



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 2015

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 2015

	Group			Group		
	3 rd quarter ended 30 September			9 months ended 30 September		
	2015 \$'000	2014 \$'000	Change %	2015 \$'000	2014 \$'000	Change %
Revenue	17,588	20,956	(16)	51,705	64,926	(20)
Other (loss)/income	A (550)	55,836	NM	13,863	65,323	(79)
Staff costs	(12,271)	(14,855)	(17)	(41,203)	(44,030)	(6)
Other expenses	B (6,138)	(5,513)	11	(18,078)	(15,094)	20
Share of profit of associated companies	109	142	(23)	102	1,126	(91)
(Loss)/profit before interest, tax, depreciation and amortisation (EBITDA)	(1,262)	56,566	NM	6,389	72,251	(91)
Interest income	160	45	256	383	108	255
Finance costs	C (1,736)	-	NM	(3,500)	-	NM
Depreciation and amortisation	(1,133)	(3,545)	(68)	(3,387)	(10,647)	(68)
Total (loss)/profit before tax	(3,971)	53,066	NM	(115)	61,712	NM
Tax expense	D (242)	(499)	(52)	(470)	(1,225)	(62)
Total (loss)/profit after tax	(4,213)	52,567	NM	(585)	60,487	NM
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Net change in fair value of available-for-sale financial assets	(449)	(645)	(30)	(3,007)	(1,518)	98
Related tax	-	58	(100)	-	143	(100)
Foreign currency translation differences - foreign operations	(31,555)	249	NM	(52,659)	56	NM
Other comprehensive income, net of tax	(32,004)	(338)	9,369	(55,666)	(1,319)	4,120
Total comprehensive income for the period	(36,217)	52,229	NM	(56,251)	59,168	NM
(Loss)/profit attributable to equity holders of the Company	(4,213)	52,567	NM	(585)	60,487	NM
Total comprehensive income attributable to equity holders of the Company	(36,217)	52,229	NM	(56,251)	59,168	NM

NM – Not meaningful

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

	Group		Group	
	3 rd quarter ended 30 September		9 months ended 30 September	
	2015	2014	2015	2014
Basic earnings per share	(0.096)	1.235	(0.014)	1.422
Diluted earnings per share	(0.096)	0.846	(0.014)	0.973

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

	Group			Group		
	3 rd quarter ended 30 September			9 months ended 30 September		
	2015	2014	Change	2015	2014	Change
	\$'000	\$'000	%	\$'000	\$'000	%
(A) Other (loss)/income						
Gain on sale of available-for-sale financial assets	-	-	-	-	2,340	(100)
Reversal of impairment loss on trade receivables	30	4	650	30	77	(61)
Management consultancy fee	344	687	(50)	1,162	1,627	(29)
Sales of prints	25	62	(60)	106	152	(30)
Jobs credit/government grant	51	151	(66)	399	418	(5)
Wages reimbursed from customers	2,692	2,741	(2)	7,583	8,378	(9)
Fair value changes in purchase consideration payable, net of settlement loss	(3,750)	52,125	NM	4,500	52,125	(91)
Others	58	66	(12)	83	206	(60)
	<u>(550)</u>	<u>55,836</u>	NM	<u>13,863</u>	<u>65,323</u>	(79)
(B) Other expenses						
Selling and marketing expenses	(424)	(256)	66	(1,378)	(1,293)	(7)
Directors' fee	(132)	(127)	4	(385)	(365)	5
Professional fees	(557)	(198)	181	(1,406)	(991)	42
Rental	(1,172)	(1,144)	2	(3,472)	(3,424)	1
Travelling and entertainment expenses	(525)	(427)	23	(1,746)	(1,381)	26
Loss on disposal of property, plant and equipment	-	-	-	(15)	(21)	(29)
Foreign exchange gain/(loss), net	1,094	70	1,463	(5)	2,801	NM
Repairs and maintenance	(214)	(166)	29	(661)	(524)	26
Impairment loss on trade receivables	-	(34)	(100)	-	(34)	(100)
Project expenses	(2,916)	(2,562)	14	(7,116)	(7,796)	(9)
Administrative expenses	(78)	(112)	(30)	(258)	(266)	(3)
Reversal of allowance for foreseeable losses	62	-	NM	695	-	NM
Gifts and donations	(255)	(13)	1,862	(261)	(281)	(7)
Advertisement	(33)	(82)	(60)	(137)	(176)	(22)
Telephone and internet	(58)	(61)	(5)	(179)	(176)	2
Utilities	(54)	(59)	(8)	(139)	(170)	(18)
Printing and stationery	(82)	(64)	28	(203)	(224)	(9)
Leasing of office equipment	(44)	(33)	33	(113)	(101)	12
Loss on write-off of call option	(497)	-	NM	(497)	-	NM
Others	(253)	(245)	3	(802)	(672)	19
	<u>(6,138)</u>	<u>(5,513)</u>	11	<u>(18,078)</u>	<u>(15,094)</u>	20
(C) Finance costs						
Interest expense on Medium Term Notes	<u>(1,736)</u>	-	NM	<u>(3,500)</u>	-	NM
(D) Current tax						
Under provision in respect of prior years	<u>-</u>	<u>-</u>	-	<u>(68)</u>	<u>-</u>	NM

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

	Group		Company	
	As at	As at	As at	As at
	30 Sep 15	31 Dec 14	30 Sep 15	31 Dec 14
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	8,452	9,242	296	359
Goodwill	107,092	107,092	-	-
Intangible assets	11,496	13,488	-	-
Investment properties	159,658	186,820	-	-
Subsidiaries	-	-	584,912	568,456
Associates	33,263	13,276	-	-
Other investments	2,878	5,885	-	-
Derivatives	4,098	4,595	-	-
	<u>326,937</u>	<u>340,398</u>	<u>585,208</u>	<u>568,815</u>
Current assets				
Development properties	151,559	177,280	-	-
Work-in-progress	34,520	26,203	-	-
Amounts due from subsidiaries – non-trade	-	-	30,675	22,622
Trade and other receivables	19,825	29,398	502	526
Cash and cash equivalents	100,151	36,550	79,987	3,329
	<u>306,055</u>	<u>269,431</u>	<u>111,164</u>	<u>26,477</u>
Total assets	<u>632,992</u>	<u>609,829</u>	<u>696,372</u>	<u>595,292</u>
EQUITY				
Share capital	742,195	717,225	742,195	717,225
Fair value reserve	(2,315)	692	-	-
Foreign currency translation reserve	(62,788)	(10,129)	-	-
Accumulated losses	(206,900)	(206,315)	(189,218)	(195,978)
Total equity	<u>470,192</u>	<u>501,473</u>	<u>552,977</u>	<u>521,247</u>
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	2,472	2,742	20	20
Purchase consideration payable	-	48,500	-	48,500
Borrowings	99,084	-	99,084	-
	<u>101,556</u>	<u>51,242</u>	<u>99,104</u>	<u>48,520</u>
Current liabilities				
Excess of progress billings over work-in-progress	4,204	5,165	-	-
Trade and other payables	12,474	24,140	1,041	1,275
Current tax payable	1,316	3,559	-	-
Purchase consideration payable	43,250	24,250	43,250	24,250
	<u>61,244</u>	<u>57,114</u>	<u>44,291</u>	<u>25,525</u>
Total liabilities	<u>162,800</u>	<u>108,356</u>	<u>143,395</u>	<u>74,045</u>
TOTAL EQUITY AND LIABILITIES	<u>632,992</u>	<u>609,829</u>	<u>696,372</u>	<u>595,292</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 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

Amount repayable after one year:

	As at 30 Sep 2015		As at 31 Dec 2014	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Medium Term Notes	-	100,000	-	-
Less: unamortised issue costs	-	(916)	-	-
Net borrowings	-	99,084	-	-

Medium Term Notes ("MTN")

On 27 March 2015, the Company issued S\$100 million 6.5 per cent fixed rate notes due 2018 ("Notes") under the S\$500 million Multicurrency Medium Term Note Programme that it established on 17 November 2014.

The net proceeds arising from the issue of the Notes (after deducting issue expenses) would be used for general corporate purposes of the Company and its subsidiaries, including, but not limited to, financing investments, acquisitions and expansion, repayment of borrowings, general working capital and capital expenditure requirements of the Company and/or its subsidiaries.

Details of Collateral

The Notes are secured by a charge over an interest service reserve account in which the Company maintains an interest reserve amount equivalent to six months' interest on the Notes.

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.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Group	
	3 rd quarter ended 30 September		9 months ended 30 September	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash flows from operating activities				
(Loss)/profit for the period	(4,213)	52,567	(585)	60,487
Adjustments for:				
- Tax expense	242	499	470	1,225
- Depreciation of property, plant and equipment	469	428	1,395	1,296
- Amortisation of intangible assets	664	3,117	1,992	9,351
- Gain on disposal of available-for-sale financial assets	-	-	-	(2,340)
- Loss on disposal of property, plant and equipment	-	-	15	21
- Interest income	(160)	(45)	(383)	(108)
- Interest expense	1,736	-	3,500	-
- Share of profit of associated companies	(109)	(142)	(102)	(1,126)
- Impairment loss on trade receivables	-	34	-	34
- Reversal of impairment loss on trade receivables	(30)	(4)	(30)	(77)
- Reversal of allowance for foreseeable losses	(62)	-	(695)	-
- Fair value changes in purchase consideration payable, net of settlement loss	3,750	(52,125)	(4,500)	(52,125)
- Loss on write-off of call option	497	-	497	-
- Unrealised foreign exchange (gain)/loss	(841)	(15)	82	(2,796)
Operating profit before working capital changes	1,943	4,314	1,656	13,842
Changes in working capital :				
- Work-in-progress	(3,753)	(1,488)	(7,622)	(5,853)
- Trade and other receivables	2,648	(3,413)	9,764	(1,265)
- Trade and other payables	(1,463)	(1,079)	(11,792)	2,402
- Progress billings	11	1,211	(961)	(1,826)
- Development properties	6	(518)	(74)	(6,723)
Cash (used in)/generated from operations	(608)	(973)	(9,029)	577
- Interest received	149	45	368	108
- Tax paid	(955)	(1,208)	(2,997)	(3,782)
Net cash used in operating activities	(1,414)	(2,136)	(11,658)	(3,097)
Cash flows from investing activities				
Acquisition of subsidiary	(20,589)	-	(20,589)	-
Additions to property, plant and equipment	(254)	(473)	(927)	(2,223)
Proceeds from disposal of property, plant and equipment	-	-	2	1
Expenditure on investment properties	2	(6)	(21)	(35)
Dividend received from an associated company	-	-	700	700
Changes in fixed deposits	308	469	1,025	419
Net cash used in investing activities	(20,533)	(10)	(19,810)	(1,138)
Cash flows from financing activities				
Net proceeds from issuance of Notes	-	-	98,951	-
Interest paid	(3,277)	-	(3,277)	-
Proceeds from issuance of ordinary shares	-	224	-	1,303
Restricted cash	-	-	(3,250)	-
Net cash (used in)/generated from financing activities	(3,277)	224	92,424	1,303
Net (decrease)/increase in cash and cash equivalents	(25,224)	(1,922)	60,956	(2,932)
Cash and cash equivalents at beginning of the period	120,529	30,368	35,141	31,657
Effect of exchange rate changes on cash held	1,212	291	420	12
Cash and cash equivalents at end of the period	96,517	28,737	96,517	28,737

	Group		Group	
	3 rd quarter ended		9 months ended	
	30 September		30 September	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents comprise:				
Cash and bank balances	48,105	24,665	48,105	24,665
Short-term deposits	52,046	4,498	52,046	4,498
	100,151	29,163	100,151	29,163
Less: Fixed deposits with maturities of more than 3 months	(384)	(426)	(384)	(426)
Cash held in interest service reserve account	(3,250)	-	(3,250)	-
Cash and cash equivalents in the consolidated statement of cash flows	96,517	28,737	96,517	28,737

Notes to Consolidated Statement of Cash Flows

During the quarter ended 30 September 2015, the Group acquired the entire issued and paid-up share capital of Venture India Pte. Ltd. ("Venture India") through a wholly owned subsidiary, RSP Architects Planners & Engineers (Pte) Ltd ("RSP"), for \$20.59 million.

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

	\$'000
Other receivables	10
Investment in an associated company	20,586
Other payables	(7)
	20,589
Total purchase consideration	
	(20,589)
Net cash outflow on acquisition	

- 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
At 1 January 2015	717,225	(10,129)	692	(206,315)	501,473
Total comprehensive income for the year					
Loss for the period	-	-	-	(585)	(585)
<i>Other comprehensive income</i>					
Foreign currency translation differences for foreign operations	-	(52,659)	-	-	(52,659)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	(3,007)	-	(3,007)
Tax on other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	(52,659)	(3,007)	(585)	(56,251)
Transactions with owners, recorded directly in equity					
<i>Contribution by and distributions to owners</i>					
Issuance of ordinary shares	25,000	-	-	-	25,000
Issue costs	(30)	-	-	-	(30)
Total contribution by and distributions to owners	24,970	-	-	-	24,970
At 30 September 2015	742,195	(62,788)	(2,315)	(206,900)	470,192
At 1 January 2014	715,922	(5)	1,835	(255,759)	461,993
Total comprehensive income for the period					
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	-	-	(1,518)	-	(1,518)
Tax on other comprehensive income	-	-	143	-	143
Total comprehensive income for the period	-	56	(1,375)	60,487	59,168
Transactions with owners, recorded directly in equity					
<i>Contribution by and distributions to owners</i>					
Issuance of ordinary shares	1,303	-	-	-	1,303
Total contribution by and distributions to owners	1,303	-	-	-	1,303
At 30 September 2014	717,225	51	460	(195,272)	522,464

Company

	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 January 2015	717,225	(195,978)	521,247
Total comprehensive income for the period			
Profit for the period	-	6,760	6,760
Total comprehensive income for the period	-	6,760	6,760
Transactions with owners, recorded directly in equity			
<i>Contribution by and distributions to owners</i>			
Issuance of ordinary shares	25,000	-	25,000
Issue costs	(30)	-	(30)
Total contribution by and distributions to owners	24,970	-	24,970
At 30 September 2015	742,195	(189,218)	552,977
At 1 January 2014	715,922	(254,573)	461,349
Total comprehensive income for the period			
Loss for the period	-	58,126	58,126
Total comprehensive income for the period	-	58,126	58,126
Transactions with owners, recorded directly in equity			
<i>Contribution by and distributions to owners</i>			
Issuance of ordinary shares	1,303	-	1,303
Total contribution by and distributions to owners	1,303	-	1,303
At 30 September 2014	717,225	(196,447)	520,778

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.

There was no change in the Company's share capital since 30 June 2015. As at 30 September 2015, there were 1,971,364,530 outstanding warrants (30 September 2014: 1,971,364,530).

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.

	As at 30 Sep 2015	As at 31 Dec 2014
Number of issued shares	4,383,205,931	4,258,205,931
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.

There was no sale, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the period ended 30 September 2015, as compared with the Group's audited financial statements for the year ended 31 December 2014.

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.

There is no change in the accounting policies and methods of computation adopted.

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 30 September		9 months ended 30 September	
	2015	2014	2015	2014
EPS based on net profit attributable to shareholders of the Company (cents):				
Basic*	(0.096)	1.235	(0.014)	1.422
Diluted**	(0.096)	0.846	(0.014)	0.973
Weighted average number of ordinary shares on issue as at the end of the period	4,383,205,931	4,257,651,105	4,334,671,132	4,253,882,997
Weighted average number of ordinary shares on issue after adjusting for effects of dilutive warrants as at the end of the period	6,329,736,980	6,214,445,803	6,285,191,817	6,216,294,478

* 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.**

	As at	
	30 Sep 2015	31 Dec 2014
Net asset value per ordinary share of		
Group (cents)	10.73	11.78
Company (cents)	12.62	12.24

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 2015 ("Q3FY15") vs Third quarter ended 30 September 2014 ("Q3FY14")

1. The Group reported a revenue of \$17.59 million for Q3FY15, as compared to \$20.96 million in the corresponding quarter last year. The decrease of \$3.37 million in revenue was primarily due to a decline in revenue contributed from architectural services of approximately \$2.50 million, civil and structural engineering services of \$0.70 million and absence of revenue contribution from project management services of \$0.20 million in Q3FY15 as compared to Q3FY14. In general, the decline in overall revenue was driven by the continued softness in the Singapore market.
2. Other loss for Q3FY15 amounted to \$0.55 million, as compared to other income of \$55.84 million recorded for Q3FY14. The change of \$56.39 million was mainly due to non-recurring fair value adjustment gain of \$52.13 million arising from the re-measurement of the purchase consideration payable to the RSP vendors recorded in Q3FY14 and a fair value adjustment loss of \$3.75 million recorded for Q3FY15. In addition, a decrease in management consultancy fee of \$0.34 million also caused other income to be lower in Q3FY15.
3. The Group recorded staff costs, other expenses and depreciation and amortisation expenses of \$19.54 million for Q3FY15, as compared to \$23.91 million for Q3FY14. The decrease of \$4.37 million was mainly due to decreases in amortisation and depreciation expenses of \$2.41 million, staff costs of \$2.58 million, and recording of higher net foreign exchange gain of \$1.02 million, offset by increases in project expenses of \$0.35 million, professional fees of \$0.36 million and recording of loss on write-off of call option for 34.7% shareholding in RSP India of \$0.50 million.
4. The Group recorded a slight decrease in share of profit from associated companies of \$0.11 million for Q3FY15 compared to \$0.14 million in Q3FY14. This was largely due to losses incurred by Streamax International Holding Co., Ltd. and Squire Mech, offset by profit contribution from RSP Design Consultants (India) Pvt. Ltd. ("RSP India"), which became an associate of RSP through the latter's acquisition of the entire issued and paid-up share capital of Venture India on 5 August 2015.
5. The Company incurred finance costs related to the accrual of interest on the fixed rate notes of \$100 million due 2018 issued on 27 March 2015 under the \$500 million MTN Programme, measured at the effective interest rate.

6. The Group's tax expense decreased to \$0.24 million in Q3FY15 from \$0.50 million in Q3FY14. This is mainly due to decrease in current period tax expense by \$0.62 million on lower pre-tax profit for RSP, offset by a \$0.36 million reduction in deferred tax credit.
7. As a result of the activities mentioned in the foregoing paragraphs, the Group recorded a loss attributable to shareholders of \$4.21 million for Q3FY15, compared to a profit of \$52.57 million for Q3FY14.
8. In the third quarter of 2015, the Malaysian Ringgit weakened further against the Singapore Dollar. This resulted in an unrealised foreign currency translation loss of \$38.99 million on the investment in Vantage Bay JB Sdn Bhd, which was structured as a quasi-equity loan to the subsidiary. The translation loss was recorded in other comprehensive income.
9. The Group reported basic loss per share of 0.096 cents for Q3FY15 compared to basic earnings per share of 1.235 cents for Q3FY14.

9 months ended 30 September 2015 ("9MFY15") vs 9 months ended 30 September 2014 ("9MFY14")

1. The Group reported a revenue of \$51.71 million in 9MFY15, as compared to \$64.93 million in 9MFY14. The decrease in revenue of \$13.22 million was primarily due to a decline in revenue contributed from architectural services of approximately \$12.72 million and civil, structural engineering services of \$1.16 million and project management services of \$0.36 million, partially offset by increase in revenue contribution from master planning services of \$1.02 million.
2. Other income for 9MFY15 amounted to \$13.86 million, as compared to \$65.32 million for 9MFY14. This decrease of \$51.46 million was mainly due to the following: (a) net lower gains from fair value adjustment of \$47.63 million related to the purchase consideration payable to the RSP vendors, (b) an absence of \$2.34 million gain from the receipt of 3,086,400 shares in Auhua Clean Energy PLC in 9MFY14, and (c) lower reimbursement of wages from customers and management consultancy fee of \$1.26 million.
3. The Group recorded staff costs, other expenses and depreciation and amortisation expenses of \$62.67 million for 9MFY15, as compared to \$69.77 million for 9MFY14. The decrease of \$7.10 million was mainly due to lower depreciation and amortisation expenses of \$7.26 million, staff costs of \$2.83 million and project expenses of \$0.68 million and recording of reversal of allowance for foreseeable losses on projects of \$0.70 million, offset by higher professional fees and travelling and entertainment expenses of \$0.78 million, and recording of loss on write-off of call option on RSP India of \$0.5 million. There was also an unrealised foreign exchange gain of \$2.80 million in 9MFY14, which was absent in 9MFY15.
4. The Group recorded a lower share of profit from associated companies of \$0.10 million for 9MFY15, compared to \$1.13 million for 9MFY14. This was largely due to losses incurred by Streamax International Holding Co., Ltd. and Squire Mech, offset by profit contribution from RSP India, which became an associate of RSP through the latter's acquisition of the entire issued and paid-up share capital of Venture India on 5 August 2015.
5. The Company incurred finance costs related to the accrual of interest on the fixed rate notes of \$100 million due 2018 issued on 27 March 2015 under the \$500 million MTN Programme, measured at the effective interest rate.
6. The Group's tax expense decreased to \$0.47 million in 9MFY15 from \$1.23 million in 9MFY14. This is mainly due to decrease in current period tax expense by \$1.85 million, on lower pretax profit for RSP, offset by \$1.10 million reduction in deferred tax credit.
7. As a result of the activities mentioned in the foregoing paragraphs, the Group recorded loss attributable to shareholders of \$0.59 million for 9MFY15, compared to profit of \$60.49 million for 9MFY14.
8. The Group reported basic loss per share of 0.014 cents for 9MFY15 compared to earnings per share of 1.422 cents for 9MFY14.

Review of Statement of Financial Position

1. The Group recorded net assets of \$470.19 million as at 30 September 2015 compared with \$501.47 million as at 31 December 2014. The decrease was mainly due to decrease in values of investment and development properties, offset by lower purchase consideration payable against the RSP earn-out shares.
2. The Group recorded a value of \$159.66 million for investment properties as at 30 September 2015 compared with \$186.82 million as at 31 December 2014. This decrease was mainly due to further weakening of the Malaysian Ringgit against Singapore Dollar during the period under review. By the same reason, the value of development properties decreased to \$151.56 million as at 30 September 2015, from \$177.28 million as at 31 December 2014.
3. Other investments decreased by \$3.01 million, largely due to marked-to-market losses for the Group's investments in quoted equity securities.
4. Derivatives decreased by \$0.50 million due to the write-off of call option for 34.7% of shareholding in RSP India after the shares were indirectly acquired through the 100% acquisition of Venture India on 5 August 2015.
5. Intangible assets comprise mainly order backlog of \$5.05 million and management agreement of \$6.45 million, which arose due to acquisition of RSP Architects Planners & Engineers (Pte) Ltd's ("RSP"), decreased by \$1.99 million. 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.
6. Purchase consideration payable (current and non-current), 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 the Company upon RSP meeting certain earn-out targets based on earn-out formula as described in the SPA. On 17 April 2015, 125 million shares were issued to the RSP Vendors for having met the first earn-out target. The balance consideration payable decreased by \$29.50 million due to its re-measurement according to relevant financial reporting standards and based on the share price of the Company as at the balance sheet dates, and settlement of the payable relating to the first earn-out due to the relevant targets being met.
7. On 27 March 2015, the Group issued fixed rate notes of \$100 million under its \$500 million MTN Programme. The borrowings of \$99.08 million represented the net proceeds arising from the issue of the Notes, after deducting unamortised issue expenses.
8. As a result, net asset value per share for the Group was 10.73 cents as at 30 September 2015, compared to 11.78 cents as at 31 December 2014.

Review of Statement of Cash Flows

Net cash used in operating activities for Q3FY15 amounted to \$1.41 million, which was mainly due to negative working capital and tax payment.

Net cash used in investing activities for Q3FY15 was \$20.53 million, which was mainly attributable to the acquisition of 100% shares of Venture India which holds 34.7% shares in RSP India for \$20.59 million, additions of property, plant and equipment of \$0.25 million, offset by net fixed deposits withdrawal of \$0.31 million.

Net cash used in financing activities for Q3FY15 was \$3.28 million, which arose from the payment of interest half yearly due on the \$100 million notes issued under the MTN Programme.

Overall, the net decrease in cash and cash equivalents for Q3FY15 was \$25.22 million.

As at 30 September 2015, the Group's cash and cash equivalents amounted to \$96.52 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.

On 5 August 2015, the Group announced the acquisition of 100% interests in Venture India Pte Ltd, a company holding 34.72% of shares in RSP Design Consultants (India) Private Limited for \$20.6 million. This acquisition is immediately accretive to the financials of the Group and gives the Group equity ownership in an established business in one of the world's largest emerging economies that has significant building and infrastructure demands into the future.

On 27 August 2015, the Group announced that it has entered into a joint venture agreement with Gary Neville, Ryan Giggs and Beijing Construction and Engineering Group to develop an integrated development in Manchester, United Kingdom. The project, known as St Michael's, will be a landmark city centre regeneration scheme and will comprise retail, office, residential and luxury hotel components sited in a very prime location. Under the joint venture agreement, the Group will invest approximately £40 million for a 75% stake in the project.

At the same time, the Group also announced that it has entered into a series of sale and purchase agreements to acquire 75% shareholding interests in Hotel Football, Café Football and GG Collections. Hotel Football is a 134 room boutique hotel next to Old Trafford, Café Football is a 120-seat restaurant in London and GG Collections owns GG Hospitality, which is a hotel and restaurant management company. GG Collections also owns the Hotel Football and Café Football brands. The Group will invest £29.1 million to acquire the 75% shareholdings and the balance 25% shareholdings are held by Gary Neville, Ryan Giggs, Philip Neville, Paul Scholes and Nicholas Butt. The proposed acquisitions mark Rowsley's entry into the hospitality market. The Group sees significant potential in boutique hotels due to the growing global tourism as well as significant opportunities for the Hotel Football and Café Football brands due to the popularity of European soccer. The proposed acquisitions constitute interested person transactions as defined in Chapter 9 of the Listing Manual issued by the Singapore Exchange and are subject to approval by shareholders at an EGM to be held on 16 November 2015.

On 22 September 2015, the Group announced that it is repositioning its Vantage Bay project from a residential township into a healthcare city for the region. Vantage Bay Healthcare City will house hospitals, long-term care facilities, urban wellness resort and other associated facilities to meet rising healthcare needs. The Group will be the master developer of the project and will work with various international partners to develop and manage its different components. The Gross Development Value of Vantage Bay Healthcare City is expected to be RM5 billion. This repositioning is also in line with the Johor State's vision to transform itself into an international medical destination.

In Singapore, the property cooling measures introduced by the Government continues to be in place and is likely to weigh on RSP's revenue in the short term. Nonetheless, RSP has continued to book new projects in Singapore as well as in Malaysia, Vietnam, India, etc.. RSP will also be the architect for the Group's Vantage Bay Healthcare City project.

Over the next 12 months, the Group will focus on executing the above acquisitions and business plans as well as continue to look for opportunities to participate in high value real estate investment, development and hospitality projects. The Group will make the necessary announcements when appropriate.

11. Dividend

	Period ended	
	30 Sep 2015	30 Sep 2014
(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 mandate had been obtained during the reporting financial period.

14. Update on use of exercise proceeds from Warrants Issue.

As at 30 September 2015, the Exercise Proceeds amounting to S\$1,302,840 have not been utilised. The Company will continue to make periodic announcements on the material disbursement of any proceeds arising from the exercise of the Warrants as and when such proceeds are materially disbursed.

15. 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 2015 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

4 November 2015