

ROWSLEY REPORTS NET ATTRIBUTABLE PROFIT OF \$6.1 MILLION FOR 2QFY14

- *Revenue of \$22.1 million, EBITDA of \$9.9 million*
- *SKIES gets exemption from RM1 million foreign buyer threshold and has foreign buyer quota increased to 92%*
- *Rowsley monitors market while it prepares for SKIES launch, remains debt-free*

Singapore, 6 August 2014 – Rowsley Ltd. today announced net attributable profit of \$6.1 million for the second quarter ended 30 June 2014 (2QFY14) on revenue of \$22.1 million as the Group continues to execute its strategy of transforming from an investment holding firm into a multi-disciplinary real estate company.

Net attributable loss for the previous corresponding quarter was \$975,000. Group profit before interest, tax, depreciation and amortisation (EBITDA) totalled \$9.9 million, a turnaround from a loss of \$1.0 million in 2QFY13.

RSP Architects Planners & Engineers, Singapore's leading architectural practices, contributed \$6.1 million in net profit in 2QFY14, significantly boosting the Group's financials and meeting half its 2014 profit target as agreed under the terms of acquisition last year. Rowsley made two transformational deals last year – RSP and a large tract of land in Johor's Iskandar region.

Other income during the quarter under review was at \$8.8 million. This was mainly from the reimbursement of wage costs from RSP customers amounting to \$2.6 million, a one-time gain of \$2.3 million from the receipt of

Auhua Clean Energy PLC shares, being settlement of a convertible loan to Reizen Pte. Ltd., and an unrealized foreign exchange gain of \$2.9 million from the revaluation of payables.

Share of profit from associated companies for 2QFY14 rose to \$0.65 million from a loss of \$0.53 million for the second quarter of FY13. This increase was due to improvement in the financial results of the associated company from the Group's investment portfolio, as well as contribution from RSP's associated company.

For the six months ended 30 June 2014, Group revenue reached \$44.0 million while EBITDA totalled \$15.7 million and net profit was \$7.9 million¹.

Lock Wai Han, Rowsley's Group CEO, said: "Our second quarter results show that our business transformation is on track and we have moved to a new level of profitability.

"RSP has added several overseas projects during the first half of the year, further diversifying its revenue from Singapore to China, UAE, Ghana, Myanmar, Vietnam, Malaysia and other countries.

"We are pleased to announce that SKIES, our 75-storey prime waterfront residential tower at Vantage Bay, has received exemption from the RM1 million minimum price for property purchases by foreigners, and has its foreign buyer quota increased from 30% to 92%. These changes will make SKIES more accessible to a wider range of buyers.

"We are in the process of obtaining the advertising permit and developer's license for SKIES."

¹ 1HFY2013: EBITDA was negative \$5.7 million and Net Profit was negative \$5.6 million.



Mr Lock added that Vantage Bay's integrated lifestyle offerings, unparalleled view, superior quality and strategic location would make the development highly attractive to investors.

During the quarter just passed, Group expenses totalled \$25.3 million, up from \$0.48 million previously, mainly from the inclusion of operating expenses of RSP, as well as reflecting higher operating expenses of the enlarged group. There was also an amortisation expense of \$3.1 million related to fair value adjustments arising from the RSP acquisition. This was a non-cash expense which will recur for future periods until it is fully amortised.

Commenting on factors potentially affecting its competitiveness, Rowsley said Iskandar's strong potential has heightened the interest of several foreign developers which have announced plans to build ambitious large-scale projects in Malaysia's most promoted investment zone.

Rowsley said that while such interest may raise concerns about a potential oversupply in Iskandar, it believes that over time, Vantage Bay will be a significant contributor to the Group's bottom line because it is a superior product in a great location, and Iskandar's long-term fundamentals remains sound because of its attractions to companies and residents looking for a lower cost alternative in close proximity to Singapore.

Meanwhile, RSP continues to have a well-diversified pipeline of consultancy projects with Singapore residential projects contributing to 10% of the firm's total revenues. The company has been actively procuring new projects outside of Singapore and maintains a healthy pipeline of projects. New projects awarded to RSP recently include projects in Dubai, Malaysia, Vietnam and Myanmar.



Net cash generated from financing activity for the second quarter amounted to \$1.1 million, which was due to proceeds received from the exercise of the Company's warrants. As at 30 June 2014, the Group's cash and cash equivalents amounted to \$30.4 million.

Rowsley remains debt-free and continues to look for further high value investment opportunities in the region.

- The End -

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