

Rowsley to acquire 65% of engineering firm Squire Mech

Singapore

MAINBOARD-listed real estate company Rowsley will be acquiring mechanical and electrical engineering firm Squire Mech Private Limited for up to S\$19.5 million.

In a filing to the Singapore Exchange (SGX) on Monday, Rowsley said that the group, through its wholly owned subsidiary RSP Architects Planners & Engineers (RSP Singapore), will be acquiring the 650,000 ordinary shares, representing 65 per cent 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," Rowsley said in the release.

RSP had entered into the agreement on Monday with 11 vendors.

To fund the acquisition, 130 million new shares of Rowsley at a price

of S\$0.15 per share will be issued.

The total consideration of up to S\$19.5 million is subjected to certain terms and conditions, including Squire Mech meeting a three-year cumulative net profit after tax target of S\$12 million from July 1, 2016 to June 30, 2019.

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

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

Completion of the proposed acquisition is subject to approval being given by the SGX, and the dealing and quotation of the new shares upon allotment and issue to the vendors, it added.

Rowsley's counter rose by 0.2 Singapore cent to close at 13.3 cents on Monday.