

## MEDIA RELEASE

### **ROWSLEY REPORTS 2QFY15 NET PROFIT OF \$0.5 MILLION, BUYS STAKE IN RSP INDIA FOR \$20.6 MILLION**

- *Slowdown in Singapore property market reduces RSP's earnings*
- *Group 2QFY15 net profit at \$0.5 million, revenue down 20% to \$17.8 million*
- *India acquisition to boost Rowsley's bottom line*

**Singapore, 5 August 2015** – Rowsley Ltd. today announced net attributable profit of \$0.5 million for its second quarter ended 30 June 2015 (2QFY15) as well as a \$20.6 million deal to expand its architectural, engineering and consultancy business in India.

The move to buy a 34.72% stake in RSP Design Consultants (India) Private Limited<sup>1</sup>, one of India's leading architectural practices, comes during a slowdown in Singapore's real estate market which has reduced wholly-owned subsidiary RSP's contributions to the Group in the second quarter.

Group net attributable profit of \$0.5 million for the quarter just passed was down from \$6.1 million in 2QFY14. Group revenue fell to \$17.8 million against \$22.1 million previously. The softer real estate market in Singapore led to declines in revenue contributions of about \$2.8 million from RSP's architectural services and about \$1.8 million from civil and engineering services. These contractions were partially offset by higher revenue contribution of \$0.3 million from master planning services.

Other income in 2QFY15 rose to \$6.8 million from \$5.9 million in 2QFY14 mainly due to fair value adjustment of \$4.1 million arising mainly from

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<sup>1</sup> Please refer to RSP India media release for more details



the re-measurement of the purchase consideration payable to the RSP vendors from whom Rowsley bought its RSP stake in 2013.

Earnings before interest, tax, depreciation and amortisation totalled \$3.4 million in 2QFY15, down from \$9.9 million previously.

Rowsley Chief Executive Officer Lock Wai Han said: “The softening of the Singapore property market has affected our results in the second quarter. But our latest investment in India will help to diversify our earnings base and is part of our overall strategy to grow our overseas income and deliver enhanced, sustainable value to shareholders.”

Mr Lock added that the RSP India acquisition will give Rowsley an established and well-branded pan-Indian business and access to Asia’s third biggest economy, which has been gaining momentum under Prime Minister Modi’s reform programme.

Mr Lock said: “Management has been actively working on other investment prospects outside Singapore and will announce the acquisitions when they are firmed up.”

Meanwhile, Rowsley’s staff costs and other expenses dropped slightly to \$22.2 million during 2QFY15. The Company incurred finance costs of \$1.7 million resulted from the accrual of interest on the fixed rate notes of \$100 million due 2018 issued on 27 March 2015 under the company’s \$500 million Medium Term Note programme.

During the quarter under review, the Malaysian ringgit weakened further against the Singapore dollar resulting in a \$15.9 million unrealised currency translation loss in the Group’s investment in Vantage Bay JB Sdn



Bhd. This translation loss was recorded in the Group's other comprehensive income.

For the half year ended 30 June 2015, Rowsley's net attributable profit was \$3.6 million while revenue was \$34.1 million compared with \$7.9 million and \$44.0 million respectively in the corresponding half of the previous year.

On the Vantage Bay project in Iskandar in Johor, Mr Lock said the Group recognises the prevailing challenges of high-end residential market and is evaluating suitable strategies to address the current state of the market.

Rowsley believes in the long-term fundamentals of Iskandar and that the region will continue to attract foreign investments in areas such as manufacturing, oil and gas, media, education and tourism.

Net cash used in operating activities for 2QFY15 amounted to \$5.8 million due mainly to negative working capital and tax payment. Overall, the net decrease in cash and cash equivalents for 2QFY15 was \$5.2 million. As at 30 June 2015, the Group's cash and cash equivalents amounted to \$124.5 million.

- The End -

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