



ROWSLEY LTD.

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

**ANNOUNCEMENT PURSUANT TO RULE 704(17)(C) OF THE LISTING MANUAL OF THE
SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) –
PROPOSED ACQUISITION OF SHARES IN SQUIRE MECH PRIVATE LIMITED**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Rowsley Ltd. (“**Rowsley**”) and its subsidiaries (collectively, the “**Group**”) wishes to announce that its wholly-owned subsidiary, RSP Architects Planners & Engineers (Pte) Ltd (“**RSP Singapore**”) has on 20 June 2016 entered into a conditional sale and purchase agreement with Chang Meng Teng, Chen Kheng Chuen, Eng Kwee Chew, Koh Choon Tee, Koh Kin Teng, Lim Jit Dong, Loh Wei Liang, Ng Eng Kiong, Tan Chiat Phang, Teo Yann and Wong Lok Toon (collectively, the “**Vendors**”) pursuant to which RSP Singapore agreed to acquire 650,000 ordinary shares representing 65% of the issued and paid-up share capital of Squire Mech Private Limited (“**Squire Mech**”) (the “**Proposed Acquisition**”).

The Proposed Acquisition is in the ordinary course of the Group’s business.

As at the date of this Announcement, RSP Singapore holds the remaining 350,000 ordinary shares representing 35% of the issued and paid-up share capital of Squire Mech. Following the completion of the Proposed Acquisition, Squire Mech will become a wholly-owned subsidiary of RSP Singapore and Rowsley.

2. INFORMATION RELATING TO THE PROPOSED ACQUISITION

2.1 Rationale for the Proposed Acquisition

The Proposed Acquisition is part of Rowsley’s strategy to reinforce its professional consultancy business. Through RSP Singapore, Rowsley already owns 35% of the issued and paid-up share capital of Squire Mech. The Proposed Acquisition would further strengthen the multi-disciplinary capabilities of the Group by allowing full control of mechanical and electrical engineering consultancy services, to complement architecture, master planning and, civil and structural engineering under RSP Singapore. The combination of these highly complementary services will offer an even more seamless and efficient multi-disciplinary professional services platform which is an even more compelling value proposition to clients.

2.2 Squire Mech

Incorporated in 1977, Squire Mech is a leading firm of professional mechanical and electrical engineering consultants. Squire Mech provides professional consultancy services for a wide range of developments including commercial, industrial, residential, hospitality, institutional, educational, healthcare and recreational facilities, for both new developments and the refurbishment and retrofitting of existing buildings.

Squire Mech has a staff strength of almost 200 employees and is headquartered in Singapore with offices in Shanghai, Beijing, Chengdu and Kuala Lumpur. Squire Mech has a strong track record of providing mechanical and electrical engineering (M&E) engineering for major developments and facilities for clients in both the public and private sectors. Squire Mech is ISO 9000 and 14000 and BizSafe certified.

3. CONSIDERATION FOR THE PROPOSED ACQUISITION

The aggregate consideration for the Proposed Acquisition is up to S\$19,500,000 (the “**Consideration**”) and was arrived at following arm’s length negotiations on a “willing-buyer, willing-seller” basis, based on 65% of the maximum enterprise value of Squire Mech and its subsidiaries of S\$30,000,000, which in turn was based on 7.5 times of the average net profit after tax for the financial years 2012, 2013 and 2014.

The Consideration shall be satisfied by way of allotment and issuance of up to 130,000,000 new shares of Rowsley (the “**Consideration Shares**”) at an issue price of S\$0.15 per Consideration Share.

On completion of the Proposed Acquisition, an initial consideration of 36,400,000 Consideration Shares shall be allotted and issued to the Vendors. Each Vendor undertakes that he will not sell, assign, transfer or otherwise dispose of any of his initial Consideration Shares for a period of 12 months commencing from the date that those initial Consideration Shares are listed on the SGX-ST. The remaining Consideration Shares shall be allotted and issued subject to the terms and conditions set out in the sale and purchase agreement, which includes the achievement of an earn-out target.

Completion of the Proposed Acquisition is subject to, *inter alia*, approval being given and not having been withdrawn by the SGX-ST for the admission to the Main Board of the SGX-ST and the dealing and quotation of the Consideration Shares upon allotment and issue to the Vendors.

4. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

Based on Squire Mech’s latest audited financial statements as at 31 December 2015, the net asset value of Squire Mech is approximately S\$11,622,545.

The pro forma financial effects of the Proposed Acquisition on the earnings and net tangible assets (“**NTA**”) of the Group have been prepared based on the latest audited financial statements of the Group for the financial year ended 31 December 2015 and the latest audited financial statements of Squire Mech for the financial year ended 31 December 2015.

The pro forma financial effects of the Proposed Acquisition are for illustration purposes only and do not necessarily reflect the actual future results and financial position of the Group following the completion of the Proposed Acquisition.

For illustration purposes only, the financial effects of the Proposed Acquisition have been computed based on the following assumptions:

- (a) the financial effects on the Group’s NTA attributable to the shareholders of Rowsley (“**Shareholders**”) and the NTA per ordinary share in the capital of Rowsley (“**Share**”) are computed assuming that the Proposed Acquisition was completed on 31 December 2015; and
- (b) the financial effects on the Group’s earnings attributable to the Shareholders and earnings per Share have been computed assuming that the Proposed Acquisition was completed on 1 January 2015.

NTA per Share

	Before Completion of the Proposed Acquisition	After Completion of the Proposed Acquisition
NTA attributable to Shareholders (S\$'000)	326,022	310,147
Number of Shares (excluding treasury shares)	4,383,241,931	4,383,241,931
NTA per Share attributable to Shareholders (cents)	7.44	7.08

Earnings per Share ("EPS")

	Before Completion of the Proposed Acquisition	After Completion of the Proposed Acquisition
Net profit attributable to Shareholders (S\$'000)	(36,297,851)	(28,564,937)
Weighted average number of Shares (excluding treasury shares)	4,346,906,336	4,346,906,336
EPS (cents)	(0.8350)	(0.6571)

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save that Mr. Lai Huen Poh, a director of Rowsley, is also a director of Squire Mech, none of the directors or controlling shareholders of Rowsley has any interest, direct or indirect, in the Proposed Acquisition.

BY ORDER OF THE BOARD

KANNAN MALINI
Company Secretary

20 June 2016

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