



MEDIA RELEASE

ROWSLEY REPORTS 24% REVENUE GROWTH AND ADJUSTED PRE-TAX EARNINGS OF \$4 MILLION FOR FY16

- *Group revenue up 24% to \$103.1 million on Squire Mech and full-year contribution from UK hospitality*
- *Net attributable loss of \$63.3 million; EBITDA of \$4 million excludes asset impairments and fair value gains*

Singapore, 25 February 2017 – Rowsley Ltd. today announced a net attributable loss of \$63.30 million for the financial year ended 31 December 2016 (FY16) due mainly to asset impairments. Excluding impairments and fair value gains, its earnings before interest, depreciation and tax (EBITDA) stood at \$4 million, supported by double-digit top line growth.

The net loss, up from \$36.30 million previously, included total impairments of \$72.89 million for three businesses. Just over 93% of the impairments were accounted by RSP (\$37.58 million) and Hotel Football (\$30.44 million).

RSP, the group's architecture, engineering and planning consultancy, was hurt by a weak property market in Singapore. However, the business continues to be profitable and key projects secured last year included the Mandai Nature Safari Park and the redevelopment of Funan Mall.

Earnings for Hotel Football in Manchester had tracked below management's projections, resulting in a fair value impairment. The impairment reflects a conservative approach in view of the uncertain market ahead due to



Brexit. The hotel is now carried at near its replacement value. The impairment does not consider the value that future expansion of the brand would bring.

Another \$4.87 million of goodwill impairment was also made for hotel management arm GG Collections which had been affected by lower income from Hotel Football and delays in projects to be managed by the unit.

Group revenue grew 24% to \$103.14 million against \$83.04 million in FY15. They included a full-year contribution from the UK hospitality business, which was acquired in November 2015, and new revenue from Squire Mech Private Limited, which was previously an associated company but became a wholly-owned unit of the Group in August 2016. RSP India, acquired in August 2015, also contributed a full-year share of profits to the Group.

The Group made a fair value gain of \$4.34 million when Squire Mech became a wholly-owned subsidiary; the gain represented the difference between the carrying amount of the cost of investment of the 35% associate and the enterprise value of Squire Mech at the date of acquisition.

On the outlook for its business, Rowsley said the markets that it operates in have been challenging and uncertainties persist, but it remains confident of the long-term value of its investments and its diversified business model.

The Group expects the private real estate market in Singapore to stay weak. However, RSP will continue to pursue public infrastructure contracts in Singapore as well as growth opportunities in overseas markets like Vietnam and Dubai.

In the UK, planning approvals have been submitted for the St Michael's mixed-use development project in the heart of Manchester. Hotel Football has



strong brand value and growth potential. Management is working on plans to expand the number of Hotel Football. Announcements will be made when ready.

Net cash generated from operating activities for FY16 amounted to \$7.63 million while net cash used in financing activities for the year was mainly due to payment of interest of \$7.20 million. As of 31 December 2016, the Group's cash and cash equivalents amounted to \$32.93 million.

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