



## ROWSLEY LTD.

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

### Unaudited Second Quarter Financial Statement Announcement For The Financial Period Ended 30 June 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 PERIOD ENDED 30 JUNE 2016

	Group			Group		
	2 <sup>nd</sup> quarter ended 30 June			Half year ended 30 June		
	2016	2015	Change	2016	2015	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	22,316	17,773	26	42,805	34,117	25
Other income	A 2,479	2,633	(6)	5,616	6,163	(9)
Staff costs	(15,167)	(13,886)	9	(30,863)	(28,932)	7
Other expenses	B (10,625)	(6,065)	75	(19,191)	(10,841)	77
Foreign exchange loss, net	(868)	(1,141)	NM	(2,017)	(1,099)	NM
Share of (loss)/profit of associated companies	(500)	(57)	777	69	(7)	NM
Fair value changes in purchase consideration payable	-	4,125	NM	9,000	8,250	9
<b>(Loss)/Profit before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>(2,365)</b>	<b>3,382</b>	<b>(170)</b>	<b>5,419</b>	<b>7,651</b>	<b>(29)</b>
Interest income	29	167	(83)	135	223	(39)
Finance costs	C (1,890)	(1,690)	12	(3,785)	(1,764)	115
Depreciation and amortisation	(1,535)	(1,131)	36	(3,096)	(2,254)	37
<b>Results from operating activities</b>	<b>(5,761)</b>	<b>728</b>	<b>NM</b>	<b>(1,327)</b>	<b>3,856</b>	<b>NM</b>
Tax credit/(expense)	D 255	(212)	NM	353	(228)	NM
<b>(Loss)/profit for the period</b>	<b>(5,506)</b>	<b>516</b>	<b>NM</b>	<b>(974)</b>	<b>3,628</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	(11,873)	(14,820)	(20)	(3,975)	(21,104)	(81)
Net change in fair value of available-for-sale financial assets	(314)	(833)	(62)	(565)	(2,558)	(78)
<b>Other comprehensive income for the period, net of tax</b>	<b>(12,187)</b>	<b>(15,653)</b>	<b>(22)</b>	<b>(4,540)</b>	<b>(23,662)</b>	<b>(81)</b>
<b>Total comprehensive income for the period</b>	<b>(17,693)</b>	<b>(15,137)</b>	<b>17</b>	<b>(5,514)</b>	<b>(20,034)</b>	<b>(72)</b>
<b>(Loss)/ Profit attributable to:</b>						
Equity holders of the Company	(5,294)	516	NM	(528)	3,628	NM
Non-controlling interests	(212)	-	NM	(446)	-	NM
<b>(Loss)/ Profit for the period</b>	<b>(5,506)</b>	<b>516</b>	<b>NM</b>	<b>(974)</b>	<b>3,628</b>	<b>NM</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	(16,911)	(15,137)	(65)	(3,695)	(20,034)	(82)
Non-controlling interests	(782)	-	NM	(1,819)	-	NM
<b>Total comprehensive income for the period</b>	<b>(17,693)</b>	<b>(15,137)</b>	<b>NM</b>	<b>(5,514)</b>	<b>(20,034)</b>	<b>(72)</b>

NM – Not meaningful

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

	Group		Group	
	2 <sup>nd</sup> quarter ended 30 June		Half year ended 30 June	
	2016	2015	2016	2015
Basic earnings per share	(0.114)	0.012	(0.012)	0.084
Diluted earnings per share	(0.114)	0.008	(0.012)	0.058

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

	Group			Group		
	2 <sup>nd</sup> quarter ended 30 June			Half year ended 30 June		
	2016	2015	Change	2016	2015	Change
	\$'000	\$'000	%	\$'000	\$'000	%
(A) Other income						
Management consultancy fee	228	450	(49)	406	818	(50)
Sales of prints	53	59	(10)	97	81	20
Jobs credit/government grant	138	38	263	415	348	19
Wages reimbursed from customers	2,039	2,086	(2)	4,629	4,891	(5)
Gain on disposal of available for sale financial assets	-	-	NM	32	-	NM
Gain on disposal of PPE	1	-	NM	1	-	NM
Others	20	-	NM	36	25	44
	<u>2,479</u>	<u>2,633</u>	(6)	<u>5,616</u>	<u>6,163</u>	(9)
(B) Other expenses						
Selling and marketing expenses	(886)	(459)	93	(1,763)	(954)	85
Directors' fee	(87)	(129)	(33)	(189)	(253)	(25)
Professional fees	(568)	(595)	(5)	(1,087)	(849)	28
Rental	(1,327)	(1,149)	15	(2,633)	(2,300)	14
Travelling and entertainment expenses	(379)	(619)	(39)	(1,016)	(1,221)	(17)
Loss on disposal of property, plant and equipment	(30)	(15)	100	(63)	(15)	320
Repairs and maintenance	(480)	(233)	106	(954)	(447)	113
Project expenses	(4,558)	(2,488)	83	(7,476)	(4,200)	78
Administrative expenses	(66)	(67)	(1)	(143)	(180)	(21)
Reversal of allowance for foreseeable losses	194	353	(45)	465	633	(27)
Gifts and donations	(280)	(1)	27,900	(342)	(6)	5,600
Advertisement	(44)	(76)	(42)	(63)	(104)	(39)
Telephone and internet	(68)	(62)	10	(144)	(121)	19
Utilities	(71)	(43)	65	(145)	(85)	71
Printing and stationery	(87)	(64)	36	(170)	(121)	40
Leasing of office equipment	(82)	(35)	134	(119)	(69)	72
Hotel and café operating costs	(1,202)	-	NM	(2,276)	-	NM
Others	(604)	(383)	58	(1,073)	(549)	95
	<u>(10,625)</u>	<u>(6,065)</u>	75	<u>(19,191)</u>	<u>(10,841)</u>	77

NM – Not meaningful

	Group			Group		
	2 <sup>nd</sup> quarter ended 30 June			Half year ended 30 June		
	2016	2015	Change	2016	2015	Change
	\$'000	\$'000	%	\$'000	\$'000	%
(C) Finance costs						
Interest on bank loans	(182)	-	NM	(370)	-	NM
Interest expense on Medium Term Notes	(1,708)	(1,690)	1	(3,415)	(1,764)	94
	<u>(1,890)</u>	<u>(1,690)</u>	12	<u>(3,785)</u>	<u>(1,764)</u>	115
(D) Tax expense						
Current tax credit/ (expense)	175	(232)	NM	(169)	(323)	(48)
Current deferred tax credit	83	88	(6)	525	163	222
Under provision in respect of prior years	(3)	(68)	(96)	(3)	(68)	(96)
	<u>255</u>	<u>(212)</u>	NM	<u>353</u>	<u>(228)</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
	30 Jun 16	31 Dec 15	30 Jun 16	31 Dec 15
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	82,023	95,787	253	279
Goodwill	106,764	108,265	-	-
Intangible assets	8,456	8,852	-	-
Investment property	154,179	150,916	-	-
Subsidiaries	-	-	206,332	552,329
Associates	32,658	34,014	-	-
Other investments	2,039	2,604	-	-
Deferred tax assets	476	549	-	-
	<u>386,595</u>	<u>400,987</u>	<u>206,585</u>	<u>552,608</u>
<b>Current assets</b>				
Development property	145,822	143,210	-	-
Work-in-progress	38,687	40,051	-	-
Inventories	287	280	-	-
Amounts due from subsidiaries – non-trade	-	-	359,407	14,348
Trade and other receivables	27,551	35,449	593	486
Cash and cash equivalents	34,276	37,326	12,773	15,885
	<u>246,623</u>	<u>256,316</u>	<u>372,773</u>	<u>30,719</u>
<b>Total assets</b>	<b><u>633,218</u></b>	<b><u>657,303</u></b>	<b><u>579,358</u></b>	<b><u>583,327</u></b>
<b>EQUITY</b>				
Share capital	778,672	742,202	778,672	742,202
Fair value reserve	(275)	290	-	-
Foreign currency translation reserve	(59,343)	(56,741)	-	-
Accumulated losses	(243,141)	(242,613)	(301,173)	(306,720)
<b>Equity attributable to owners of the Company</b>	<b><u>475,913</u></b>	<b><u>443,138</u></b>	<b><u>477,499</u></b>	<b><u>435,482</u></b>
<b>Non-controlling interests</b>	<b>5,828</b>	<b>7,647</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b><u>481,741</u></b>	<b><u>450,785</u></b>	<b><u>477,499</u></b>	<b><u>435,482</u></b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities	10,192	12,071	20	20
Borrowings	117,460	120,079	99,344	99,170
	<u>127,652</u>	<u>132,150</u>	<u>99,364</u>	<u>99,190</u>
<b>Current liabilities</b>				
Excess of progress billings over work-in-progress	5,328	3,756	-	-
Trade and other payables	17,119	21,529	2,494	3,155
Current tax payable	1,021	2,584	-	-
Purchase consideration payable	-	45,500	-	45,500
Borrowings	357	999	-	-
	<u>23,825</u>	<u>74,368</u>	<u>2,494</u>	<u>48,655</u>
<b>Total liabilities</b>	<b><u>151,477</u></b>	<b><u>206,518</u></b>	<b><u>101,858</u></b>	<b><u>147,845</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>633,218</u></b>	<b><u>657,303</u></b>	<b><u>579,357</u></b>	<b><u>583,327</u></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 Jun 2016		As at 31 Dec 2015	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank loan	357	-	999	-

Amount repayable after one year:

	As at 30 Jun 2016		As at 31 Dec 2015	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank loan	18,116	-	20,909	-
Medium Term Notes	-	99,344	-	99,170

**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.

**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	
	2 <sup>nd</sup> quarter ended 30 June		Half year ended 30 June	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
(Loss)/ Profit for the period	(5,506)	516	(974)	3,628
Adjustments for:				
- Tax (credit)/expense	(255)	212	(353)	228
- Depreciation of property, plant and equipment	1,338	467	2,700	926
- Amortisation of intangible assets	197	664	396	1,328
- Gain on disposal of available-for-sale financial assets	-	-	(32)	-
- Loss on disposal of property, plant and equipment	30	15	62	15
- Interest income	(29)	(167)	(135)	(223)
- Interest expense	1,890	1,690	3,785	1,764
- Share of (loss)/profit of associated companies	500	57	(69)	7
- Fair value changes in purchase consideration payable, net of settlement loss	-	(4,125)	(9,000)	(8,250)
- Reversal of allowance for foreseeable losses	(194)	(353)	(465)	(633)
- Unrealised foreign exchange loss	127	564	1,023	923
<b>Operating loss before working capital changes</b>	<b>(1,902)</b>	<b>(460)</b>	<b>(3,062)</b>	<b>(287)</b>
Changes in working capital:				
- Inventories	(19)	-	(7)	-
- Work-in-progress	2,536	(675)	1,829	(3,869)
- Trade and other receivables	(2,969)	1,485	7,791	7,116
- Trade and other payables	2,090	(3,928)	(4,427)	(10,329)
- Progress billings	2,238	(1,256)	1,572	(972)
- Development properties	-	(62)	-	(80)
Cash generated from/(used in) operations	1,974	(4,896)	3,696	(8,421)
- Interest received	19	163	165	219
- Tax paid	(1,101)	(1,059)	(1,733)	(2,042)
<b>Net cash generated from/(used in) operating activities</b>	<b>892</b>	<b>(5,792)</b>	<b>2,128</b>	<b>(10,244)</b>
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment	(365)	(262)	(932)	(673)
Proceeds from disposal of property, plant and equipment	7	-	125	2
Net proceeds from disposal of available-for-sale financial assets	-	-	32	-
Expenditure on investment properties	(524)	(4)	(524)	(23)
Dividend received from an associated company	709	700	1,396	700
Movement in fixed deposits	1,474	193	(678)	717
<b>Net cash generated from/(used in) investing activities</b>	<b>1,301</b>	<b>627</b>	<b>(581)</b>	<b>723</b>
<b>Cash flows from financing activities</b>				
Expenditure from issuance and listing of ordinary shares	-	-	(30)	-
Net proceeds from issuance of Notes	-	-	-	98,951
Interest paid	(182)	-	(3,611)	-
Repayment of borrowings	-	-	(271)	-
Restricted cash	-	-	-	(3,250)
<b>Net cash (used in)/generated from financing activities</b>	<b>(182)</b>	<b>-</b>	<b>(3,912)</b>	<b>95,701</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,011</b>	<b>(5,165)</b>	<b>(2,365)</b>	<b>86,180</b>
Cash and cash equivalents at beginning of the period	28,668	126,551	34,059	35,141
Effect of exchange rate changes on cash held	(348)	(857)	(1,363)	(792)
<b>Cash and cash equivalents at end of the period</b>	<b>30,331</b>	<b>120,529</b>	<b>30,331</b>	<b>120,529</b>

	<b>Group</b>		<b>Group</b>	
	<b>2<sup>nd</sup> quarter ended 30 June</b>		<b>Half year ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash and cash equivalents comprise:</b>				
Cash and bank balances	28,301	116,426	28,301	116,426
Short-term deposits	5,975	8,035	5,975	8,035
	<b>34,276</b>	<b>124,461</b>	<b>34,276</b>	<b>124,461</b>
Less: Fixed deposits with maturities of more than 3 months	(678)	(682)	(678)	(682)
Cash held in interest service reserve account	(3,267)	(3,250)	(3,267)	(3,250)
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>30,331</b>	<b>120,529</b>	<b>30,331</b>	<b>120,529</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	Non-controlling interests	Total equity
	Share capital	Foreign currency translation reserve	Fair value reserve	Accumulated losses			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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 for the period	-	-	-	(528)	(528)	(446)	(974)
<i>Other comprehensive income</i>							
Foreign currency translation differences for foreign operations	-	(2,602)	-	-	(2,602)	(1,373)	(3,975)
Net change in fair value of available-for-sale financial assets	-	-	(565)	-	(565)	-	(565)
<b>Total comprehensive income for the period</b>	-	(2,602)	(565)	(528)	(3,695)	(1,819)	(5,514)
<b>Transactions with owners, recorded directly in equity</b>							
<b>Contribution by and distributions to owners</b>							
Issuance of ordinary shares	36,500	-	-	-	36,500	-	36,500
Issue costs	(30)	-	-	-	(30)	-	(30)
<b>Total contribution by and distributions to owners</b>	36,470	-	-	-	36,470	-	36,470
<b>Total transactions with owners, recorded directly in equity</b>	36,470	-	-	-	36,470	-	36,470
<b>At 30 June 2016</b>	<u>778,672</u>	<u>(59,343)</u>	<u>(275)</u>	<u>(243,141)</u>	<u>475,913</u>	<u>5,828</u>	<u>481,741</u>



## STATEMENT OF CHANGES IN EQUITY

### Group

	Attributable to owners of the Group				Total equity \$'000
	Share capital \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000	Accumulated losses \$'000	
	<b>At 1 January 2015</b>	717,225	(10,129)	692	
<b>Total comprehensive income for the year</b>					
Profit for the period	–	–	–	3,628	3,628
<i>Other comprehensive income</i>					
Foreign currency translation differences for foreign operations	–	(21,104)	–	–	(21,104)
Net change in fair value of available-for-sale financial assets, net of tax	–	–	(2,558)	–	(2,558)
<b>Total comprehensive income for the period</b>	–	(21,104)	(2,558)	3,628	(20,034)
<b>Transactions with owners, recorded directly in equity</b>					
<i>Contribution by and distributions to owners</i>					
Issuance of ordinary shares	25,000	–	–	–	25,000
Issue costs	(30)	–	–	–	(30)
<b>Total contribution by and distributions to owners</b>	24,970	–	–	–	24,970
<b>At 30 June 2015</b>	<b>742,195</b>	<b>(31,233)</b>	<b>(1,866)</b>	<b>(202,687)</b>	<b>506,409</b>

### Company

	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
<b>At 1 January 2016</b>	742,202	(306,720)	435,482
<b>Total comprehensive income for the period</b>			
Profit for the period	–	5,547	5,547
<b>Total comprehensive income for the period</b>	–	5,547	5,547
<b>Transactions with owners, recorded directly in equity</b>			
<i>Contribution by and distributions to owners</i>			
Issuance of ordinary shares	36,500	–	36,500
Issue costs	(30)	–	(30)
<b>Total contribution by and distributions to owners</b>	36,470	–	36,470
<b>At 30 June 2016</b>	<b>778,672</b>	<b>(301,173)</b>	<b>477,499</b>
<b>At 1 January 2015</b>	717,225	(195,978)	521,247
<b>Total comprehensive income for the period</b>			
Profit for the period	–	12,334	12,334
<b>Total comprehensive income for the period</b>	–	12,334	12,334
<b>Transactions with owners, recorded directly in equity</b>			
<i>Contribution by and distributions to owners</i>			
Issuance of ordinary shares	25,000	–	25,000
Issue costs	(30)	–	(30)
<b>Total contribution by and distributions to owners</b>	24,970	–	24,970
<b>At 30 June 2015</b>	<b>742,195</b>	<b>(183,644)</b>	<b>558,551</b>

- 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 half year ended 30 June 2016, the Company issued 250,000,000 ordinary shares at market value of \$36.50 million to the RSP Vendors as final settlement of the contingent purchase consideration payable in relation to the Second Earn-out Target as agreed and set out in the sale and purchase agreement (please refer to the Company's circular to shareholders dated 20 August 2013 for details). As at 30 June 2016, there were 1,971,328,530 outstanding warrants (30 June 2015: 1,971,364,530).

- 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.**

	<b>As at 30 Jun 2016</b>	<b>As at 31 Dec 2015</b>
Number of issued shares	4,633,241,931	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 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 June 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 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).**

	2nd quarter ended		Half year ended	
	30 Jun		30 Jun	
	2016	2015	2016	2015
EPS based on net profit attributable to shareholders of the Company (cents):				
Basic	(0.114)*	0.012*	(0.012)*	0.084*
Diluted	(0.114)**	0.008**	(0.012)**	0.058**
Weighted average number of ordinary shares on issue as at the end of the period	4,633,241,931	4,361,227,909	4,519,230,942	4,310,001,511
Weighted average number of ordinary shares on issue after adjusting for effects of dilutive warrants as at the end of the period	4,633,241,931	6,312,890,834	4,519,230,942	6,262,061,019

\* 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	
	30 Jun 2016	31 Dec 2015
Net asset value per ordinary share of		
Group (cents)	10.29	10.11
Company (cents)	10.31	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**

### **Second quarter ended 30 June 2016 (“Q2FY2016”) vs Second quarter ended 30 June 2015 (“Q2FY2015”)**

1. The Group reported a revenue of \$22.32 million for Q2FY2016, as compared to \$17.77 million in the same quarter last year (“Q2FY2015”). The increase of \$4.55 million was mainly due to contribution of \$4.23 million from the UK hospitality group and \$0.36 million increase in RSP’s revenue. The hospitality group was acquired on 24 November 2015.
2. Staff costs were \$15.17 million for Q2FY16, an increase of \$1.28 million from Q2FY2015. The UK hospitality business added \$1.79 million of staff costs but this was offset by a decrease in staff costs for existing businesses.
3. Operating expenses amounted to \$10.63 million for Q2FY2016, an increase of \$4.56 million. The increase was mainly due to, a) inclusion of \$1.20 million of operating expenses for the UK hospitality business, b) increase in RSP’s project expenses of \$2.07 million and c) increase in other operating expenses totaling \$1.12 million.
4. The net foreign exchange loss of \$0.87 million mainly arose from depreciation of Sterling pound against Singapore dollar in Q2FY2016.
5. Share of loss from associated companies increased from \$0.05 million in Q1FY2015 to \$0.50 million in Q2FY2016 mainly due to higher losses from Squire Mech Pte Ltd and RSP Architects Sdn Bhd. Partially offset by share of profit from RSP Design Consultants (India) Private Limited.
6. Overall, the Group recorded a negative EBITDA of \$2.37 million and a loss for the period of \$5.50 million.

### **Half year ended 30 June 2016 (“H1FY2016”) vs Half year ended 30 June 2015 (“H1FY2015”)**

1. The Group reported a revenue of \$42.81 million for H1FY2016, as compared to \$34.12 million in the same period last year (“H1FY2015”). The increase of \$8.69 million was mainly due to contribution of \$8.15 million from the UK hospitality group and \$0.54 million increase in RSP’s revenue.
2. Staff costs were \$30.86 million for H1FY16, an increase of \$1.93 million from H1FY2015. The UK hospitality business added \$3.54 million of staff costs but this was offset by a decrease in staff costs for existing businesses.
3. Operating expenses amounted to \$19.19 million for H1FY2016, an increase of \$8.35 million. The increase was mainly due to, a) inclusion of \$2.23 million of operating expenses for the UK hospitality business, b) increase in RSP’s project expenses of \$3.28 million and c) increase in other operating expenses totaling \$2.26 million.
4. The net foreign exchange loss of \$2.02 million mainly arose from depreciation of US dollar and Sterling pound against Singapore dollar in H1FY2016.

5. 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.
6. Finance costs increased from \$1.76 million in H1FY2015 to \$3.79 million in H1FY2016. The increase of \$2.03 million was largely due to a) an increase in \$1.65 million interest of fixed rate medium term notes of S\$100 million due 2018, which took the full half year effect in the period under review, as opposed to a quarter's accrual in H1FY2015, when the notes were issued on 27 March 2015; and b) interest expense of \$0.37 million attributed to the UK hospitality group.
7. The increase in depreciation and amortisation of \$0.85 million, from \$2.25 million in H1FY2015 to \$3.10 million in H1FY2016, was primarily due to inclusion of depreciation for the hotel building of the UK hospitality group.
8. Overall, the Group recorded EBITDA of \$5.42 million and a loss for the period of \$0.97 million.

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

1. The Group recorded net assets of \$481.74 million as at 30 June 2016 compared with \$450.79 million as at 31 December 2015, before excluding minority interests. The increase was mainly due to settlement of purchase consideration payable and increased value on the Iskandar land due to the appreciation of the Ringgit but partially offset by the decrease in value of the UK hotel building due to the depreciation of the Sterling.
2. The Group recorded property, plant and equipment of \$82.02 million as at 30 June 2016 compared with \$95.79 million as at 31 December 2015. The decrease, besides depreciation, was largely due to weakening of the Sterling against Singapore Dollar during the period under review. As a result, the UK hotel building was translated at a lower value in Q2FY2016.
3. The increase in investment property value from \$150.92 million as at 31 December 2015 to \$154.18 million as at 30 June 2016 was mainly due to strengthening of Malaysian Ringgit against Singapore Dollar in Q2FY2016. By the same reason, development property increased from \$143.21 million as at 31 December 2015 to \$145.82 million as at 30 June 2016.
4. The decline in trade and other receivables from \$35.45 million as at 31 December 2015 to \$27.55 million as at 30 June 2016 was largely due to more receipts from RSP's clients.
5. The Group recorded a higher debit balance of foreign currency translation reserve balance of \$59.34 million as at 30 June 2016, compared to \$56.74 million as at 31 December 2015. The increase was largely due exchange loss arising from translation of the Group's UK subsidiaries as a result of the weakening of Sterling against Singapore Dollar in Q2FY2016.
6. Trade and other payables declined to \$17.12 million, a decrease of \$4.41 million. This was primarily due to a) increase in progress payments made to sub-contractors; b) payment of accrued FY2015 bonus in the current period; and c) payment of accrued MTN interest.
7. On 24 March 2016, the Company issued second and final earn-out shares of 250 million at an issue price of \$0.146 per share to RSP Vendors, after earn-out targets were met. As a result, the Company's share capital increased by \$36.47 million to \$778.67 million as at 30 June 2016. At the same time, the purchase consideration payable of \$45.50 million was settled.
8. Due to the foregoing, net asset value per share for the Group increased to 10.64 cents as at 31 March 2016, from 10.11 cents as at 31 December 2015.

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

1. Net cash generated from operating activities for Q2FY16 amounted to \$0.89 million, which was mainly due to positive working capital, partially offset by tax payment.
2. Net cash generated from investing activities for Q2FY16 was \$1.30 million, which was mainly attributable to withdrawal of fixed deposits of \$1.47 million and dividend received from RSP India of \$0.71 million, offset by additions of property, plant and equipment of \$0.37 million and expenditure on investment property of \$0.52 million.

3. Net cash used in financing activity for Q2FY16 was mainly due to payment of bank loan interest of \$0.18 million.
4. Overall, the net increase in cash and cash equivalents for Q2FY16 was \$2.01 million.
5. As at 30 June 2016, the Group's cash and cash equivalents amounted to \$34.28 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 result of the Brexit referendum held on June 23, 2016 has introduced significant uncertainties to the UK and affected many areas of the economy including the real estate market. While a new government is in place, there are many negotiations ahead for the UK to leave the EU and therefore continued business uncertainties.

With Brexit, the Sterling has depreciated sharply against major currencies including the Singapore dollar. While this has impacted the value of our assets in the UK because of foreign currency translation, the weaker Sterling has also lowered the cost of new investments into the UK, in particular, the proposed St. Michael's mixed development project. Overseas buyers that we are planning to target to sell the project too will also benefit from the currency advantage.

Whilst there remains uncertainties as to the demand for real estate in the UK, our bankers, partners and advisors in the UK have expressed confidence in the project, citing the strong fundamentals of Manchester, its prime city center location and the overall development proposition. We will continue to evaluate the market whilst proceeding with public consultation and planning approval submissions.

In Singapore, the private real estate market in Singapore continues to be difficult. While RSP continue to receive strong support from our customers and secure new projects, tough competition and pricing pressure have intensified which is expected to weigh on the business. RSP continues to pursue projects in overseas market to offset the softness in Singapore.

To reinforce its professional consultancy business, on June 20, 2016, the Group announced that it will acquire the remaining 65% of Squire Mech that it currently does not own, for up to \$19.5 million. Squire Mech is a leading mechanical and engineering firm, and the acquisition would give the Group full control to realize synergies across RSP and Squire Mech. The acquisition is expected to close in August. The Group expects the acquisition to contribute positively to its bottom line upon completion.

The Group continues to execute on plans previously announced for the other parts of its business e.g. the Vantage Bay Healthcare City project as well as its hospitality business. In this and other areas, the Group will make the necessary announcements when there are significant and/or appropriate developments.

**11. Dividend**

	Period ended	
	30 Jun 2016	30 Jun 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 30 June 2016, the exercise proceeds amounting to \$1,309,320 had not been utilised. 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 30 June 2016 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

22 July 2016