Group

		For financial year ended		
		31 Dec 2016	31 Dec 2015	Change
		\$'000	\$'000	%
Revenue		103,135	83,039	24
Other income	A	12,202	15,131	(19)
Staff costs		(69,250)	(56,570)	22
Other expenses	B	(41,032)	(25,460)	61
Foreign exchange loss, net		(1,843)	(732)	152
Share of profit of associated companies		789	1,971	(60)
Fair value changes in purchase consideration payable		8,532	2,250	279
Gain on remeasurement of previously held equity interest in an associate which became a subsidiary		4,338	-	NM
Impairment loss on property, plant and equipment		(30,444)	-	NM
Impairment loss on goodwill on subsidiaries		(42,445)	(10,057)	322
Impairment loss on investment in an associate		-	(5,217)	(100)
Impairment loss on investment in available-for sale financial assets		(636)	(2,879)	(78)
Impairment loss on investment property and development property		-	(24,354)	(100)
Loss before interest, tax, depreciation and amortisation (EBITDA)		(56,654)	(22,878)	148
Interest income		306	528	(42)
Finance costs	C	(7,559)	(5,277)	43
Depreciation and amortisation		(13,024)	(6,384)	104
Results from operating activities		(76,931)	(34,011)	126
Tax credit/ (expense)	D	7,108	(2,409)	NM
Loss for the year		(69,823)	(36,420)	92
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences - foreign operations		(16,548)	(46,844)	(65)
Net change in fair value of available-for-sale financial assets		(563)	(3,281)	(83)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss		636	2,879	(78)
Other comprehensive income for the year, net of tax		(16,475)	(47,246)	(65)
Total comprehensive income for the year		(86,298)	(83,666)	3
Loss attributable to:				
Equity holders of the Company		(63,298)	(36,298)	74
Non-controlling interests		(6,525)	(122)	5,248
Loss for the year		(69,823)	(36,420)	92
Total comprehensive income attributable to:				
Equity holders of the Company		(78,643)	(83,312)	(6)
Non-controlling interests		(7,655)	(354)	2,062
Total comprehensive income for the year		(86,298)	(83,666)	3

NM – Not meaningful

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

	Group	
	For financial year ended	
	31 Dec 2016	31 Dec 2015
Basic earnings per share	(1.379)	(0.835)
Diluted earnings per share	(1.379)	(0.835)

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

	Group		
	For financial year ended		
	31 Dec 2016	31 Dec 2015	Change
	\$'000	\$'000	%
(A) Other income			
Reversal of impairment loss on trade receivables	347	30	1057
Management consultancy fee	1,145	3,670	(69)
Sales of prints	220	231	(5)
Jobs credit/government grant	749	563	33
Wages reimbursed from customers	9,130	9,728	(6)
Gain on disposal of available-for-sale financial assets	32	-	NM
Gain from bargain purchase	-	814	(100)
Others	579	95	509
	<u>12,202</u>	<u>15,131</u>	<u>(19)</u>
(B) Other expenses			
Selling and marketing expenses	(3,472)	(2,173)	60
Directors' fee	(346)	(503)	(31)
Professional fees	(2,986)	(2,240)	33
Reversal of impairment loss on amount due from an associate	-	3,312	(100)
Rental	(5,913)	(4,683)	26
Travelling and entertainment expenses	(2,317)	(2,219)	4
Loss on disposal of property, plant and equipment	(61)	(441)	(86)
Repairs and maintenance	(1,855)	(796)	133
Impairment loss on trade and other receivables	(679)	(197)	245
Project expenses	(15,312)	(11,722)	31
Administrative expenses	(275)	(451)	(39)
Reversal of allowance for foreseeable losses	1,180	1,222	(3)
Gifts and donations	(380)	(285)	33
Advertisement	(174)	(208)	(16)
Telephone and internet	(304)	(241)	26
Utilities	(336)	(164)	105
Printing and stationery	(446)	(264)	69
Leasing of office equipment	(154)	(147)	5
Loss on write-off of call option	-	(497)	(100)
Hotel and café operating costs	(4,651)	(1,577)	195
Others	(2,551)	(1,186)	115
	<u>(41,032)</u>	<u>(25,460)</u>	<u>61</u>

NM – Not meaningful

	Group		
	For financial year ended		
	31 Dec 2016	31 Dec 2015	Change
	\$'000	\$'000	%
(C) Finance costs			
Interest on bank loans	(685)	(53)	1192
Interest expense on Medium Term Notes	(6,874)	(5,224)	32
	<u>(7,559)</u>	<u>(5,277)</u>	43
(D) Tax expense			
Current tax expense	(1,092)	(2,497)	(56)
Current deferred tax credit	8,194	255	3,113
Over/(under) provision in respect of prior years	6	(167)	NM
	<u>7,108</u>	<u>(2,409)</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	As at	As at	As at
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	56,173	95,787	161	279
Goodwill	78,873	108,265	-	-
Intangible assets	4,443	8,852	-	-
Investment property	148,444	150,916	-	-
Subsidiaries	-	-	507,416	552,329
Associates	26,866	34,014	-	-
Other investments	2,041	2,604	-	-
Deferred tax assets	548	549	-	-
	<u>317,388</u>	<u>400,987</u>	<u>507,577</u>	<u>552,608</u>
Current assets				
Development property	140,163	143,210	-	-
Work-in-progress	35,863	40,051	-	-
Inventories	302	280	-	-
Amounts due from subsidiaries – non-trade	-	-	9,627	14,348
Trade and other receivables	37,149	35,449	380	486
Cash and cash equivalents	37,580	37,326	6,644	15,885
	<u>251,057</u>	<u>256,316</u>	<u>16,651</u>	<u>30,719</u>
Total assets	<u>568,445</u>	<u>657,303</u>	<u>524,228</u>	<u>583,327</u>
EQUITY				
Share capital	782,967	742,202	782,967	742,202
Fair value reserve	363	290	-	-
Foreign currency translation reserve	(72,159)	(56,741)	-	-
Accumulated losses	(305,911)	(242,613)	(360,848)	(306,720)
Equity attributable to owners of the Company	<u>405,260</u>	<u>443,138</u>	<u>422,119</u>	<u>435,482</u>
Non-controlling interests	2,140	7,647	-	-
Total equity	<u>407,400</u>	<u>450,785</u>	<u>422,119</u>	<u>435,482</u>
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	3,171	12,071	20	20
Borrowings	116,100	120,079	99,526	99,170
Purchase consideration payable	11,513	-	-	-
	<u>130,784</u>	<u>132,150</u>	<u>99,546</u>	<u>99,190</u>
Current liabilities				
Excess of progress billings over work-in-progress	3,714	3,756	-	-
Trade and other payables	24,846	21,529	2,563	3,155
Current tax payable	706	2,584	-	-
Purchase consideration payable	-	45,500	-	45,500
Borrowings	995	999	-	-
	<u>30,261</u>	<u>74,368</u>	<u>2,563</u>	<u>48,655</u>
Total liabilities	<u>161,045</u>	<u>206,518</u>	<u>102,109</u>	<u>147,845</u>
TOTAL EQUITY AND LIABILITIES	<u>568,445</u>	<u>657,303</u>	<u>524,228</u>	<u>583,327</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 Dec 2016		As at 31 Dec 2015	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank loan	995	-	999	-

Amount repayable after one year:

	As at 31 Dec 2016		As at 31 Dec 2015	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank loan	16,574	-	20,909	-
Medium Term Notes	-	99,526	-	99,170

Medium Term Notes ("MTN")

On 27 March 2015, the Company issued S\$100 million 6.5 per cent fixed rate notes due on 27 March 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.

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	
	For the financial year ended	
	31 Dec 2016	31 Dec 2015
	\$'000	\$'000
Cash flows from operating activities		
Loss for the year	(69,823)	(36,420)
Adjustments for:		
- Tax expense/(credit)	(7,108)	2,409
- Depreciation of property, plant and equipment	4,694	1,748
- Amortisation of intangible assets	8,330	4,636
- Gain on disposal of available-for-sale financial assets	(32)	-
- Loss on disposal of property, plant and equipment	61	441
- Interest income	(306)	(528)
- Finance costs	7,559	5,277
- Share of profit of associates companies	(789)	(1,971)
- Gain on on remeasurement of previously held equity interest in an associate which became a subsidiary	(4,338)	-
- Fair value changes in purchase consideration payable	(8,532)	(2,250)
- Impairment loss on trade receivables	679	197
- Reversal of impairment loss on trade receivables	(347)	(30)
- Impairment loss on goodwill	42,445	10,057
- Impairment loss on available-for-sale financial assets	636	2,879
- Impairment loss on investment in an associate	-	5,217
- Reversal of impairment loss on amounts due from an associate	-	(3,312)
- Impairment loss on investment properties and development properties	-	24,354
- Impairment loss on property, plant and equipment	30,444	-
- Reversal of allowance for foreseeable losses	(1,180)	(1,222)
- Loss on write-off of call option	-	497
- Gain from bargain purchase	-	(814)
- Unrealised foreign exchange loss	1,665	168
Operating loss before working capital changes	4,058	11,333
Changes in working capital:		
- Inventories	(65)	171
- Work-in-progress	6,571	(12,626)
- Trade and other receivables	2,814	(1,244)
- Trade and other payables	(2,789)	(7,721)
- Progress billings	(42)	(1,409)
Cash generated from/(used in) operations	10,547	(11,496)
- Interest received	307	522
- Tax paid	(3,220)	(3,647)
Net cash generated from/(used in) operating activities	7,634	(14,621)
Cash flows from investing activities		
Net cash flows on acquisition of subsidiaries	3,290	(80,738)
Additions to property, plant and equipment	(2,434)	(1,645)
Proceeds from disposal of property, plant and equipment	248	1,685
Net proceeds from disposal of available-for-sale financial assets	32	-
Expenditure on investment property	(739)	-
Dividends received	1,746	700
Changes in fixed deposits	(1,384)	1,409
Net cash generated from/(used in) investing activities	759	(78,589)

Group
For the financial year
ended
31 Dec 2016 31 Dec 2015
\$'000 \$'000

Cash flows from financing activities

Proceeds from issuance of ordinary shares	-	7
Proceeds from issuance of medium term notes	-	98,951
Interest paid	(7,203)	(3,330)
Repayment of borrowings	(994)	(687)
Restricted cash	-	(3,267)
Net cash (used in)/generated from financing activities	(8,197)	91,674

Net increase/(decrease) in cash and cash equivalents

	196	(1,536)
Cash and cash equivalents at beginning of the year	34,059	35,141
Effect of exchange rate changes on cash held	(1,326)	454
Cash and cash equivalents at end of the year	32,929	34,059

Cash and cash equivalents comprise:

Cash and bank balances	30,527	28,735
Short-term deposits	7,053	8,591
	37,580	37,326
Less: Fixed deposits with maturities of more than 3 months	(1,336)	-
Restricted cash	(3,315)	(3,267)
Cash and cash equivalents in the consolidated statement of cash flows	32,929	34,059

Notes to Consolidated Statement of Cash Flows

On 4 August 2016, the Group acquired the remaining 65% of the issued and paid-up share capital of Squire Mech Private Limited ("Squire Mech") through a wholly owned subsidiary, RSP Architects Planners & Engineers (Pte) Ltd ("RSP"), for a total of \$15,340,000, by issuing 130,000,000 ordinary shares. An initial Consideration of 36,400,000 ordinary shares were issued on the same date. The remaining Consideration Shares shall be allotted and issued subject to the terms and conditions set out in the sale and purchase agreement, which include the achievement of an earn-out target.

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

	S\$'000
Property, plant and equipment	453
Cash and cash equivalents	3,274
Work-in-progress	1,202
Trade and other receivables	5,180
Deferred tax liabilities	(744)
Trade and other payables	(2,089)
Current tax liabilities	(127)
Total net assets of subsidiary company	7,149
Intangible assets	3,922
Goodwill arising from acquisition	14,769
Total purchase consideration	25,840
Fair value of existing 35% shares	10,500
Issue of shares as consideration	4,295
Purchase consideration payable	11,045
	25,840
Net cash inflows from the acquisition	
Cash and cash equivalents acquired	3,274
Purchase consideration	-
Net cashflows on acquisition	3,274

On 14 December 2016, the Group acquired 50% of the issued and paid-up share capital of Finestday Limited (“Finestday”) through a wholly owned subsidiary, Rowsley (Stox) Pte. Ltd, for a total cash consideration of \$2,166,000. At the same time, the group also extended an interest free loan of \$3,610,000 to Finestday Limited.

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

	S\$'000
Property, plant and equipment	6,331
Cash and cash equivalents	2,182
Trade and other receivables	186
Trade and other payables	(4,404)
Total net assets of subsidiary company	4,295
Non-controlling interest	(2,148)
Total purchase consideration	2,147
Net cash inflows from the acquisition	
Cash and cash equivalents acquired	2,182
Purchase consideration	(2,166)
Net cashflows on acquisition	16

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

STATEMENT OF CHANGES IN EQUITY

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	
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)
Change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	2,879	-	2,879	-	2,879
Total comprehensive income for the year	-	(46,612)	(402)	(36,298)	(83,312)	(354)	(83,666)
Transactions with owners, recorded directly in equity							
Contribution by and distributions to owners							
Issuance of ordinary shares	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	-	-	-	-	-	8,001	8,001
Total changes in ownership interests in subsidiaries	-	-	-	-	-	8,001	8,001
	24,977	-	-	-	24,977	8,001	32,978
At 31 December 2015	742,202	(56,741)	290	(242,613)	443,138	7,647	450,785

STATEMENT OF CHANGES IN EQUITY

Company

	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 January 2016	742,202	(306,720)	435,482
Total comprehensive income for the year			
Loss for the year	-	(54,128)	(54,128)
Total comprehensive income for the year	-	(54,128)	(54,128)
Transactions with owners, recorded directly in equity			
<i>Contribution by and distributions to owners</i>			
Issuance of ordinary shares	40,795	-	40,795
Issue costs	(30)	-	(30)
Total contribution by and distributions to owners	40,765	-	40,765
At 31 December 2016	<u>782,967</u>	<u>(360,848)</u>	<u>422,119</u>
At 1 January 2015	717,225	(195,978)	521,247
Total comprehensive income for the year			
Loss for the year	-	(110,742)	(110,742)
Total comprehensive income for the year	-	(110,742)	(110,742)
Transactions with owners, recorded directly in equity			
<i>Contribution by and distributions to owners</i>			
Issuance of ordinary shares	25,007	-	25,007
Issue costs	(30)	-	(30)
Total contribution by and distributions to owners	24,977	-	24,977
At 31 December 2015	<u>742,202</u>	<u>(306,720)</u>	<u>435,482</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 fourth quarter ended 31 December 2016, the Company issued 2,000 ordinary shares upon the exercise of warrants by a warrant holder. As at 31 December 2016, there were nil outstanding warrants (31 December 2015: 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 year and as at end of the immediately preceding year.

	As at 31 Dec 2016	As at 31 Dec 2015
Number of issued shares	4,669,643,931	4,383,241,931
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 year reported on.

There was no sale, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial year 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 year ended 31 December 2016, as compared with the Group's audited financial statements for the year ended 31 December 2015.

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 year 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 year ended	
	31 Dec 2016	31 Dec 2015
EPS based on net profit attributable to shareholders of the Company (cents):		
Basic*	(1.379)*	(0.835)*
Diluted**	(1.379)*	(0.835)***
Weighted average number of ordinary shares on issue as at the end of the year	4,591,466,461	4,346,906,336
Weighted average number of ordinary shares on issue after adjusting for effects of dilutive warrants as at the end of the period	4,591,466,461	6,297,881,542

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

** Based on the 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 Dec 2016	31 Dec 2015
Net asset value per ordinary share of		
Group (cents)	8.68	10.11
Company (cents)	9.04	9.94

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 \$103.13 million for FY2016, an increase of \$20.09 million. The increase was mainly due to full year contribution of \$14.94 million from the UK hospitality group, new revenue of \$5.48 million from Squire Mech Private Limited ("Squire Mech"), which was previously an associated company, but became a wholly owned subsidiary of the Group from August 2016.
2. Other income declined by \$2.93 million to to \$12.20 million in FY2016. The decline was mainly due to a one-time management fee of \$2.10 million related to an associated company, SMD International Pte Ltd ("SMD"), in FY2015.
3. Staff costs were \$69.25 million for FY2016, an increase of \$12.68 million from FY2015. The UK hospitality business added \$6.23 million of staff costs, Squire Mech added \$4.51 million while the balance was from from existing businesses.
4. Operating expenses amounted to \$41.03 million for FY2016, an increase of \$15.57 million. The increase was mainly due to a) inclusion of \$4.65 million for the UK hospitality business, b) inclusion of \$1.17 million for Squire Mech c) increase in RSP's project expenses of \$3.21 million, and d) increases in other selling and general administrative expenses. Operating expense in FY2015 was also lower due to a one time reversal of impairment loss of \$3.31 million on amount due from SMD.
5. The net foreign exchange loss of \$1.84 million mainly arose from our holdings of Sterling pound which depreciated against the Singapore dollar in FY2016 as a result of the Brexit referendum.
6. The gain on equity interest was related to fair value gain on the Group's existing 35% shareholding in Squire Mech. The \$4.34 million gain represented the difference between the carrying amount of the cost of investment in the associate and the enterprise value of Squire Mech, at the date of acquisition.
7. Share of profit from associated companies decreased from \$1.97 million for FY2015 to \$0.79 million for FY2016 mainly due to inclusion of full 12 months' share of profit from RSP Design Consultants (India) Private Limited, which was acquired on 5 August 2015, offset by the losses incurred by Squire Mech before the latter became a subsidiary.

8. The Company issued 250 million second and final earn-out shares to the RSP Vendors at \$0.146 per share on 24 March 2016, after the earn-out targets were met. The liability was measured at \$0.182 per share previously. As a result, the Company recorded a fair value gain arising from purchase consideration payable of \$9 million. However, the gain was partially offset by fair value loss arising from re-measurement of purchase consideration payable to Squire Mech Vendors.
9. The Group further impaired its holding of quoted equity securities in the current year.
10. In the current year, the Group provided for the following asset impairments:
 - (a) \$37.58 million of goodwill impairment related to the acquisition of RSP. The impairment was taken due to the weak market in Singapore and continued uncertain market outlook;
 - (b) \$30.44 million of fair value impairment for Hotel Football. The impairment was taken because the earnings came in below projections. The impairment also reflects a conservative approach in view of the uncertain market ahead due to Brexit. The hotel is now carried at near its replacement value.
 - (c) \$4.87 million of goodwill impairment related to the acquisition of GG Collections. The impairment was taken due to reduced management income from Hotel Football and delays in projects in the pipeline expected to be managed by GGC.
11. Finance costs increased by \$2.28 million to \$7.56 million in FY2016. The increase was largely due to a) recognition of full year of interest expenses accrued on the medium term notes in FY2016 compared to only half year's interest accrual in FY2015; and b) interest expense of \$0.69 million on financing for the acquisition of Hotel Football.
12. The increase in depreciation and amortisation of \$6.64 million to \$13.02 million in FY2016, was due to a) full amortisation of management contracts; b) inclusion of depreciation for Hotel Football; and c) amortisation of intangible assets - order backlog arising from the acquisitions of RSP and Squire Mech.
13. Overall, the Group recorded negative EBITDA of \$56.65 million and a loss for the year of \$69.82 million.

Review of Statement of Financial Position

1. The Group recorded net assets of \$407.40 million as at 31 December 2016 compared with \$450.79 million as at 31 December 2015, before excluding minority interests. The decrease was mainly due to a) goodwill impairment charges related to RSP and GG Collections; b) fair value impairment for Hotel Football; and c) depreciation of the Sterling Pound which affected our UK assets. The decrease was partially offset by settlement of purchase consideration payable to RSP Vendors
2. The Group recorded property, plant and equipment of \$56.17 million as at 31 December 2016 compared with \$95.79 million as at 31 December 2015. The decrease, besides depreciation, was again due to the depreciation of the Sterling Pound and fair value impairment of Hotel Football, offset by an increase of \$6.41 million following the Group's acquisition of 50% increase in Finestday Limited ("Finestday"), the company that owns the Stock Exchange Hotel in Manchester, UK.
3. The decrease in goodwill from \$108.27 million as at 31 December 2015 to \$78.87 million as at 31 December 2016 was mainly due to impairment charges for goodwill arising from the acquisitions of RSP and the GG Collections totalling \$42.45 million, which was partially offset by the recognition of goodwill of \$14.77 million arising from acquisition of Squire Mech.
4. The drop in the intangible assets was mainly due to fully amortisation of management contracts of \$6.00 million, offset by inclusion of order backlog of \$2.15 million arising from acquisition of Squire Mech.
5. The Group recorded a value of \$148.44 million for investment property as at 31 December 2016 compared with \$150.92 million as at 31 December 2015. The decrease was mainly due to weakening of the Malaysian Ringgit against the Singapore Dollar during the year. By the same reason, the value of the development property also decreased to \$140.16 million as at 31 December 2016, from \$143.21 million.
6. The increase in trade and other receivables from \$35.45 million as at 31 December 2015 to \$37.15 million as at 31 December 2016 was largely due to consolidation of trade and other receivables of

Squire Mech amounting to \$6.82 million post acquisition, partially offset by more receipts by RSP from its clients.

7. The Group recorded a higher debit balance of foreign currency translation reserve balance of \$72.16 million as at 31 December 2016, compared to \$56.74 million as at 31 December 2015. The increase was largely due to exchange loss arising from translation of the Group's UK subsidiaries as a result of the weakening of Sterling against Singapore Dollar in FY2016.
8. The decrease in deferred tax liabilities of \$9.69 million was attributed to the Hotel Football's impairment charge and the decline in translated balance of the UK subsidiaries due to depreciation of the Sterling against Singapore Dollar.
9. The purchase consideration payable of \$11.51 million was related to the earn-out consideration payable to Squire Mech Vendors.
10. Trade and other payables increased to \$24.85 million, an increase of \$3.32 million. This was primarily due to inclusion of liabilities of Squire Mech and Finestday, following the Group's acquisitions in August and December 2016 respectively.
11. The Company's share capital increased by \$40.77 million due to a) issuance of the second and final earn-out shares of 250 million at an issue price of \$0.146 per share to RSP Vendors on 24 March 2016, after earn-out targets were met; and b) issuance of initial consideration shares of 36.40 million at an issue price of \$0.118 per share to Squire Mech Vendors.
12. Due to the foregoing, net asset value per share for the Group decreased to 8.68 cents as at 31 December 2016, from 10.11 cents as at 31 December 2015.

Review of Statement of Cash Flows

1. Net cash generated from operating activities for FY2016 amounted to \$7.63 million, which was mainly due to positive working capital, partially offset by tax payment.
2. Net cash generated from investing activities for FY2016 was \$0.76 million, which was mainly attributable to the inclusion of cash and cash equivalent of \$3.29 million from Squire Mech and Finestday on acquisitions, and receipt of dividend income from RSP India, offset by additions of property, plant and equipment of \$2.43 million, expenditure on investment property of \$0.74 million and withdrawal of fixed deposits of \$1.38 million.
3. Net cash used in financing activity for FY2016 was mainly due to payment of interest of \$7.20 million, and repayment of borrowings of \$1.0 million.
4. Overall, the net increase in cash and cash equivalents for FY2016 was \$0.20 million.
5. As at 31 December 2016, the Group's cash and cash equivalents amounted to \$32.93 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.

For the consultancy business, whilst the private real estate market in Singapore remains weak, we will continue to pursue government projects as well as capturing growth in overseas market e.g. Vietnam and Dubai.

In the UK, planning approvals have been submitted for the St Michael's project.

The Hotel Football brand has strong growth potential and we intend to expand the number of Hotel Football. We are actively working on this expansion plan.

11. Dividend

	Year ended	
	31 Dec 2016	31 Dec 2015
(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 December 2016, the exercise proceeds amounting to \$1,309,320 had not been utilised.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1,Q2 & Q3 or Half Year Results)

15. Segment revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

	Property development and investment	Architectural, engineering and town- planning	Hospitality	Investments	Inter- segment eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2016						
Total revenue from external customers	33	86,839	16,263	-	-	103,135
Inter-segment revenue	-	-	545	10,000	(10,545)	-
Interest income	10	225	-	282	(211)	306
Depreciation and amortisation	294	2,730	2,717	94	7,189	13,024
Reportable segment (loss)/profit before tax	(21,824)	18,026	(22,726)	(1,647)	(6,515)	(34,686)
Share of profit of associates	-	789	-	-	-	789
Tax expense/(credit)	-	396	(6,260)	-	(1,244)	(7,108)
Reportable segment assets	291,573	143,525	58,996	536,173	(545,138)	485,129
Associates	-	26,866	-	-	-	26,866
Capital expenditure*	1,529	1,043	414	187	-	3,173
Reportable segment liabilities	391,940	29,412	76,625	102,314	(450,759)	149,532
31 December 2015						
Total revenue from external customers	-	82,309	1,359	-	(629)	83,039
Inter-segment revenue	-	-	59	10,000	(10,059)	-
Interest income	17	192	-	405	(86)	528
Depreciation and amortisation	311	1,430	(152)	100	4,695	6,384
Reportable segment (loss)/profit before tax	(81,517)	27,439	802	(121,171)	152,065	(22,382)
Share of profit/(loss) of associates	-	2,029	-	(58)	-	1,971
Tax expense/(credit)	-	2,425	(16)	-	-	2,409
Reportable segment assets	296,390	128,691	93,185	585,962	(564,042)	540,186
Associates	-	34,014	-	-	-	34,014
Capital expenditure*	29	1,588	8	20	-	1,645
Reportable segment liabilities	386,294	32,522	85,709	128,045	(471,552)	161,018

* Comprises property, plant and equipment of \$2,434,000 (31 Dec 2015: \$1,645,000) and expenditure on investment property of \$739,052 (31 Dec 2015: nil).

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Hospitality segment contributed full 12 month profit in the current year as opposed to one month in FY2015. Lower revenue and reportable segment profit was recorded from architectural, engineering and town-planning segment due to softness in the Singapore market, offset by inclusion of mechanical and engineering business unit following the acquisition of Squire Mech (Note 1(c)).

17. A breakdown of sales

	Group		
	Year ended		
	31 Dec 2016	31 Dec 2015	Change
	\$'000	\$'000	%
(a) Sales reported for first half year	42,805	34,117	25
(b) Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	(974)	3,628	NM
(c) Sales reported for second half year	60,330	48,922	23
(d) Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(68,849)	(40,048)	72

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Year ended	
	31 Dec 2016	31 Dec 2015
Ordinary	-	-
Preference	Not applicable	Not applicable
Total	-	-

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Rowsley Ltd. (the "Company") furnish below a list of person occupying a managerial position in the Company or in any of its subsidiaries who is related to a director or chief executive officer or substantial shareholder of the Company during the financial year ended 31 December 2016.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Tan Wee Tuck	47	Nephew of substantial shareholder, Mr Lim Eng Hock	Executive Director and Chief Financial Officer overseeing Treasury, Financial Reporting and Risk Management for Rowsley group since 2013	N.A
Vivien Heng Cheng Sim	59	Spouse of Mr Lai Huen Poh, the Executive Director and Managing Director, RSP of the Company	Director ⁽¹⁾ , Architectural Services, RSP	N.A.

⁽¹⁾ Her designation as a director is for functional purposes and she is not a statutory director of any entities within Rowsley group.

20. 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

25 February 2017