



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

Unaudited Full Year Financial Statement and Dividend Announcement for the financial year ended 31 March 2011

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1,Q2 & Q3), HALF YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) (i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

	Group		Change %
	For the year ended 31 March		
	2011 \$'000	2010 \$'000	
Sales	38	17	124
Cost of sales	(32)	(14)	129
Gross profit	<u>6</u>	<u>3</u>	100
Other income	A 536	200	168
Expenses			
- Distribution and marketing	(295)	(197)	50
- General and administrative	B (3,753)	(2,934)	28
- Finance	(82)	(26)	215
Share of profit of associated companies	C 4,293	9,443	(55)
Profit before income tax	<u>705</u>	<u>6,489</u>	(89)
Income tax expense	(9)	(9)	-
Net profit	<u>696</u>	<u>6,480</u>	(89)
Other comprehensive (loss) / income			
Financial assets, available-for-sale			
- Fair value (loss)/gain	(918)	3,188	NM
Currency translation differences arising from consolidation	47	(34)	NM
Other comprehensive (loss) / income, net of tax	<u>(871)</u>	<u>3,154</u>	NM
Total comprehensive (loss) / income for the financial year	<u>(175)</u>	<u>9,634</u>	NM
Net profit / (loss) attributable to:			
Equity holders of the Company	1,358	6,770	(80)
Non-controlling interests	(662)	(290)	128
	<u>696</u>	<u>6,480</u>	(89)
Total comprehensive income / (loss) attributable to:			
Equity holders of the Company	463	9,941	(95)
Non-controlling interests	(638)	(307)	108
	<u>(175)</u>	<u>9,634</u>	NM

1 (a) (ii) Notes to the Consolidated Statement of Comprehensive Income

	For the year ended 31 March		Change %
	2011 \$'000	2010 \$'000	
(A) Other income consists of			
Dividend income	548	100	448
Rental income	126	92	37
Interest income from bank deposits	27	27	-
Currency translation loss	(193)	(56)	245
Others	28	37	24
	<u>536</u>	<u>200</u>	168
(B) General and administrative expenses			
Employee compensation	1,817	1,499	21
Directors' fee	198	161	23
Professional fees	484	219	121
Depreciation	140	117	20
Rental	356	345	3
Rights issue	-	258	NM
Research & development	6	117	(95)
Impairment loss of goodwill	512	-	NM
Others	240	218	10
	<u>3,753</u>	<u>2,934</u>	28
(C) Share of profit of associated companies			
Share of profits	709	115	517
Reclassification from other comprehensive income – share of exchange difference	478	-	NM
Share of translation reserve	(40)	(57)	(30)
Reversal of impairment	3,146	9,385	(66)
	<u>4,293</u>	<u>9,443</u>	55

NM – Not Meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

BALANCE SHEETS	Group		Company	
	As at 31 March		As at 31 March	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	5,960	8,036	4,752	6,828
Trade and other receivables	57	20	1	15
Other current assets	330	325	71	134
Inventories	242	61	-	-
	<u>6,589</u>	<u>8,442</u>	<u>4,824</u>	<u>6,977</u>
Non-current assets				
Financial assets, available-for-sale	29,050	6,484	-	-
Amounts due from subsidiaries – non-trade	-	-	38,344	20,502
Investment in an associated company	15,710	19,885	-	-
Investments in subsidiaries	-	-	200	1,000
Property, plant and equipment	1,393	1,449	423	231
Goodwill	-	512	-	-
	<u>46,153</u>	<u>28,330</u>	<u>38,967</u>	<u>21,733</u>
Total assets	<u>52,742</u>	<u>36,772</u>	<u>43,791</u>	<u>28,710</u>
LIABILITIES				
Current liabilities				
Trade and other payables	565	323	118	200
Borrowings	17,095	1,008	16,000	-
Current income tax liabilities	2	2	2	2
	<u>17,662</u>	<u>1,333</u>	<u>16,120</u>	<u>202</u>
Non-current liabilities				
Deferred income tax liabilities	430	614	20	20
Total liabilities	<u>18,092</u>	<u>1,947</u>	<u>16,140</u>	<u>222</u>
NET ASSETS	<u>34,650</u>	<u>34,825</u>	<u>27,651</u>	<u>28,488</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	51,914	51,914	51,914	51,914
Currency translation reserve	7	(16)	-	-
Fair value reserve	2,000	2,918	-	-
Accumulated losses	(18,358)	(19,991)	(24,263)	(23,426)
	<u>35,563</u>	<u>34,825</u>	<u>27,651</u>	<u>28,488</u>
Non-controlling interests	(913)	-	-	-
Total equity	<u>34,650</u>	<u>34,825</u>	<u>27,651</u>	<u>28,488</u>

1(b)(ii) Aggregate amount of the group's borrowings and debt securities.

Amount repayable in one year or less, or on demand:

Group

As at 31 March 2011		As at 31 March 2010	
Secured	Unsecured	Secured	Unsecured
\$000	\$000	\$000	\$000
1,095	16,000	1,008	-

Amount repayable after one year:

As at 31 March 2011		As at 31 March 2010	
Secured	Unsecured	Secured	Unsecured
\$000	\$000	\$000	\$000
-	-	-	-

Borrowings of \$17,095,000, consisting of the following:

- 1) \$1,095,000 short-term bank loan and working capital facility extended by Guangdong Development Bank to San Technology (Shenzhen) Co., Ltd, are secured by fixed deposit and corporate guarantee from San Technology Holding Pte. Ltd.
- 2) \$16,000,000 short-term, interest-free and collateral-free loan from substantial shareholder Mr Lim Eng Hock under a loan agreement dated 1 March 2011. The proceed from the loan was used mainly for the acquisition of 24.33% in the enlarged capital of Chenhong International Metal Holding Co., Ltd for a sum of \$15,200,000. Please refer to item 17 for further details.

1(c)

A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CASH FLOWS

	Group (\$'000)	
	For the year ended 31 March	
	2011	2010
Cash flows from operating activities		
Net profit	696	6,480
Adjustments for		
- Income tax expense	9	9
- Depreciation	140	117
- Gain on disposal of fixed assets	20	-
- Impairment of goodwill	512	-
- Interest income	(27)	(27)
- Dividend income	(548)	(100)
- Finance expense	82	26
- Share of profit of associated companies	(4,293)	(9,443)
- Currency translation differences	103	3
	(3,306)	(2,935)
Change in working capital		
- Inventories	(108)	(19)
- Trade and other receivables	7	(151)
- Trade and other payables	221	(16)
Cash used in operations	(3,186)	(3,121)
Interest income received	26	24
Interest expense paid	(38)	(26)
Income tax paid	(9)	(9)
Net cash used in operating activities	(3,207)	(3,132)
Cash flows from investing activities		
Addition to investment in an associated company	(15,200)	(5,407)
Proceed from disposal of property, plant and equipment	224	-
Additions to property, plant and equipment	(427)	(897)
Dividend received	498	100
Net cash used in investing activities	(14,905)	(6,204)
Cash flows from financing activities		
Proceeds from borrowings	16,198	2,180
Repayment of borrowings	(33)	(1,172)
Increase in pledged bank deposits	(221)	(1,110)
Proceeds from rights issue	-	15,201
Net cash provided by financing activities	15,944	15,099
Net (decrease)/increase in cash and cash equivalents	(2,168)	5,763
Cash and cash equivalents at beginning of financial year	6,926	1,163
Cash and cash equivalents at end of financial year	4,758	6,926

Note:

Analysis of cash and cash equivalents shown on the balance sheet:

	31 March 2011	31 March 2010
	\$'000	\$'000
Cash and cash equivalents as per balance sheet	5,960	8,036
Less: Fixed deposits pledged with bank	(1,202)	(1,110)
Cash and cash equivalents as per cash flow statement	4,758	6,926

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY

<u>Group</u>	← Attributable to equity holders of the Company →					Non-controlling interest \$'000	Total equity \$'000
	Share capital \$'000	Accumulated losses \$'000	Fair value reserve \$'000	Currency translation reserve \$'000	Total \$'000		
Balance as at 31 March 2010	51,914	(19,991)	2,918	(16)	34,825	-	34,825
Effects of adopting FRS 27 (revised)	-	275	-	-	275	(275)	-
Total comprehensive income / (loss) for the financial year	-	1,358	(918)	23	463	(638)	(175)
Balance as at 31 March 2011	51,914	(18,358)	2,000	7	35,563	(913)	34,650
Balance as at 31 March 2009	36,713	(26,761)	(270)	1	9,683	307	9,990
Total comprehensive income / (loss) for the financial year	-	6,770	3,188	(17)	9,941	(307)	9,634
Rights issue shares	15,201	-	-	-	15,201	-	15,201
Balance as at 31 March 2010	51,914	(19,991)	2,918	(16)	34,825	-	34,825
<u>Company</u>	<u>Share capital \$'000</u>	<u>Accumulated losses \$'000</u>	<u>Total equity \$'000</u>				
Balance as at 31 March 2010	51,914	(23,426)	28,488				
Total comprehensive income for the financial year	-	(837)	(837)				
Balance as at 31 March 2011	51,914	(24,263)	27,651				
Balance as at 31 March 2009	36,713	(28,938)	7,775				
Total comprehensive income for the financial year	-	5,512	5,512				
Rights issue shares	15,201	-	15,201				
Balance as at 31 March 2010	51,914	(23,426)	28,488				

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issues, share buy-backs, exercise of share options or warrants, conversion of other issues, of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

As at 31 March 2011, outstanding warrants were 380,019,892 (as at 31 March 2010: 380,022,892). During the reporting year, 3,000 warrants were converted into ordinary shares.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at end of the immediately preceding year.**

	As at 31 March 2011	As at 31 March 2010
Number of issued shares	886,723,331	886,720,331

The Company did not hold any treasury shares as at 31 March 2011.

In consequence of the conversion of 3,000 warrants into ordinary shares, the number of issued shares increased by 3,000 to 886,723,331.

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have neither been audited nor reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those for the audited financial statements as at 31 March 2010.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Adoption of New and Revised Standards:

The Group has adopted:-

- FRS 103 (Revised) Business Combinations and FRS 27 (Revised) Consolidated and Separate Financial Statements which were effective for annual periods beginning on or after 1 July 2009; and
- Amendment to FRS 7 Cash Flow Statements which was effective for annual periods beginning on or after 1 January 2010.

Under the revised FRS 27, total comprehensive income is required to be allocated to the non-controlling interests even if it results in the non-controlling interests having a deficit balance. The adoption resulted in the non-controlling interests (instead of the equity holders of the Company) having to bear accumulated losses of \$275,000. This was transferred from the Group's accumulated losses to non-controlling interests as indicated in the statement of changes in equity.

6. Earnings per ordinary share ("EPS") of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends :-

- (a) Based on the weighted average number of ordinary shares on issue; and
 (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	For the year ended 31 March	
	2011	2010
EPS based on number of ordinary shares in issue (cents)	0.15	0.88
EPS on a fully diluted basis (cents)	0.15	0.88

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
 (b) immediately preceding financial year.

	As at 31 March	
	2011	2010
Net asset value per ordinary share of		
Group (cents)	3.91	3.93
Company (cents)	3.12	3.21

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Statement of Comprehensive Income

The Group reported a net profit attributable to shareholders of \$1,358,000 in FY2011, a decrease from \$6,770,000 in FY2010. This was largely attributable to the Group's cessation of equity accounting for the investment in associated company, UPP Holdings Limited ("UPP"), in Q2 of FY2011. The investment in UPP was subsequently recorded as an available-for-sale financial asset. This was the result of the Group's holding in UPP being reduced to 18.565% from 22.66%, following UPP's issuance and allotment of new shares in its capital in 2010.

The net profit attributable to shareholders was enhanced by the Group's share of the result of its investment in an associated company, Chenhong International Metal Holding Co., Ltd ("Chenhong").

The increase in other income of 168% to \$536,000 in FY2011 was primarily due to increase in dividend income which the Group received from its investment in F J Benjamin Holdings Ltd and Epicentre Holdings Limited.

Operating expense for FY2011 amounted to \$4.13 million, an increase of 31% over FY2010. The \$973,000 increase in operating expense was primarily due to increase in headcount and professional fees incurred for investment operations. In addition, there was an impairment of goodwill of \$512,000 also contributed to the increase in the operating expense.

The Group's earnings per share decreased from 0.88 cents in FY2010 to 0.15 cents in FY2011.

Review of Balance Sheet

The Group's total assets increased from \$36.77 million as at 31 March 2010 to \$52.74 million as at 31 March 2011. The increase was largely due to the mark-to-market valuation for the Group's investments in quoted securities as well as the acquisition of Chenhong for a sum of \$15.2 million.

The principal activities of Chenhong and its subsidiaries (the "Chenhong Group") are recycling and sale of stainless steel metal, and production and sale of nickel bean products. The headquarters of the Chenhong Group is based in Shanghai. The Chenhong Group is a key supplier to major stainless steel manufacturers in the People's Republic of China such as Zhangjiagang POSCO and Baosteel and has received best supplier awards from these customers.

Total liabilities amounted to \$18.09 million as at 31 March 2011, compared to \$1.95 million in the preceding year. The increase was attributable to the \$16 million short-term, interest-free and collateral-free loan obtained on 1 March 2011 from substantial shareholder, Mr Lim Eng Hock which was used mainly to finance the acquisition of Chenhong.

The net asset value per share was 3.91 cents as at 31 March 2011, compared to 3.93 cents as at 31 March 2010.

Review of Statement of Cash Flow

During the financial year, the net cash used in the Group's operating activities amounted to \$3.21 million compared to \$3.13 million in the preceding year. The slight increase was largely due to the increase in the operating expense of the Group.

The net cash used in investing activities increased from \$6.20 million in FY2010 to \$14.91 million in FY2011. The increase in the cash outflow was largely due to acquisition of an associated company, Chenhong International Metal Holding Co., Ltd.

Financing activities generated \$15.94 million which was primarily due to increase in borrowings of \$16 million during the financial year.

As a result of the increase in the investing activities, the Group recorded a net decrease of \$2.17 million in cash and cash equivalents during the financial year, with a cash holding of \$5.96 million as at 31 March 2011.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Outlook

During the reporting financial year, the Group's existing investment portfolio of equity stakes in UPP, F J Benjamin Holdings Ltd, Epicentre Holdings Limited and San Technology Holding Pte. Ltd. was expanded to include Chenhong. Recently, the Group also entered into a convertible loan agreement with International Brand Partners Private Ltd. ("IBP").

The activities of Chenhong have been described at paragraph 8 above. IBP is in shoe marketing and designing with particular focus in the fashion/sports shoes segments. It is experienced in global distribution networking and sourcing. Its business model is to be the full outsource partner for established fashion brands. It currently has a global footwear license with the Italian fashion brand Miss Sixty Group for the Energie and Killah brands.

Rowsley will continue to actively source investment opportunities with growth potential to enhance the Group worth.

Use of Proceeds of the Rights Issue (OIS dated 27 August 2009)

The Company wishes to announce that to-date, out of the net proceeds of approximately \$14.90 million from the Rights Issue,:

- About \$2.87 million had been used to provide shareholder loan to San Technology Holding Pte Ltd.
- About \$5.41 million had been used to subscribe for Rights Shares in UPP.
- About \$1.90 million had been used to provide convertible loan to IBP.
- About \$3.87 million had been used for the Group's general corporate and working capital purposes.

The unutilised balance of net proceeds is about \$0.85 million.

11. Dividend

	31 March 2011	31 March 2010
(a) Declaration of interim (final) ordinary dividend	None	None
(b) (i) Dividend amount per share (cents)	Not applicable	Not applicable
(b) (ii) Previous corresponding period (cents)	-	-
(c) Whether the dividend is before tax, net of tax or tax exempt. IF before tax or net of tax, state the tax rate and the country where the dividend derived.	Not applicable	Not applicable
(d) The date the dividend is paid	Not applicable	Not applicable
(e) Book closure date	Not applicable	Not applicable

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1,Q2 & Q3 or Half Year Results)

13. Segment revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

	Oil Recycling and Renewable Energy		Corporate Investment		Group	
	31 March 2011 \$'000	31 March 2010 \$'000	31 March 2011 \$'000	31 March 2010 \$'000	31 March 2011 \$'000	31 March 2010 \$'000
Sales						
- external sales	38	17	-	-	38	17
Segment result	(1,342)	(1,148)	2,047	7,637	705	6,489
Income tax					(9)	(9)
Loss after tax					696	6,480
Other segment items						
Capital expenditure						
- property, plant and equipment	29	897	458	-	487	897
Depreciation	81	81	59	36	140	117
Segment assets	2,680	3,191	50,062	33,581	52,742	36,772
Total assets					52,742	36,772
Segment liabilities	1,447	1,121	16,213	210	17,660	1,331
Current income tax liabilities					2	2
Deferred income tax liabilities					430	614
Total liabilities					18,092	1,947

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

The oil recycling and renewable energy segment continues to report a loss as it continues to experience a challenging marketing environment.

The corporate investment segment recorded a lower profit due to cessation of equity account for investment in associated company, UPP, in Q2 of FY2011, following the shareholding of the investment falling below 20%.

15. A breakdown of sales

	Group		Change
	31 March 2011	31 March 2010	%
	\$'000	\$'000	
(a) Sales reported for first half year	-	-	-
(b) Operating profit after tax before deducting non-controlling interests reported first half year	2,210	570	NM
(c) Sales reported for second half year	38	17	-
(d) Operating (loss)/profit after tax before deducting non-controlling interests reported second half year	(1,514)	5,910	NM

16. A breakdown of the total annual dividend (in dollar value) for the issuer's full year and its previous full year

	Latest full year (\$'000)	Previous full year (\$'000)
(a) Ordinary	-	-
(b) Preference	Not applicable	Not applicable
(c) Total	-	-

17. Interest Persons Transactions

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	S\$'000	S\$'000
Mr Lim Eng Hock	0*	-

*Please refer to item 1(b)(ii) for further details.

BY ORDER OF THE BOARD

Dr Ho Tat Kin
Director

Quek Kai Hoo
Director

25 May 2011