



## 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 2014

#### 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 2014

	Group			Group		
	3 <sup>rd</sup> quarter ended 30 Sep			9 months ended 30 Sep		
	2014	2013	Change	2014	2013	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	20,956	-	NM	64,926	-	NM
Other income	A 55,787	1,200	NM	68,149	1,337	NM
Staff costs	(14,855)	(343)	NM	(44,030)	(1,035)	NM
Other expenses	B (5,464)	(3,527)	55	(17,920)	(6,914)	NM
Share of profit/(loss) of associated companies	142	135	5	1,126	(1,625)	NM
<b>Profit/(loss) before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>56,566</b>	<b>(2,535)</b>	<b>NM</b>	<b>72,251</b>	<b>(8,237)</b>	<b>NM</b>
Interest income	45	(38)	NM	108	43	NM
Depreciation and amortisation	(3,545)	(12)	NM	(10,647)	(37)	NM
<b>Total profit/(loss) before tax</b>	<b>53,066</b>	<b>(2,585)</b>	<b>NM</b>	<b>61,712</b>	<b>(8,231)</b>	<b>NM</b>
Tax (expense)/credit	(499)	-	NM	(1,225)	2	NM
<b>Total profit/(loss) after tax</b>	<b>52,567</b>	<b>(2,585)</b>	<b>NM</b>	<b>60,487</b>	<b>(8,229)</b>	<b>NM</b>
<b>Other comprehensive income</b>						
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Available-for-sale financial assets						
- Fair value (loss)/gain, net of tax	(587)	242	NM	(1,375)	(1,442)	(5)
- Transfer to profit or loss on disposal	-	-	-	-	(115)	NM
Foreign currency translation differences - foreign operations	249	(37)	NM	56	(37)	NM
<b>Other comprehensive income, net of tax</b>	<b>(338)</b>	<b>205</b>	<b>NM</b>	<b>(1,319)</b>	<b>(1,594)</b>	<b>(17)</b>
<b>Total comprehensive income for the period</b>	<b>52,229</b>	<b>(2,380)</b>	<b>NM</b>	<b>59,168</b>	<b>(9,823)</b>	<b>NM</b>
<b>Profit/(loss) attributable to equity holders of the Company</b>	<b>52,567</b>	<b>(2,585)</b>	<b>NM</b>	<b>60,487</b>	<b>(8,229)</b>	<b>NM</b>
<b>Total comprehensive income attributable to equity holders of the Company</b>	<b>52,229</b>	<b>(2,380)</b>	<b>NM</b>	<b>59,168</b>	<b>(9,823)</b>	<b>NM</b>

NM – Not meaningful

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

	Group		Group	
	3 <sup>rd</sup> quarter ended 30 Sep		9 months ended 30 Sep	
	2014	2013	2014	2013
Basic earnings/(loss) per share	1.235	(0.215)	1.422	(0.776)
Diluted earnings/(loss) per share	0.846	(0.215)	0.973	(0.776)

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

	Group			Group		
	3 <sup>rd</sup> quarter ended 30 Sep			9 months ended 30 Sep		
	2014	2013	Change	2014	2013	Change
	\$'000	\$'000	%	\$'000	\$'000	%
(A) Other income						
Gain on disposal of available-for-sale financial assets	-	-	NM	2,340	137	NM
Reversal of impairment loss on trade receivables	4	-	NM	77	-	NM
Management consultancy fee	687	-	NM	1,627	-	NM
Sales of prints	62	-	NM	152	-	NM
Jobs credit/government grant	151	-	NM	418	-	NM
Foreign exchange gain, net	(49)	1,200	NM	2,826	1,200	NM
Wages reimbursed from customers	2,741	-	NM	8,378	-	NM
Fair value changes in purchase consideration payable	52,125	-	NM	52,125	-	NM
Others	66	-	NM	206	-	NM
	<u>55,787</u>	<u>1,200</u>	<u>NM</u>	<u>68,149</u>	<u>1,337</u>	<u>NM</u>
(B) Other expenses						
Selling and marketing expenses	(256)	-	NM	(1,293)	-	NM
Directors' fee	(127)	(44)	NM	(365)	(140)	NM
Professional fees	(198)	(3,250)	NM	(991)	(3,315)	NM
Rental	(1,144)	(29)	NM	(3,424)	(82)	NM
Impairment loss on available-for-sale financial assets	-	-	NM	-	(2,994)	NM
Travelling and entertainment	(427)	(11)	NM	(1,381)	(44)	NM
Loss on disposal of property, plant and equipment	(21)	-	-	(21)	-	NM
Impairment loss on trade receivables	(34)	-	NM	(34)	-	NM
Repairs and maintenance	(166)	(6)	NM	(524)	(10)	NM
Foreign exchange loss, net	119	-	NM	(25)	(1)	NM
Project expenses	(2,562)	-	NM	(7,796)	-	NM
Administrative expenses	(204)	-	NM	(266)	-	NM
EGM expenses	-	(92)	NM	-	(92)	NM
Others	(444)	(95)	NM	(1,800)	(236)	NM
	<u>(5,464)</u>	<u>(3,527)</u>	<u>55</u>	<u>(17,920)</u>	<u>(6,914)</u>	<u>NM</u>

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**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 Sep 14</b>	<b>As at 31 Dec 13</b>	<b>As at 30 Sep 14</b>	<b>As at 31 Dec 13</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	9,243	8,907	376	269
Goodwill	107,092	107,092	-	-
Intangible assets	18,343	27,694	-	-
Investment properties	192,256	190,739	-	-
Investment in subsidiaries	-	-	190,464	190,464
Investment in associated companies	20,879	20,450	-	-
Other investments	5,887	5,064	-	-
Derivatives	4,595	4,595	-	-
	<u>358,295</u>	<u>364,541</u>	<u>190,840</u>	<u>190,733</u>
<b>Current assets</b>				
Development properties	189,065	181,000	-	-
Work-in-progress	26,144	20,291	-	-
Amounts due from subsidiaries – non-trade	-	-	400,603	388,622
Trade and other receivables	26,669	25,389	218	144
Cash and cash equivalents	29,163	32,496	4,511	9,129
	<u>271,041</u>	<u>259,176</u>	<u>405,332</u>	<u>397,895</u>
<b>Total assets</b>	<u>629,336</u>	<u>623,717</u>	<u>596,172</u>	<u>588,628</u>
<b>EQUITY</b>				
Share capital	717,225	715,922	717,225	715,922
Fair value reserve	460	1,835	-	-
Foreign currency translation reserve	51	(5)	-	-
Accumulated losses	(195,272)	(255,759)	(196,447)	(254,573)
<b>Total equity</b>	<u>522,464</u>	<u>461,993</u>	<u>520,778</u>	<u>461,349</u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities	3,861	5,370	20	20
Purchase consideration payable	74,625	126,750	74,625	126,750
	<u>78,486</u>	<u>132,120</u>	<u>74,645</u>	<u>126,770</u>
<b>Current liabilities</b>				
Excess of progress billings over work-in-progress	4,693	6,519	-	-
Trade and other payables	20,306	18,503	749	509
Current tax payable	3,387	4,582	-	-
	<u>28,386</u>	<u>29,604</u>	<u>749</u>	<u>509</u>
<b>Total liabilities</b>	<u>106,872</u>	<u>161,724</u>	<u>75,394</u>	<u>127,279</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>629,336</u>	<u>623,717</u>	<u>596,172</u>	<u>588,628</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 30 Sep 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

Amount repayable after one year:

As at 30 Sep 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

**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.**

<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<b>3<sup>rd</sup> quarter ended 30 Sep</b>		<b>9 months ended 30 Sep</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>				
Profit/(loss) for the period	52,567	(2,585)	60,487	(8,229)
Adjustments for:				
- Tax expense/(credit)	499	-	1,225	(2)
- Depreciation of property, plant and equipment	428	12	1,296	37
- Amortisation of intangible assets	3,117	-	9,351	-
- Gain on disposal of available-for-sale financial assets	-	-	(2,340)	(137)
- Loss on disposal of property, plant and equipment	-	-	21	-
- Interest income	(45)	38	(108)	(43)
- Impairment loss on available-for-sale financial assets	-	-	-	2,994
- Share of (profit)/loss of associated companies	(142)	(135)	(1,126)	1,625
- Impairment loss on trade receivables	34	-	34	-
- Reversal of impairment loss on trade receivables	(4)	-	(77)	-
- Fair value changes in purchase consideration payable	(52,125)	-	(52,125)	-
- Unrealised foreign exchange gain	(15)	(1,200)	(2,796)	(1,199)
<b>Operating profit/(loss) before working capital changes</b>	<b>4,314</b>	<b>(3,870)</b>	<b>13,842</b>	<b>(4,954)</b>
Changes in working capital :				
- Work-in-progress	(1,488)	-	(5,853)	-
- Trade and other receivables	(3,413)	1,703	(1,265)	(420)
- Trade and other payables	(1,079)	857	2,402	923
- Progress billings	1,211	-	(1,826)	-
- Development properties	(518)	(5,519)	(6,723)	(5,519)
Cash (used in)/generated from operations	(973)	(6,829)	577	(9,970)
- Interest received	45	48	108	75
- Tax paid	(1,208)	-	(3,782)	-
<b>Net cash used in operating activities</b>	<b>(2,136)</b>	<b>(6,781)</b>	<b>(3,097)</b>	<b>(9,895)</b>
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment	(473)	(2)	(2,223)	(10)
Acquisition of a subsidiary, net of cash acquired	-	19,320	-	19,320
Proceeds from disposal of available-for-sale financial assets	-	-	-	221
Proceeds from disposal of property, plant and equipment	-	-	1	-
Expenditure on investment properties	(6)	(5,815)	(35)	(5,815)
Dividend received from an associated company	-	-	700	-
Additions to fixed deposits	(14)	-	(64)	-
Fixed deposits withdrawn	483	-	483	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(10)</b>	<b>13,503</b>	<b>(1,138)</b>	<b>13,716</b>
<b>Cash flows from financing activities</b>				
Proceeds from issuance of ordinary shares	224	-	1,303	-
<b>Net cash generated from financing activities</b>	<b>224</b>	<b>-</b>	<b>1,303</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,922)</b>	<b>6,722</b>	<b>(2,932)</b>	<b>3,821</b>
Cash and cash equivalents at beginning of the period	30,368	13,639	31,657	16,540
Effect of exchange rate changes on cash held	291	-	12	-
<b>Cash and cash equivalents at end of the period</b>	<b>28,737</b>	<b>20,361</b>	<b>28,737</b>	<b>20,361</b>

	3 <sup>rd</sup> quarter ended 30 Sep		9 months ended 30 Sep	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>Cash and cash equivalents comprise of:</b>				
Cash and bank balances	24,665	18,248	24,665	18,248
Short-term deposits	4,498	2,952	4,498	2,952
	29,163	21,200	29,163	21,200
Less: Fixed deposits with maturities of more than 3 months	(426)	(839)	(426)	(839)
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>28,737</b>	<b>20,361</b>	<b>28,737</b>	<b>20,361</b>

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

During the quarter ended 30 September 2013, the Company acquired the entire issued and paid-up share capital of RSP Architects Planners & Engineers (Pte) Ltd and a 9.23-hectare land in Malaysia's Iskandar Development Region for a total of \$653.75 million, by issuing 3,261,666,666 ordinary shares.

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

	\$'000
Associates	7,575
Cash and cash equivalents	19,320*
Property, plant and equipment	6,349
Intangible assets	28,767
Investment property	183,690
Development properties	174,310
Work-in-progress	22,165
Other investments	6,811
Trade and other receivables	22,502
Derivatives	4,595
Excess of progress billings over work-in-progress	(5,433)
Current tax liabilities	(4,348)
Deferred tax liabilities	(5,041)
Trade and other payables	(9,098)
Total identifiable net assets	452,164
Goodwill arising from acquisition	328,336
Total purchase consideration	780,500
Issuance of shares as consideration	(653,750)
Purchase consideration payable	(126,750)
	-
Cash and cash equivalents acquired	18,481
Net cash flows on acquisition	18,481

\* Includes fixed deposits with maturities of more than 3 months of \$839,000.

- 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 Group				
	Share capital \$'000	Foreign currency translation reserve \$'000	Fair value reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b>At 1 January 2014</b>	715,922	(5)	1,835	(255,759)	461,993
<b>Total comprehensive income for the period</b>					
Profit for the period	–	–	–	60,487	60,487
<i>Other comprehensive income</i>					
Foreign currency translation differences for foreign operations	–	56	–	–	56
Net change in fair value of available-for-sale financial assets, net of tax	–	–	(1,375)	–	(1,375)
<b>Total comprehensive income for the period</b>	–	56	(1,375)	60,487	59,168
<b>Transactions with owners, recorded directly in equity</b>					
Contribution by and distributions to owners					
Issuance of ordinary shares	1,303	–	–	–	1,303
<b>Total contribution by and distributions to owners</b>	1,303	–	–	–	1,303
<b>At 30 September 2014</b>	<u>717,225</u>	<u>51</u>	<u>460</u>	<u>(195,272)</u>	<u>522,464</u>
<b>At 1 January 2013</b>	62,172	–	4,033	(24,801)	41,404
<b>Total comprehensive income for the period</b>					
Loss for the period	–	–	–	(8,229)	(8,229)
<i>Other comprehensive income</i>					
Foreign currency translation differences for foreign operations	–	(37)	–	–	(37)
Net change in fair value of available-for-sale financial assets, net of tax	–	–	(1,442)	–	(1,442)
Transfer to profit or loss on disposal	–	–	(115)	–	(115)
<b>Total comprehensive income for the period</b>	–	(37)	(1,557)	(8,229)	(9,823)
<b>Transactions with owners, recorded directly in equity</b>					
Contribution by and distributions to owners					
Issuance of ordinary shares	653,750	–	–	–	653,750
<b>Total contribution by and distributions to owners</b>	653,750	–	–	–	653,750
<b>At 30 September 2013</b>	<u>715,922</u>	<u>(37)</u>	<u>2,476</u>	<u>(33,030)</u>	<u>685,331</u>

## Company

	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
<b>At 1 January 2014</b>	<b>715,922</b>	<b>(254,573)</b>	<b>461,349</b>
<b>Total comprehensive income for the period</b>			
Profit for the period	–	58,126	58,126
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>58,126</b>	<b>58,126</b>
<b>Transactions with owners, recorded directly in equity</b>			
Contribution by and distributions to owners			
Issuance of ordinary shares	1,303	–	1,303
<b>Total contribution by and distributions to owners</b>	<b>1,303</b>	<b>–</b>	<b>1,303</b>
<b>At 30 September 2014</b>	<b>717,225</b>	<b>(196,447)</b>	<b>520,778</b>
<b>At 1 January 2013</b>	<b>62,172</b>	<b>(26,334)</b>	<b>35,838</b>
<b>Total comprehensive income for the period</b>			
Loss for the period	–	(4,924)	(4,924)
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>(4,924)</b>	<b>(4,924)</b>
<b>Transactions with owners, recorded directly in equity</b>			
Contribution by and distributions to owners			
Issuance of ordinary shares	653,750	–	653,750
<b>Total contribution by and distributions to owners</b>	<b>653,750</b>	<b>–</b>	<b>653,750</b>
<b>At 30 September 2013</b>	<b>715,922</b>	<b>(31,258)</b>	<b>684,664</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 quarter ended 30 September 2014, the Company issued 1,242,000 ordinary shares for \$0.22 million upon the exercise of warrants. As at 30 September 2014, there were 1,971,364,530 outstanding warrants (30 September 2013: Nil).

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

	<b>As at 30 Sep 2014</b>	<b>As at 31 Dec 2013</b>
Number of issued shares	4,258,205,931	4,250,967,931
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.**

As at 30 September 2014, the Company did not hold any treasury shares (31 December 2013: Nil).



**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.**

Except as explained in Note 5 below, the Group has adopted the same accounting policies and methods of computation in the financial statements for the period ended 30 September 2014, as compared with the Group's audited financial statements for the period ended 31 December 2013.

**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.**

FRS 110 Consolidated Financial Statements came into effect on 1 January 2014. This accounting standard did not have a material impact on the financial statements of the Group.

**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 Sep		30 Sep	
	2014	2013	2014	2013
EPS based on net profit/(loss) attributable to shareholders of the Company (cents):				
Basic*	1.235	(0.215)	1.422	(0.776)
Diluted**	0.846	(0.215)	0.973	(0.776)
Weighted average number of ordinary shares on issue as at the end of the period	4,257,651,105	1,202,018,656	4,253,882,997	1,060,986,247
Weighted average number of ordinary shares on issue after adjusting for effects of dilutive warrants as at the end of the period	6,214,445,803	1,202,018,656	6,216,294,478	1,060,986,247

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

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

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.**

	<b>As at</b>	
	<b>30 Sep 2014</b>	<b>31 Dec 2013</b>
Net asset value per ordinary share of		
Group (cents)	12.27	10.87
Company (cents)	12.23	10.85

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 2014 ("3QFY2014") vs Third quarter ended 30 September 2013 ("3QFY2013")**

1. The Group reported a revenue of \$20.96 million in 3QFY2014, as compared to nil in 3QFY2013. The increase in revenue was primarily due to contribution from RSP Architects Planners & Engineers (Pte) Ltd and its subsidiaries ("RSP"), following the completion of the acquisition on 25 September 2013.
2. Other income for 3QFY2014 amounted to \$55.79 million, as compared to \$1.20 million for 3QFY2013. The increase was driven by the following (i) a fair value adjustment of \$52.13 million arising from the re-measurement of the purchase consideration payable due to the RSP vendors was recognised (ii) \$2.74 million of reimbursement of wage costs from RSP's customers and (iii) absence of a \$1.20 million foreign exchange gain versus prior period.

The re-measurement of the purchase consideration payable is further explained below:

- a. The re-measurement was made in compliance with relevant financial reporting standards specifically, FRS 39 (Financial Instruments: Recognition and Measurement) and FRS 103, (Business Combinations). Under these standards, after initial recognition, the liability has to be re-measured at fair value through profit and loss.
- b. Accordingly, the purchase consideration payable comprising 375,000,000 shares was re-measured, from \$126.75 million at \$0.338 per share, to \$74.63 million at \$0.199 per share, which resulted in a gain of \$52.13 million. The re-measurement was based on the share price of the Company as at the end of the current period.
- c. For context, the total consideration for the purchase of RSP was up to \$187.5 million ("RSP Consideration"). This comprised \$131.25 million ("Initial Consideration") and \$56.25 million ("Earn-out Consideration") to be satisfied by 875,000,000 shares and 375,000,000 shares respectively, at the issue price of \$0.15 per share. The Initial Consideration was paid at the completion of the acquisition while the Earn-out Consideration will be paid to subject to RSP achieving certain earn-out targets for FY2013, FY2014 and FY2015.

- d. The RSP acquisition was completed on 25 September 2013. According to relevant financial reporting standards, the RSP Consideration including the Earn-out Consideration was measured at \$0.338 per share. The initial value of the Earn-out Consideration was \$126.75 million. This Earn-out Consideration or purchase consideration payable has been re-measured for the current period.
3. The Group recorded total expenses of \$23.86 million for 3QFY2014, as compared to \$3.88 million for 3QFY2013. This increase was mainly due to the inclusion of RSP's operating expenses as well as higher operating expenses due to the enlarged group.
4. As part of total expenses, the Group also recorded a \$3.12 million non-cash amortisation expense of the Group's intangible assets arising from the RSP acquisition.
5. The Group's tax expense was \$0.50 million for 3QFY2014, which included a deferred tax credit of \$0.47 million related to the fair value adjustment of RSP's assets and liabilities.
6. As a result, the Group recorded a positive EBITDA of \$56.57 million and profit attributable to shareholders of \$52.57 million for 3QFY2014. These results represent a significant turnaround versus 3QFY2013.
7. The Group reported basic earnings per share of 1.235 cents for 3QFY2014 compared to a loss per share of 0.215 cents for 3QFY2013.

**Nine months ended 30 September 2014 ("9MFY2014") vs Nine months ended 30 September 2013 ("9MFY2013")**

1. The Group reported a revenue of \$64.93 million in 9MFY2014, as compared to nil in 9MFY2013. The increase in revenue was primarily due to contribution from RSP Architects Planners & Engineers (Pte) Ltd and its subsidiaries ("RSP"), following the completion of the acquisition on 25 September 2013.
2. Other income for 9MFY2014 amounted to \$68.15 million, as compared to \$1.34 million for 9MFY2013. This increase was driven by the following: (i) a fair value adjustment of \$52.13 million arising from the re-measurement of the purchase consideration payable to the RSP vendors was recognised (ii) \$8.38 million of reimbursement of wage costs from RSP's customers (iii) a one-time gain of \$2.34 million from the receipt of 3,086,400 shares in Auhua Clean Energy PLC, being settlement of a convertible loan to Riezen Pte. Ltd. and (iv) \$2.83 million of foreign exchange gain arising from the revaluation of intercompany payables.
3. The Group recorded total expenses of \$72.60 million for 9MFY2014, as compared to \$7.99 million for 9MFY2013. This increase was mainly due to the inclusion of RSP's operating expenses, higher operating expenses due to the enlarged group but offset by non-recurrent impairment loss of \$2.99 million on available-for-sale financial asset recognised in 9MFY2013.
4. As part of total expense, the Group also recorded a \$9.35 million non-cash amortisation expense of the Group's intangible assets, arising from the RSP acquisition.
5. Share of profit from associated companies for 9MFY2014 rose to \$1.13 million from a loss of \$1.63 million for 9MFY2013. This increase was due to improvement in the financial results of the associated company from the investment portfolio, as well as contribution from RSP's associated company.
6. The Group's tax expense amounted to \$1.23 million for 9MFY2014, which included a deferred tax credit of \$1.37 million related to the fair value adjustment of RSP's assets and liabilities.
7. As a result, the Group recorded a positive EBITDA of \$72.25 million and profit attributable to shareholders of \$60.49 million for 9MFY2014. These results represent a significant turnaround versus 9MFY2013.

8. The Group reported basic earnings per share of 1.422 cents for 9MFY2014 compared to a loss per share of 0.776 cents for 9MFY2013.

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

1. The Group recorded a net asset of \$522.46 million as at 30 September 2014 compared with \$461.99 million as at 31 December 2013. The increase was mainly due to higher value of investment properties, development properties, investments in associated companies and other investments, work-in-progress, lower excess of progress billings over work-in-progress, current tax payables and purchase consideration payable, offset by lower value of intangible assets and higher trade and other payables.
2. The Group recorded a value of \$192.26 million for investment properties as at 30 September 2014 compared with \$190.74 million. This increase was mainly due to foreign exchange fluctuation. Similarly, the value of development properties increased to \$189.07 from \$181.00 million over the same period, due to fluctuation of foreign exchange as well as capitalisation of expenses for the development of the Iskandar land.
3. Other investments increased by \$0.82 million or 16.25%. This was due to the receipt of shares in Auhua Clean Energy PLC being settlement of a convertible loan that was extended to Riezen Pte. Ltd. but offset by marked-to-market losses for the Group's investments in quoted equity securities.
4. Intangible assets which comprises mainly order backlog of \$11.54 million and management agreement of \$6.80 million which arose due to acquisition of RSP, decreased \$9.35 million or 33.77% . The order backlog is amortised as and when the projects are completed while the management agreement is amortised on a straight-line basis over the the estimated life of 20 years.
5. Purchase consideration payable, which arose from the acquisition of RSP, is a contingent liability arising from a clause in the sale and purchase agreement ("SPA") that entitles the RSP vendors to earn up to 375,000,000 ordinary shares of Rowsley Ltd upon RSP meeting certain earn-out targets based on earn-out formula as described in the SPA. The decrease by \$52.13 million or 41% is due to its re-measurement according to relevant financial reporting standards and based on the share price of the Company as at the end of the current period.
6. Changes in other current assets and liabilities balances e.g. work-in-progress, trade and other receivables, excess of work-in-progress over billings (representing billings receivable) and trade and other payables, reflects normal course of business.
7. As a result, net asset value per share for the Group was 12.27 cents as at 30 September 2014, compared to 10.87 cents as at 31 December 2013.

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

Net cash used in operating activities for 3QFY2014 amounted to \$2.14 million, mainly due to negative working capital changes and tax payments.

Net cash used in investing activities for 3QFY14 was minimal at less than \$0.01 million with movement mainly attributable to additions of property, plant and equipment purchased of \$0.47 million, offset by withdrawal of fixed deposits upon maturity of \$0.48 million.

Net cash generated from financing activity for 3QFY2014 amounted to \$0.22 million, which was due to proceeds received from the exercise of the Company's warrants.

Overall, the net decrease in cash and cash equivalents for 3QFY2014 was \$1.92 million.

As at 30 September 2014, the Group's cash and cash equivalents amounted to \$28.74 million.

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

Not applicable.

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

The Group continues to make preparations for the development of its first residential project in Vantage Bay – SKIES. It is in process of obtaining the Advertising Permit and Developer's License to allow it to sell the apartments and file the subsequent Sales & Purchase Agreements. SKIES has received exemption from the RM1 million minimum price for property purchases by foreigners (foreign buyers of SKIES are still subject to a RM 500,000 minimum purchase price). SKIES has also obtained approval for its foreign buyer quota to be increased from 30% to 92%. These changes will make SKIES more accessible to a wider range of buyers. The Group is actively monitoring market developments to determine the best time to launch its project so as to maximise shareholder value.

During the month of September 2014, the Johor state government announced Bukit Chagar as the location of the final transit terminal that would connect from Singapore's Thomson MRT line. The Bukit Chagar location is only about one kilometre away from Vantage Bay. The Group sees this as a very positive development for Vantage Bay as the proximity of this terminal will enhance the proposition and value of the entire Vantage Bay project.

Notwithstanding that the Malaysian government has been trying to cool the property market in Iskandar since early this year, the Group remains optimistic about the long-term fundamentals of Iskandar and believes that Iskandar will continue to attract foreign investments in areas such as manufacturing, oil and gas, media, education and tourism, and with these, an increasing population. Furthermore, SKIES has a superior product with strong value propositions and the Group is confident that the market will receive the project favourably when launched.

In Singapore, the last set of property cooling measures introduced by the Government continues to be in place and has slowed down the residential housing market. However, Singapore residential projects currently contribute only about 15% of RSP's total revenues. RSP ended the quarter with a stronger order book with new projects across the region. New projects awarded to RSP recently include master planning projects in Halong Bay (Vietnam), Guilin and Weifang (China) as well as architectural projects in Chongqing (China), Almaty (Kazakhstan) and Yangon (Myanmar).

Additionally, the Group has organized its business into four business segments as follows (i) real estate and infrastructure development, (ii) consultancy services, (iii) real estate management and (iv) investment holdings. The Group is actively looking at high value projects in Singapore and around the region to grow each of these business segments and will make the necessary announcements when appropriate.

**11. Dividend**

	30 Sep 2014	30 Sep 2013
(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 obtained during the reporting financial period.

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

We, Lock Wai Han and Tan Wee Tuck, 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 2014 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Lock Wai Han  
Executive Director, Group CEO

Tan Wee Tuck  
Executive Director, Group CFO

5 November 2014