



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

Unaudited First Quarter Financial Statement Announcement For The Financial Period Ended 30 June 2012

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

1(a) (i) A statement of comprehensive income, 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 PERIOD ENDED 30 JUNE 2012

		Group		Change %
		For the period ended 30 June		
		2012 \$'000	2011 \$'000	
Revenue – Dividend income		-	108	(100)
Other loss - net	A	(113)	(11)	927
Expenses				
- Distribution and marketing		(24)	(28)	(14)
- General and administrative	B	(473)	(722)	(34)
- Finance		-	(37)	(100)
Share of (loss)/profit of associated company		(132)	134	(199)
Loss before income tax		<u>(742)</u>	<u>(556)</u>	33
Income tax credit		-	5	(100)
Total loss		<u>(742)</u>	<u>(551)</u>	35
Other comprehensive loss				
Available-for-sale financial assets				
- Fair value loss		(205)	(923)	(78)
- Reclassification		(87)	-	NM
Currency translation differences arising from consolidation		-	10	(100)
Other comprehensive loss, net of tax		<u>(292)</u>	<u>(913)</u>	(68)
Total comprehensive loss for the financial period		<u>(1,034)</u>	<u>(1,464)</u>	(29)
Loss attributable to:				
Equity holders of the Company		(742)	(402)	85
Non-controlling interests		-	(149)	(100)
		<u>(742)</u>	<u>(551)</u>	35
Total comprehensive loss attributable to:				
Equity holders of the Company		(1,034)	(1,323)	(22)
Non-controlling interests		-	(141)	(100)
		<u>(1,034)</u>	<u>(1,464)</u>	(29)

NM – Not Meaningful.

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

	For the period ended 30 June		Change %
	2012 \$'000	2011 \$'000	
(A) Other loss consists of			
Interest income	10	13	(23)
Currency translation loss	-*	(42)	(100)
(Loss)/gain on disposal of available-for-sale financial assets	(123)	18	(783)
	<u>(113)</u>	<u>(11)</u>	927
(B) General and administrative expenses			
Employee compensation	(303)	(460)	(34)
Directors' fee	(54)	(62)	(13)
Professional fees	(46)	(61)	(25)
Depreciation	(19)	(40)	(53)
Rental	(27)	(45)	(40)
Others	(24)	(54)	(56)
	<u>(473)</u>	<u>(722)</u>	(34)

NM – Not meaningful

* Amount less than \$1,000.

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

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	As at 30 June 2012 \$'000	As at 31 March 2012 \$'000	As at 30 June 2012 \$'000	As at 31 March 2012 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	6,230	9,331	6,173	6,411
Other receivables	4,014	1,243	82	72
Amounts due from subsidiaries – non-trade	-	-	20,005	-
	10,244	10,574	26,260	6,483
Non-current assets				
Available-for-sale financial assets	8,260	8,762	-	-
Amounts due from subsidiaries – non-trade	-	-	-	20,054
Investment in associated company	14,356	14,488	-	-
Investments in subsidiaries	-	-	200	200
Plant and equipment	328	347	328	347
	22,944	23,597	528	20,601
Total assets	33,188	34,171	26,788	27,084
LIABILITIES				
Current liabilities				
Other payables	86	158	70	95
Current income tax liabilities	2	2	2	2
	88	160	72	97
Non-current liabilities				
Deferred income tax liabilities	925	985	20	20
	925	985	20	20
Total liabilities	1,013	1,145	92	117
NET ASSETS	32,175	33,026	26,696	26,967
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	52,098	51,915	52,098	51,915
Fair value reserve	4,419	4,711	-	-
Accumulated losses	(24,342)	(23,600)	(25,402)	(24,948)
Total equity	32,175	33,026	26,696	26,967

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 30 June 2012		As at 31 March 2012	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

Amount repayable after one year:

As at 30 June 2012		As at 31 March 2012	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	For the period ended 30 June	
	2012	2011
	\$'000	\$'000
Cash flows from operating activities		
Total loss	(742)	(551)
Adjustments for :		
- Income tax expense	-	(5)
- Depreciation of plant and equipment	19	40
- Loss/(gain) on disposal of available-for-sale financial assets	123	(18)
- Interest income	(10)	(13)
- Dividend income	-	(108)
- Finance expense	-	37
- Share of loss/(profit) of associated company	132	(134)
- Unrealised currency translation differences	-	8
Operating loss before working capital changes	<u>(478)</u>	<u>(744)</u>
Change in working capital :		
- Inventories	-	8
- Other receivables	(3)	23
- Other payables	(72)	84
Cash used in operations	<u>(553)</u>	<u>(629)</u>
- Interest received	10	13
- Interest paid	-	-
- Income tax credit	-	5
Net cash used in operating activities	<u>(543)</u>	<u>(611)</u>
Cash flows from investing activities		
Disposal of available-for-sale financial assets	27	82
Loans to related parties	(2,768)	(1,895)
Loan to third party	-	(74)
Dividend received	-	158
Net cash used in investing activities	<u>(2,741)</u>	<u>(1,729)</u>
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	183	-
Proceeds from borrowings	-	100
Repayment of borrowings	-	(5)
Bank deposits pledged	-	30
Net cash provided by financing activities	<u>183</u>	<u>125</u>
Net decrease in cash and cash equivalents	(3,101)	(2,215)
Cash and cash equivalents at beginning of financial period	<u>9,331</u>	<u>4,758</u>
Cash and cash equivalents at end of financial period	<u>6,230</u>	<u>2,543</u>

Note:

Analysis of cash and cash equivalents shown on the statement of financial position:

	30 June 2012	30 June 2011
	\$'000	\$'000
Cash and cash equivalents as per statement of financial position	6,230	3,715
Less: Bank deposits pledged	-	(1,172)
Cash and cash equivalents as per consolidated statement of cash flows	<u>6,230</u>	<u>2,543</u>

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 →				Total	Non-controlling Interests	Total equity
	Share capital	Fair value reserve	Currency translation reserve	Accumulated losses			
	\$'000	(a) \$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 31 March 2012	51,915	4,711	-	(23,600)	33,026	-	33,026
Issue of new shares *	183	-	-	-	183	-	183
Total comprehensive loss for the financial period	-	(292)	-	(742)	(1,034)	-	(1,034)
Balance as at 30 June 2012	52,098	4,419	-	(24,342)	32,175	-	32,175
Balance as at 31 March 2011	51,914	2,000	7	(18,358)	35,563	(913)	34,650
Total comprehensive loss for the financial period	-	(923)	2	(402)	(1,323)	(141)	(1,464)
Balance as at 30 June 2011	51,914	1,077	9	(18,760)	34,240	(1,054)	33,186

(a) Fair value reserve is not available for distribution.

Company

	Share capital	Accumulated losses	Total equity
	\$'000	\$'000	\$'000
Balance as at 31 March 2012	51,915	(24,948)	26,967
Issue of new shares *	183	-	183
Total comprehensive loss for the financial period	-	(454)	(454)
Balance as at 30 June 2012	52,098	(25,402)	26,696
Balance as at 31 March 2011	51,914	(24,263)	27,651
Total comprehensive loss for the financial period	-	(481)	(481)
Balance as at 30 June 2011	51,914	(24,744)	27,170

* During the financial period, there were 1,831,901 warrants converted into shares.

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.

There were 1,831,901 warrants converted into shares during the financial period.

As at 30 June 2012, the Company's share capital was 52,098,692 (31 March 2012: 51,915,502).

As at 30 June 2012, the outstanding warrants were 378,180,491 (31 March 2012: 380,012,392).

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 30 June 2012	As at 31 March 2012
Number of issued shares	888,562,732	886,730,831

The Company did not hold any treasury shares as at 30 June 2012.

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.

Yes.

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.**

Not applicable.

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 period ended 30 June	
	2012	2011
EPS based on number of ordinary shares in issue (cents)	(0.084)	(0.045)
EPS on a fully diluted basis (cents)	(0.084)	(0.045)

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	
	30 June 2012	31 March 2012
Net asset value per ordinary share of		
Group (cents)	3.62	3.72
Company (cents)	3.00	3.04

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 loss attributable to shareholders of \$742,000 for the financial period ended 30 June 2012, compared to a loss of \$402,000 for the financial period ended 30 June 2011. The increase in the loss amount was largely attributed to non-recurrence of dividend income, increase in other loss incurred and record of share of loss from the associated company in the reporting period.

The increase in other loss was largely due to loss on disposal of UPP Holdings Limited's ("UPP") warrants (W120529). During the financial period, the Group disposed of 1 million UPP warrants and recorded a gain of \$17,000, which was offset by a loss of \$140,000 as a result of a write-off of UPP warrants when they expired on 29 May 2012.

The Group recorded a share of loss of \$132,000 from the associated company, Streamax International Holding Co., Limited ("Streamax") in the reporting period as opposed to a share of profit of \$134,000 in the first quarter of the last financial year. Streamax's financial performance continued to be adversely affected by global decline in nickel prices and production issues at its supplier's factory. Since then, Streamax has been actively trying to seek alternative supplies and to expand its product offerings.

The total operating expenses for the financial period ended 30 June 2012 amounted to \$497,000, representing a decrease of \$290,000 from the financial period ended 30 June 2011. The decrease in operating expenses was mainly due to decrease in employee compensation and finance expenses.

The Group's earnings per share decreased from negative 0.045 cents for the financial period ended 30 June 2011 to negative 0.084 cents for the financial period ended 30 June 2012.

Review of Statement of Financial Position

The Group's total assets decreased from \$34.17 million as at 31 March 2012 to \$33.18 million as at 30 June 2012. The decrease of \$983,000 was largely attributed to fair value loss from the mark-to-market valuation for the Group's investments in quoted securities of \$247,000 and the disposal of UPP warrants with the carrying amount of \$17,000 and the write-off of UPP warrants of \$238,000 upon expiration. Other receivables increased from \$1.24 million as at 31 March 2012 to \$4.01 million as at 30 June 2012 due mainly to the disbursement of loan of \$2.77 million to Riezen Pte. Ltd. and increase in dividend receivable of \$935,000.

Total liabilities of the Group amounted to \$1.01 million as at 30 June 2012, representing a decrease of \$132,000 from the financial year ended 31 March 2012. The decrease was largely due to decrease in other payables of \$72,000 and decrease in deferred income tax liabilities of \$60,000 as a result of mark-to-market fair value loss on available-for-sale financial assets.

The net asset value per share for the Group was 3.62 cents as at 30 June 2012, compared to 3.72 cents as at 31 March 2012.

Review of Statement of Cash Flows

Net cash used in operating activities for the financial period ended 30 June 2012 amounted to \$543,000, which was mainly due to loss incurred in the reporting financial period.

Net cash used in investing activities for the financial period ended 30 June 2012 amounted to \$2.74 million, which was mainly due to loan extended to Riezen Pte. Ltd..

Net cash provided by financing activities for the financial period ended 30 June 2012 amounted to \$183,000, which arose from proceeds from issuance of ordinary shares following the conversions of the Company's warrants during the financial period.

Overall, the net decrease in cash and cash equivalents for the financial period ended 30 June 2012 amounted to \$3.10 million.

As at 30 June 2012, the Group's cash and cash equivalents amounted to \$6.23 million.

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.

The eurozone debt crisis and slowing growth in the US and other major economies continue to weigh down on the global economy and financial markets. In the face of slowing economic growth and market volatilities, the Group is closely monitoring the evolving investment landscape and cautiously looking for suitable investment opportunities.

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

The Company wishes to announce that to date, the net proceeds of approximately \$14.90 million from the Rights Issue have been fully utilised as follows:

- Approximately \$2.87 million had been used to provide shareholder loan to San Technology Holding Pte. Ltd.
- Approximately \$5.41 million had been used to subscribe for Rights Shares in UPP Holdings Limited.
- Approximately \$1.90 million had been used to provide convertible loan to International Brand Partners Private Ltd.
- Approximately \$0.23 million had been used to provide convertible loan to Heliconix, Inc.
- About \$4.49 million had been used for the Group's general corporate and working capital purposes.

11. Dividend

	30 June 2012	30 June 2011
(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.

13. **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

There was no IPT transaction during the reporting financial period.

No IPT mandate has been obtained.

14. **Negative Confirmation pursuant to rule 705(5)**

We, Dr Ho Tat Kin and Quek Kai Hoo, being two directors of Rowsley Ltd. (the "Company") do hereby confirm on behalf of the directors of the Company that to the best of their knowledge nothing has come to the attention of the board of directors of the Company which may render the financial statements for the first quarter financial period ended 30 June 2012 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dr Ho Tat Kin
Executive Chairman

Quek Kai Hoo
Executive Director

3 August 2012