



ROWSLEY LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No: 199908381D)
(the "Company")

Unaudited First Quarter Financial Statement Announcement For The Financial Period Ended 31 March 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 31 MARCH 2015

		Group		
		First quarter ended		
		31 Mar 2015	31 Mar 2014	Change
		\$'000	\$'000	%
Revenue		16,344	21,834	(25)
Other income	A	7,655	3,595	113
Staff costs		(15,046)	(14,620)	3
Other expenses	B	(4,734)	(5,307)	(11)
Share of profit of associated companies		50	334	(85)
Profit before interest, tax, depreciation and amortisation (EBITDA)		4,269	5,836	(27)
Interest income		56	33	70
Finance costs	C	(74)	-	NM
Depreciation and amortisation		(1,123)	(3,532)	(68)
Total profit before tax		3,128	2,337	34
Tax expense		(16)	(508)	(97)
Total profit after tax		3,112	1,829	70
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, net of tax		(1,725)	(641)	169
Foreign currency translation differences - foreign operations		(6,284)	(58)	NM
Other comprehensive income, net of tax		(8,009)	(699)	1,046
Total comprehensive income for the period		(4,897)	1,130	NM
Profit attributable to equity holders of the Company		3,112	1,829	70
Total comprehensive income attributable to equity holders of the Company		(4,897)	1,130	NM

NM – Not meaningful

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

	Group	
	First quarter ended	
	31 Mar 2015	31 Mar 2014
Basic earnings per share	0.07	0.04
Diluted earnings per share	0.05	0.03

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

	Group		
	First quarter ended		Change %
	31 Mar 2015 \$'000	31 Mar 2014 \$'000	
(A) Other income			
Reversal of impairment loss on trade receivables	-	51	(100)
Management consultancy fee	368	262	40
Sales of prints	22	41	(46)
Jobs credit/government grant	310	210	48
Wages reimbursed from customers	2,805	3,027	(7)
Fair value changes in purchase consideration payable	4,125	-	NM
Others	25	4	525
	<u>7,655</u>	<u>3,595</u>	113
(B) Other expenses			
Selling and marketing expenses	(495)	-	NM
Directors' fee	(124)	(123)	1
Professional fees	(254)	(500)	(49)
Rental	(1,151)	(1,135)	1
Travelling and entertainment expenses	(602)	(508)	19
Loss on disposal of property, plant and equipment	-	(21)	(100)
Foreign exchange gain/(loss), net	42	(33)	NM
Repairs and maintenance	(214)	(218)	(2)
Project expenses	(1,712)	(2,236)	(23)
Administrative expenses	(113)	(92)	23
Reversal of allowance for foreseeable losses	280	-	NM
Gifts and donations	(5)	(3)	(67)
Advertisement	(28)	(26)	8
Telephone and internet	(59)	(56)	5
Utilities	(42)	(48)	(13)
Printing and stationery	(57)	(74)	(23)
Leasing of office equipment	(34)	(35)	(3)
Others	(166)	(199)	(17)
	<u>(4,734)</u>	<u>(5,307)</u>	(11)
(C) Finance costs			
Interest expense on Medium Term Notes	(74)	-	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 31 Mar 15 \$'000	As at 31 Dec 14 \$'000	As at 31 Mar 15 \$'000	As at 31 Dec 14 \$'000
ASSETS				
Non-current assets				
Property, plant and equipment	9,203	9,242	339	359
Goodwill	107,092	107,092	-	-
Intangible assets	12,824	13,488	-	-
Investment properties	183,379	186,820	-	-
Subsidiaries	-	-	571,456	568,456
Associates	13,325	13,276	-	-
Other investments	4,160	5,885	-	-
Derivatives	4,595	4,595	-	-
	<u>334,578</u>	<u>340,398</u>	<u>571,795</u>	<u>568,815</u>
Current assets				
Development properties	174,015	177,280	-	-
Work-in-progress	29,677	26,203	-	-
Amounts due from subsidiaries – non-trade	-	-	26,636	22,622
Trade and other receivables	23,781	29,398	513	526
Cash and cash equivalents	130,703	36,550	103,440	3,329
	<u>358,176</u>	<u>269,431</u>	<u>130,589</u>	<u>26,477</u>
Total assets	<u>692,754</u>	<u>609,829</u>	<u>702,384</u>	<u>595,292</u>
EQUITY				
Share capital	717,225	717,225	717,225	717,225
Fair value reserve	(1,033)	692	-	-
Foreign currency translation reserve	(16,413)	(10,129)	-	-
Accumulated losses	(203,203)	(206,315)	(183,333)	(195,978)
Total equity	<u>496,576</u>	<u>501,473</u>	<u>533,892</u>	<u>521,247</u>
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	2,666	2,742	20	20
Purchase consideration payable	45,750	48,500	45,750	48,500
Borrowings	98,920	-	98,920	-
	<u>147,336</u>	<u>51,242</u>	<u>144,690</u>	<u>48,520</u>
Current liabilities				
Excess of progress billings over work-in-progress	5,449	5,165	-	-
Trade and other payables	17,849	24,140	927	1,275
Current tax payable	2,669	3,559	-	-
Purchase consideration payable	22,875	24,250	22,875	24,250
	<u>48,842</u>	<u>57,114</u>	<u>23,802</u>	<u>25,525</u>
Total liabilities	<u>196,178</u>	<u>108,356</u>	<u>168,492</u>	<u>74,045</u>
TOTAL EQUITY AND LIABILITIES	<u>692,754</u>	<u>609,829</u>	<u>702,384</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 31 Mar 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

Amount repayable after one year:

	As at 31 Mar 2015		As at 31 Dec 2014	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Medium Term Notes	-	100,000	-	-
Less: unamortised issue costs	-	(1,080)	-	-
Net borrowings	-	98,920		

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) will 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	
	First quarter ended	
	31 Mar 2015	31 Mar 2014
	\$'000	\$'000
Cash flows from operating activities		
Profit for the period	3,112	1,829
Adjustments for:		
- Tax expense	16	508
- Depreciation of property, plant and equipment	459	415
- Amortisation of intangible assets	664	3,117
- Loss on disposal of property, plant and equipment	-	21
- Interest income	(56)	(33)
- Interest expense	74	-
- Share of profit of associated companies	(50)	(334)
- Reversal of impairment loss on trade receivables	-	(51)
- Fair value changes in purchase consideration payable	(4,125)	-
- Unrealised foreign exchange loss	359	33
Operating profit before working capital changes	453	5,505
Changes in working capital :		
- Work-in-progress	(3,474)	(1,319)
- Trade and other receivables	5,631	(1,832)
- Trade and other payables	(6,401)	(5,594)
- Progress billings	284	(2,857)
- Development properties	(18)	(162)
Cash used in operations	(3,525)	(6,259)
- Interest received	56	33
- Income tax paid	(983)	(1,283)
Net cash used in operating activities	(4,452)	(7,509)
Cash flows from investing activities		
Additions to property, plant and equipment	(411)	(184)
Proceeds from disposal of property, plant and equipment	2	-
Expenditure on investment properties	(19)	11
Changes in fixed deposits	524	(50)
Net cash generated from/(used) in investing activities	96	(233)
Cash flows from financing activity		
Net proceeds from issuance of Notes	98,951	-
Restricted cash	(3,250)	-
Net cash generated from financing activity	95,701	-
Net increase/(decrease) in cash and cash equivalents	91,345	(7,732)
Cash and cash equivalents at beginning of the period	35,141	31,657
Effect of exchange rate changes on cash held	65	(78)
Cash and cash equivalents at end of the period	126,551	23,847

	Group	
	First quarter ended	
	31 Mar 2015	31 Mar 2014
	\$'000	\$'000
Cash and cash equivalents comprise of:		
Cash and bank balances	126,471	22,534
Short-term deposits	4,232	2,215
	<hr/> 130,703	<hr/> 24,749
Less: Fixed deposits with maturities of more than 3 months	(902)	(902)
Cash held in interest service reserve account	(3,250)	-
	<hr/>	<hr/>
Cash and cash equivalents in the consolidated statement of cash flows	126,551	23,847
	<hr/> <hr/>	<hr/> <hr/>

- 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					
Profit for the period	–	–	–	3,112	3,112
<i>Other comprehensive income</i>					
Foreign currency translation differences for foreign operations	–	(6,284)	–	–	(6,284)
Net change in fair value of available-for-sale financial assets, net of tax	–	–	(1,725)	–	(1,725)
Total comprehensive income for the period	–	(6,284)	(1,725)	3,112	(4,897)
At 31 March 2015	<u>717,225</u>	<u>(16,413)</u>	<u>(1,033)</u>	<u>(203,203)</u>	<u>496,576</u>
At 1 January 2014	715,922	(5)	1,835	(255,759)	461,993
Total comprehensive income for the period					
Profit for the period	–	–	–	1,829	1,829
<i>Other comprehensive income</i>					
Foreign currency translation differences for foreign operations	–	(58)	–	–	(58)
Net change in fair value of available-for-sale financial assets, net of tax	–	–	(641)	–	(641)
Total comprehensive income for the period	–	(58)	(641)	1,829	1,130
At 31 March 2014	<u>715,922</u>	<u>(63)</u>	<u>1,194</u>	<u>(253,930)</u>	<u>463,123</u>

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	–	12,645	12,645
Total comprehensive income for the period	–	12,645	12,645
At 31 March 2015	717,225	(183,333)	533,892
At 1 January 2014	715,922	(254,573)	461,349
Total comprehensive income for the period			
Loss for the period	–	(1,399)	(1,399)
Total comprehensive income for the period	–	(1,399)	(1,399)
At 31 March 2014	715,922	(255,972)	459,950

- 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 for the quarter ended 31 March 2015. As at 31 March 2015, there were 1,971,364,530 outstanding warrants (31 December 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 31 Mar 2015	As at 31 Dec 2014
Number of issued shares	4,258,205,931	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.

As at 31 March 2015, the Company did not hold any treasury shares (31 December 2014: Nil).

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 31 March 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).

	For the financial period ended	
	31 Mar 2015	31 Mar 2014
EPS based on net profit/(loss) attributable to shareholders of the Company (cents):		
Basic*	0.07	0.04
Diluted**	0.05	0.03
Weighted average number of ordinary shares on issue as at the end of the period	4,258,205,931	4,250,967,931
Weighted average number of ordinary shares on issue after adjusting for effects of dilutive warrants as at the end of the period	6,210,652,424	6,217,256,359

* 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	
	31 Mar 2015	31 Dec 2014
Net asset value per ordinary share of		
Group (cents)	11.66	11.78
Company (cents)	12.54	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

1. The Group reported a revenue of \$16.34 million for the first quarter of the current financial year ("1QFY15"), as compared to \$21.83 million in the corresponding quarter last year ("1QFY14"). The decrease in revenue was primarily due to a decline in revenue contributed from architectural services of approximately \$7.4 million, which was partially offset by increase in revenue contribution from civil and structural engineering services of \$1.3 million and master planning services of \$0.7 million.

Higher revenue was recorded for the architectural services in 1QFY2014 as more projects achieved major milestones versus for 1QFY15.

Both civil and structural engineering services and master planning services recorded higher revenue as more services were rendered for new projects in the period under review.

2. Other income for 1QFY15 amounted to \$7.66 million, as compared to \$3.60 million for 1QFY14. This increase was mainly due to fair value adjustment of \$4.13 million arising from the re-measurement of the purchase consideration payable to the RSP vendors.
3. The Group recorded staff costs and other expenses of \$19.78 million for 1QFY15, as compared to \$19.93 million for 1QFY14. This slight decrease was mainly due to higher headcount incurred by the Company offset by lower project expenses incurred by consultancy services segment.
4. Share of profit from associated companies for 1QFY15 decreased to \$0.05 million in 1QFY15 from \$0.33 million in 1QFY14. This was largely due to a fall in profit contribution from Squire Mech Private Ltd, and loss incurred by Streamax International Holding Co., Ltd.
5. Finance costs related to the accrual of interest on the fixed rate notes of S\$100 million due 2018 issued on 27 March 2015 under the S\$500 million MTN Programme, measured at the effective interest rate.

6. The Group also recorded a \$0.67 million non-cash amortisation expense of the Group's intangible assets in 1QFY15, versus \$3.12 million in 1QFY14 as more order backlog had been completed in FY2014.
7. The Group's tax expense decreased to \$0.02 million in 1QFY15 from \$0.51 million in 1QFY14. This is due to decrease in current period tax expense by \$0.84 million, offset by \$0.34 million reduction in deferred tax credit.
8. As a result, the Group recorded profit attributable to shareholders of \$3.11 million for 1QFY15, compared to \$1.83 million for 1QFY14.
9. In the first quarter of 2015, the Malaysian Ringgit weakened against the Singapore Dollar. This resulted in a foreign currency translation loss of \$7.05 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.
10. The Group reported basic earnings per share of 0.07 cents for 1QFY15 compared to 0.04 cents for 1QFY14.

Review of Statement of Financial Position

1. The Group recorded net assets of \$496.58 million as at 31 March 2015 compared with \$501.47 million as at 31 December 2014. The decrease was mainly due to lower value of intangible assets, investment in associated companies and investment properties. This is offset by higher working capital, lower purchase consideration payable and borrowings taken up in 1QFY15.
2. The Group recorded a value of \$183.38 million for investment properties as at 31 March 2015 compared with \$186.82 million as at 31 December 2014. This decrease was mainly due to weakening of the Malaysian Ringgit against Singapore Dollar during the period under review. By the same reason, the value of development properties decreased to \$174.02 million as at 31 March 2015, from \$177.28 million as at 31 December 2014.
3. Other investments decreased by \$1.73 million, largely due to marked-to-market losses for the Group's investments in quoted equity securities.
4. Intangible assets which comprise mainly order backlog of \$6.62 million and management agreement of \$6.20 million which arose due to acquisition of RSP Architects Planners & Engineers (Pte) Ltd's ("RSP"), decreased by \$0.66 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.
5. 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. The total consideration payable decreased by \$4.13 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.

6. On 27 March 2015, the Group issued fixed rate notes of S\$100 million under its S\$500 million MTN Programme. The borrowings represented the net proceeds arising from the issue of the Notes, after deducting unamortised issue expenses.
7. As a result, net asset value per share for the Group was 11.66 cents as at 31 March 2015, compared to 11.78 cents as at 31 December 2014.

Review of Statement of Cash Flows

Net cash used in operating activities for 1QFY15 amounted to \$4.45 million, which was mainly due to working capital changes and tax payment.

Net cash generated by investing activities for 1QFY15 was \$0.01 million, which was mainly attributable to net maturity of fixed deposits of \$0.52 million, offset by additions of property, plant and equipment of \$0.41 million.

Net cash generated from financing activity for 1QFY2015 amounted to \$95.70 million, which was mainly due to net proceeds received from the issuance of Notes under the MTN programme.

Overall, the net increase in cash and cash equivalents for 1QFY15 was \$91.35 million.

As at 31 March 2015, the Group's cash and cash equivalents amounted to \$130.70 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.

The Group has organized its business into four business segments as follows (i) real estate and infrastructure development, (ii) consultancy services, (iii) real estate management and (iv) investment holdings.

Notwithstanding the current property market sentiments in Iskandar, the Group remains optimistic about the long-term fundamentals of Iskandar and believes that 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. Furthermore, SKIES has a superior product with strong value propositions and the Group is confident that the market will receive the project favourably when launched.

In Singapore, the last set of property cooling measures introduced by the Government continues to be in place and has slowed down the residential housing market. However, Singapore residential projects currently contribute only about 18% of RSP's total revenues. RSP has continued to build up a strong order book in 2015 with new projects in Singapore and across the region in China, Vietnam and Myanmar.

The Group will continue to actively look at high value projects in Singapore and around the region to grow each of these business segments and will make the necessary announcements when appropriate.

11. Dividend

	Period ended	
	31 Mar 2015	31 Mar 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 general mandate obtained during the reporting financial period.

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

As of 31 March 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 31 March 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

30 April 2015