



## **ROWSLEY CONTINUES TO REPORT NET ATTRIBUTABLE PROFIT FOR 3QFY14**

- *Net Profit of \$52.6 million includes accounting gain of \$52.1 million*
- *Q3 revenue of \$21 million, RSP reports stronger order book with new projects in the region*
- *Group actively looking for high value projects in Singapore and around the region*

**Singapore, 5 November 2014** – Rowsley Ltd. today announced net attributable profit of \$52.6 million for the third quarter ended 30 September 2014 (3QFY14), reflecting steady contribution from its consultancy services. This result compares favourably against a net loss of \$2.6 million in 3QFY13.

Group revenue reached \$21.0 million in 3QFY14, primarily due to contribution from RSP Architects Planners & Engineers (Pte) Ltd and its subsidiaries.

The bulk of the net profit of \$52.6 million comprised a \$52.1 million accounting gain from the remeasurement of purchase amount payable to the RSP vendors as part of the acquisition in September 2013. Rowsley had acquired RSP, Singapore's leading architectural and engineering practice, for \$187.5 million. The consideration comprised an initial amount of \$131.3 million and an earn-out amount of \$56.3 million to be paid in 375 million shares at \$0.15 a share. Under accounting rules, the acquisition which was completed on September 25, 2013, was remeasured to \$0.338 a share and the earn-out amount was remeasured to \$126.8 million. The earn-out amount was remeasured again in 3Q to \$74.6 million at \$0.199 per share, for an accounting gain of \$52.1 million. The remeasurement was based on the share price of the Company as at 30 September 2014.



Group profit before interest, tax, depreciation and amortisation (EBITDA) totalled \$56.6 million, a turnaround from a loss of \$2.5 million in 2QFY13.

For the nine months ended 30 September 2014, Group revenue totalled \$64.9 million with EBITDA at \$72.3 million and net profit was \$60.5 million. Earnings in the same period a year before was negative, underscoring the turnaround Rowsley has made as it transformed itself from a loss-making investment holdings company to a multi-disciplinary real estate group.

During the third quarter, Group expenses totalled \$23.9 million, up from \$3.9 million in 3QFY13, mainly from the inclusion of operating expenses of RSP, as well as reflecting higher operating expenses of the enlarged group. Staff costs amounted to \$14.8 million, from \$343,000 in 3QFY13. There was also a non-cash amortisation expense of \$3.1 million in the third quarter related to fair value adjustments arising from the RSP acquisition. Excluding revenue related costs, Group expenses in the third quarter remained fairly constant against the last two quarters.

Lock Wai Han, Rowsley's Group Chief Executive Officer, said: "During the quarter under review, our consultancy services through RSP continued to hold its own even as Asia's real estate market pulled back from its strong growth of recent years. RSP's diversified base, with about 15% of its total revenue exposed to the softening Singapore residential market, enhances RSP's resilience."

During the quarter just passed, RSP reported a stronger order book with new projects across the region, including Vietnam's Halong Bay, China's Guilin, Weifang and Chongqing, Kazakhstan's Almaty and Myanmar's Yangon.

Mr Lock added: “For our Iskandar project, we are actively monitoring market developments to determine the best time to launch SKIES, the residential portion of our Vantage Bay mega development.”

For SKIES, its 75-storey prime waterfront residential tower at Vantage Bay, Rowsley has been granted approval to raise the foreign buyer quota to 92% from 30%, making the project more accessible to foreign investors. In addition, the project has also secured exemption from the RM1 million minimum price for property purchases by foreigners.

Foreigners are still subject to a RM500,000 minimum purchase price but Rowsley is confident that its target market of potential buyers will not have a problem with this threshold.

Another strong positive for Vantage Bay is the September announcement by the Johor state that Bukit Chagar would be the location of the final transit terminal that would connect from Singapore’s Thomson MRT line. Bukit Chagar is only a kilometre from Vantage Bay, making access to the development extremely convenient in the future.

Notwithstanding the Malaysian government’s move to cool the property market since early this year, the Group remains optimistic about the long-term fundamentals of Johor and believes that the southern economic hub of 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.



The Group has organised itself into four business segments namely: (i) real estate and infrastructure development, (ii) consultancy services, (iii) real estate management and (iv) investment holdings.

Mr Lock added that Rowsley continues to look for high value projects in Singapore and the region to grow each of its four business segments.

Rowsley's balance sheet remains strong with zero gearing. As at 30 September 2014, the Group's cash and cash equivalents totalled \$28.8 million.

- The End -

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