ROWSLEY

ROWSLEY REPORTS FY14 NET ATTRIBUTABLE PROFIT OF $49.4 MILLION INCLUDING ACCOUNTING GAINS

- *Adjusted net profit is $10.3 million after excluding $39.1 million accounting and one-off gains*
- *Revenue of $87.2 million as RSP maintains solid growth*
- *Investment in Myanmar project part of expansion drive*

Singapore, 16 February 2015 – Rowsley Ltd. today announced net attributable profit of $49.4 million for its financial year ended 31 December 2014 (FY14), reflecting its first full year performance as a transformed integrated real estate group.

For the year under review, the Group reported revenue of $87.2 million compared to $22.5 million previously. The increase was mainly due to a full year contribution from RSP compared to only three months contribution in the previous year. Earnings before interest, tax, depreciation and amortisation totalled $66.9 million in FY14 against a loss of $224.7 million in FY13, which included an impairment loss on goodwill of $221.2 million.

The profit included accounting and one-off gains of $39.1 million. Excluding these gains, adjusted net profit stood at $10.3 million. The accounting and one-off gains comprised mainly fair value adjustment of $54.0 million from the re-measurement of the purchase amount to be paid to the owners of RSP Architects Planners & Engineers (RSP) and offset mainly by amortisation expenses for RSP's intangible assets.

As part of its transformation from an investment holding company to a real estate group, Rowsley also acquired a 9.23-hectare piece of prime waterfront land in Iskandar Malaysia in 2013. The land is slated for a multi-year, mixed-use development comprising residential, office and commercial space.

Rowsley Chief Executive Officer Lock Wai Han said: “Our first full year results showed that we have successfully transformed ourselves into a real estate group with broad capabilities in development, management and consultancy. We are excited that we are on track to realising our strategic vision to become a highly acclaimed multidisciplinary lifestyle real estate company.

“RSP has met its second year profit target of $25 million. This has proven to be a good investment providing us with stable and sustained recurrent income and synergies for our property development business.”

During the year under review, RSP completed 55 projects and secured 129 new projects. New projects awarded during the year included master planning projects in Vietnam, China, Dubai and India as well as architectural projects in Singapore, China, Kazakhstan, Indonesia and Myanmar. In Singapore, it is participating in the high profile Project Jewel to expand Singapore’s Changi Airport.

The Group continues to prepare SKIES, the residential portion of the Vantage Bay development to be ready for launch. Rowsley is confident of its superior product and Iskandar’s long term potential. The investment has zero gearing and puts the Group under no pressure to rush to the market when sentiments are soft.

Last week, Rowsley announced that it had signed a Heads of Terms Agreement with Vietnam’s Hoang Anh Gia Lai Joint Stock Company to jointly develop and manage a US$550 million mixed-used development in Yangon, Myanmar. The HAGL Myanmar Centre will be one of the largest integrated projects in the country comprising four office blocks, a five-star hotel, a retail mall and more than 1,000 units of serviced and residential apartments.

Commenting on its proposed Myanmar investment, Mr Lock said: “We have been actively exploring high value projects in the region to grow the Group’s footprint. The Myanmar project promises exciting upside in one of the fastest growing emerging markets in Asia, and is in line with our expansion and growth strategy.

“Yangon currently faces a severe shortage of top grade office space, hotels and modern malls. The first phase of HAGL Myanmar Centre will be operational in 2015 and will immediately address the acute shortage of real estate in all these asset classes.”

Rowsley also registered an impairment loss of $7.9 million for its investment in Streamax International Holdings Co Ltd. While Streamax is profitable, the Group is unable to support its present carrying value of the investment, which has been unable to immediately realise its business expansion plans.

Net cash generated from operating activities for FY14 amounted to $4.5 million while cash generated from financing activity amounted to $1.3 million due to proceeds received from the exercise of the Company’s warrants. As at 31 December 2014, the Group’s cash and cash equivalents rose to $36.6 million from $32.5 million in FY13.

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For media queries, please contact:

Catherine Ong Associates

Catherine Ong
Tel: (65) 6327 6088
Email: cath@catherineong.com

Doreen Siow
Tel: (65) 6327 6089
Email: doreen@catherineong.com