



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

Unaudited Third Quarter Financial Statement Announcement For The Financial Period Ended 31 December 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 31 DECEMBER 2012

	Group			Group		
	3 rd quarter ended 31 December			9 months ended 31 December		
	2012	2011	Change	2012	2011	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Continuing operations						
Revenue – Dividend income	229	594	(61)	229	702	(67)
Other income/(loss) - net	A 41	(1,802)	(102)	(40)	(1,657)	(98)
Expenses						
- Distribution and marketing	(44)	(39)	13	(133)	(96)	39
- Administrative	B (417)	(645)	(35)	(1,390)	(1,745)	(20)
- Finance	-	(1)	(100)	-	(3)	(100)
Share of profit/(loss) of associated company	261	(258)	(201)	133	(117)	(214)
Profit/(loss) before income tax	70	(2,151)	(103)	(1,201)	(2,916)	(59)
Income tax credit	-	-	-	-	5	100
Profit/(loss) from continuing operations	70	(2,151)	(103)	(1,201)	(2,911)	(59)
Discontinued operations						
Loss from discontinued operations	C -	(83)	(100)	-	(408)	(100)
Total profit/(loss)	70	(2,234)	(103)	(1,201)	(3,319)	(64)
Other comprehensive (loss)/income						
Available-for-sale financial assets						
- Fair value loss	(865)	(165)	424	(591)	(5,145)	(89)
Reclassification on disposal of subsidiary	-	906	(100)	(87)	906	(110)
Currency translation differences arising from consolidation	-	45	(100)	-	-	-
Other comprehensive (loss)/income, net of tax	(865)	786	(210)	(678)	(4,239)	(84)
Total comprehensive loss for the financial period	(795)	(1,448)	(45)	(1,879)	(7,558)	(75)
Profit/(loss) attributable to:						
Equity holders of the Company	70	(2,234)	(103)	(1,201)	(3,319)	(64)
Total comprehensive loss attributable to:						
Equity holders of the Company	(795)	(1,448)	(45)	(1,879)	(7,558)	(75)

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

	Group			Group		
	3 rd quarter ended 31 December			9 months ended 31 December		
	2012	2011	Change	2012	2011	Change
	\$'000	\$'000	%	\$'000	\$'000	%
(A) Other income/(loss) consists of						
Interest income	36	10	260	56	101	(45)
Loan interest from International Brand Partners Private Ltd. *	-	19	(100)	-	50	(100)
Currency translation gain	-	6	(100)	22	6	267
SME cash grant	5	5	-	5	5	-
(Loss)/gain on disposal of available-for-sale financial assets	-	(5)	(100)	(123)	18	(783)
Loss on disposal of a subsidiary	-	(1,837)	(100)	-	(1,837)	(100)
	<u>41</u>	<u>(1,802)</u>	<u>(102)</u>	<u>(40)</u>	<u>(1,657)</u>	<u>(98)</u>
(B) Administrative expenses						
Employee compensation	(319)	(460)	(31)	(941)	(1,191)	(21)
Directors' fee and expense	(44)	(70)	(37)	(139)	(178)	(22)
Professional fees	(36)	(35)	3	(140)	(160)	(13)
Depreciation	(14)	(20)	(30)	(50)	(59)	(15)
Rental	(26)	(26)	-	(79)	(80)	(1)
Reversal of provision for doubtful debts	35	-	NM	35	-	NM
Others	(13)	(34)	(62)	(76)	(77)	(1)
	<u>(417)</u>	<u>(645)</u>	<u>(35)</u>	<u>(1,390)</u>	<u>(1,745)</u>	<u>(20)</u>
(C) Loss from discontinued operations						
Sales	-	1	(100)	-	245	(100)
Cost	-	(2)	(100)	-	(402)	(100)
Gross loss	-	(1)	(100)	-	(157)	(100)
(Loss)/income	-	(37)	(100)	-	13	(100)
Expenses	-	(45)	(100)	-	(264)	(100)
Loss from discontinued operations	-	(83)	(100)	-	(408)	(100)

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 31 Dec 2012 \$'000	As at 31 Mar 2012 \$'000	As at 31 Dec 2012 \$'000	As at 31 Mar 2012 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	16,540	9,331	16,464	6,411
Other receivables	3,095	1,243	101	72
Amounts due from subsidiaries – non-trade	-	-	18,878	-
	<u>19,635</u>	<u>10,574</u>	<u>35,443</u>	<u>6,483</u>
Non-current assets				
Available-for-sale financial assets	7,796	8,762	-	-
Amounts due from subsidiaries – non-trade	-	-	-	20,054
Investment in associated company	14,621	14,488	-	-
Investments in subsidiaries	-	-	200	200
Plant and equipment	297	347	297	347
	<u>22,714</u>	<u>23,597</u>	<u>497</u>	<u>20,601</u>
Total assets	<u>42,349</u>	<u>34,171</u>	<u>35,940</u>	<u>27,084</u>
LIABILITIES				
Current liabilities				
Other payables	97	158	80	95
Current income tax liabilities	2	2	2	2
	<u>99</u>	<u>160</u>	<u>82</u>	<u>97</u>
Non-current liabilities				
Deferred income tax liabilities	846	985	20	20
	<u>846</u>	<u>985</u>	<u>20</u>	<u>20</u>
Total liabilities	<u>945</u>	<u>1,145</u>	<u>102</u>	<u>117</u>
NET ASSETS	<u>41,404</u>	<u>33,026</u>	<u>35,838</u>	<u>26,967</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	62,172	51,915	62,172	51,915
Fair value reserve	4,033	4,711	-	-
Accumulated losses	(24,801)	(23,600)	(26,334)	(24,948)
Total equity	<u>41,404</u>	<u>33,026</u>	<u>35,838</u>	<u>26,967</u>

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

Amount repayable after one year:

As at 31 December 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>	
	3 rd quarter ended 31 December		9 months ended 31 December	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Total profit/(loss)	70	(2,234)	(1,201)	(3,319)
Adjustments for :				
- Income tax credit	-	-	-	(5)
- Depreciation of plant and equipment	14	24	50	102
- Loss/(gain) on disposal of available-for-sale financial assets	-	-	123	(18)
- Loss on disposal of a subsidiary	-	1,837	-	1,837
- Interest income	(36)	(13)	(56)	(55)
- Dividend income	(229)	(594)	(229)	(702)
- Finance expense	-	49	-	53
- Share of (profit)/loss of associated company	(261)	258	(133)	117
- Unrealised currency translation differences	-	78	-	7
Operating loss before working capital changes	(442)	(595)	(1,446)	(1,983)
Change in working capital :				
- Inventories	-	250	-	242
- Other receivables	(11)	251	(19)	208
- Other payables	10	(226)	(61)	(508)
Cash used in operations	(443)	(320)	(1,526)	(2,041)
- Interest received	36	13	56	55
- Interest paid	-	45	-	(6)
- Income tax paid	-	-	-	5
Net cash used in operating activities	(407)	(262)	(1,470)	(1,987)
Cash flows from investing activities				
Proceeds from disposal of plant and equipment	-	-	-	9
Disposal of plant and equipment	-	113	-	916
Disposal of available-for-sale financial assets	-	-	27	82
Disposal of subsidiary, net of cash disposed of	-	(611)	-	(924)
Loans to related party	-	-	(2,768)	(1,895)
Loan to third party	-	(159)	-	(233)
Dividend received	229	594	1,163	752
Net cash provided by/(used in) investing activities	229	(63)	(1,578)	(1,293)
Cash flows from financing activities				
Proceeds from issuance of ordinary shares	-	-	10,257	-
Proceeds from borrowings	-	-	-	100
Repayment of borrowings	-	-	-	(1,107)
Bank deposits pledged	-	-	-	1,202
Net cash provided by financing activities	-	-	10,257	195
Net (decrease)/increase in cash and cash equivalents	(178)	(325)	7,209	(3,085)
Cash and cash equivalents at beginning of financial period	16,718	1,998	9,331	4,758
Cash and cash equivalents at end of financial period	16,540	1,673	16,540	1,673

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		
	\$'000	(a) \$'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	-	(678)	-	(1,201)	(1,879)	-	(1,879)
Balance as at 31 December 2012	62,172	4,033	-	(24,801)	41,404	-	41,404
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	-	(5,145)	(7)	(3,319)	(8,471)	913	(7,558)
Balance as at 31 December 2011	51,914	(3,145)	-	(21,677)	27,092	-	27,092

(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 *	10,257	-	10,257
Total comprehensive loss for the financial period	-	(1,386)	(1,386)
Balance as at 31 December 2012	62,172	(26,334)	35,838
Balance as at 31 March 2011	51,914	(24,263)	27,651
Total comprehensive loss for the financial period	-	(1,648)	(1,648)
Balance as at 31 December 2011	51,914	(25,911)	26,003

* 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.**

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 31 December 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 31 December 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).

	3 rd quarter ended		9 months ended	
	31 December		31 December	
	2012	2011	2012	2011
EPS based on number of ordinary shares in issue (cents)	0.007	(0.252)	(0.121)	(0.374)
EPS on a fully diluted basis (cents)	0.007	(0.252)	(0.121)	(0.374)

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 2012	31 March 2012
Net asset value per ordinary share of		
Group (cents)	4.19	3.72
Company (cents)	3.62	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

Third quarter ended 31 December 2012 (“3QFY2013”) vs third quarter ended 31 December 2011 (“3QFY2012”)

The Group reported a dividend income of \$229,000 for 3QFY2013, a decrease of 61% as compared to \$594,000 in 3QFY2012. The decline in dividend income was mainly due to reduction in dividend received from all of the Group’s quoted securities.

The Group recorded other income of \$41,000 in 3QFY2013, as opposed to other loss of \$1.80 million in 3QFY2012. The increase in other income was mainly due to absence of loss on disposal of a subsidiary, San Technology Holding Pte. Ltd. (“STH”) of \$1.84 million.

Total operating expenses decreased by 32.7% or \$224,000 as compared to 3QFY2012. The decrease was mainly attributed to decrease in employee headcount.

The Group registered a share of profit of \$261,000 from its associated company, Streamax International Holding Co., Limited (“Streamax”) in 3QFY2013, as compared to a share of loss of \$258,000 in 3QFY2012. The increase in share of profit was mainly contributed by Streamax’s new product offering and improved margins.

The Group’s earnings per share increased from negative 0.252 cents for 3QFY2012 to 0.007 cents for 3QFY2013.

Nine months ended 31 December 2012 (“9MFY2013”) vs nine months ended 31 December 2011 (“9MFY2012”)

The Group recorded a loss attributable to shareholders of \$1.20 million for 9MFY2013, compared to a loss of \$3.32 million for 9MFY2012. The decrease in the loss amount was mainly due to non-recurrence of loss on disposal of subsidiary, STH of \$1.84 million in 3QFY2013.

In addition, the Group’s record of its share of profit of \$133,000 from Streamax in 9MFY2013, as compared to a share of loss of \$117,000 in 9MFY2012, also contributed to the decrease in loss amount in 9MFY2013.

Total operating expenses recorded a decrease of \$321,000 from \$1.84 million in 9MFY2012 to \$1.52 million in 9MFY2013, mainly due to decrease in employee headcount.

The Group’s earnings per share improved from negative 0.374 cents for 9MFY2012 to negative 0.121 cents for 9MFY2013.

Review of Statement of Financial Position

The Group's total assets increased from \$34.17 million as at 31 March 2012 to \$42.35 million as at 31 December 2012. The increase of \$8.18 million was largely attributed to increases in cash and cash equivalents and other receivables, offset by fair value loss from the mark-to-market valuation for the Group's investments in quoted securities of \$711,000 and write-off of UPP Holdings Limited's warrants of \$238,000, which expired on 29 May 2012.

Cash and cash equivalents increased by \$7.21 million, from \$9.33 million as at 31 March 2012 to \$16.54 million as at 31 December 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 \$1.85 million, from \$1.24 million as at 31 March 2012 to \$3.10 million as at 31 December 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 \$945,000 as at 31 December 2012, representing a decrease of \$200,000 from \$1.15 million as at 31 March 2012. The decrease was largely due to decrease in other payables of \$61,000 and decrease in deferred income tax liabilities of \$139,000 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 4.19 cents as at 31 December 2012, compared to 3.72 cents as at 31 March 2012.

Review of Statement of Cash Flows

Net cash used in operating activities in 3QFY2013 amounted to \$407,000, mainly due to operating loss incurred before working capital changes in the reporting financial period.

Net cash provided by investing activities in 3QFY2013 amounted to \$229,000, due to dividend received from available-for-sale financial assets.

As a result of the above, there was a net decrease in cash and cash equivalents of \$178,000 for 3QFY2013.

As at 31 December 2012, the Group's cash and cash equivalents amounted to \$16.54 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.**

On 21 December 2012, the Company announced that:

- (i) the Company has entered into a non-binding term sheet with Messrs Albert Hong Hin Kay, Lee Kut Cheung, Lai Huen Poh, Liu Thai Ker and Hud Abu Bakar in relation to the proposed acquisition by the Company and/or its wholly-owned subsidiary of the entire issued and paid-up share capital of RSP Architects Planners & Engineers (Pte) Ltd for a consideration of up to S\$223 million (inclusive of earn-out consideration) to be satisfied by way of allotment and issuance of ordinary shares in the capital of the Company at an issue price of S\$0.150 per Share (the “**RSP Acquisition**”);
- (ii) the Company has entered into another non-binding term sheet with Vantage Bay Sdn Bhd in relation to the proposed acquisition by the Company and/or its wholly-owned subsidiary of parcels of vacant land located within the Iskandar Development Region, Johor Bahru, Malaysia, measuring approximately 9.23 hectares, for a consideration of S\$358 million to be satisfied by way of allotment and issuance of Shares at an issue price of S\$0.150 per Share (the “**Land Acquisition**”); and
- (iii) the Company is proposing, subject to *inter alia* the definitive agreements (“**Definitive Agreements**”) being entered into for the RSP Acquisition and the Land Acquisition (collectively, the “**Acquisitions**”) and consummation of the Acquisitions, a bonus issue (the “**Bonus Issue**”) of up to 1,978,602,530 warrants (“**Warrants**”), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (“**New Share**”) at an exercise price of S\$0.180 for each New Share, to be issued to the Company’s existing shareholders (“**Shareholders**”) for free on the basis of two (2) Warrants for every one (1) existing Share held as at a books closure date to be determined by the Director.

The Directors of the Company believe that the Acquisitions are in the best interests of the Company. The Acquisitions provide the Company the opportunity to participate in the growth of the Iskandar Development Region in Johor Bahru, Malaysia and transform the Group into a major real estate player with complete multi-disciplinary design capabilities and expertise. The RSP Acquisition and the Land Acquisition are to be completed concurrently and are inter-conditional. The Directors believe that the award-winning expertise and complete suite of property services of RSP combined with the development potential of the prime Land will provide the Group with the platform, synergy and scale it needs to transform into a major real estate player in the Iskandar Development Region. The Acquisitions will increase the market capitalisation of the Company significantly and is expected to raise the profile of the Company and generate investors’ interest in the Company.

If the Definitive Agreements are entered into and the Acquisitions materialise, the Directors are proposing the Bonus Issue to reward existing Shareholders and to raise funds for the Group in the future. The Directors believe that the Bonus Issue will provide Shareholders with the opportunity to increase their equity participation in the Company, and potentially increase the Company’s capital base and strengthen its balance sheet. Based on the Company’s issued and paid-up share capital of 989,301,265 Shares as at the date of this announcement, the Bonus Issue will comprise 1,978,602,530 Warrants. Assuming all the Warrants issued pursuant to the Bonus Issue are exercised, the Company will receive gross proceeds of approximately S\$356.1 million. The Company intends to use the proceeds arising from the exercise of the Warrants for future working capital and expansion plans.

11. Dividend

	31 December 2012	31 December 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 third quarter financial period ended 31 December 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

1 February 2013