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

ACQUISITION OF INTERESTS IN
HOTEL FOOTBALL, CAFÉ FOOTBALL AND GG COLLECTIONS PRIVATE LIMITED

1. INTRODUCTION

The board of directors (the "**Board**") of Rowsley Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the following sale and purchase agreements (collectively the "**SPAs**" and each an "**SPA**") have been entered into by companies within the Group on 27 August 2015:

(1) SPA between the Company and Kestrel Investments Pte. Ltd. ("**Kestrel**"), Gary Neville ("**GN**") and Ryan Giggs ("**RG**") (collectively, the "**GGC Vendors**"), in relation to the proposed acquisition of an aggregate of 75 ordinary shares representing 75% of the issued share capital of GG Collections Private Limited ("**GGC**", and such shares, the "**GGC Sale Shares**"), for a purchase consideration of £5,050,100 in cash and the giving of a loan by the Company to GGC of £499,900 (such acquisition, the "**GGC Acquisition**");

(2) SPA between R4 Investment Pte. Ltd. (a wholly owned subsidiary of the Company), GN, RG, Orchid Leisure Limited ("**OL**") and Incanto Investments Limited ("**Incanto**"), in relation to the proposed acquisition of an aggregate of 750 ordinary shares representing 75% of the issued share capital of Café Football Limited ("**CF**", and such shares, the "**CF Sale Shares**"), for a purchase consideration of £0.75 in cash and the giving of a loan by R4 Investment Pte. Ltd. to CF of £449,999.25 (such acquisition, the "**CF Acquisition**"); and

(3) SPA between R5 Investment Pte. Ltd. (a wholly owned subsidiary of the Company) and Incanto, GN, RG, Philip Neville, Paul Scholes and Nicholas Butt (collectively the "**OL Vendors**"), in relation to the proposed acquisition of an aggregate of 8,600 ordinary shares representing 75% of the issued share capital of OL ("**OL**", and such shares, the "**OL Sale Shares**"), for a purchase consideration of £11,134,026 in cash and the giving of a loan by R5 Investment Pte. Ltd. to OL of £11,965,974 (such acquisition, the "**OL Acquisition**"),

(the GGC Acquisition, CF Acquisition and OL Acquisition collectively, the "**Proposed Acquisitions**").

The Proposed Acquisitions are in line with the Group's business as a multi-disciplinary lifestyle real estate group with capabilities in planning, architecture, engineering, investment and development.

The Proposed Acquisitions constitute interested person transactions as defined in Chapter 9 of the Listing Manual ("**Listing Manual**") issued by the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

2. BACKGROUND INFORMATION ON GGC, CF AND OL AND THE RESPECTIVE VENDORS

2.1 GGC and the GGC Vendors

GGC is a private limited company incorporated in Singapore.

As at the date of this Announcement, GGC has an issued and paid-up share capital of £100 comprising 100 ordinary shares of which Kestrel, GN and RG hold 50 shares, 38 shares and 12 shares respectively.

Pursuant to the GGC Acquisition, Kestrel will dispose of its entire shareholding interest while GN and RG will dispose of shares representing 19% and 6% respectively of the issued share capital of GGC.

GGC is a 95% shareholder of GG Hospitality Management Limited, a company registered in the United Kingdom that is in the hotel management business and manages Hotel Football as well as Café Football, London.

Kestrel is an exempt private limited company incorporated in Singapore. It is an associate (as defined in the Listing Manual) of the Company's controlling shareholder (as defined in the Listing Manual), Mr Lim Eng Hock ("**LEH**").

2.2 OL and the OL Vendors

OL is a company incorporated in the British Virgin Islands and is an investment holding company. OL's wholly owned subsidiary, Old Trafford Supporters Club Limited, owns Hotel Football in Manchester.

As at the date of this Announcement, OL has an issued and paid-up share capital of £1,000 comprising 427 Class A shares and 573 Class B shares.

OL is currently undergoing a restructuring exercise such that after the restructuring, the shares of OL will be held 50% by Incanto, 25% by GN, 12.2% by RG and the remaining 12.8% will be held by each of Philip Neville, Paul Scholes and Nicholas Butt equally.

Pursuant to the OL Acquisition and following the restructuring, Incanto will dispose of its entire shareholding interest, while GN and RG will dispose of 12.5% and 6.1% respectively of their shareholding interests in OL. Philip Neville, Paul Scholes and Nicholas Butt shall dispose of an aggregate of 6.4% of their shareholding interest.

Incanto is incorporated in the British Virgin Islands. It is an associate of LEH.

2.3 CF

CF is a company incorporated in the United Kingdom. It owns Café Football, London.

As at the date of this Announcement, CF has an issued and paid-up share capital of £1 comprising 1 ordinary share of £1 each. OL holds all the issued shares of CF. The issued share capital of CF will be sub-divided into 1,000 shares of £0.001 each. Pursuant to the CF Acquisition, OL will dispose of 75% of its sub-divided shares to R4 Investment Pte. Ltd..

3. RATIONALE FOR THE PROPOSED ACQUISITIONS

Manchester has seen tremendous growth in the past decade and this momentum is set to continue as more businesses see the city as a cost-effective alternative to London. The Proposed Acquisitions are in line with the Company's strategy to develop or acquire good hospitality real estate in choice locations, and to allow shareholders to participate in long-term capital appreciation and recurrent income through hotel earnings.

4. MATERIAL TERMS OF THE PROPOSED ACQUISITIONS

4.1. Purchase Consideration

The purchase consideration for the GGC Sale Shares comprises a purchase consideration of £5,050,100 in cash and the giving of a loan by the Company to GGC of £499,900 amounting to an aggregate of £5,550,000 to be paid or lent, as the case may be, by the Company.

The purchase consideration for the CF Sale Shares comprises a purchase consideration of £0.75 in cash and the giving of a loan by the Company to CF of £449,999.25 amounting to an aggregate of £450,000 to be paid or lent, as the case may be, by R4 Investment Pte. Ltd..

The purchase consideration for the OL Sale Shares comprises a purchase consideration of £11,134,026 in cash and the giving of a loan by the Company to OL of £11,965,974 amounting to an aggregate of £23,100,000 to be paid or lent, as the case may be, by R5 Investment Pte. Ltd..

The Company had engaged BDO Advisory Pte Ltd and Colliers International Specialist and Consulting UK LLP to conduct a valuation of GGC and OL respectively. For CF, the consideration was based on the adjusted net asset value of CF, excluding shareholder's loans partly due to be repaid and partly to be waived ("**Adjusted NAV**").

The consideration for each of the Proposed Acquisitions was arrived at based on arm's length negotiations between the Company and each of the GGC Vendors, OL and OL Vendors respectively after taking into account the prevailing market conditions, the valuations of each of GGC and OL and the Adjusted NAV of CF.

The consideration payable to each of the respective vendors under each of the Proposed Acquisitions and the loans to be advanced to each of GGC, CF and OL will be made in cash on Completion (as defined below).

4.2. Conditions Precedent

Completion of each of the Proposed Acquisitions (the "**Completion**") is subject to, *inter alia*, the Company obtaining clearance from the SGX-ST and the regulatory authorities, as well as the approval of shareholders of the Company (the "**Shareholders**").

Completion of each of the Proposed Acquisitions is inter-conditional.

5. INTERESTED PERSON TRANSACTION

5.1 Each of the Proposed Acquisitions is an Interested Person Transaction (as defined in the Listing Manual)

As at the date of this Announcement, Kestrel has an issued and paid-up share capital of S$1 comprising 1 ordinary share which is held by LEH. LEH is a controlling shareholder of the Company. LEH, through his 100% interest in Jovina Investments Limited, Bellton International Limited and Garville Pte Ltd (which owns 100% in Garville (Hong Kong) Limited), is deemed to be interested in 48.14% of the shares of the Company held by these companies.

57.3% of the shares in OL are held by Incanto. As at the date of this Announcement, the shares of Incanto are wholly-owned by Kestrel. Accordingly, Incanto is an interested person in relation to the Company.

As such, under Chapter 9 of the Listing Manual each of the Proposed Acquisitions between the Company or a company within the Group (as the case may be) as an "entity at risk" and an associate of LEH as an "interested person" would constitute interested person transaction(s) pursuant to Chapter 9 of the Listing Manual.

5.2 Materiality Thresholds under Chapter 9 of the Listing Manual

In accordance with Rule 906(1)(a) and Rule 918 of Chapter 9 of the Listing Manual, where the value of an interested person transaction, or when aggregated with other transactions entered into during the same financial year, is equal to or exceeds 5% of the Group's latest audited NTA, the approval of Shareholders is required to be obtained either prior to the transaction being entered into, or if the transaction is expressed to be conditional on such approval, prior to the completion of such transaction, as the case may be.

Based on the latest audited consolidated net tangible assets of S$380,893,097 of the Group as at 31 December 2014 (the "**Group NTA**") the value of the Proposed Acquisitions (calculated as including both the cash consideration and the giving of the loan under the Proposed Acquisitions) represents approximately 16.57% of the Group NTA.

As the above stated values are more than 5% of the Group NTA, for the purposes of Chapter 9 of the Listing Manual and in particular Rule 906(1)(a), the Proposed Acquisitions are therefore subject to the approval of Shareholders. Accordingly, the Company will be convening an extraordinary general meeting to seek Shareholders' approval for the Proposed Acquisitions.

Pursuant to Chapter 9 of the Listing Manual, Provenance Capital Pte. Ltd., an independent financial adviser, ("**IFA**") has been appointed to advise the directors of the Company who are deemed independent for the purposes of making recommendations to the Shareholders on whether the Proposed Acquisitions are on normal commercial terms and whether they are prejudicial to the interests of the Company and its minority Shareholders. The Audit and Risk Management Committee of the Company will consider the opinion of the IFA before forming its own view on whether the Proposed Acquisitions are on normal commercial terms and whether they are prejudicial to the interests of the Company and its minority Shareholders.

5.3 Total Value of Interested Person Transactions for current financial year

Save for the Proposed Acquisitions there are no other interested person transactions (excluding transactions less than S$100,000) which were entered into with LEH and/or his associates by the Group for the current financial year ending 2015 up to the date of this Announcement.

The total value of all interested person transactions (excluding transactions less than S$100,000) entered into by the Group, including the Proposed Acquisitions, for the current financial year up to the date of this Announcement is S$66,295,330, representing approximately 17.41% of the Group NTA.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITIONS

The proforma financial effects of the Proposed Acquisitions were prepared based on the audited financial statements of the Group for the financial year ended 31 December 2014.

6.1 Proforma net asset value ("**NAV**")

For illustrative purposes, assuming that the Proposed Acquisitions had taken place on 31 December 2014, the proforma financial effects of the Proposed Acquisitions would have the following impact on the NAV and NAV per share of the Group:

	Before the Proposed Acquisitions	**After the Proposed Acquisitions[(1)]**
NAV (S$'000)	501,473	501,542
Number of issued shares excluding treasury shares ('000)	4,258,206	4,258,206
NAV per share (cents)	11.78	11.78

(1) The financial year end for CF and subsidiaries of GGC and OL is June and therefore, the audited/management accounts for the financial year ended 30 June 2014 have been used to compute the NAV. The financial year for GGC and OL ends in December and therefore, their audited/management accounts for the financial year ended 31 December 2014 have been used to compute the NAV.

6.2 Proforma earnings per share ("**EPS**")

For illustrative purposes, assuming that the Proposed Acquisitions had taken place on 1 January 2014, being the beginning of the most recently completed financial year, the proforma financial effects of the Proposed Acquisitions would have the following impact on the EPS of the Group:

	Before the Proposed Acquisitions	After the Proposed Acquisitions[(2)]
Net profit after tax (S$'000)	49,444	48,016
Weighted average number of issued shares ('000)	4,254,973	4,254,973
EPS (cents)	1.16	1.13

(2) The financial year end for CF and subsidiaries of GGC and OL is June and therefore, the audited/management accounts for the financial year ended 30 June 2014 have been used to compute the net profit after tax. GGC and OL's financial year ends in December and therefore, their audited/management accounts for the financial year ended 31 December 2014 have been used to compute the net profit after tax.

The proforma net profit after tax and EPS are lower after the proposed acquisitions as Hotel Football was under development during the period of the proforma financials and therefore did not generate any revenue (Hotel Football only commenced business in March 2015). CF only commenced business in December 2013 and was in the phase of ramping up its business.

7. SOURCE OF FUNDS FOR THE PROPOSED ACQUISITIONS

The Proposed Acquisitions will be funded through the Company's internal sources and proceeds from its medium term note programme.

8. EXTRAORDINARY GENERAL MEETING AND CIRCULAR TO SHAREHOLDERS

A circular to the Shareholders containing further details of the Proposed Acquisitions and enclosing a notice of extraordinary general meeting to be convened in connection with the Proposed Acquisitions and the opinion of the IFA, will be despatched by the Company to the Shareholders in due course. In the meantime, Shareholders are advised to refrain from taking any action in relation to their shares in the Company which may be prejudicial to their interests until they or their advisers have considered the information and recommendations to be set out in the circular.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed above in this Announcement, none of the directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company and/or directorships in the Group), in the Proposed Acquisitions.

BY ORDER OF THE BOARD

KANNAN MALINI
Company Secretary

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