



## ROWSLEY LTD.

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

### Unaudited Second Quarter Financial Statement Announcement For The Financial Period Ended 30 June 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 JUNE 2015

	Group			Group		
	2 <sup>nd</sup> quarter ended 30 June			Half year ended 30 June		
	2015 \$'000	2014 \$'000	Change %	2015 \$'000	2014 \$'000	Change %
Revenue	17,773	22,136	(20)	34,117	43,970	(22)
Other income	A 6,758	5,892	15	14,413	9,487	52
Staff costs	(13,886)	(14,555)	(5)	(28,932)	(29,175)	(1)
Other expenses	B (7,206)	(4,274)	69	(11,940)	(9,581)	25
Share of (loss)/profit of associated companies	(57)	650	(109)	(7)	984	(101)
<b>Profit before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>3,382</b>	<b>9,849</b>	<b>(66)</b>	<b>7,651</b>	<b>15,685</b>	<b>(51)</b>
Interest income	167	30	457	223	63	254
Finance costs	C (1,690)	-	NM	(1,764)	-	NM
Depreciation and amortisation	(1,131)	(3,570)	(68)	(2,254)	(7,102)	(68)
<b>Total profit before tax</b>	<b>728</b>	<b>6,309</b>	<b>(89)</b>	<b>3,856</b>	<b>8,646</b>	<b>(55)</b>
Tax expense	D (212)	(218)	(3)	(228)	(726)	(69)
<b>Total profit after tax</b>	<b>516</b>	<b>6,091</b>	<b>(92)</b>	<b>3,628</b>	<b>7,920</b>	<b>(54)</b>
<b>Other comprehensive income</b>						
<b>Items that are or may be reclassified subsequently to profit or loss:</b>						
Net change in fair value of available-for-sale financial assets	(833)	(101)	725	(2,558)	(873)	193
Related tax	-	(46)	(100)	-	85	(100)
Foreign currency translation differences - foreign operations	(14,820)	(135)	10,878	(21,104)	(192)	10,892
<b>Other comprehensive income, net of tax</b>	<b>(15,653)</b>	<b>(282)</b>	<b>5,451</b>	<b>(23,662)</b>	<b>(980)</b>	<b>2,315</b>
<b>Total comprehensive income for the period</b>	<b>(15,137)</b>	<b>5,809</b>	<b>NM</b>	<b>(20,034)</b>	<b>6,940</b>	<b>NM</b>
<b>Profit attributable to equity holders of the Company</b>	<b>516</b>	<b>6,091</b>	<b>(92)</b>	<b>3,628</b>	<b>7,920</b>	<b>(54)</b>
<b>Total comprehensive income attributable to equity holders of the Company</b>	<b>(15,137)</b>	<b>5,809</b>	<b>NM</b>	<b>(20,034)</b>	<b>6,940</b>	<b>NM</b>

NM – Not meaningful

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

	Group		Group	
	2 <sup>nd</sup> quarter ended 30 June		Half year ended 30 June	
	2015	2014	2015	2014
Basic earnings per share	0.012	0.143	0.084	0.186
Diluted earnings per share	0.008	0.098	0.058	0.127

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

	Group			Group		
	2 <sup>nd</sup> quarter ended 30 June			Half year ended 30 June		
	2015	2014	Change	2015	2014	Change
	\$'000	\$'000	%	\$'000	\$'000	%
(A) Other income						
Gain on sale of available-for-sale financial assets	-	2,340	(100)	-	2,340	(100)
Reversal of impairment loss on trade receivables	-	22	(100)	-	73	(100)
Management consultancy fee	450	678	(34)	818	940	(13)
Sales of prints	59	49	20	81	90	(10)
Jobs credit/government grant	38	57	(33)	348	267	30
Wages reimbursed from customers	2,086	2,610	(20)	4,891	5,637	(13)
Fair value changes in purchase consideration payable, net of settlement loss	4,125	-	NM	8,250	-	NM
Others	-	136	(100)	25	140	(82)
	6,758	5,892	15	14,413	9,487	52
(B) Other expenses						
Selling and marketing expenses	(459)	(1,037)	(56)	(954)	(1,037)	(8)
Directors' fee	(129)	(115)	12	(253)	(238)	6
Professional fees	(595)	(293)	103	(849)	(793)	7
Rental	(1,149)	(1,145)	-	(2,300)	(2,280)	1
Travelling and entertainment expenses	(619)	(446)	39	(1,221)	(954)	28
Loss on disposal of property, plant and equipment	(15)	-	NM	(15)	(21)	(29)
Foreign exchange (loss)/gain, net	(1,141)	2,764	NM	(1,099)	2,731	NM
Repairs and maintenance	(233)	(140)	66	(447)	(358)	25
Project expenses	(2,488)	(2,998)	(17)	(4,200)	(5,234)	(20)
Administrative expenses	(67)	(62)	8	(180)	(154)	17
Reversal of allowance for foreseeable losses	353	-	NM	633	-	NM
Gifts and donations	(1)	(265)	(100)	(6)	(268)	(98)
Advertisement	(76)	(68)	12	(104)	(94)	11
Telephone and internet	(62)	(59)	5	(121)	(115)	5
Utilities	(43)	(63)	(32)	(85)	(111)	(23)
Printing and stationery	(64)	(86)	(26)	(121)	(160)	(24)
Leasing of office equipment	(35)	(33)	6	(69)	(68)	1
Others	(383)	(228)	68	(549)	(427)	29
	(7,206)	(4,274)	69	(11,940)	(9,581)	25
(C) Finance costs						
Interest expense on Medium Term Notes	(1,690)	-	NM	(1,764)	-	NM
(D) Current tax						
Under provision in respect of prior years	(68)	-	NM	(15)	-	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 Jun 15	31 Dec 14	30 Jun 15	31 Dec 14
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	8,841	9,242	321	359
Goodwill	107,092	107,092	-	-
Intangible assets	12,160	13,488	-	-
Investment properties	175,970	186,820	-	-
Subsidiaries	-	-	572,184	568,456
Associates	12,567	13,276	-	-
Other investments	3,327	5,885	-	-
Derivatives	4,595	4,595	-	-
	<u>324,552</u>	<u>340,398</u>	<u>572,505</u>	<u>568,815</u>
<b>Current assets</b>				
Development properties	167,042	177,280	-	-
Work-in-progress	30,705	26,203	-	-
Amounts due from subsidiaries – non-trade	-	-	25,734	22,622
Trade and other receivables	22,389	29,398	489	526
Cash and cash equivalents	124,461	36,550	100,772	3,329
	<u>344,597</u>	<u>269,431</u>	<u>126,995</u>	<u>26,477</u>
<b>Total assets</b>	<u>669,149</u>	<u>609,829</u>	<u>699,500</u>	<u>595,292</u>
<b>EQUITY</b>				
Share capital	742,195	717,225	742,195	717,225
Fair value reserve	(1,866)	692	-	-
Foreign currency translation reserve	(31,233)	(10,129)	-	-
Accumulated losses	(202,687)	(206,315)	(183,644)	(195,978)
<b>Total equity</b>	<u>506,409</u>	<u>501,473</u>	<u>558,551</u>	<u>521,247</u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities	2,578	2,742	20	20
Purchase consideration payable	-	48,500	-	48,500
Borrowings	99,000	-	99,000	-
	<u>101,578</u>	<u>51,242</u>	<u>99,020</u>	<u>48,520</u>
<b>Current liabilities</b>				
Excess of progress billings over work-in-progress	4,193	5,165	-	-
Amounts due to a subsidiary – trade	-	-	30	-
Trade and other payables	15,561	24,140	2,399	1,275
Current tax payable	1,908	3,559	-	-
Purchase consideration payable	39,500	24,250	39,500	24,250
	<u>61,162</u>	<u>57,114</u>	<u>41,929</u>	<u>25,525</u>
<b>Total liabilities</b>	<u>162,740</u>	<u>108,356</u>	<u>140,949</u>	<u>74,045</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>669,149</u>	<u>609,829</u>	<u>699,500</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 Jun 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

Amount repayable after one year:

	As at 30 Jun 2015		As at 31 Dec 2014	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Medium Term Notes	-	100,000	-	-
Less: unamortised issue costs	-	(1,000)	-	-
Net borrowings	-	99,000	-	-

**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	
	2 <sup>nd</sup> quarter ended 30 June		Half year ended 30 June	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Profit for the period	516	6,091	3,628	7,920
Adjustments for:				
- Tax expense	212	218	228	726
- Depreciation of property, plant and equipment	467	453	926	868
- Amortisation of intangible assets	664	3,117	1,328	6,234
- Gain on disposal of available-for-sale financial assets	-	(2,340)	-	(2,340)
- Loss on disposal of property, plant and equipment	15	-	15	21
- Interest income	(167)	(30)	(223)	(63)
- Interest expense	1,690	-	1,764	-
- Share of (loss)/profit of associated companies	57	(650)	7	(984)
- Reversal of impairment loss on trade receivables	-	(22)	-	(73)
- Reversal of allowance for foreseeable losses	(353)	-	(633)	-
- Fair value changes in purchase consideration payable, net of settlement loss	(4,125)	-	(8,250)	-
- Unrealised foreign exchange loss/(gain)	564	(2,814)	923	(2,781)
<b>Operating (loss)/profit before working capital changes</b>	<b>(460)</b>	<b>4,023</b>	<b>(287)</b>	<b>9,528</b>
Changes in working capital :				
- Work-in-progress	(675)	(3,046)	(3,896)	(4,365)
- Trade and other receivables	1,485	3,980	7,116	2,148
- Trade and other payables	(3,928)	9,075	(10,329)	3,481
- Progress billings	(1,256)	(180)	(972)	(3,037)
- Development properties	(62)	(6,043)	(80)	(6,205)
Cash (used in)/generated from operations	(4,896)	7,809	(8,421)	1,550
- Interest received	163	30	219	63
- Tax paid	(1,059)	(1,291)	(2,042)	(2,574)
<b>Net cash (used in)/generated from operating activities</b>	<b>(5,792)</b>	<b>6,548</b>	<b>(10,244)</b>	<b>(961)</b>
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment	(262)	(1,566)	(673)	(1,750)
Proceeds from disposal of property, plant and equipment	-	1	-	1
Expenditure on investment properties	(4)	(40)	(23)	(29)
Dividend received from an associated company	700	700	700	700
Changes in fixed deposits	193	-	717	(50)
<b>Net cash generated from/(used) in investing activities</b>	<b>627</b>	<b>(905)</b>	<b>723</b>	<b>(1,128)</b>
<b>Cash flows from financing activity</b>				
Net proceeds from issuance of Notes	-	-	98,951	-
Proceeds from issuance of ordinary shares	-	1,079	-	1,079
Restricted cash	-	-	(3,250)	-
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>1,079</b>	<b>95,701</b>	<b>1,079</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,165)</b>	<b>6,722</b>	<b>86,180</b>	<b>(1,010)</b>
Cash and cash equivalents at beginning of the period	126,551	23,847	35,141	31,657
Effect of exchange rate changes on cash held	(857)	(201)	(792)	(279)
<b>Cash and cash equivalents at end of the period</b>	<b>120,529</b>	<b>30,368</b>	<b>120,529</b>	<b>30,368</b>

	<b>Group</b>		<b>Group</b>	
	<b>2<sup>nd</sup> quarter ended 30 June</b>		<b>Half year ended 30 June</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash and cash equivalents comprise:</b>				
Cash and bank balances	116,426	27,137	116,426	27,137
Short-term deposits	8,035	4,104	8,035	4,104
	<u>124,461</u>	<u>31,241</u>	<u>124,461</u>	<u>31,241</u>
Less: Fixed deposits with maturities of more than 3 months	(682)	(873)	(682)	(873)
Cash held in interest service reserve account	(3,250)	-	(3,250)	-
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<u>120,529</u>	<u>30,368</u>	<u>120,529</u>	<u>30,368</u>

- 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
<b>At 1 January 2015</b>	717,225	(10,129)	692	(206,315)	501,473
<b>Total comprehensive income for the year</b>					
Profit for the period	–	–	–	3,628	3,628
<i>Other comprehensive income</i>					
Foreign currency translation differences for foreign operations	–	(21,104)	–	–	(21,104)
Net change in fair value of available-for-sale financial assets, net of tax	–	–	(2,558)	–	(2,558)
Tax on other comprehensive income	–	–	–	–	–
<b>Total comprehensive income for the period</b>	–	(21,104)	(2,558)	3,628	(20,034)
<b>Transactions with owners, recorded directly in equity</b>					
<i>Contribution by and distributions to owners</i>					
Issuance of ordinary shares	25,000	–	–	–	25,000
Issue costs	(30)	–	–	–	(30)
<b>Total contribution by and distributions to owners</b>	24,970	–	–	–	24,970
<b>At 30 June 2015</b>	<b>742,195</b>	<b>(31,233)</b>	<b>(1,866)</b>	<b>(202,687)</b>	<b>506,409</b>
<b>At 1 January 2014</b>	715,922	(5)	1,835	(255,759)	461,993
<b>Total comprehensive income for the period</b>					
Profit for the period	–	–	–	7,920	7,920
<i>Other comprehensive income</i>					
Foreign currency translation differences for foreign operations	–	(192)	–	–	(192)
Net change in fair value of available-for-sale financial assets, net of tax	–	–	(873)	–	(873)
Tax on other comprehensive income	–	–	85	–	85
<b>Total comprehensive income for the period</b>	–	(192)	(788)	7,920	6,940
<b>Transactions with owners, recorded directly in equity</b>					
<i>Contribution by and distributions to owners</i>					
Issuance of ordinary shares	1,079	–	–	–	1,079
<b>Total contribution by and distributions to owners</b>	1,079	–	–	–	1,079
<b>At 30 June 2014</b>	<b>717,001</b>	<b>(197)</b>	<b>1,047</b>	<b>(247,839)</b>	<b>470,012</b>

## Company

	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
<b>At 1 January 2015</b>	717,225	(195,978)	521,247
<b>Total comprehensive income for the period</b>			
Profit for the period	–	12,334	12,334
<b>Total comprehensive income for the period</b>	–	12,334	12,334
<b>Transactions with owners, recorded directly in equity</b>			
<i>Contribution by and distributions to owners</i>			
Issuance of ordinary shares	25,000	–	25,000
Issue costs	(30)	–	(30)
<b>Total contribution by and distributions to owners</b>	24,970	–	24,970
<b>At 30 June 2015</b>	<b>742,195</b>	<b>(183,644)</b>	<b>558,551</b>
<b>At 1 January 2014</b>	715,922	(254,573)	461,349
<b>Total comprehensive income for the period</b>			
Loss for the period	–	(2,681)	(2,681)
<b>Total comprehensive income for the period</b>	–	(2,681)	(2,681)
<b>Transactions with owners, recorded directly in equity</b>			
<i>Contribution by and distributions to owners</i>			
Issuance of ordinary shares	1,079	–	1,079
<b>Total contribution by and distributions to owners</b>	1,079	–	1,079
<b>At 30 June 2014</b>	<b>717,001</b>	<b>(257,254)</b>	<b>459,747</b>

**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.**

During the quarter ended 30 June 2015, the Company issued 125,000,000 ordinary shares at market value of \$25.00 million to RSP Vendors as settlement of the contingent purchase consideration payable in relation to the First Earn-out Target as agreed and set out in the sale and purchase agreement (please refer to the Company's circular to shareholders dated 20 August 2013 for details). As at 30 June 2015, there were 1,971,364,530 outstanding warrants (30 June 2014: 1,972,606,530).

**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 Jun 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 June 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).

	2nd quarter ended 30 Jun		Half year ended 30 Jun	
	2015	2014	2015	2014
EPS based on net profit attributable to shareholders of the Company (cents):				
Basic*	0.012	0.143	0.084	0.186
Diluted**	0.008	0.098	0.058	0.127
Weighted average number of ordinary shares on issue as at the end of the period	4,361,227,909	4,252,956,513	4,310,001,511	4,251,967,716
Weighted average number of ordinary shares on issue after adjusting for effects of dilutive warrants as at the end of the period	6,312,890,834	6,216,893,087	6,262,061,019	6,217,080,338

\* 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.**

	<b>As at</b>	
	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>
Net asset value per ordinary share of		
Group (cents)	11.55	11.78
Company (cents)	12.74	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**

**Second quarter ended 30 June 2015 ("Q2FY2015") vs Second quarter ended 30 June 2014 ("Q2FY2014")**

1. The Group reported a revenue of \$17.77 million for Q2FY15, as compared to \$22.14 million in the corresponding quarter last year. The decrease of \$4.37 million in revenue was primarily due to a decline in revenue contributed from architectural services of approximately \$2.81 million, civil and structural engineering services of \$1.75 million and project management services of \$0.12 million, partially offset by increase in revenue contribution from master planning services of \$0.32 million. In general, the decline in overall revenue was driven by slowdown in the Singapore market.
2. Other income for Q2FY15 amounted to \$6.76 million, as compared to \$5.89 million for Q2FY14. This increase of \$0.87 million 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, offset by absence of gain from the receipt of 3,086,400 shares in Auhua Clean Energy PLC, being settlement of a convertible loan to Riezen Pte. Ltd. of \$2.34 million and decreases in management consultancy fee, wages reimbursed from customers and sundry income of \$0.89 million recognised in Q2FY14.
3. The Group recorded staff costs and other expenses of \$22.22 million for Q2FY15, as compared to \$22.40 million for Q2FY14. This slight decrease of \$0.18 million was mainly due to decrease in amortisation and depreciation expenses of \$2.44 million, staff costs of \$0.67 million, marketing expenses of \$0.58 million, project expenses of \$0.51 million and reversal of allowance for foreseeable losses on projects of \$0.35 million, partially offset by higher professional fees incurred of \$0.30 million, higher realized foreign exchange loss of \$0.17 million and recording of unrealized foreign exchange loss of \$0.89 million in Q2FY15, as opposed to a unrealized foreign exchange gain of \$2.85 million in Q2FY14.

4. The Group recorded a share of loss from associated companies of \$0.06 million for Q2FY15 from a share of profit of \$0.65 million in Q2FY14. 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. 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 slightly to \$0.21 million in Q2FY15 from \$0.22 million in Q2FY14. This is mainly due to decrease in current period tax expense by \$0.40 million, offset by a \$0.39 million reduction in deferred tax credit.
7. As a result, the Group recorded a profit attributable to shareholders of \$0.52 million for Q2FY15, compared to a profit of \$6.09 million for Q2FY14.
8. In the second quarter of 2015, the Malaysian Ringgit weakened further against the Singapore Dollar. This resulted in an unrealized foreign currency translation loss of \$15.92 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 earnings per share of 0.012 cents for Q2FY15 compared to basic earnings 0.143 cents for Q2FY14.

**Half year ended 30 June 2015 ("H1FY2015") vs Half year ended 30 June 2014 ("H1FY2014")**

1. The Group reported a revenue of \$34.12 million in H1FY2015, as compared to \$43.97 million in H1FY2014. The decrease in revenue of \$9.85 million was primarily due to a decline in revenue contributed from architectural services of approximately \$10.21 million and civil, structural engineering services of \$0.46 million and project management services of \$0.16 million, partially offset by increase in revenue contribution from master planning services of \$0.98 million.
2. Other income for H1FY2015 amounted to \$14.41 million, as compared to \$9.49 million for H1FY2014. This increase of \$4.92 million was mainly due to fair value adjustment of \$8.25 million arising from the re-measurement of the purchase consideration payable to the RSP vendors net of loss on settlement of the first earn-out, offset by an absence of \$2.34 million gain from the receipt of 3,086,400 shares in Auhua Clean Energy PLC, being settlement of a convertible loan to Riezen Pte. Ltd. in H1FY2014, and lower reimbursement of wages from customers of \$0.75 million.
3. The Group recorded staff costs and other expenses of \$43.13 million for H1FY15, as compared to \$45.86 million for H1FY14. The decrease of \$2.73 million was mainly due to lower depreciation and amortisation expenses of \$4.85 million and project expenses of \$1.03 million, offset by higher realized foreign exchange loss of \$0.16 million and recording of unrealized foreign exchange loss of \$0.84 million in H1FY15, as opposed to an unrealized foreign exchange gain of \$2.83 million in H1FY14.
4. The Group recorded a slight share of loss from associated companies of \$7,000 for H1FY15, compared to share of profit of \$0.98 million. 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. 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 also recorded a lower \$1.33 million non-cash amortisation expense of the Group's intangible assets in H1FY15, versus \$6.23 million in H1FY14 as more order backlog had been completed in FY2014.

7. The Group's tax expense decreased to \$0.23 million in H1FY15 from \$0.73 million in H1FY14. This is mainly due to decrease in current period tax expense by \$1.23 million, offset by \$0.74 million reduction in deferred tax credit.
8. As a result, the Group recorded profit attributable to shareholders of \$3.63 million for H1FY15, compared to \$7.92 million for H1FY14.
9. The Group reported basic earnings per share of 0.084 cents for H1FY15 compared to 0.186 cents for H1FY14.

#### **Review of Statement of Financial Position**

1. The Group recorded net assets of \$506.41 million as at 30 June 2015 compared with \$501.47 million as at 31 December 2014. The increase was mainly due to lower purchase consideration payable against the RSP earn-out shares, offset by lower values of investment and development properties.
2. The Group recorded a value of \$175.97 million for investment properties as at 30 June 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 \$167.04 million as at 30 June 2015, from \$177.28 million as at 31 December 2014.
3. Other investments decreased by \$2.56 million, largely due to marked-to-market losses for the Group's investments in quoted equity securities.
4. Intangible assets comprise mainly order backlog of \$5.62 million and management agreement of \$6.54 million, which arose due to acquisition of RSP Architects Planners & Engineers (Pte) Ltd's ("RSP"), decreased by \$1.33 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 \$33.25 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.
6. On 27 March 2015, the Group issued fixed rate notes of \$100 million under its \$500 million MTN Programme. The borrowings of \$99 million 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 11.55 cents as at 30 June 2015, compared to 11.78 cents as at 31 December 2014.

#### **Review of Statement of Cash Flows**

Net cash used in operating activities for Q2FY15 amounted to \$5.79 million, which was mainly due to negative working capital and tax payment.

Net cash generated from investing activities for Q2FY15 was \$0.63 million, which was mainly attributable to dividend received from an associated company of \$0.70 million and net maturity of fixed deposits of \$0.19 million, offset by additions of property, plant and equipment of \$0.26 million.

Overall, the net decrease in cash and cash equivalents for Q2FY15 was \$5.17 million.

As at 30 June 2015, the Group's cash and cash equivalents amounted to \$124.46 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.**

In Singapore, the property cooling measures introduced by the Government continues to be in place and has dampened the residential housing market. Nonetheless, RSP has continued to book new projects in Singapore as well as in the region.

The Group announced today the acquisition of 100% interests in Venture India Pte Ltd, a company which holds 34.72% of shares in RSP India Design Pvt Ltd. This \$20.6 million acquisition will give the Group equity ownership in an established and well-branded business in various parts of India, access to the fast growing Indian market and add accretively to the financials of the Group.

With regards to Vantage Bay, the Group remains optimistic about the long term fundamentals of Iskandar. The Group recognizes the challenges of the high-end residential market at this point in time and is evaluating suitable strategies to address the current state of the market.

At the same time, the Group has been actively looking at high value real estate investment and development projects outside of Singapore to participate in. The Group will make the necessary announcements when appropriate.

**11. Dividend**

	Period ended	
	30 Jun 2015	30 Jun 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 June 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 June 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

5 August 2015