



ROWSLEY

**ROWSLEY LTD.**

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

**Unaudited Third Quarter Financial Statement Announcement for the period ended 31 December 2010**

**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 31 DECEMBER 2010**

		Group			Group		
		3rd quarter ended 31 December		Change %	9 months ended 31 December		Change %
	2010	2009	2010		2009		
		\$'000	\$'000		\$'000	\$'000	
Sales		-	7	NM	-	7	NM
Cost of sales		-	(6)	NM	-	(6)	NM
Gross profit		-	1	NM	-	1	NM
Other income	A	557	72	674	521	176	196
Expenses							
- Distribution and marketing		(90)	(49)	84	(240)	(130)	85
- General and administrative	B	(823)	(698)	18	(2,221)	(2,244)	(1)
- Finance		(24)	(5)	380	(49)	(40)	(23)
Share of (loss)/profit of associated company	C	-	(270)	NM	3,828	1,858	106
(Loss)/profit before income tax		(380)	(949)	(60)	1,839	(379)	NM
Income tax expense		-	-	-	(9)	-	NM
Net (loss)/profit		(380)	(949)	(60)	1,830	(379)	NM
<b>Other comprehensive (loss)/income</b>							
Financial assets, available-for-sale							
- Fair value (loss)/gain		(1,350)	(456)	196	961	3,893	(75)
Translation of foreign operations		8	(4)	NM	17	(37)	NM
<b>Other comprehensive (loss)/income, net of tax</b>		(1,342)	(460)	192	978	3,856	(75)
<b>Total comprehensive (loss)/income for the financial period</b>		(1,722)	(1,409)	22	2,808	3,477	(19)
<b>(Loss)/profit attributable to:</b>							
Equity holders of the Company		(208)	(937)	(78)	2,336	(90)	NM
Non-controlling interests		(172)	(12)	1,333	(506)	(289)	75
		(380)	(949)	(60)	1,830	(379)	NM
<b>Total comprehensive (loss)/income attributable to:</b>							
Equity holders of the Company		(1,559)	(1,395)	12	3,296	3,784	(13)
Non-controlling interests		(163)	(14)	1,064	(488)	(307)	59
		(1,722)	(1,409)	22	2,808	3,477	(19)

NM – Not Meaningful.

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

	3 <sup>rd</sup> quarter ended 31 December			9 months ended 31 December		
	2010 \$'000	2009 \$'000	Change %	2010 \$'000	2009 \$'000	Change %
(A) Other income consists of						
Dividend income	499	-	NM	499	100	399
Rental income	70	23	204	126	68	85
Interest earned from bank deposits	6	16	(62)	25	17	47
Foreign exchange loss	(43)	(4)	975	(154)	(46)	235
Others	25	37	(32)	25	37	(32)
	<u>557</u>	<u>72</u>	674	<u>521</u>	<u>176</u>	196
(B) General and administrative expenses						
Employee compensation	517	444	16	1,347	1,109	21
Directors' fee	59	42	40	162	127	28
Professional fee	54	51	6	167	179	(7)
Depreciation	38	27	41	101	82	23
Rental	117	88	33	311	252	23
Rights issue	-	-	-	-	258	NM
Research and development	5	7	(29)	6	117	(95)
Other	33	39	(15)	127	120	6
	<u>823</u>	<u>698</u>	18	<u>2,221</u>	<u>2,244</u>	(1)
(C) Share of (loss)/profit of associated company						
Share of profit/(loss)	-	-	-	204	(341)	NM
Reversal of impairment	-	-	-	3,146	2,469	27
Impairment loss	-	(270)	NM	-	(270)	NM
Reclassification from other comprehensive income - share of exchange difference	-	-	-	478	-	NM
	<u>-</u>	<u>(270)</u>	NM	<u>3,828</u>	<u>1,858</u>	106

NM – Not meaningful

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

	<u>Group</u>		<u>Company</u>	
	As at 31 Dec 2010 \$'000	As at 31 Mar 2010 \$'000	As at 31 Dec 2010 \$'000	As at 31 Mar 2010 \$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	5,990	8,036	4,729	6,828
Other receivables	547	345	271	149
Inventories	135	61	-	-
	<u>6,672</u>	<u>8,442</u>	<u>5,000</u>	<u>6,977</u>
<b>Non-current assets</b>				
Amounts due from subsidiaries – non-trade	-	-	20,942	20,502
Financial assets, available-for-sale	31,358	6,484	-	-
Investment in associated company	-	19,885	-	-
Investment in subsidiaries	-	-	1,000	1,000
Property plant and equipment	1,408	1,449	328	231
Goodwill	512	512	-	-
	<u>33,278</u>	<u>28,330</u>	<u>22,270</u>	<u>21,733</u>
<b>Total assets</b>	<u>39,950</u>	<u>36,772</u>	<u>27,270</u>	<u>28,710</u>
<b>Current Liabilities</b>				
Trade and other payables	337	323	212	200
Borrowings	1,146	1,008	-	-
Current income tax liabilities	2	2	2	2
	<u>1,485</u>	<u>1,333</u>	<u>214</u>	<u>202</u>
<b>Non-current Liabilities</b>				
Deferred income tax liabilities	814	614	20	20
	<u>814</u>	<u>614</u>	<u>20</u>	<u>20</u>
<b>Total liabilities</b>	<u>2,299</u>	<u>1,947</u>	<u>234</u>	<u>222</u>
<b>Net assets</b>	<u>37,651</u>	<u>34,825</u>	<u>27,036</u>	<u>28,488</u>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	51,914	51,914	51,914	51,914
Translation reserve	1	(16)	-	-
Fair value reserve	3,879	2,918	-	-
Accumulated losses	(17,380)	(19,991)	(24,878)	(23,426)
	<u>38,414</u>	<u>34,825</u>	<u>27,036</u>	<u>28,488</u>
Non-controlling interests	(763)	-	-	-
<b>Total equity</b>	<u>37,651</u>	<u>34,825</u>	<u>27,036</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:

As at 31 December 2010		As at 31 March 2010	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,146	-	1,008	-

Amount repayable after one year:

As at 31 December 2010		As at 31 March 2010	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

**Details of any collateral**

Borrowings of \$1,146,000, consisting of 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. ("STH").

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

**CASH FLOW STATEMENT**

	Group		Group	
	3 <sup>rd</sup> quarter ended 31 December		9 months ended 31 December	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Net (loss)/profit	(380)	(949)	1,830	(379)
Adjustments for :				
- Income tax expense	-	-	9	-
- Depreciation	38	27	101	82
- Share of loss/(profit) of associated company	-	270	(3,828)	(1,858)
- Gain on disposal of property, plant and equipment	-	-	(4)	-
- Dividend income	(499)	-	(499)	(100)
- Interest income	(6)	(16)	(25)	(17)
- Interest expense	24	5	49	16
- Translation difference	23	(14)	127	(32)
	<b>(800)</b>	<b>(677)</b>	<b>(2,240)</b>	<b>(2,288)</b>
Change in working capital :				
- Inventories	(1)	100	(74)	(61)
- Trade and other receivables	(74)	(85)	(208)	(110)
- Trade and other payables	(49)	48	(5)	72
- Net cash used in operations	(924)	(614)	(2,527)	(2,387)
- Interest income received	8	4	25	5
- Income tax paid	-	-	(9)	(3)
- Interest expenses paid	-	(5)	(25)	(16)
<b>Net cash used in operating activities</b>	<b>(916)</b>	<b>(615)</b>	<b>(2,536)</b>	<b>(2,401)</b>
<b>Cash flows from investing activities</b>				
Dividends received	499	100	499	100
Purchase of property, plant and equipment	(17)	(705)	(171)	(744)
Disposal of property, plant and equipment	3	-	70	-
<b>Net cash provided by/(used in) investing activities</b>	<b>485</b>	<b>(605)</b>	<b>398</b>	<b>(644)</b>
<b>Cash flows from financing activities</b>				
Proceeds from bank loans	-	579	1,286	1,812
Repayment of bank loans	-	-	(1,090)	(1,091)
Decrease/(increase) in pledged bank deposits	-	(319)	(221)	(787)
Proceeds from warrants conversion	*	-	*	-
Proceeds from rights issue	-	-	-	15,201
<b>Net cash provided by financing activities</b>	<b>*</b>	<b>260</b>	<b>(25)</b>	<b>15,135</b>
<b>Net (decrease)/increase in cash &amp; cash equivalents</b>	<b>(431)</b>	<b>(960)</b>	<b>(2,163)</b>	<b>12,090</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>5,194</b>	<b>14,213</b>	<b>6,926</b>	<b>1,163</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>4,763</b>	<b>13,253</b>	<b>4,763</b>	<b>13,253</b>

\* Amount less than \$1,000, proceeds from warrants conversion was \$300.

**Note:**

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

	31 December 2010	31 December 2009
	\$'000	\$'000
Cash and cash equivalents as per balance sheet	5,990	14,040
Less: Fixed deposits pledged with bank	(1,227)	(787)
<b>Cash and cash equivalents as per cash flow statement</b>	<b>4,763</b>	<b>13,253</b>

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.**

<b>Group</b>	<b>Share capital \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Fair value reserve \$'000</b>	<b>Translation reserve \$'000</b>	<b>Total \$'000</b>	<b>Non-controlling interests \$'000</b>	<b>Total equity \$'000</b>
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 period	-	2,336	961	17	3,314	(488)	2,826
Balance as at 31 December 2010	<u>51,914</u>	<u>(17,380)</u>	<u>3,879</u>	<u>1</u>	<u>38,414</u>	<u>(763)</u>	<u>37,651</u>
Balance as at 31 March 2009	36,713	(26,761)	(270)	1	9,683	307	9,990
Total comprehensive income/(loss) for the financial period	-	(90)	3,893	(19)	3,784	(307)	3,477
Rights issue shares	15,201	-	-	-	15,201	-	15,201
Balance as at 31 December 2009	<u>51,914</u>	<u>(26,851)</u>	<u>3,623</u>	<u>(18)</u>	<u>28,668</u>	<u>-</u>	<u>28,668</u>
<b>Company</b>	<b>Share capital \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Total equity \$'000</b>				
Balance as at 31 March 2010	51,914	(23,426)	28,488				
Total comprehensive loss for the period	-	(1,452)	(1,452)				
Balance as at 31 December 2010	<u>51,914</u>	<u>(24,878)</u>	<u>27,036</u>				
Balance as at 31 March 2009	36,713	(28,938)	7,775				
Total comprehensive loss for the period	-	(1,490)	(1,490)				
Rights issue shares	15,201	-	15,201				
Balance as at 31 December 2009	<u>51,914</u>	<u>(30,428)</u>	<u>21,486</u>				

- 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 was conversion of 3,000 warrants to ordinary shares during the reporting quarter.

As at 31 December 2010, outstanding warrants were 380,019,892 (as at 31 March 2010: 380,022,892).

- 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 December 2010	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 December 2010.

- 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).**

	3 <sup>rd</sup> quarter ended 31 December		9 months ended 31 December	
	2010	2009	2010	2009
EPS based on number of ordinary shares in issue (cents)	(0.024)	(0.12)	0.263	(0.01)
EPS on a fully diluted basis (cents)	(0.024)	(0.12)	0.260	(0.01)

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 December 2010	As at 31 March 2010
Net asset value per ordinary share of :		
Group (cents)	4.33	3.93
Company (cents)	3.05	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**

##### **Third quarter ended 31 December 2010**

The Group reported net loss of \$380,000 for 3Q FY2011, compared to net loss of \$949,000 for 3Q FY2010. This was mainly due to dividend income of \$499,000 received for 3Q FY2011 compared to nil amount for 3Q FY2010. Net loss attributable to shareholders was \$208,000 for 3Q FY2011, compared to \$937,000 for 3Q FY2010.

Operating expense for 3Q FY2011 was \$937,000, an increase of 25% over 3Q FY2010. Increase in operating expenses was due to increases in staff cost and business development expense.

Other income for 3Q FY2011 was \$557,000, attributable mainly to dividend income received from investments in FJ Benjamin and Epicentre.

Other comprehensive loss for 3Q FY2011 was \$1.34 million mainly due to fair value reserve loss on available-for-sale securities, compared to \$460,000 for 3Q FY2010.

The Group reported total comprehensive loss of \$1.72 million for 3Q FY2011, as compared to \$1.41 million for 3Q FY2010. Total comprehensive loss attributable to shareholders for 3Q FY2011 was \$1.56 million, as compared to \$1.40 million for 3Q FY2010.

#### **Review of Statement of Financial Position**

Shareholders' equity increased by \$3.59 million to \$38.41 million as at 31 December 2010, the increase being mainly due to fair value gain arising from investment in available-for-sale financial assets.

Total assets was \$39.95 million as at 31 December 2010, compared to \$36.77 million as at 31 March 2010. This was largely due to mark-to-market gain for the quoted securities held.

Total liabilities was \$2.30 million as at 31 December 2010, compared to \$1.95 million as at 31 March 2010. The change was due to increase in borrowings and additional deferred income tax liabilities, arising from fair value gain on available-for-sale financial assets.

The Group maintained a low debt/equity ratio (total liabilities/equity) of 0.06.

## **Review of Statement of Cash Flow**

In 3Q FY2011, the Group's operating activities used \$916,000 compared to \$615,000 in 3Q FY2010.

Investing activities provided net cash of \$485,000. This was mainly due to dividends received from FJ Benjamin and Epicentre in the reporting quarter.

Financing activities provided net cash of \$300, due to conversion of warrants during the reporting period.

Overall, the net decrease in cash and cash equivalent for 3Q FY2011 was \$431,000.

The Group had cash and cash equivalent of \$4.76 million as at 31 December 2010. This amount excluded \$1.23 million of fixed deposits pledged with a bank for loan facilities.

**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.**

As reported in the results announcement for 2Q FY2011, the Company has equity stakes in a few listed entities. The performance of the Company is affected by market movements. For the reporting quarter of 3Q FY2011, the Company experienced market softness, resulting in fair value loss of \$1,350,000, as against a fair value loss of \$456,000 for the corresponding period for FY2010.

The commercial development of its 51% subsidiary, San Technology Holding Pte. Ltd., was also reported then. Due to the slow pace of business development, the subsidiary did not record any sales for the reporting quarter.

### **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 STH.
- About \$5.41 million had been used to subscribe for UPP Rights Shares.
- About \$2.86 million had been used for the Group's general corporate and working capital purposes.

The unutilised balance of net proceeds is about \$3.76 million.

**11. Dividend**

	<b>31 December 2010</b>	<b>31 December 2009</b>
(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. Negative Assurance Confirmation on interim financial results pursuant to rule 705(5) of the listing manual of SGX-ST**

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 3<sup>rd</sup> quarter financial period ended 31 December 2010 to be false or misleading in any material aspect.

On behalf of the board of directors

**BY ORDER OF THE BOARD**

Dr Ho Tat Kin  
Director

Quek Kai Hoo  
Director

14 February 2011