MEDIA RELEASE

ROWSLEY REPORTS 2QFY16 NET ATTRIBUTABLE LOSS $5.3 MILLION

- *Revenue 26% higher at $22.3 million*
- *UK hospitality EBITDA contribution continues to grow*
- *Brexit introduces uncertainty but weaker Sterling has also lowered cost of new investments into the UK*

Singapore, 22 July 2016 – Rowsley Ltd. today announced net attributable loss of $5.3 million for the second quarter ended 30 June 2016 (2QFY16), against a profit of $516,000 in the same quarter last year. The result reflects the weak real estate market in Singapore which has impacted the Group's bottom line.

Group revenue was 26% higher at $22.3 million compared to 2QFY15, mainly due to higher contribution of $4.2 million from the UK hospitality businesses acquired in November last year, and now accounting for about 18% of Group revenue. RSP, Rowsley's architectural, engineering and master planning consultancy, saw a slight increase of 2% in its revenue to $18.1 million, with overseas revenue offsetting a decline in its Singapore business.

The inclusion of the UK hospitality businesses has increased the costs of the Group. Staff costs rose 9% to $15.2 million while other operating expenses grew 75% to $10.6 million which also saw higher RSP's project expenses.

The Group also incurred net foreign exchange loss of $0.9 million mainly from the depreciation of Sterling and US dollar against the Singapore dollar in 2QFY16. Share of loss from associated companies rose to $0.5 million from

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$0.05 million during the quarter mainly due to higher losses from Squire Mech Pte Ltd as well as from RSP Architects Sdn Bhd.

Overall, the Group recorded negative earnings before interest, taxation, depreciation and amortisation (EBITDA) of $2.4 million for 2QFY16.

For the half year ended 30 June 2016, Rowsley's revenue rose 26% to $42.8 million, EBITDA was $5.4 million and the Group posted a net loss attributable to shareholders of $0.5 million.

The result of the UK's vote to leave the European Union, or Brexit, has introduced significant uncertainty to the UK and affected many areas of the economy including the real estate market. While a new government is in place, business uncertainties are expected to continue. The Sterling has also depreciated sharply against major currencies including the Singapore dollar.

"While this has impacted the value of our assets in the UK because of foreign currency translation, the weaker Sterling has also lowered the cost of new investments into the UK, in particular, the proposed St Michael's mixed development project.

"Overseas buyers that we are planning to target to sell the project to will also benefit from the currency advantage. Whilst there remains uncertainties as to the demand for real estate in the UK, our bankers, partners and advisors in the UK have expressed confidence in the project, citing the strong fundamentals of Manchester, its prime city center location and the overall development proposition," Rowsley said in a statement.

The Group will continue to evaluate the market whilst proceeding with public consultation of St Michael's and planning approval submissions.

Rowsley said the outlook for RSP remains challenging, as its key market in Singapore remains weak. While RSP continues to receive strong support from its customers and secure new projects, tough competition and pricing pressures have intensified and are expected to weigh on the business. The Group will continue to pursue projects in overseas markets to offset the softness in Singapore.

On 20 June 2016, the Group announced that it will buy the remaining 65% of Squire Mech, a leading mechanical and electrical engineering firm that it currently does not own, for up to $19.5 million. The acquisition, which would reinforce Rowsley's professional consultancy business, is expected to close in August. The Group expects the acquisition to contribute positively to its bottom line upon completion.

The Group continues to execute on plans announced earlier for its Vantage Bay Healthcare City project. It is in the midst of submitting planning approvals to the local authorities for the healthcare hub.

Net cash generated from operating activities for 2QFY16 was $0.9 million while net cash generated from investing activities was $1.3 million including a dividend from RSP India. Net cash used in financing activities for the period was mainly due to payment of bank loan interest.

Overall, the net increase in cash and cash equivalents for the quarter under review was $2 million. As at 30 June 2016, the Group's cash and cash equivalents amounted to $34.3 million.

- The End -

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