



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 - ACQUISITION OF SHARES IN VENTURE INDIA PTE. LTD.

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Rowsley Ltd. (“**Rowsley**”) and its subsidiaries (collectively, the “**Group**”) wish to announce that its wholly-owned subsidiary, RSP Architects Planners & Engineers (Pte) Ltd (“**RSP Singapore**”) has on 5 August 2015 entered into a sale and purchase agreement with Albert Hong Hin Kay, Lee Kut Cheung, Lai Huen Poh, Liu Thai Ker and Hud Abu Bakar, pursuant to which RSP Singapore has acquired the entire issued and paid-up share capital of Venture India Pte. Ltd. (“**Venture India**”) (the “**Acquisition**”). The Acquisition is in the ordinary course of the Group’s business.

As at the date of this Announcement, Venture India holds approximately 34.72% of the issued and paid-up share capital of RSP Design Consultants (India) Private Limited (“**RSP India**”), a limited liability company incorporated in India.

RSP Singapore now holds the entire issued and paid-up share capital of Venture India which in turn holds approximately 34.72% of the issued and paid-up share capital of RSP India. Venture India and RSP India are now a wholly-owned subsidiary and an associated company of Rowsley respectively.

2. INFORMATION RELATING TO THE ACQUISITION

2.1 Rationale for the Acquisition

The Acquisition returns RSP India, a significant business in a large and growing market, to the fold of RSP Singapore. The acquisition is financially profitable and is expected to be immediately earnings-accretive. RSP India and RSP Singapore have long enjoyed a close and seamless working relationship. In addition to the clear strategic benefits of combining two highly-complementary organisations, this Acquisition is expected to further enhance the strengths of the RSP group of businesses and enable access to new growth opportunities.

2.2 RSP India

RSP India is principally engaged in the provision of project management, building design consultancy, master planning, civil, structural, mechanical & electrical engineering, interior design and landscaping design services in India.

2.3 RSP India Litigation

In a circular to shareholders of Rowsley dated 20 August 2013 (the “**Circular**”), it was disclosed that RSP India was involved and/or implicated in several lawsuits in India (the “**RSP India Litigation**”) as follows:

- (a) RSP India was the subject of a criminal complaint filed by the Council of Architecture in India (the “**Criminal Complaint**”). The allegations made in the criminal complaint were that RSP India has purportedly violated Sections 36 and 37 of the Indian Architects Act 1927, with reference to Sections 419 (cheating by personation), 465 (punishment for forgery), 468 (forgery for purpose of cheating) and 471 (using as genuine a forged document) of the Indian Penal Code, 1860;
- (b) RSP India may be affected by the outcome of a writ petition (*Sudhir Vohra v Registrar of Companies and Ors*) (the “**Architecture Petition**”) pending before the High Court of Delhi, which was seeking appropriate writ or direction to be issued to the Registrar of Companies and the Ministry of Corporate Affairs, Government of India, directing them to take action against companies and limited liability partnerships which have the practice of architecture as one of their objectives, requiring such companies and limited liability partnerships to delete architecture or consultancy in architecture from their objectives and failing which action of winding up the companies or limited liability partnerships to be taken; and
- (c) RSP India was a respondent in another writ petition (*Anil Kumar Sharma and another v. Union of India and others*) (the “**Approval Petition**”) filed before the High Court of Delhi challenging the validity of the approval granted by the Foreign Investment Promotion Board of India to RSP Architects Planners & Engineers (Pte) Ltd in 1996 to establish a 100% subsidiary in India. The petitioners had prayed that the approval granted by the Foreign Investment Promotion Board of India be cancelled.

The Circular also stated that any adverse order by the High Court of Delhi in relation to the Architecture Petition and the Approval Petition may have an impact on the activities of RSP India with effect from the date contemplated in such order and some of the activities being carried out by RSP India may get limited.

2.4 Updates on the RSP India Litigation

To the best of Rowsley’s knowledge:

- (a) no summons has been issued to RSP India in respect of the Criminal Complaint;
- (b) RSP India has successfully made an application to be added as a party to the Architecture Petition so that it may make representations and respond to arguments made by the petitioner; and
- (c) pleadings have closed in respect of the Approval Petition.

Rowsley has obtained legal advice which has confirmed that the penalties or fines that may be imposed under the Architects Act and the Indian Penal Code, 1860 in the case of adverse findings in Criminal Complaint are expected to be nominal. Hence these penalties or fines are not expected to have a material adverse impact on the financial position of Rowsley. In any event, RSP India is continuing to defend its position in the RSP India Litigation.

Rowsley will make further announcement(s) on material developments in the RSP India Litigation as and when appropriate.

3. CONSIDERATION FOR THE ACQUISITION

The aggregate initial consideration for the Acquisition is S\$20,588,878.00 (the “**Initial Consideration**”) and was arrived at following arm’s length negotiations on a “willing-buyer, willing-seller” basis, based on 7.5 times of the net profit after tax based on the unaudited standalone management accounts of RSP India for the financial year from 1 April 2014 to 31 March 2015 (the “**Unaudited NPAT**”) attributable to Venture India’s shareholdings in RSP India.

Notwithstanding the paragraph above, if the net profit after tax based on the audited standalone accounts of RSP India for the financial year from 1 April 2014 to 31 March 2015 (the “**Audited NPAT**”) differs from the Unaudited NPAT by 5% or more, the aggregate consideration for the Acquisition shall be an amount equal to 7.5 times of the Audited NPAT attributable to Venture India’s shareholdings in RSP India (the “**Adjusted Consideration**”).

The Acquisition is wholly satisfied in cash, and funded partly from Rowsley’s internal resources and partly from the proceeds arising from the issue of S\$100,000,000 6.50 per cent. notes due 2018 under Rowsley’s S\$500,000,000 multicurrency medium term note programme.

4. FINANCIAL EFFECTS

The Acquisition is not expected to have any material impact on the net tangible assets per share or earnings per share of Rowsley or the Group for the current financial year ending 31 December 2015.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save that Mr. Lai Huen Poh, a director of Rowsley, is also a director and shareholder of Venture India, none of the directors or controlling shareholders of Rowsley has any interest, direct or indirect, in the Acquisition.

BY ORDER OF THE BOARD

KANNAN MALINI
Company Secretary

5 August 2015

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