



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

Unaudited Second Quarter Financial Statement Announcement For The Financial Period Ended 30 September 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 SEPTEMBER 2012

	Group			Group		
	2 nd quarter ended 30 September			Half year ended 30 September		
	2012	2011	Change	2012	2011	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	-	478	(100)	-	586	(100)
Cost of sales	-	(785)	(100)	-	(785)	(100)
Gross loss	-	(307)	(100)	-	(199)	(100)
Other income/(loss) - net	31	166	(81)	(82)	155	(153)
Expenses						
- Distribution and marketing	(65)	(44)	48	(89)	(72)	24
- General and administrative	(500)	(702)	(29)	(973)	(1,424)	(32)
- Finance	-	33	(100)	-	(4)	(100)
Share of profit/(loss) of associated company	4	7	(43)	(128)	141	(191)
Loss before income tax	(530)	(847)	(37)	(1,272)	(1,403)	(9)
Income tax credit	-	-	-	-	5	(100)
Total loss	(530)	(847)	(37)	(1,272)	(1,398)	(9)
Other comprehensive income/(loss)						
Available-for-sale financial assets						
- Fair value gain/(loss)	479	(4,057)	(112)	274	(4,980)	(106)
- Reclassification	-	-	-	(87)	-	-
Currency translation differences arising from consolidation	-	(94)	(100)	-	(84)	(100)
Other comprehensive income/(loss), net of tax	479	(4,151)	(112)	187	(5,064)	(104)
Total comprehensive loss for the financial period	(51)	(4,998)	(99)	(1,085)	(6,462)	(83)
Loss attributable to:						
Equity holders of the Company	(530)	(683)	(22)	(1,272)	(1,085)	17
Non-controlling interests	-	(164)	(100)	-	(313)	(100)
	(530)	(847)	(37)	(1,272)	(1,398)	(9)
Total comprehensive loss attributable to:						
Equity holders of the Company	(51)	(4,787)	(99)	(1,085)	(6,110)	(82)
Non-controlling interests	-	(211)	(100)	-	(352)	(100)
	(51)	(4,998)	(99)	(1,085)	(6,462)	(83)

NM – Not meaningful.

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

	Group			Group		
	2 nd quarter ended 30 September			Half year ended 30 September		
	2012	2011	Change	2012	2011	Change
	\$'000	\$'000	%	\$'000	\$'000	%
(A) Revenue						
Sales	-	478	(100)	-	478	(100)
Dividend income	-	-	-	-	108	(100)
	<u>-</u>	<u>478</u>	<u>(100)</u>	<u>-</u>	<u>586</u>	<u>(100)</u>
(B) Other income/(loss) - net						
Interest income	10	9	11	20	11	82
Loan interest from International Brand Partners Private Ltd. *	-	19	(100)	-	31	(100)
Currency translation gain	21	133	(84)	21	90	(77)
Gain/(loss) on disposal of available-for-sale financial assets	-	5	(100)	(123)	23	(635)
	<u>31</u>	<u>166</u>	<u>(81)</u>	<u>(82)</u>	<u>155</u>	<u>(153)</u>
(C) General and administrative expenses						
Employee compensation	(318)	(416)	(24)	(621)	(876)	(29)
Directors' fee	(39)	(46)	(15)	(92)	(109)	(16)
Professional fees	(58)	(77)	(25)	(104)	(138)	(25)
Depreciation	(17)	(39)	(56)	(37)	(78)	(53)
Rental	(26)	(41)	(37)	(53)	(86)	(38)
Others	(42)	(83)	(49)	(66)	(137)	(52)
	<u>(500)</u>	<u>(702)</u>	<u>(29)</u>	<u>(973)</u>	<u>(1,424)</u>	<u>(32)</u>

NM – Not meaningful

* The loan bears interest at 4% per annum.

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 Sep 2012 \$'000	As at 31 Mar 2012 \$'000	As at 30 Sep 2012 \$'000	As at 31 Mar 2012 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	16,718	9,331	15,706	6,411
Other receivables	3,085	1,243	90	72
Amounts due from subsidiaries – non-trade	-	-	20,036	-
	19,803	10,574	35,832	6,483
Non-current assets				
Available-for-sale financial assets	8,837	8,762	-	-
Amounts due from subsidiaries – non-trade	-	-	-	20,054
Investment in associated company	14,360	14,488	-	-
Investments in subsidiaries	-	-	200	200
Plant and equipment	310	347	310	347
	23,507	23,597	510	20,601
Total assets	43,310	34,171	36,342	27,084
LIABILITIES				
Current liabilities				
Other payables	87	158	67	95
Current income tax liabilities	2	2	2	2
	89	160	69	97
Non-current liabilities				
Deferred income tax liabilities	1,023	985	20	20
	1,023	985	20	20
Total liabilities	1,112	1,145	89	117
NET ASSETS	42,198	33,026	36,253	26,967
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	62,172	51,915	62,172	51,915
Fair value reserve	4,898	4,711	-	-
Accumulated losses	(24,872)	(23,600)	(25,919)	(24,948)
Total equity	42,198	33,026	36,253	26,967

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

Group

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

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

Amount repayable after one year:

As at 30 September 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

	<u>Group</u>		<u>Group</u>	
	2 nd quarter ended 30 September		Half year ended 30 September	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Total loss	(530)	(847)	(1,272)	(1,398)
Adjustments for :				
- Income tax expense	-	5	-	-
- Depreciation of plant and equipment	17	39	37	78
- Loss/(gain) on disposal of available-for-sale financial assets	-	-	123	(18)
- Interest income	(10)	(29)	(20)	(42)
- Dividend income	-	-	-	(108)
- Finance expense	-	(33)	-	4
- Share of (profit)/loss of associated company	(4)	(7)	128	(141)
- Unrealised currency translation differences	-	(80)	-	(71)
Operating loss before working capital changes	(527)	(952)	(1,004)	(1,696)
Change in working capital :				
- Inventories	-	(16)	-	(8)
- Other receivables	(4)	(66)	(8)	(43)
- Other payables	1	(366)	(71)	(282)
Cash used in operations	(530)	(1,400)	(1,083)	(2,029)
- Interest received	10	29	20	42
- Interest paid	-	(51)	-	(51)
- Income tax paid	-	(5)	-	-
Net cash used in operating activities	(520)	(1,427)	(1,063)	(2,038)
Cash flows from investing activities				
Proceeds from disposal of plant and equipment	-	9	-	9
Disposal of plant and equipment	-	803	-	803
Disposal of available-for-sale financial assets	-	-	27	82
Loans to related parties	-	-	(2,768)	(1,895)
Loan to third party	-	-	-	(74)
Dividend received	934	-	934	158
Net cash provided by/(used in) investing activities	934	812	(1,807)	(917)
Cash flows from financing activities				
Proceeds from issuance of ordinary shares	10,074	-	10,257	-
Proceeds from borrowings	-	-	-	100
Repayment of borrowings	-	(1,102)	-	(1,107)
Bank deposits pledged	-	1,172	-	1,202
Net cash provided by financing activities	10,074	70	10,257	195
Net increase/(decrease) in cash and cash equivalents	10,488	(545)	7,387	(2,760)
Cash and cash equivalents at beginning of financial period	6,230	2,543	9,331	4,758
Cash and cash equivalents at end of financial period	16,718	1,998	16,718	1,998

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 Interests	Total equity
	Share capital	Fair value reserve	Currency translation reserve	Accumulated losses	Total		
	(a) \$'000	\$'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 *	10,257	-	-	-	10,257	-	10,257
Total comprehensive loss for the financial period	-	187	-	(1,272)	(1,085)	-	(1,085)
Balance as at 30 September 2012	62,172	4,898	-	(24,872)	42,198	-	42,198
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	-	(4,980)	(45)	(1,085)	(6,110)	(352)	(6,462)
Balance as at 30 September 2011	51,914	(2,980)	(38)	(19,443)	29,453	(1,265)	28,188

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

Company

	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
Balance as at 31 March 2012	51,915	(24,948)	26,967
Issue of new shares *	10,257	-	10,257
Total comprehensive loss for the financial period	-	(971)	(971)
Balance as at 30 September 2012	62,172	(25,919)	36,253
Balance as at 31 March 2011	51,914	(24,263)	27,651
Total comprehensive loss for the financial period	-	(1,019)	(1,019)
Balance as at 30 September 2011	51,914	(25,282)	26,632

* During the financial period, there were 102,570,434 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 102,570,434 warrants converted into shares during the financial period.

The warrants expired on 21 September 2012.

- 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 September 2012	As at 31 March 2012
Number of issued shares	989,301,265	886,730,831

The Company did not hold any treasury shares as at 30 September 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).

	2 nd quarter ended		Half year ended	
	30 September		30 September	
	2012	2011	2012	2011
EPS based on number of ordinary shares in issue (cents)	(0.053)	(0.077)	(0.128)	(0.122)
EPS on a fully diluted basis (cents)	(0.053)	(0.077)	(0.128)	(0.122)

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 September 2012	31 March 2012
Net asset value per ordinary share of		
Group (cents)	4.27	3.72
Company (cents)	3.66	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

Second quarter ended FY2013 (“2QFY2013”) vs Second quarter ended FY2012 (“2QFY2012”)

The Group reported a loss attributable to shareholders of \$530,000 for 2QFY2013, compared to a loss of \$683,000 for 2QFY2012. The decrease in the loss amount was largely attributed to non-recurrence of a gross loss of \$307,000 recorded by the Group’s 51% owned subsidiary, San Technology Holding Pte. Ltd. (“STH”) in its sale of an oil recycling machine in 2QFY2012 and a decrease in operating expenses. STH was undergoing voluntary liquidation process after liquidators were appointed on 21 October 2011.

The decrease in other income of \$135,000 from \$166,000 in 2QFY2012 to \$31,000 in 2QFY2013 was largely due to non-recurrences of loan interest income received from International Brand Partners Private Ltd. of \$19,000 and currency translation gain of \$112,000 recorded by STH respectively.

The Group recorded a share of profit of \$4,000 from its associated company, Streamax International Holding Co., Limited (“Streamax”) in 2QFY2013, a decrease of \$3,000 from \$7,000 in 2QFY2012. Streamax’s financial performance continued to be adversely affected by the global decline in nickel prices and reduction in demand. These resulted in a decline in both Streamax’s product selling prices and sales volume. Since then, Streamax has been actively trying to expand its product offering and improve its margins.

Total operating expenses recorded a decrease of \$148,000 from \$713,000 in 2QFY2012 to \$565,000 in 2QFY2013, mainly due to decrease in employee compensation and other operating expenses. The decrease in other operating expenses was due to non-recurrence of expenses recorded by STH in 2QFY2012.

The Group’s earnings per share increased from negative 0.077 cents for 2QFY2012 to negative 0.053 cents for 2QFY2013.

Half year FY2013 (“1HFY2013”) vs Half year FY2012 (“1HFY2012”)

The Group recorded a loss attributable to shareholders of \$1.27 million for 1HFY2013, compared to a loss of \$1.09 million for 1HFY2012. The increase in the loss amount was mainly due to the Group’s write-off of its holding of UPP Holdings Limited’s warrants, which expired on 29 May 2012 and this resulted to loss of \$140,000.

In addition, the Group’s record of its share of loss of \$128,000 from Streamax in 1HFY2013, as opposed to a share of profit of \$141,000 in 1HFY2012 also contributed to the increase in loss amount in 1HFY2013.

The abovementioned increases were, however, partially offset by a non-recurrence of a gross loss of \$307,000 recorded by STH in 1HFY2012 and reduction in the Group’s operating expenses in 1HFY2013.

The Group’s earnings per share decreased from negative 0.122 cents for 1HFY2012 to negative 0.128 cents for 1HFY2013.

Review of Statement of Financial Position

The Group's total assets increased from \$34.17 million as at 31 March 2012 to \$43.31 million as at 30 September 2012. The increase of \$9.14 million was largely attributed to increases in cash and cash equivalents and other receivables.

Cash and cash equivalents increased by \$7.39 million from \$9.33 million as at 31 March 2012 to \$16.72 million as at 30 September 2012. The increase was mainly due to proceeds of \$10.26 million received from conversion of the Company's warrants, which was partially offset by a disbursement of a convertible loan of \$2.77 million to Riezen Pte. Ltd..

Other receivables increased by \$1.84 million, from \$1.24 million as at 31 March 2012 to \$3.09 million as at 30 September 2012 mainly due to disbursement of convertible loan to Riezen Pte. Ltd., the increase of which was partially offset by a decrease in dividend receivable of \$935,000 which was received on 24 July 2012.

Total liabilities of the Group amounted to \$1.11 million as at 30 September 2012, representing a decrease of \$33,000 from \$1.15 million as at 31 March 2012. The decrease was largely due to decrease in other payables of \$71,000 which was partially offset by an increase in deferred income tax liabilities of \$38,000 as a result of mark-to-market fair value gain on available-for-sale financial assets.

The net asset value per share for the Group was 4.27 cents as at 30 September 2012, compared to 3.72 cents as at 31 March 2012.

Review of Statement of Cash Flows

Net cash used in operating activities in 2QFY2013 amounted to \$520,000, mainly due to loss incurred in the reporting financial period.

Net cash provided by investing activities in 2QFY2013 amounted to \$934,000, due to dividend receipt from Streamax in 2QFY2013.

Net cash provided by financing activities in 2QFY2013 amounted to \$10.07 million, due to receipt of proceeds from issuance of ordinary shares following the conversions of the Company's warrants during the financial period.

As a result of the above, there was a net increase in cash and cash equivalents of \$10.49 million for 2QFY2013.

As at 30 September 2012, the Group's cash and cash equivalents amounted to \$16.72 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 global economic outlook remains uncertain and the financial markets remain volatile. The Group will continue to exercise great caution in moving forward with its investment activities.

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 September 2012	30 September 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 second quarter financial period ended 30 September 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

2 November 2012