



MEDIA RELEASE

ROWSLEY TO BUY 65% OF SQUIRE MECH FOR UP TO \$19.5 MILLION

- *Rowsley to issue up to 130 million new shares at 15 cents a share to fund purchase*
- *Acquisition will reinforce Rowsley's professional consultancy business*
- *Rowsley will own 100% of Squire Mech on deal completion in August*

Singapore, 20 June 2016 – Rowsley Ltd., through wholly-owned subsidiary RSP Architects Planners & Engineers (Pte) Ltd, has agreed to buy 65% of mechanical and electrical engineering firm Squire Mech Private Limited for up to \$19.5 million, the company announced today.

The acquisition will be paid for by the issue of up to 130 million shares at 15 cents a share. The total consideration of up to \$19.5 million is subjected to certain terms and conditions including Squire Mech meeting a three-year cumulative net profit after tax target of \$12 million from 1 July 2016 to 30 June 2019.

RSP already owns 35% of Squire Mech, a leading engineering consultancy formed in 1979. The vendors are 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.

An initial consideration of 36.4 million shares shall be allotted and issued to the vendors. The remaining shares shall be allotted and issued upon meeting the three-year profit target.



The acquisition is part of Rowsley's strategy to reinforce its professional consultancy business. Having full control of the mechanical and electrical engineering consultancy services in Squire Mech would further complement the Group's architecture, master planning and civil and structural engineering services under RSP.

Rowsley said: "RSP and Squire Mech have worked on many innovative and challenging projects over the years, including various award winning developments such as ION Orchard and The Orchard Residences, CapitaGreen and ITE Headquarters and ITE Central. With Squire Mech becoming a wholly-owned subsidiary of RSP, we will be able to offer clients a more seamless and efficient design and engineering platform and an even more compelling value proposition overall."

Squire Mech has a strong track record of providing engineering consultancy services for a wide range of developments including commercial, industrial, residential, hospitality and recreational facilities, both in the public and private sectors. The firm has a staff strength of almost 200 employees in its offices in Singapore, Shanghai, Beijing, Chengdu and Kuala Lumpur. It is ISO 9000 and 14000 and BizSafe certified.

The purchase price of up to \$19.5 million was based on 7.5 times of the average net profit after tax of about \$4 million for the financial years 2012, 2013 and 2014. The deal values Squire Mech and its subsidiaries at \$30 million.

Rowsley said the deal is subject to conditions precedent and completion of the acquisition is expected in August.



As part of the terms of the acquisition, Mr. Chang Meng Teng, current Chairman of Squire Mech, will be appointed as Non-Executive Chairman. Mr. Ng Eng Kiong, will continue in his role as Managing Director. Going forward, Rowsley intends to expand the business in Malaysia and take it to new markets such as the Middle East and India, where Squire Mech does not currently have a presence.

- The End -

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