ROWSLEY

ROWSLEY LTD.
ANNUAL REPORT
2011

Rowsley's strategy and direction are designed to provide a focused portfolio, which it plans to strengthen with significant investments in the coming years. Geographically, the Company is exploring growth markets around Asia and beyond. With a strong focus and clear vision, Rowsley envisions to be successful in terms of growth, performance and value for all shareholders.

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JOINT STATEMENT BY EXECUTIVE CHAIRMAN AND EXECUTIVE DIRECTOR

OVERVIEW

The Group achieved net profit attributable to equity holders of the Company of $1.358 million for financial year ended 31 March 2011 ("**reporting financial year**"), a decrease from $6.77 million recorded for the preceding financial year. This was largely attributable to the Group's cessation of equity accounting for the investment in associated company, UPP Holdings Limited ("**UPP**"), in the second quarter of the reporting financial year. 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.

In addition, in the preceding financial year, there was a higher amount of write-back of impairment on investment in UPP of $9.328 million, while in the reporting financial year, the write-back of impairment on investment in UPP amounted to $3.584 million. As a result, the share of profit of associated companies was lower as compared to the last financial year. The recovery in carrying value in investment in UPP was determined based on its market quoted price.

The reporting financial year closed with dividend of $548,540 earned from its listed equity portfolio in F J Benjamin Holdings Ltd ("**F J Benjamin**") and Epicentre Holdings Limited ("**Epicentre**"). While UPP, its other listed equity portfolio, did not pay out dividend in the reporting financial year, the new financial year saw the receipt of $108,136 in dividend from UPP.

San Technology Holding Pte. Ltd. ("**STH**") closed the reporting financial year without a sale of its RegenTech membrane oil recycling system amidst challenging market conditions. The foregoing notwithstanding, STH had on 2 June 2011 made a breakthrough and secured a deposit of RMB 1.0 million for the maiden sale of one unit of its RegenTech membrane oil recycling system.

The investment portfolio of the Group remained largely the same during the reporting financial year, save for an investment made in the last month of the reporting financial year. That investment was one of $15.2 million for a 24.33% stake in the capital of Chenhong International Metal Co., Limited ("**Chenhong**"), more particularly described below. The investment was made possible by a $16.0 million short-term, interest-free and collateral-free loan from substantial shareholder, Mr Lim Eng Hock. Chenhong showed early promise, allowing the Group to book a gain of about $512,000 under the item share of profit of associated companies, less than a month after completion of investment.

Shortly after the close of the reporting financial year, the Group invested a sum of $1.89 million in International Brand Partners Private Ltd. ("**IBP**"), more particularly described below, in May 2011 by way of an unsecured convertible loan. IBP is a global shoe marketing company that designs, sources, markets and distributes shoes worldwide. Currently, it holds the global footwear licence from the Miss Sixty Group to market the Energie & Killah brands worldwide.

On a smaller scale and very recently in June 2011, the Group invested US$180,000 in Heliconix, Inc. ("**Heliconix**") also by way of an unsecured convertible loan. Heliconix's mission is to apply advanced thin film technology to develop high-performance, low-cost selective coating absorbents for the world-wide solar thermal industry. Heliconix is more particularly described below.

The Group is actively sourcing for other investment opportunities and will continue to be very selective and disciplined in the investment processes and decisions, with an emphasis on picking high-growth businesses with robust business models and outstanding entrepreneurs.

The financial position of the Group remained strong as at the end of the reporting financial year. Group

JOINT STATEMENT BY EXECUTIVE CHAIRMAN AND EXECUTIVE DIRECTOR

Total Assets as at the end of the reporting financial year was $52.9 million, while at company level it was $43.8 million. Group Total Liabilities as at the end of the reporting financial year was $18.2 million, while at company level it was $16.1 million. The bulk of the liabilities is a $16.0 million short-term, interest-free and collateral-free loan, for the investment in Chenhong, provided by the substantial shareholder. The Group's cash position remained liquid, buoyed further by local credit facilities.

The Group's net asset value per share as at 31 March 2011 was 3.91 cents, compared to 3.93 cents as at 31 March 2010. The slight decline reflects the severity of the market conditions faced by UPP at the end of the reporting financial year when the Group measured UPP's fair value based on market quoted price, notwithstanding that there were fair value gains from the Group's equity holdings in other counters.

There were no disposals of investments during the reporting financial year. Subsequently, on 9 June 2011, the Company disposed of a part of its holding in Epicentre thereby reducing its holding from 5.31% to 5.20%.

INVESTMENT PORTFOLIO

The Company continues its business for the reporting financial year as an investment company, investing in companies with capital appreciation potential and dividend streams. The Company holds equity investments and investments in convertible securities for medium to long term in investees whose underlying business, economic and management characteristics remain favourable.

As at the end of the reporting financial year, the investment portfolio consisted of the following (percentages in brackets refer to holdings as at 31 March 2010):

Listed Investments:
- 18.565% in UPP (22.66%)
- 3.51% in F J Benjamin (3.51%)
- 5.31%* in Epicentre (FKA Afor Limited) (5.31%)

*5.20% as at 9 June 2011

Unlisted Investments:
- 24.33% in Chenhong (na)
- 51.0% in STH (51.0%)

In summary, in the reporting financial year:

- the dilution in the holding in UPP was the result of UPP's issue and allotment of new shares in its share capital in 2010.
- there were no changes to the holdings in F J Benjamin, Epicentre and STH. However, on 9 June 2011, the holding in Epicentre was reduced to 5.20%.
- the Company invested $15.2 million for a 24.33% stake in the capital of Chenhong. This investment was announced on 3 March 2011.

After the reporting financial year, the following investments were made:

- the Company invested $1.89 million by way of an unsecured convertible loan in IBP on 3 May 2011. The investment was funded by the 2009 rights issue and reported in the full year results announcement of 25 May 2011.
- On 7 June 2011, the Company invested US$180,000 by way of an unsecured convertible loan in Heliconix. The investment was funded by the 2009 rights issue.

Chenhong International Metal Holding Co., Limited ("Chenhong")

The investment in Chenhong was completed on 4 March 2011, for an amount of $15.2 million for a 24.33% stake in the capital of Chenhong. The investment amount will be used by Chenhong for its business expansion. The principal business of Chenhong is the recycling of stainless steel and manufacturing of nickel beans. Chenhong, its subsidiaries and suppliers have operations in Shanghai, Shandong, Guangdong

JOINT STATEMENT BY EXECUTIVE CHAIRMAN AND EXECUTIVE DIRECTOR

and Jiangxi. Chenhong is an established raw material supplier to the leading stainless steel manufacturers in China such as Baoshan Iron & Steel, Zhangjiagang Pohang Stainless Steel, Shanxi Taigang Stainless Steel and Jiuquan Iron & Steel.

Chenhong currently produces two major products: Blended 300 Series recycled stainless steel (graded and standardised recycled stainless steel with a typical nickel content of 8%) and nickel beans (a low carbon nickel steel pellet with a typical nickel content of 25%). Nickel beans are produced using a proprietary technology developed by Chenhong. Both the Blended 300 Series recycled stainless steel and the nickel beans are important raw materials for the production of stainless steel.

For the reporting financial year, Chenhong contributed a gain of about $512,000 to the Group's bottom line under the item share of profit of associated companies. Barring any unforseen circumstances and going forward, Chenhong is expected to contribute positively to the Group's financial performance.

International Brand Partners Private Ltd. (**"IBP"**)

On 3 May 2011, the Company invested in IBP by way of an unsecured convertible loan of $1.89 million to IBP, bearing interest at 4% and convertible into shares in 2012, amounting to 30% shareholdings in the capital of IBP. The loan will be used by IBP for working capital to expand its business operations. A Shareholders Agreement was also entered into, besides the Convertible Loan Agreement. The Shareholders Agreement provides for an unsecured loan amounting in the aggregate to $631,500 to be made to IBP upon IBP meeting certain performance milestones.

IBP is an independent global shoe marketing company capable of designing, sourcing, marketing and distributing shoes worldwide. The company is the full outsource partner for fashion brand companies that have global aspirations to extend their product portfolio. The current management has extensive global experience in managing shoe brands from multiple fashion brand owners. Currently, it holds the global footwear licence from the Miss Sixty Group to market the Energie and Killah brands worldwide.

The Group believes IBP has high value-add, is asset-light and robust in business model with strong growth potential.

Heliconix, **Inc.** (**"Heliconix"**)

The Company entered into a Convertible Loan Agreement with Heliconix on 7 June 2011 to provide an unsecured convertible loan of US$180,000 to Heliconix for the purpose of funding a proof-of-value development of a unique solar thermal selective absorbent coatings production process. The loan bears interest at 10%, if no conversion takes place, and is convertible to shares at the discretion of the Company.

Heliconix's mission is to apply advanced thin film technology to develop high-performance, low-cost selective coating absorbents for the world-wide solar thermal industry. Heliconix's strategy is to be the primary process technology provider for solar thermal collector companies in Asia and elsewhere, providing equipment, technology and know-how that combine innovative technology and critical manufacturing processes. Heliconix's technology, upon successful development, is targeted to be superior to existing technologies in terms of cost-effectiveness, and is targeted for wider applications.

The Company is presently negotiating with Heliconix for equity participation in Heliconix for the commercial development of its products, pending successful completion of proof-of-value.

JOINT STATEMENT BY EXECUTIVE CHAIRMAN AND EXECUTIVE DIRECTOR

F J Benjamin Holdings Ltd (**"F J Benjamin"**)

F J Benjamin continues to perform well, yielding dividend of $399,180 to the Group for the reporting financial year.

F J Benjamin's revenues and net profits have increased significantly from the previous year. For the nine months ended 31 March 2011, its turnover rose 21.4% to $265.1 million from $218.4 million in the previous corresponding period. Net profit after tax doubled to $10.5 million from $5.2 million during these same periods. Its share price has correspondingly performed well, increasing from $0.29 on 1 April 2010 to $0.375 on 31 March 2011, representing a 29.3% increase.

F J Benjamin is an industry leader in luxury and lifestyle retail and distribution, distribution of exclusive timepiece brands, engages in creative designs and development and also investing in lifestyle concepts.

Epicentre Holdings Limited (**"Epicentre"**)

The Group received dividend of $149,360 from Epicentre for the reporting financial year.

Epicentre has performed well with revenues for the six months ended 31 December 2010 increasing 123.8% to $92.1 million, and profit after tax increasing 158.9% to $4.7 million. Its share price increased from $0.175 on 1 April 2010 to $0.625 on 31 March 2011, a 257.1% increase.

Epicentre is an Apple Premium Reseller in Asia specialising in the sale of Apple brand products and its complementary products. Epicentre offers customers a one-stop shop digital lifestyle shopping experience.

UPP Holdings Limited (**"UPP"**)

No dividend was received from UPP for the reporting financial year. Subsequently, the Group received dividend of $108,136 from UPP on 23 May 2011.

UPP's revenues increased 36.8% over the previous year to $52.8 million for the year ended 31 December 2010. Net profit after tax attributable to the parent rose 85.1% to about $937,000. Its share price has remained soft during the reporting financial year.

UPP is principally engaged in the manufacturing and selling of paper and paper/packaging products.

San Technology Holding Pte. Ltd. (**"STH"**)

In November 2008, acquisition was completed for a 51% equity stake in the capital of STH, a Singapore incorporated company engaged in the business of developing renewable energy and lubricating oil recycling businesses. STH's business operation is based in Shenzhen, China. STH had completed development of its proprietary membrane oil recycling system and has launched its RegenTech membrane oil recycling system in the market. In the wake of fluctuating oil prices during the reporting financial year and the shifting emphasis on environmental protection, the marketing of the RegenTech membrane oil recycling system has proven more challenging than originally perceived. The reporting financial year closed without a sale, but on 2 June 2011 a breakthrough was achieved when STH received a deposit of RMB 1.0 million for the maiden sale of one unit of its RegenTech membrane oil recycling system.

OUTLOOK

The global economy has gone bipolar. While the western economies are still trying to recover from the financial crisis, Asia is doing much better in terms of growth and employment. The developed countries have been plagued by slow economic growth, unemployment and high levels of sovereign debt. China, India and most of S E Asia are enjoying economic growth and creating a lot of wealth within their respective territories. However, due to the elevated prices of commodities and oil, inflation is rearing its ugly head and threatening to derail the growth that Asia has been enjoying. The global

JOINT STATEMENT BY EXECUTIVE CHAIRMAN AND EXECUTIVE DIRECTOR

economy has also been affected by natural disasters such as the recent earthquake in Japan which had affected Japan's economic growth as well.

Against such a backdrop, there is likely to be volatility in the global economic growth and the selection of investment prospects will be more challenging. However we will continue to be very selective and disciplined in our investment processes and decisions, with an emphasis on picking high-growth businesses with robust business models and outstanding entrepreneurs. We are also optimistic about our investment portfolio which we believe will benefit from the new opportunities and favorable growth trends in Asia.

ACKNOWLEDGEMENT

Our shareholders and business associates have stood with us, through tumultous times during the global financial crisis in 2008 and during our call for financial support in the rights issue in 2009. We are indeed grateful that their support continued in the reporting financial year just past.

We wish to thank our fellow directors whose counsel and guidance were important for the progress and well-being of the Company. We also thank the management and staff for their unwavering support.

In closing, the Board wishes to place on record its appreciation of the services of Mr Koh Kim Huat, board member and CEO since May 2003. Mr Koh resigned on 31 July 2010 to head UPP, an associated company then. The Board also wishes to thank Mr Ong Pang Liang who served as CFO from October 2008 to 31 July 2010 when he resigned to serve at UPP.

DR HO TAT KIN
Executive Chairman

QUEK KAI HOO
Executive Director

BOARD OF DIRECTORS

DR HO TAT KIN
Executive Chairman

Director of Rowsley Ltd. since 26 June 2002. Executive Chairman of the Board since 1 August 2010. Chairman of the Board from 2006 to 2010. Member of Nominating Committee and Investment Committee. Was Chair of Audit Committee and Investment Committee from 2006 to 2010.

Dr Ho Tat Kin is a management consultant, specialising in the education business, digital media technology and business ventures. He brings with him more than 29 years of experience in general management, operations and corporate governance.

Over the years, Dr Ho has served as director of various companies listed on the main boards of Singapore and Hong Kong. At present, he is Executive Chairman of Rowsley Ltd., a corporation listed on the main board of the Singapore Exchange. He was a Non-Executive Director of Eagle Brand Holdings Ltd, also listed on the main board of the Singapore Exchange, until his resignation with effect from 16 August 2007. He is also serving as director in several other private limited companies in Singapore.

Dr Ho has had a successful career in the public sector, having served in the Ministry of Education, Singapore Economic Development Board and finally leading the Japan-Singapore Institution of Software Technology as its Director until 1997, when he left to join the private sector. He was an elected Member of Parliament from 1984 to 2001 and was concurrently a Town Council Chairman from 1988 to 1999, where he also advised on the investment of the Town Council sinking funds.

Dr Ho Tat Kin holds a Bachelor of Science (Honours) from the University of Singapore, a Japan International Co-operation Agency (Post-graduate) Certificate (Teacher on Computer Science) completed at Tokyo University, a Master of Science (Technological Economics) and a Doctor of Philosophy (Management Science) from the University of Stirling, Scotland, UK.

QUEK KAI HOO
Executive Director

Executive Director of Rowsley Ltd. since 1 August 2010.

Mr Quek Kai Hoo has extensive experience in private equity, mergers & acquisition ("M&A") and operations management. He evaluated and carried out direct investments and fund-of-fund investments with Rothschild Ventures, Temasek Holdings, HRJ Capital and Kestrel Capital Partners. While with these investment companies, he recommended and invested significant investment amounts into companies and funds.

Mr Quek also led the M&A activities and was a General Manager at Unisteel Technology Ltd, a company that was listed on Singapore Exchange and later bought out by private equity firm KKR. The M&A activities involve the evaluation and purchase into three industrial companies in Singapore and China, and the post-acquisition integration of these companies. While at Unisteel, he was the General Manager of a surface treatment subsidiary company and later on a optical solutions subsidiary company, and implemented operational improvements and restructuring to enhance the revenues and profits for these companies.

Besides exposure in Singapore, Mr Quek also has China-related experience first in Unisteel where he led the acquisition into a Wuxi-based surface treatment business and a Suzhou-based metal stamping business, and then as the General Manager of Valen Technologies overseeing its Suzhou operations. He was also based in Shanghai for two years as the Chief Rep of HRJ Capital's representative office there. He managed the firm's fund investment program there and initiated its co-investment program in China, resulting in the investment into a solar module company, a camera module company and a outdoor advertising company.

BOARD OF DIRECTORS

Mr Quek Kai Hoo started his career with the Economic Development Board, Singapore with a EDB-Glaxo scholarship. He graduated from the University of Michigan (Ann Arbor) with a Bachelor of Science in Electrical Engineering and a Master of Science in Industrial Engineering. Mr Quek is a CFA charterholder.

DR LAM LEE G
Lead Independent Director

Director of Rowsley Ltd. since 26 June 2002. Lead Independent Director since 1 August 2010. Chair of Audit Committee and Investment Committee since 1 August 2010. Member of Nominating Committee. Was Chair of Remuneration Committee from 2006 to 2010.

Dr Lam Lee G, aged 51, has been an Independent Director of the Company since 26 June 2002. He holds a Bachelor of Science in Mathematics and Sciences, a Master of Science in Systems Science and a Master of Business Administration, all from the University of Ottawa in Canada, a Post-graduate Diploma in Public Administration from Carleton University in Canada, a Post-graduate Diploma in English and Hong Kong Law and a Bachelor of Law (Hons) from Manchester Metropolitan University in the U.K., a PCLL in law from the City University of Hong Kong, a Certificate in Professional Accountancy from the Chinese University of Hong Kong SCS, a LLM in law from the University of Wolverhampton in the U.K., and a Doctor of Philosophy from the University of Hong Kong. Dr Lam has over 28 years of multinational general management, strategy consulting, corporate governance, investment banking and direct investment experience. He is Chairman of Monte Jade Science and Technology Association of Hong Kong, and serves on boards of several publicly-listed companies in the Asia Pacific region. Having served as a Part-time Member of the Central Policy Unit of the Government of the Hong Kong Special Administrative Region for two terms, Dr Lam is a Member of the Jilin Province Committee of the Chinese People's Political Consultative Committee (and a former Specially-invited Member of the Zhejiang Province Committee), a Member of the Hong Kong Institute of Bankers, a Board Member of the East-West Centre Foundation, a Member of the Young Presidents' Organization, a Member of the Chief Executives Organisation, a Fellow of the Hong Kong Institute of Directors, a Fellow of the Hong Kong Institute of Arbitrators, a Member of the General Committee and the Corporate Governance Committee of the Chamber of Hong Kong Listed Companies, a Vice President of the Hong Kong Association for the Advancement of Real Estate and Construction Technology, a founding Board Member and Honorary Treasurer of the Hong Kong-Vietnam Chamber of Commerce, and a Visiting Professor (in corporate governance and investment banking) at the School of Economics & Management of Tsinghua University in Beijing.

RAJASINGAM M RAJAGOPAL
Independent Director

Director of Rowsley Ltd. since 24 May 2003. Chairman of Nominating Committee since 2003. Member of Remuneration Committee.

Mr Rajasingam M Rajagopal was the past Senior Director of Freshfields Drew & Napier Pte Ltd with an accomplished career as a leading lawyer who had argued in some of the most landmarked cases in Singapore. He was the Honorary Legal Advisor of the British High Commission for more than 11 years. He is a Barrister-at-law at the Middle Temple (London) and holds a Master of Laws (LLM) degree in Advanced Litigation.

After retiring from the legal profession, Mr Rajasingam continues to advise companies and individuals on strategic developments within the region.

Mr Rajasingam is a board member of St James Holdings Limited, a company listed on the Singapore Exchange. He is also a member of the Medifund Committee of the K K Women's and Children's Hospital.

Mr Rajasingam M Rajagopal was awarded the Most Excellent Order of the British Empire (MBE) in 2004.

BOARD OF DIRECTORS

CLAIRE LEE SUK LENG
Independent Director

Director of Rowsley Ltd. since 24 May 2003. Chair of Remuneration Committee since 1 August 2010. Member of Audit Committee and Investment Committee.

Ms Claire Lee Suk Leng has over 9 years of experience in the areas of corporate finance and advisory, and private wealth management.

Ms Claire Lee started her career with the merchant-banking arm of the Union Bank of Switzerland, UBS (East Asia) Ltd and later joined HSBC Investment Bank plc and Salomon Smith Barney (Singapore) Pte Ltd. She has also served as a director of Kestrel Capital Partners (M) Sdn Bhd, a fund management company based in Malaysia.

Ms Claire Lee Suk Leng holds a Bachelor of Business Administration (Distinction) in Finance from the University of Hawaii at Manoa.

YOON SOON SENG
Independent Director

Director of Rowsley Ltd. since 11 August 2010. Member of Audit Committee and Remuneration Committee.

Mr Yoon Soon Seng is presently the Managing Director of the Secura Group of companies in Singapore.

Mr Yoon brings with him 30 years of management experience, serving various industries in Singapore in planning, manufacturing and marketing functions of commercial products.

Mr Yoon has held senior management positions from which he acquired experience in strategic planning, corporate management, business development and now specializes in fraud and risk management.

Graduated from University of Wales, Institute of Science and Technology with a Bachelor of Engineering degree, he moved on to obtain a Master of Engineering in Material Science with the same university. He later did his post-graduate in Master of Business Administration with the University of Warwick, United Kingdom.

In 1980, Mr Yoon Soon Seng received the Top Student award in the United Kingdom under The John Burbidge Industrial prize for his undergraduate work in Control Engineering.

KEY EXECUTIVES

DR HO TAT KIN
Executive Chairman

Dr Ho Tat Kin is a management consultant, specialising in the education business, digital media technology and business ventures. He brings with him more than 29 years of experience in general management, operations and corporate governance.

Over the years, Dr Ho has served as director of various companies listed on the main boards of Singapore and Hong Kong. At present, he is Executive Chairman of Rowsley Ltd., a corporation listed on the main board of the Singapore Exchange. He was a Non-Executive Director of Eagle Brand Holdings Ltd, also listed on the main board of the Singapore Exchange, until his resignation with effect from 16 August 2007. He is also serving as director in several other private limited companies in Singapore.

Dr Ho has had a successful career in the public sector, having served in the Ministry of Education, Singapore Economic Development Board and finally leading the Japan-Singapore Institution of Software Technology as its Director until 1997, when he left to join the private sector. He was an elected Member of Parliament from 1984 to 2001 and was concurrently a Town Council Chairman from 1988 to 1999, where he also advised on the investment of the Town Council sinking funds.

Dr Ho Tat Kin holds a Bachelor of Science (Honours) from the University of Singapore, a Japan International Co-operation Agency (Post-graduate) Certificate (Teacher on Computer Science) completed at Tokyo University, a Master of Science (Technological Economics) and a Doctor of Philosophy (Management Science) from the University of Stirling, Scotland, UK.

QUEK KAI HOO
Executive Director

Mr Quek Kai Hoo has extensive experience in private equity, mergers & acquisition ("M&A") and operations management. He evaluated and carried out direct investments and fund-of-fund investments with Rothschild Ventures, Temasek Holdings, HRJ Capital and Kestrel Capital Partners. While with these investment companies, he recommended and invested significant investment amounts into companies and funds.

Mr Quek also led the M&A activities and was a General Manager at Unisteel Technology Ltd, a company that was listed on Singapore Exchange and later bought out by private equity firm KKR. The M&A activities involve the evaluation and purchase into three industrial companies in Singapore and China, and the post-acquisition integration of these companies. While at Unisteel, he was the General Manager of a surface treatment subsidiary company and later on a optical solutions subsidiary company, and implemented operational improvements and restructuring to enhance the revenues and profits for these companies.

Besides exposure in Singapore, Mr Quek also has China-related experience first in Unisteel where he led the acquisition into a Wuxi-based surface treatment business and a Suzhou-based metal stamping business, and then as the General Manager of Valen Technologies overseeing its Suzhou operations. He was also based in Shanghai for two years as the Chief Rep of HRJ Capital's representative office there. He managed the firm's fund investment program there and initiated its co-investment program in China, resulting in the investment into a solar module company, a camera module company and a outdoor advertising company.

Mr Quek Kai Hoo started his career with the Economic Development Board, Singapore with a EDB-Glaxo scholarship. He graduated from the University of Michigan (Ann Arbor) with a Bachelor of Science in Electrical Engineering and a Master of Science in Industrial Engineering. Mr Quek is a CFA charterholder.

KEY EXECUTIVES

HAN TSI FUNG
Ag Chief Financial Officer
Company Secretary

Mr Han Tsi Fung has held senior positions in diverse industries ranging from supertanker repair, chemical manufacturing and oil refining businesses to lottery and sports gaming operations. He has more than 30 years of experience and has engaged in strategic planning & business development, corporate management & governance, financial management, internal controls & risk management, manpower planning & growth and corporate communications.

Mr Han served as CEO of Singapore Pools Pte Ltd for 16 years until his retirement in 2002. He has also spearheaded lottery system designs and project implementations in other parts of Asia.

Mr Han was appointed Chief Financial Officer and Company Secretary of Rowsley Ltd. in August 2005. He relinquished the function of Chief Financial Officer in July 2007 and remains as Company Secretary of the Group. On 1 August 2010, Mr Han was appointed Acting Chief Financial Officer in addition to his current position as Company Secretary of the Group.

Mr Han Tsi Fung holds a degree in Accountancy from the University of Singapore, and is currently a Fellow Member of the Institute of Certified Public Accountants of Singapore.

CORPORATE DIRECTORY

Board Of Directors

Dr Ho Tat Kin
Executive Chairman (w.e.f. 1 August 2010)
Chairman of the Board, Independent Director (until 31 July 2010)

Quek Kai Hoo
Executive Director (w.e.f. 1 August 2010)

Dr Lam Lee G
Lead Independent Director (w.e.f. 1 August 2010)
Independent Director (until 31 July 2010)

Rajasingam M Rajagopal
Independent Director

Claire Lee Suk Leng
Independent Director

Yoon Soon Seng
Independent Director (w.e.f. 11 August 2010)

Koh Kim Huat
Director and Chief Executive Officer (until 31 July 2010)

Audit Committee

Dr Lam Lee G
Chairman (w.e.f. 1 August 2010)

Claire Lee Suk Leng

Yoon Soon Seng
(w.e.f. 11 August 2010)

Dr Ho Tat Kin
Chairman (until 31 July 2010)

Nominating Committee

Rajasingam M Rajagopal
Chairman

Dr Ho Tat Kin

Dr Lam Lee G

Remuneration Committee

Ms Claire Lee Suk Leng
Chairperson (w.e.f. 1 August 2010)

Rajasingam M Rajagopal

Yoon Soon Seng
(w.e.f. 11 August 2010)

Dr Lam Lee G
Chairman (until 31 July 2010)

Dr Ho Tat Kin *(until 31 July 2010)*

Investment Committee

Dr Lam Lee G
Chairman (w.e.f. 1 August 2010)

Dr Ho Tat Kin
Chairman (until 31 July 2010)
Member (w.e.f. 1 August 2010)

Claire Lee Suk Leng

Koh Kim Huat *(until 31 July 2010)*

Chief Financial Officer

Han Tsi Fung
Acting Chief Financial Officer (w.e.f. 1 August 2010)

Ong Pang Liang *(until 31 July 2010)*

Company Secretary

Han Tsi Fung

Share Registrar & Share Transfer Office

M & C Services Private Limited
138 Robinson Road #17-00
The Corporate Office
Singapore 068906

Independent Auditor

Nexia TS Public Accounting Corporation
5 Shenton Way #16-00
UIC Building
Singapore 068808
Director-In-Charge: Chin Chee Choon

Principal Bankers

Hong Leong Finance Limited
Malayan Banking Berhad
United Overseas Bank Limited

Solicitors

Chang See Hiang & Partners

Registered Office

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Great World City, West Tower
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CORPORATE GOVERNANCE

The Board of Directors (the "**Board**") and the management team ("**Management**") of Rowsley Ltd. (the "**Company**") and its subsidiaries (collectively known as the "**Group**") are committed to high standards of corporate governance and have generally adopted the corporate governance principles contained in the Code of Corporate Governance 2005 (the "**Code**"). The Group has put in place several monitoring mechanisms to ensure effective corporate governance. This statement outlines the main corporate governance processes and practices adopted by the Group with specific reference to the principles of the Code ("**Statement**").

BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective board to lead and control the company. The board is collectively responsible for the success of the company. The board works with management to achieve this and management remains accountable to the board.

The Board of Directors is collectively responsible for the success of the Company. The Board works with Management to achieve this, and Management remains accountable to the Board.

Apart from its statutory responsibilities, the Board sets the overall strategy of the Group as well as policies on various matters including major investments, key operational initiatives and financial controls, reviews the Group's financial performance, provides leadership, sets strategic direction, establishes risk management procedures and goals for Management as well as monitoring the achievement of the goals. The Board has adopted a set of internal control guidelines which list out the approval limits at board level for capital expenditure, investments and divestments and bank borrowings. Approvals of sub-limits are also provided at management level to facilitate operational efficiency.

Examples of matters that require board approval under such guidelines are listed below:
(a) Approval of quarterly financial statements and results announcements;
(b) Approval of annual financial statements and results announcements;
(c) Approval of annual reports;
(d) Declaration of interim dividends and proposal of final dividends;
(e) Convening of shareholders' meetings;
(f) Approval of corporate strategies;
(g) Authorization of merger and acquisition transactions;
(h) Authorization of major transactions;
(i) Approval of annual budgets.

The Board also sets the Group's values and standards, and ensures that obligations to shareholders and stakeholders are understood and met. Each member of the Board abstains from voting on any resolutions and making any recommendations and/or participating in respect of matters in which he is interested.

For effective and efficient execution of its responsibilities, the Board has established and delegated some of its powers to board committees, namely, the Audit Committee ("**AC**"), Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Investment Committee ("**IC**"), and also to Management. Each of the committees has its respective written terms of reference which are reviewed on a regular basis.

CORPORATE GOVERNANCE

For financial year ended 31 March 2011, 5 board meetings were held. Important matters concerning the Group are also presented for the Board's decision by way of written resolutions, fax, electronic mail and telephone conferencing. The articles of association of the Company provides for board meetings to be conducted by way of telephone conference.

The attendance of directors at board and board committee meetings held during financial year ended 31 March 2011 and the number of meetings attended by each member at the respective meetings are disclosed in Table 1.

Table 1: Attendance at Board and Board Committee Meetings

Name of Director	Board	Audit Committee	Nominating Committee	Remuneration Committee	Investment Committee
Number of Meetings Scheduled	5	4	1	1	4
Number of Meetings Attended					
Dr Ho Tat Kin	5	1	1	1	4
Quek Kai Hoo	4	*	*	*	*
Dr Lam Lee G	5	4	1	1	3
Rajasingam M Rajagopal	5	N/A	1	1	N/A
Claire Lee Suk Leng	3	4	N/A	N/A	3
Yoon Soon Seng	3	2	N/A	–	N/A
Koh Kim Huat	1	#	#	#	1

NA : Not Applicable
* : Attended by invitation from 1 August 2010.
# : Attended by invitation meetings of 21 May 2010.

As a general rule, board papers are sent to directors approximately seven days before board meetings so that board members have ample time to digest and better understand the matters and issues before the board meetings and that discussions at the board meetings may be focused on questions that the Board has about the board papers.

In order to ensure that the Board is able to fulfill its responsibilities, Management provides the Board with management reports containing complete, adequate and timely information as well as a report of the Group's activities on a monthly basis. Such reports also consist of budgets, forecasts and monthly internal financial statements, with explanations of material variances between projections and actual results.

The directors have separate and independent access to the Group's senior management who together with the Company Secretary are responsible for ensuring that the board procedures are followed and that applicable rules and regulations are complied with. Under the articles of association of the Company, the decision to appoint or remove the Company Secretary can only be taken by the Board as a whole. The Company Secretary administers, attends and prepares minutes of all board and board committee meetings. He assists the Executive Chairman in ensuring the board procedures are followed and regularly reviewed to ensure effective functioning of the Board, and that the Company's memorandum and articles of association and relevant rules, regulations

CORPORATE GOVERNANCE

and legislative provisions, including requirements of the Companies Act and the Singapore Exchange Securities Trading Limited ("**Singapore Exchange or SGX-ST**"), are complied with. He also assists the Executive Chairman and the Board in implementing and strengthening corporate governance practices and processes with a view to enhance long-term shareholder value. Under the direction of the Executive Chairman, the Company Secretary is responsible for ensuring good information flows within the Board and its committees and between senior management and non-executive directors, as well as facilitating orientation and assisting with professional development as required. The Company Secretary and the Executive Chairman are the primary channels of communication between the Company and the Singapore Exchange.

The Board takes independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. Subject to the approval of the Executive Chairman, directors whether as a group or individually, may seek and obtain independent professional advice to assist them in their duties at the expense of the Company. A formal letter is provided to each director upon his appointment, setting out the director's duties and obligations. Apart from keeping the Board informed of all relevant new laws and regulations, the Company has an orientation programme for new directors, and also has funds set aside for training programmes for existing directors to attend any training in connection with their duties as directors.

Board Composition and Balance

Principle 2: There should be a strong and independent element on the board, which is able to exercise objective judgement on corporate affairs independently, in particular, from management. No individual or small group of individuals should be allowed to dominate the board's decision making.

The Board of Directors currently comprises 6 members, 2 of whom are executive directors and the remaining 4 are independent directors. Independent directors make up 66.7% of the Board. This is higher than the one-third recommendation stated in the Code. The independence of each director is reviewed annually by the Nominating Committee, which confirms that the independent directors make up at least one-third of the Board. The profiles of the directors' qualifications and experiences and the detailed board and board committees composition are set out in the "Board of Directors" section of this Annual Report and Table 2 of this Statement respectively.

Dr Ho Tat Kin was appointed Executive Chairman of the Company with effect from 1 August 2010, when he relinquished his role as independent director of the Company. Effective also from 1 August 2010, Mr Quek Kai Hoo was appointed Executive Director of the Company. Dr Ho Tat Kin and Mr Quek Kai Hoo together head the Management team.

Dr Lam Lee G was re-designated Lead Independent Director with effect from 1 August 2010. The other independent directors are Mr Rajasingam M Rajagopal, Ms Claire Lee Suk Leng and Mr Yoon Soon Seng. Mr Yoon Soon Seng was appointed director on 11 August 2010.

Mr Koh Kim Huat resigned as Director and Chief Executive Officer of the Company effective 31 July 2010.

The Nominating Committee is of the view that the current Board comprises persons who, as a group, provide the necessary core competencies for effective decision making for the Group. Given the nature and scope of the Group's operations, the current board size is appropriate. The Board consists of high calibre members with a wealth of knowledge, expertise and experience. They contribute valuable direction and insight, drawing from their vast experiences in matters relating to business, accounting, finance, legal and general corporate matters.

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At board meetings, the directors discuss corporate strategy, budgets and financial objectives as well as challenges arising from changes in the evolving competitive landscape, openly debating and exercising objective judgement, while always acting in the best interests of all shareholders. They meet regularly on their own without the presence of Management.

Role of Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities at the top of the company – the workings of the board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

On 1 August 2010, Dr Ho Tat Kin was appointed Executive Chairman of the Company. Dr Ho Tat Kin is in charge of the overall management and strategic direction of the Group and will lead the implementation of the Board's decisions. All strategic and major decisions made by him will be reviewed and approved by the Board. As Executive Chairman, Dr Ho Tat Kin will be leading all Board meetings and setting the agenda. He will also be fostering effective communication and soliciting contributions from the Board members to facilitate constructive discussions.

Mr Quek Kai Hoo was appointed Executive Director with effect from 1 August 2010. He assumes the executive responsibility for the Group's businesses and operations and is responsible for the day-to-day execution of the Group's overall business plans, strategic directions and financial performance.

The positions of Executive Chairman and Executive Director, currently held by Dr Ho Tat Kin and Mr Quek Kai Hoo, respectively, are kept separate. There is a clear division of roles and responsibilities between the Executive Chairman and the Executive Director which ensures an appropriate balance of power between the Board, the Executive Chairman and the Executive Director, thereby allowing for increased accountability and greater independent decision-making ability. The Executive Chairman and Executive Director are not related to each other.

The Executive Chairman and the Board together approve the schedule of board meetings that enables the Board to perform its duties and responsibilities while not interfering with the flow of the Group's operations. Board meeting agenda is prepared by the Company Secretary after consultation with the Executive Chairman, the Executive Director and Management.

In addition, the Executive Chairman monitors communications and relations between the Company and its shareholders, between the Board and Management, between executive and non-executive directors, between independent and non-independent directors, with a view to encourage constructive relations and dialogue amongst them.

The Executive Chairman is also responsible for representing the Board to shareholders and maintaining regular dialogue with the Executive Director on all operational matters. He ensures that Board members are provided with adequate and timely information, and that the Group's guidelines on corporate governance are being complied with.

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On 1 August 2010, Dr Lam Lee G was appointed Lead Independent Director. The role of the lead independent director will include meeting with shareholders when they have concerns which the normal channels of the Executive Chairman or Chief Financial Officer have failed to resolve or for which such contact is inappropriate. In addition, the lead independent director will co-ordinate and lead the independent directors in providing a non-executive perspective and contributing to a balance of viewpoints on the Board. Where necessary, the lead independent director will chair meetings with independent directors without executive directors being present so as to facilitate well-balanced viewpoints on the Board.

With Dr Lam Lee G as the Lead Independent Director, who will avail himself to address shareholders' concerns and to act as a counter-balance in the decision-making process, the Board is of the opinion that there will be sufficient independence in its exercise of objective judgment on business affairs of the Group.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment of new directors to the board.

The Nominating Committee currently comprises three members, the majority of whom and the chairman are independent directors. The members are Mr Rajasingam M Rajagopal (Chairman), Dr Ho Tat Kin and Dr Lam Lee G. One meeting was held during financial year ended 31 March 2011.

Upon the appointment of Dr Ho Tat Kin as Executive Chairman with effect from 1 August 2010, he will remain as a member of the NC. The composition of the NC will not change, except that the majority of its members instead of all its members are independent.

The NC has adopted its terms of reference in writing which had been approved by the Board of Directors. Each member of the NC abstains from voting on any resolutions and making any recommendations and/or participating in respect of matters in which he is interested.

The responsibilities of the NC are to ensure that there is a formal and transparent process in the nomination, appointment and re-appointment of directors to the Board. The NC assesses the effectiveness and contribution of the Board to the strategic growth and development of the Group. The Board and the NC have endeavoured to ensure that directors appointed to the Board possess the experience, knowledge and skills critical to the Group's business in order for balanced and effective decisions to be made.

Article 96 of the articles of association of the Company requires one-third of the Board to retire by rotation and subject themselves to re-election by shareholders at every annual general meeting of the Company. This means that no director stays in office for more than three years without being re-elected by shareholders. New directors are appointed by way of board resolutions after the NC approves their appointment. Pursuant to Article 97 of the articles of association of the Company, such new directors appointed during the year to fill any vacancy occurring in the Board shall hold office only until the next annual general meeting and be eligible for re-election. Pursuant to Article 78 of the articles of association of the Company, new directors appointed during the year as addition to the Board shall hold office until the next annual general meeting and be eligible for re-election.

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The NC also assesses whether a director who has multiple board representations is able to and has been carrying out adequately and effectively the duties as a director and ensures that internal guidelines adopted to address the competing time commitments are relevant and being followed. All directors are required to declare their board representations.

Table 2: Board and Board Committees Composition

Name of Director	Date first appointed/last re-elected as Director	Board	Audit Committee	Nominating Committee	Remuneration Committee	Investment Committee
EXECUTIVE DIRECTORS						
Dr Ho Tat Kin	26 Jun 2002 / 28 Jul 2010	Chairman	N/A	Member	N/A	Member
Quek Kai Hoo	1 Aug 2010	Member	N/A	N/A	N/A	N/A
Koh Kim Huat (until 31 Jul 2010)	24 May 2003 / 17 Jul 2009	Member	N/A	N/A	N/A	Member
INDEPENDENT DIRECTORS						
Dr Lam Lee G	26 Jun 2002 / 11 Jul 2008	Member	Chairman	Member	N/A	Chairman
Rajasingam M Rajagopal	24 May 2003 / 17 Jul 2009	Member	N/A	Chairman	Member	N/A
Claire Lee Suk Leng	24 May 2003 / 28 Jul 2010	Member	Member	N/A	Chairperson	Member
Yoon Soon Seng	11 Aug 2010	Member	Member	N/A	Member	N/A

Board Performance

Principle 5: There should be a formal assessment of the effectiveness of the board as a whole and the contribution by each director to the effectiveness of the board.

The Nominating Committee is responsible for assessing, reviewing and evaluating the performance and effectiveness of the Board of Directors as a whole. The performance measurement ensures that the mix of skills and experience of directors continues to meet the needs of the Group. Based on the recommendations by the NC, the Board has established processes and objective performance criteria for evaluating the effectiveness of the Board as a whole.

Each board member is required to complete a board appraisal assessment form. On the basis of returns submitted, the Chairman of the NC prepares a consolidated report which is presented together with financial performance information to the Board for consideration and adoption.

CORPORATE GOVERNANCE

In evaluating the Board's performance, the NC considers a set of quantitative and qualitative performance criteria. These criteria have been approved by the Board and have not changed from the last year. The performance criteria for the board evaluation are in respect of board size and composition, board processes, board information and accountability, board performance in relation to discharging its principal functions and responsibilities for financial targets such as return on assets, return on equity, return on investment, profitability on capital employed and Company's share price performance over a 5-year period vis-à-vis the Singapore Straits Times Index.

Access to Information

Principle 6: In order to fulfill their responsibilities, board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

The Board of Directors receives regular updates on the Group's businesses and performance through financial and other reports provided by Management. Such updates and reports cover background and explanatory notes and include disclosure statements, budgets and forecasts and other relevant supporting documents.

The Board fully recognizes that in order to effectively discharge its responsibilities, board members should be provided with complete and timely information prior to board meetings. Meeting papers are circulated approximately seven days prior to each meeting. Where necessary, the directors, either individually or as a group, have the right to seek independent professional advice at the Company's expense.

In addition, the Board has unrestricted, separate and independent access to the Company Secretary and Management at all times.

The Company Secretary attends all board meetings and has the responsibility to ensure that board procedures are being followed and regulations established by the Board and its committees are being complied with.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The Remuneration Committee currently comprises three members, all of whom and the chair are independent directors. On 1 August 2010, the RC was re-constituted. Dr Lam Lee G stepped down as Chairman of the RC. Dr Ho Tat Kin stepped down as member upon assuming his position as Executive Chairman. The re-constituted RC is chaired by Ms Claire Lee Suk Leng with Mr Rajasingam M Rajagopal and Mr Yoon Soon Seng (with effect from 11 August 2010) as members. All are independent directors. One meeting was held during financial year ended 31 March 2011.

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The RC has adopted its terms of reference in writing which had been approved by the Board of Directors. Each member of the RC abstains from voting on any resolutions and making any recommendations and/or participating in respect of matters in which he is interested.

The RC is tasked to recommend to the Board a framework of remuneration for the Board and key executives. It reviews and recommends remuneration policies and packages that attract, retain and motivate directors and key executives to run the Company successfully. The review of remuneration packages takes into consideration the long-term interests of the Group and ensures that the interests of the directors and key executives are aligned with those of the shareholders. The review covers all aspects of remuneration, including but not limited to directors' salaries, fees, allowances, bonuses, options, profit sharing and benefits-in-kind. It also oversees management development and succession planning in the Group. The RC has access to expert advice from independent consultants on remuneration policies.

The Company adopts a formal procedure for the fixing of the remuneration packages of individual directors. No director is involved in deciding his own remuneration. In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual directors.

Executive directors do not receive directors' fees. The remuneration policy for executive directors and senior management staff consists of three key components, that is, fixed cash, annual variable and long-term incentive. The fixed component includes salary, pension fund contributions and other allowances. The variable component comprises a performance-based bonus which forms a significant proportion of the total remuneration package and is payable on the achievement of individual and corporate performance targets. The long-term incentive is granted based on individual employee's performance and contribution. The remuneration policy has been endorsed by the RC and the Board.

The service contracts for the executive director and senior management have clauses relating to early termination. None of the service contracts has any onerous removal clauses. Notice periods are generally three months or less in service contracts for executive directors and in the terms of employment of senior management.

Non-executive directors have no service contracts with the Company and their terms are specified in the articles of association of the Company. Non-executive directors are paid a basic fee and an additional fee for serving on any of the board committees. In determining the quantum of such fees, factors such as frequency of meetings, time spent and responsibilities of directors are taken into account. Such fees are subject to the approval of the shareholders at annual general meetings.

Level and Mix of Remuneration

Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performances.

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The Group's remuneration policy is to provide compensation packages at market rates which reward successful performance and attract, retain and motivate the directors. The independent and non-executive directors receive directors' fees in accordance with their contribution, taking into account factors such as effort, time spent and the level of responsibility. The directors' fees are recommended by the Board for shareholders' approval at each annual general meeting. No director is involved in deciding his or her own remuneration. The executive directors do not receive director's fees.

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

Table 3 shows the breakdown of remuneration received by the directors for financial year ended 31 March 2011.

Table 3: Remuneration of Directors

Name	Salary	Bonus	Directors' Fees
Dr Ho Tat Kin	$337,983	$36,925	$18,667
Quek Kai Hoo	$125,401	$14,375	–
Dr Lam Lee G	–	–	$59,000
Rajasingam M Rajagopal	–	–	$36,666
Claire Lee Suk Leng	–	–	$49,666
Yoon Soon Seng	–	–	$28,393
Koh Kim Huat	$151,755	–	–

For financial year ended 31 March 2011, the remuneration of the top key executives were:

Mr Ong Pang Liang, Chief Financial Officer	$72,746	
Mr Han Tsi Fung, Ag Chief Financial Officer & Company Secretary	$139,400	$44,237

For financial year ended 31 March 2011, there was one staff of the Company employed as Vice-President (Admin). He is related to and is brother-in-law of substantial shareholder Mr Lim Eng Hock. His remuneration for financial year ended 31 March 2011 was $92,160. Other than the foregoing, there was no other person occupying a managerial position in the Company or its principal subsidiaries who was an immediate family member of a director, CEO or substantial shareholder of the Company and whose remuneration exceeded $150,000 during the financial year ended 31 March 2011.

CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT MATTERS

Accountability

Principle 10: The board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board of Directors is accountable to shareholders, and Management is accountable to the Board. The Board undertakes the responsibility of overseeing the corporate performance of the Group and is accountable to shareholders for the processes and structure of directing and managing the Group's business and affairs.

Management's accountability role is to report to the Board the operational and financial performance of the Group by keeping the Board informed and updated with clear and precise financial and management reports, on a regular basis. Management currently provides the Board with appropriately detailed management reports on the Group's performance and position on a monthly basis.

Aside from adopting corporate governance practices in line with the spirit of the Code, the Company also observes obligations of continuing disclosures under the SGX-ST Listing Manual. The Company undertakes to circulate timely, adequate and non-selective disclosure of information.

Audit Committee

Principle 11: The board should establish an audit committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee currently comprises 3 members, all of whom and the chairman are independent directors. Four AC meetings were held in the financial year ended 31 March 2011.

On 1 August 2010, Dr Ho Tat Kin stepped down as Chairman, AC, upon assuming his position as Executive Chairman. In Dr Ho's place, Dr Lam Lee G assumed the chair of the AC. Ms Claire Lee Suk Leng remained as a member of the AC. On 11 August 2010, the Board appointed Mr Yoon Soon Seng as a member of the AC.

The AC has adopted its terms of reference in writing which had been approved by the Board of Directors. Each member of the AC abstains from voting on any resolutions and making any recommendations and/or participating in respect of matters in which he is interested.

The Board is of the view that members of the AC are appropriately qualified and have sufficient financial management expertise or experience to discharge the functions of the AC. The AC serves as a channel of communication between the Board and the independent and internal auditors.

The AC has the explicit authority to investigate any matter within its terms of reference as approved by the Board, full access to and co-operation of Management and full discretion to invite any director or key executive to attend its meetings and reasonable resources to enable it to discharge its functions properly.

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The role of the AC is to review the financial reporting process, the system of internal controls, the management of financial risks, the audit process and the Group's process for monitoring compliance with the laws and regulations and its own code of business conduct as documented in the terms of reference. It has to:-

(i) review the audit plans of the internal and independent auditors of the Company and ensure the adequacy of the Company's system of accounting controls and the co-operation given by Management to the internal and independent auditors;

(ii) review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Group's financial performance including annual financial statements before their submission to the Board as well as the independent auditor's report on the balance sheet of the Company and the consolidated financial statements of the Group;

(iii) review the adequacy and effectiveness of the Group's material internal controls, including financial, operational and compliance controls and risk management;

(iv) meet with the internal and independent auditors, other Board Committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

(v) review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(vi) review the independence, objectivity and cost effectiveness of the independent auditor annually as well as the nature and extent of any substantial volume of non-audit services supplied by the independent auditor to the Company so as to balance the maintenance of objectivity, independence and value for money;

(vii) recommend to the Board the internal and independent auditors to be nominated, approve the compensation of the internal and independent auditors, and review the scope and results of the respective audits;

(viii) review interested person transactions, if any, as defined under the requirements of the SGX-ST Listing Manual; and

(ix) report actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate.

The AC has power to conduct or authorize investigations into any matters within the AC's scope of responsibility. Management has put in place, and the AC has endorsed, arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The objective for such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action.

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The AC had conducted a review of all non-audit services provided by the independent auditor for the financial year under review and was of the opinion that the nature and extent of such non-audit services provided by the independent auditor would not affect the independence and objectivity of the independent auditor.

The AC had also conducted a review of interested party transactions for the financial year under review. There were none for the financial year under review, save for a $16.0 million short-term, interest-free and collateral-free loan provided by the substantial shareholder for one of the Company's investment projects.

Internal Controls
Internal Audit

Principle 12: The board should ensure that the management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

The Company's independent auditor had conducted a review for the financial year under review, in accordance with its audit plan, of the effectiveness and adequacy of the Company's material internal controls, including financial, operational and compliance controls, and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements were reported to the Audit Committee. The AC had also reviewed the effectiveness of the actions taken by Management on the recommendations made by the independent auditor in this respect.

The Board of Directors believes that, in the absence of any evidence to the contrary, the system of internal controls maintained by Management and that was in place throughout the financial year and up to the date of this report, provides reasonable, but not absolute, assurance against material financial misstatements or loss, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risk. The Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities.

Principle 13: The company should establish an internal audit function that is independent of the activities it audits.

The Board of Directors believes it is crucial to put in place a system of internal controls of the Group's procedures and processes to safeguard shareholders' interests and the Group's assets, and to manage risks. The Audit Committee reviews, on an annual basis, the adequacy of the internal audit function. During its review in financial year ended 31 March 2010, the AC concluded that as there was no change in the investment and corporate activities in the year and that the Company's main operating subsidiary, San Technology Holding Pte. Ltd. had not started full operation and had no operational risks, the appointment of an internal auditor was not necessary for the financial year under review. Instead, the Company had put in place certain review procedures to monitor the key controls and procedures and ensure their effectiveness. Such procedures complemented the AC's oversight and supervision of the Company's internal controls.

For financial year ended 31 March 2011, the AC felt that the investment and corporate activities have been placed on higher footing. In cognizance of this, an internal audit firm was engaged to review the relevant internal controls. The AC is satisfied with the internal audit review for the financial year ended 31 March 2011.

CORPORATE GOVERNANCE

COMMUNICATION WITH SHAREHOLDERS

Communication with Shareholders

Principle 14: Companies should engage in regular, effective and fair communication with shareholders.

The Board of Directors is mindful of the obligation to provide regular, effective and fair communication with shareholders. In line with continuous disclosure obligations of the Company pursuant to the rules of the SGX-ST Listing Manual and the provisions of the Companies Act, the Board aims to keep its shareholders informed of all major developments of the Group on a timely basis. Where there is inadvertent disclosure made to a select group, the Company will make the same disclosure via SGX-NET and where relevant, followed by a news release. The Company discloses major events and pertinent information through SGX-NET and press releases in various print media.

The Group also has an email alert system whereby updates on the Company's developments are sent on a regular basis to subscribers. To be included in the Company's email alert mailing list, a request may be sent to contactus@rowsley.com or by logging on to the Company's website at www.rowsley.com.

All results, corporate announcements and shareholder reports are issued promptly and within prescribed periods.

Greater Shareholder Participation

Principle 15: Companies should encourage greater shareholder participation at annual general meetings, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Shareholders are given the right to vote on resolutions at general meetings. A proxy form is sent with each notice of general meetings to all shareholders such that shareholders who are unable to attend the general meeting in person can appoint a proxy or proxies to attend and vote on their behalf.

The Company welcomes active participation from shareholders at its annual general meetings. To facilitate voting by shareholders, the Company's articles of association allow shareholders to appoint not more than two proxies to attend and vote at the annual general meetings.

At annual general meetings, the chairpersons of the Audit Committee, Nominating Committee and Remuneration Committee as well as the independent auditor are requested to be present and available to address any queries by shareholders.

The Board of Directors takes note that there should be separate resolutions at general meetings on each substantially separate issue and will provide reasons and material implications where resolutions are interlinked.

CORPORATE GOVERNANCE

SECURITIES TRANSACTIONS

The Company has a policy on dealings in the securities of the Company for compliance by the directors and employees of the Company and its subsidiaries. It sets out the implications of insider trading and guidance on such dealings. It has adopted the Best Practices Guide on Dealings in Securities issued by SGX-ST. Its officers and their immediate family members are not allowed to deal in the Company's shares during the period commencing two weeks before the announcement of the Company's quarterly financial results and ending on the date of the announcement of the financial results or if they are in possession of unpublished price-sensitive information of the Group. In the case of full year financial results announcement, the applicable period is one month before the announcement of financial results.

Directors and all employees of the Group are also expected to observe all applicable insider trading laws at all times even when dealing in securities within permitted trading periods.

MATERIAL CONTRACTS

There were no material contracts entered into during financial year ended 31 March 2011 by the Company or any of its subsidiaries involving the interests of the CEO, any director or substantial shareholder, save for a $16.0 million short-term, interest-free and collateral-free loan from the substantial shareholder of the Company.

INTERESTED PERSON TRANSACTIONS

During financial year ended 31 March 2011, there were no interested person transactions or material contracts entered into by the Company or any of its subsidiaries involving the interests of the CEO, any director or substantial shareholder, save for a $16.0 million short-term, interest-free and collateral-free loan from the substantial shareholder of the Company. All interested person transactions, if any, will be undertaken on an arm's length basis and on normal commercial terms and details thereof will be set out in the Notes to the Financial Statements.

CODE OF BUSINESS CONDUCT

The Group has adopted a Code of Business Conduct to regulate the standards of ethical conduct of the Group, which provides that its directors, officers and employees are required to observe and maintain high standards of integrity in compliance with the law, regulations and Company policies.

WHISTLE BLOWING POLICY

The Company has a whistle-blowing framework where employees of the Group may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting and other matters. Details of the whistleblowing policies and announcements are made available to all employees.

DIRECTORS' REPORT

For the financial year ended 31 March 2011

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 March 2011 and the balance sheet of the Company as at 31 March 2011.

Directors

The directors of the Company in office at the date of this report are as follows:

Dr Ho Tat Kin	
Quek Kai Hoo	(Appointed on 1 August 2010)
Dr Lam Lee G	
Rajasingam M Rajagopal	
Claire Lee Suk Leng	
Yoon Soon Seng	(Appointed on 11 August 2010)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" in this Directors' Report.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations. The directors do not have any interest in the shares or debentures of the Company or its related corporations as at 21 April 2011.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report.

Share options

Rowsley Employees Share Option Scheme

The Rowsley Employees Share Option Scheme (the "Scheme") was approved by the members of the Company at an Extraordinary General Meeting held on 26 June 2002. The Scheme is administered by a committee which consists of directors of the Company. The committee is to administer the Scheme in accordance with its objectives and rules thereof and to determine participation eligibility, grant of options and any other matters as may be required.

DIRECTORS' REPORT

For the financial year ended 31 March 2011

Share options (continued)

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company and its subsidiaries.

There were no unissued shares of the Company and its subsidiaries under option at the end of the financial year.

Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Dr Lam Lee G
Claire Lee Suk Leng
Yoon Soon Seng

All members of the Audit Committee are independent and non-executive directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee:

(i) reviewed the audit plans of the internal and independent auditors of the Company and ensure the adequacy of the Company's system of accounting controls and the co-operation given by the Company's management to the internal and independent auditors;

(ii) reviewed significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Group's financial performance including annual financial statements before their submission to the Board as well as the independent auditor's report on the balance sheet of the Company and the consolidated financial statements of the Group;

(iii) reviewed the adequacy and effectiveness of the Group's material internal controls, including financial, operational and compliance controls and risk management;

(iv) met with the internal and independent auditors, other Board Committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;

(v) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(vi) reviewed the independence, objectivity and cost effectiveness of the independent auditor annually as well as the nature and extent of any substantial volume of non-audit services supplied by the independent auditor to the Company so as to balance the maintenance of objectivity, independence and value for money;

(vii) recommended to the Board the internal and independent auditors to be nominated, approve the compensation of the internal and independent auditors, and review the scope and results of the respective audits;

DIRECTORS' REPORT

For the financial year ended 31 March 2011

Audit Committee (continued)

(viii) reviewed interested person transactions, if any, as defined under the requirements of the SGX-ST Listing Manual; and

(ix) reported actions and minutes of the Audit Committee to the Board with such recommendations as the Audit Committee considers appropriate.

The Audit Committee met 4 times during the financial year ended 31 March 2011. The Audit Committee has met with the independent auditor without the presence of Management, to discuss about audit matters. The Audit Committee also met with the internal auditor to discuss the results of their examinations and their evaluations of the Company's systems of internal accounting controls without the presence of Management.

In addition, the Audit Committee has, in accordance with Chapter 9 of the Singapore Exchange Listing Manual, reviewed the requirements for approval and disclosure of interested party transactions, reviewed the internal procedures set up by the Company to identify and report and, where necessary, seek approval for interested person transactions and, with the assistance of the independent auditor, reviewed interested person transactions.

The Audit Committee has reviewed the quantum and nature of fees, expenses and emoluments paid to the independent auditor for non-audit services and is satisfied that the provision of such services does not affect the independence of the independent auditor.

The Audit Committee has recommended that Nexia TS Public Accounting Corporation be nominated for re-appointment as Company's independent auditor at the forthcoming Annual General Meeting.

Independent Auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

Dr Ho Tat Kin
Executive Chairman

Quek Kai Hoo
Executive Director

9 June 2011

STATEMENT BY DIRECTORS

For the financial year ended 31 March 2011

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 33 to 79 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2011 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the directors

Dr Ho Tat Kin
Executive Chairman

Quek Kai Hoo
Executive Director

9 June 2011

INDEPENDENT AUDITOR'S REPORT

To the members of Rowsley Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Rowsley Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 March 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

To the members of Rowsley Ltd.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2011, and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

Nexia TS Public Accounting Corporation
Public Accountants and Certified Public Accountants

Director-in-charge: Chin Chee Choon
Appointed since financial year ended 31 March 2009

Singapore

9 June 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2011

	Note	2011 $'000	2010 $'000
Sales		**38**	17
Cost of sales		**(32)**	(14)
Gross profit		**6**	3
Other income – net	4	**536**	200
Expenses			
– Distribution and marketing		**(295)**	(197)
– General and administrative		**(3,753)**	(2,934)
– Finance	7	**(82)**	(26)
Share of profits of associated companies	15	**4,293**	9,443
Profit before income tax		**705**	6,489
Income tax expense	8	**(9)**	(9)
Net profit		**696**	6,480
Other comprehensive (loss)/income:			
Financial assets, available-for-sale			
– Fair value (loss)/gain	23	**(918)**	3,188
Currency translation differences arising from consolidation		**47**	(34)
Other comprehensive (loss)/income, net of tax		**(871)**	3,154
Total comprehensive (loss)/income		**(175)**	9,634
Net profit/(loss) attributable to:			
Equity holders of the Company		**1,358**	6,770
Non-controlling interests		**(662)**	(290)
		696	6,480
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		**463**	9,941
Non-controlling interests		**(638)**	(307)
		(175)	9,634
Earnings per share attributable to equity holders of the Company (cents per share)			
– Basic	9	**0.15**	0.88
– Diluted	9	**0.15**	0.88

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

As at 31 March 2011

	Note	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
ASSETS					
Current assets					
Cash and cash equivalents	10	**5,960**	8,036	**4,752**	6,828
Trade and other receivables	11	**387**	345	**72**	149
Inventories	12	**242**	156	**–**	–
		6,589	8,537	**4,824**	6,977
Non-current assets					
Financial assets, available-for-sale	13	**29,158**	6,484	**–**	–
Amounts due from subsidiaries					
– non-trade	14	**–**	–	**38,344**	20,502
Investment in an associated company	15	**15,710**	19,885	**–**	–
Investments in subsidiaries	16	**–**	–	**200**	1,000
Plant and equipment	17	**1,393**	1,354	**423**	231
Goodwill	18	**–**	512	**–**	–
		46,261	28,235	**38,967**	21,733
Total assets		**52,850**	36,772	**43,791**	28,710
LIABILITIES					
Current liabilities					
Trade and other payables	19	**565**	323	**118**	200
Borrowings	20	**17,095**	1,008	**16,000**	–
Current income tax liabilities		**2**	2	**2**	2
		17,662	1,333	**16,120**	202
Non-current liabilities					
Deferred income tax liabilities	21	**538**	614	**20**	20
Total liabilities		**18,200**	1,947	**16,140**	222
NET ASSETS		**34,650**	34,825	**27,651**	28,488
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	22	**51,914**	51,914	**51,914**	51,914
Currency translation reserve		**7**	(16)	**–**	–
Fair value reserve	23	**2,000**	2,918	**–**	–
Accumulated losses		**(18,358)**	(19,991)	**(24,263)**	(23,426)
		35,563	34,825	**27,651**	28,488
Non-controlling interests		**(913)**	–	**–**	–
Total equity		**34,650**	34,825	**27,651**	28,488

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2011

		Attributable to equity holders of the Company						
		Share capital	Accumulated losses	Fair value reserve (a)	Currency translation reserve	Total	Non-controlling interests	Total equity
	Note	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2011								
Beginning of financial year		51,914	(19,991)	2,918	(16)	34,825	–	34,825
Effects of adopting FRS 27 (revised)	2.1(b)	–	275	–	–	275	(275)	–
Total comprehensive income/(loss) for the year		–	1,358	(918)	23	463	(638)	(175)
End of financial year		51,914	(18,358)	2,000	7	35,563	(913)	34,650
2010								
Beginning of financial year		36,713	(26,761)	(270)	1	9,683	307	9,990
Total comprehensive income/(loss) for the year		–	6,770	3,188	(17)	9,941	(307)	9,634
Issues of new shares	22	15,201	–	–	–	15,201	–	15,201
End of financial year		51,914	(19,991)	2,918	(16)	34,825	–	34,825

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2011

	Note	2011 $'000	2010 $'000
Cash flows from operating activities			
Net profit		**696**	6,480
Adjustments for			
– Income tax expense		**9**	9
– Depreciation of plant and equipment		**140**	117
– Loss on disposal of plant and equipment		**20**	–
– Impairment of goodwill		**512**	–
– Interest income		**(27)**	(27)
– Dividend income		**(548)**	(100)
– Finance expense		**82**	26
– Share of profits of associated companies		**(4,293)**	(9,443)
– Unrealised currency translation loss/(gain)		**124**	(1)
		(3,285)	(2,939)
Change in working capital			
– Inventories		**(86)**	(110)
– Trade and other receivables		**7**	(151)
– Trade and other payables		**198**	(16)
Cash used in operations		**(3,166)**	(3,216)
Interest received		**26**	24
Interest paid		**(38)**	(26)
Income tax paid		**(9)**	(9)
Net cash used in operating activities		**(3,187)**	(3,227)
Cash flows from investing activities			
Investment in an associated company		**(15,200)**	(5,407)
Additions to plant and equipment		**(488)**	(802)
Proceeds from disposal of plant and equipment		**214**	–
Dividends received		**498**	100
Net cash used in investing activities		**(14,976)**	(6,109)
Cash flows from financing activities			
Proceeds from borrowings		**16,120**	2,180
Repayments of borrowings		**(33)**	(1,172)
Bank deposits pledged		**(92)**	(1,110)
Proceeds from rights issue		**–**	15,201
Net cash provided by financing activities		**15,995**	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	10	**4,758**	6,926

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

The financial statements of the Group and the Company for the financial year ended 31 March 2011 were authorised for issue in accordance with a resolution of directors on 9 June 2011.

1. General information

Rowsley Ltd. (the "Company") is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 1 Kim Seng Promenade, #13-10 Great World City, West Tower, Singapore 237994.

The principal activities of the Company are those of investments, investment holding and strategic investments and other related activities. The principal activities of the subsidiaries are disclosed in Note 16 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2010

On 1 April 2010, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years except as disclosed below:

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(a) FRS 103 (revised) Business Combinations (effective for annual periods beginning on or after 1 July 2009)

Please refer to Note 2.3(a)(ii) for the revised accounting policy on business combinations.

As the changes have been implemented prospectively, no adjustments were necessary to any of the amounts previously recognised in the financial statements.

(b) FRS 27 (revised) Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009)

The revisions to FRS 27 principally change the accounting for transactions with non-controlling interests. Please refer to Notes 2.3(a)(iii) for the revised accounting policy on changes in ownership interest that results in a lost of control and 2.3(b) for that on changes in ownership interests that do not result in lost of control.

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 consolidated statement of changes in equity.

As the changes have been implemented prospectively, no adjustments were necessary to any of the amounts previously recognised in the financial statements. There were no transactions with non-controlling interests in the current financial year. Accordingly, these changes do not have any impact on the financial statements for the current financial year.

(c) Amendment to FRS 7 Statement of Cash Flows (effective for annual periods beginning on or after 1 April 2010)

Under the amendment, only expenditures that result in a recognised asset in the balance sheet can be classified as investing activities in the statement of cash flows. Previously, such expenditure could be classified as investing activities in the statement of cash flows. This change has been applied retrospectively. It had no material effect on the amounts presented in the consolidated statement of cash flows for the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectibility of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) Sale of investments

Revenue is recognised when legal title passes to the buyer.

(b) Sale of goods

Revenue from these sales is recognised when a Group entity has delivered the products to the customer, the customer has accepted the products and the collectibility of the related receivables is reasonably assured.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Rental income

Rental income from operating leases (net of any incentives given to the leases) is recognised on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisition of businesses (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

(iii) Disposal of subsidiaries

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(b) Transactions with non-controlling interests

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) Associated companies (continued)

Investments in associated companies are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in profit or loss.

The most recent available audited financial statements of the associated company are used by the Group in applying the equity method.

For UPP Holdings Limited ("UPP"), where the date of the audited financial statements used is not co-terminous with that of the Group, financial statements drawn up to a different reporting date are used. The length of the reporting periods and any difference in the reporting dates are consistent from period to period. Adjustments are made for the effects of any significant events or transactions between the Group and the associated company that occur between the date of the associated company's financial statements and the date of the Group's financial statements.

Please refer to the paragraph "Investments in subsidiaries and associated companies" for the accounting policy on investments in associated companies in the separate financial statements of the Company.

2.4 Plant and equipment

(a) Measurement

(i) Other plant and equipment

All other items of plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.4 Plant and equipment (continued)

(b) Depreciation

Depreciation on other items of plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Computers	3 – 5 years
Furniture and fittings	5 – 10 years
Office equipment	5 years
Renovation	2 years
Electrical fittings	2 years
Motor vehicles	5 – 10 years
Plant and machinery	5 years

No depreciation is provided on construction-in-progress.

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within 'Other income – net'. Any amount in revaluation reserve relating to that asset is transferred to retained profits directly.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.5 Goodwill

Goodwill on acquisitions of subsidiaries on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries prior to 1 January 2010 and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

2.6 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.7 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries and associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.8 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Plant and equipment
Investments in subsidiaries and associated companies

Plant and equipment and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating-units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.8 Impairment of non-financial assets (continued)

(b) Plant and equipment
Investments in subsidiaries and associated companies (continued)

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

2.9 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. There are no financial assets categorised at fair value through profit and loss and held-to-maturity.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

(ii) Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.9 Financial assets (continued)

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is reclassified to profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(d) Subsequent measurement

Financial assets, available-for-sale are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on financial assets, available-for-sale are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in the fair value reserve. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve, together with the related currency translation differences.

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.9 Financial assets (continued)

(e) Impairment (continued)

(i) Loans and receivables (continued)

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Financial assets, available-for-sale

In addition to the objective evidence of impairment described in Note 2.9(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

2.10 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.11 Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.12 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair value of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.13 Leases

(a) When the Group is the lessee – Operating lease:

Leases of office space where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

(b) When the Group is the lessor – Operating lease:

Leases of office space where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

2.14 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the specific identification method. The cost of work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.15 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.16 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.17 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

(c) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.18 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss, unless they arise from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date. For acquisitions prior to 1 January 2005, the exchange rates at the dates of acquisition are used.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

2. Significant accounting policies (continued)

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.20 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

2.21 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.22 Dividends to Company's shareholders

Dividends to Company's shareholders are recognised when the dividends are approved for payments.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Estimated impairment of non-financial assets

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill, plant and equipment and investments in subsidiaries and associates are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 18).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

3. Critical accounting estimates, assumptions and judgements (continued)

(a) *Estimated impairment of non-financial assets (continued)*

Impairment review of investment in associated companies

The Group performs an annual impairment review to ensure that the carrying values of the investments in associated companies do not exceed their recoverable amounts from the cash-generating units. The recoverable amount represents the higher of the asset's value in use and fair value less cost to sell. In determining the recoverable amount, judgement is exercised in estimating the future cash flow and growth rate.

The Group's investment in associated company represents quoted security that is listed on the main board of SGX-ST. They are assessed for impairment whenever there is an indication that they may be impaired (for example, when the market value based on the closing market price falls below the carrying amount). The impairment assessment requires an estimation of the value-in-use of the investment, which requires the Group to estimate its share of the present value of the estimated future cash flows expected to be generated by the associated company from its operations and the proceeds on the ultimate disposal of the investment.

In determining the carrying amounts of these investments, the management also gives due consideration to a range of factors to assess if the carrying amounts are reasonable. These factors include giving due consideration to value-in-use amount represented by the underlying audited financial statements, market data presented by market analysts, the associated companies' operation plans and outlook, divestment and investment plans, general market conditions and the outlook thereof.

The Group has accounted for recovery of impairment loss of $3,584,000 (2010: $9,328,000) as at 31 March 2011 based on UPP's market quotation, improved operating results and strong balance sheet.

The carrying value of investment in associated company is disclosed in Note 15.

4. Other income – net

	Group	
	2011	2010
	$'000	$'000
Dividend income	**548**	100
Rental income	**126**	92
Interest income – bank deposits	**27**	27
Foreign currency exchange loss	**(193)**	(56)
Others	**28**	37
	536	200

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

5. Expenses by nature

	Group	
	2011	2010
	$'000	$'000
Purchase of inventories	**118**	124
Business development	**295**	197
Depreciation of plant and equipment (Note 17)	**140**	117
Employee compensation (Note 6)	**2,015**	1,660
Impairment of goodwill (Note 18)	**512**	–
Professional fees	**484**	477
Rental expense on operating lease	**356**	345
Research and development	**6**	117
Other expenses	**240**	218
Changes in inventories	**(86)**	(110)
Total cost of sales, distribution and marketing costs and administrative expenses	**4,080**	3,145

6. Employee compensation

	Group	
	2011	2010
	$'000	$'000
Wages and salaries	**1,614**	1,302
Employer's contribution to defined contribution plans including Central Provident Fund	**71**	64
Directors' fee	**198**	161
Jobs Credit Scheme	**(2)**	(23)
Other short-term benefits	**134**	156
	2,015	1,660

The Jobs Credit Scheme is a cash grant introduced in the Singapore Budget 2009 to help businesses preserve jobs in the economic downturn. The amount an employer can receive depends on the fulfilment of certain conditions under the scheme.

7. Finance expenses

	Group	
	2011	2010
	$'000	$'000
Interest expense – bank borrowings	**82**	26

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

8. Income taxes

(a) Income tax expenses

	Group	
	2011	2010
	$'000	$'000
Tax expense attributable to profit is made up of:		
Profit from current financial year		
– Current income tax – foreign	**–**	9
Under provision of current income tax in prior financial year – foreign	**9**	–
	9	9

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2011	2010
	$'000	$'000
Profit before income tax	**705**	6,489
Tax calculated at tax rate of 17% (2010: 17%)	**120**	1,103
Effects of:		
– different tax rates in other countries	**(65)**	3
– income not subject to tax	**(632)**	(1,622)
– deferred income tax asset not recognised	**577**	525
Tax charge	**–**	9

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future tax profit is probable. The tax losses have no expire date. No deferred tax had been recognised as the future profit streams are not probable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

8. Income taxes (continued)

(b) The tax (charge)/credit relating to each component of other comprehensive income is as follows:

	Group					
	2011			2010		
	Before tax $'000	**Tax (charge)/ credit $'000**	**After tax $'000**	Before tax $'000	Tax (charge)/ credit $'000	After tax $'000
Fair value (losses)/gains and reclassification adjustments on financial assets, available-for-sale	**(994)**	**76**	**(918)**	3,841	(653)	3,188
Currency translation differences arising from consolidation	**47**	**–**	**47**	(34)	–	(34)
Other comprehensive (loss)/income	**(947)**	**76**	**(871)**	3,807	(653)	3,154

9. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2011	2010
Net profit attributable to equity holders of the Company ($'000)	**1,358**	6,770
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**886,721**	765,945
Basic earnings per share (cents)	**0.15**	0.88

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

9. Earnings per share (continued)

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has warrants as a category of dilutive potential ordinary shares.

For warrants, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

Diluted earnings per share attributable to equity holders of the Company is calculated as follows:

	Group	
	2011	2010
Net profit attributable to equity holders of the Company ($'000)	**1,358**	6,770
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**886,721**	765,945
Adjustment for warrants ('000)	**48,992**	–
	935,713	765,945
Diluted earnings per share (cents per share)	**0.15**	0.88

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

10. Cash and cash equivalents

	Group		Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**1,266**	210	**58**	112
Short-term bank deposits	**4,694**	7,826	**4,694**	6,716
	5,960	8,036	**4,752**	6,828

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2011	2010
	$'000	$'000
Cash and bank balances (as above)	**5,960**	8,036
Less: bank deposits pledged	**(1,202)**	(1,110)
Cash and cash equivalent per consolidated statement of cash flows	**4,758**	6,926

Bank deposits are pledged in relation to the security granted for some borrowings (Note 20).

11. Trade and other receivables

	Group		Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Trade receivables – non-related parties	**–**	4	**–**	–
Deposits	**40**	110	**28**	73
Prepayments	**173**	76	**36**	52
Other receivables – non-related parties	**174**	155	**8**	24
	387	345	**72**	149

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

12. Inventories

	Group	
	2011	2010
	$'000	$'000
Consumables and spare parts	**98**	156
Work-in-progress	**144**	–
	242	156

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $32,000 (2010: $14,000).

13. Financial assets, available-for-sale

	Group	
	2011	2010
	$'000	$'000
Beginning of financial year	**6,484**	2,643
Additions (Note 15)	**23,668**	–
Fair value (loss)/gain recognised in equity (Note 23)	**(994)**	3,841
End of financial year	**29,158**	6,484

Financial assets, available-for-sale are analysed as follows:

	Group	
	2011	2010
	$'000	$'000
Listed securities		
– equity securities – Singapore	**29,158**	6,484

In November 2009, the Group disposed its investment in Asprecise Pte Ltd ("Asprecise"). As at the beginning of the year, the investment in Asprecise was fully impaired. The consideration on the sale of $36,619 was recognised as "other income" in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

14. Amounts due from subsidiaries – non-trade

	Company	
	2011	2010
	$'000	$'000
Amounts due from subsidiaries – non-trade	**31,506**	31,830
Less: allowance for impairment	**(8,578)**	(13,378)
	22,928	18,452
Loan to subsidiaries	**18,284**	2,050
Less: allowance for impairment	**(2,868)**	–
	38,344	20,502

The non-trade amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment. These are repayable only when the cash flows of the subsidiaries permit. Accordingly, the fair values of these amounts cannot be estimated reliably. These amounts are expected to be settled in cash.

The loan to a subsidiary amounted to $2,868,000 (2010: $2,050,000) is unsecured, bears interest at 5.75% (2010: 5.75%) per annum and have no fixed terms of repayment.

The loan to a subsidiary amounted to $15,416,000 (2010: Nil) is unsecured, interest-free and have no fixed terms of repayment.

The Company assessed collectibility of the balances, having considered the financial conditions of the subsidiaries and their ability to make the required repayments. Management believes that no further impairment loss beyond the recorded allowances is necessary. If the financial conditions of the subsidiaries were to deteriorate subsequently, further impairment loss may then be recognised in future periods.

15. Investment in associated company

	Group	
	2011	2010
	$'000	$'000
Beginning of financial year	**19,885**	5,035
Additional investments	**15,200**	5,407
Share of profits	**709**	115
Reversal of impairment loss	**3,584**	9,328
Share of results of associated company	**4,293**	9,443
Reclassification to financial assets, available-for-sale (Note 13)	**(23,668)**	–
End of financial year	**15,710**	19,885

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

15. Investment in associated company (continued)

In prior financial year, the recoverable amount of the shares in UPP Holdings Limited ("UPP"), based on quoted market price was lower than the carrying value, indicating signs of impairment. The Group adopted a prudent approach and has recognised for impairment loss on its investment in UPP.

The Group has accounted for recovery of impairment loss of $3,584,000 (2010: $9,328,000) for the financial year ended 31 March 2011 based on market quoted price of UPP's shares.

The Group had ceased to equity account for its interest in UPP since second quarter of 2010 and reclassified its investment in UPP from associated company to financial assets, available-for-sale as the Group's shareholding in UPP was reduced from 22.66% to 18.57%, following UPP's issuance and allotment of new shares in its capital in 2010.

On 4 March 2011, the Group had acquired 24.33% equity interest in Chenhong International Metal Holding, Co., Limited ("Chenhong") for a cash consideration of $15,200,000. The subscription agreement also entitles the Group to acquire additional shares (second tranche) which will increase the Group's equity interest from 24.33% to 40.34% of the resultant enlarged share capital of Chenhong conditional upon, inter alia, Chenhong having achieved certain milestones and conditions as set out in the subscription agreement.

On 6 June 2011, the Group and Chenhong mutually agreed that subscription of the second tranche subscription shares in Chenhong would not take place.

The summarised financial information of associated companies, not adjusted for the proportion ownership interest held by the Group, is as follows:

	Group	
	2011	2010
	$'000	$'000
– Assets	**64,399**	104,758
– Liabilities	**30,748**	20,307
– Revenue	**20,861**	38,594
– Net profit	**2,102**	506

Goodwill amounting to $7,530,000 (2010: Nil) is included in the carrying amount of investment in associated company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

15. Investment in associated company (continued)

Details of associated companies are as follows:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2011 %	Equity holding 2010 %
UPP Holdings Limited[(a)]	Manufacturing and sale of paper and paper products	Singapore	**–**	22.66
Chenhong International Metal Holding Co., Limited[(b)]	Recycling and sale of stainless steel metal and production and sale of nickel bean products	Hong Kong	**24.33**	–

(a) Audited by Ernst & Young, Singapore.

(b) Reviewed by Nexia TS Public Accounting Corporation, for consolidation purposes.

16. Investments in subsidiaries

	Company 2011 $'000	Company 2010 $'000
Equity investments at cost		
Beginning of financial year	**1,200**	1,200
Less: allowance for impairment	**(1,000)**	(200)
End of financial year	**200**	1,000
Accumulated impairment		
Beginning of financial year	**200**	400
Allowance for impairment	**1,000**	–
Reversal of allowance for impairment	**(200)**	(200)
End of financial year	**1,000**	200

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

16. Investments in subsidiaries (continued)

Details of subsidiaries are as follows:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2011 %	2010 %
Held by the Company				
SSP Innovations Pte Ltd[1]	Investments, investment holding, strategic investments and other related activities	Singapore	**100**	100
Rowsley Sports Pte. Ltd.[1]	Investments, investment holding, strategic investments and other related activities	Singapore	**100**	100
Renewable Metal Resources Pte. Ltd.[1]	Reprocessing of metals	Singapore	**100**	–
San Technology Holding Pte. Ltd.[1]	Oil recycling and renewable energy business and investment holding company	Singapore	**51**	51
Held by San Technology Holding Pte. Ltd.				
Sanfeng Chemical Technology Co., Limited[2]	Oil recycling and renewable energy business	Hong Kong	**51**	51
San Technology (Shenzhen) Co., Ltd[2]	Oil recycling and renewable energy business	People's Republic of China	**51**	51
Shenzhen SenKeYan Technology Co., Ltd[3]	Oil recycling and renewable energy business	People's Republic of China	**–**	–

(1) Audited by Nexia TS Public Accounting Corporation, a member firm of Nexia International.

(2) Audited by Nexia TS Public Accounting Corporation, a member firm of Nexia International for consolidation purposes.

(3) Shenzhen SenKeYan Technology is regarded as a subsidiary on the basis that the Group has power to govern its financial and operating policies.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

17. Plant and equipment

	Computers $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Renovation $'000	Electrical fittings $'000	Plant and machinery $'000	Construction in progress $'000	Total $'000
Group									
2011									
Cost									
Beginning of financial year	85	57	8	344	152	9	127	849	1,631
Currency translation difference	(2)	(2)	–	(3)	(5)	–	(8)	(61)	(81)
Additions	12	75	7	317	70	–	7	–	488
Reclassifications	–	–	–	–	–	–	788	(788)	–
Disposals	(41)	(28)	(5)	(293)	(98)	(9)	–	–	(474)
End of financial year	54	102	10	365	119	–	914	–	1,564
Accumulated depreciation									
Beginning of financial year	50	27	6	81	80	9	24	–	277
Currency translation difference	–	(1)	–	(1)	(2)	–	(2)	–	(6)
Depreciation charge	11	15	1	40	48	–	25	–	140
Disposals	(39)	(22)	(5)	(88)	(77)	(9)	–	–	(240)
End of financial year	22	19	2	32	49	–	47	–	171
Net book value									
End of financial year	**32**	**83**	**8**	**333**	**70**	**–**	**867**	**–**	**1,393**
2010									
Cost									
Beginning of financial year	57	53	7	339	102	9	107	186	860
Additions	27	6	1	–	55	–	36	677	802
Currency translation difference	1	(2)	–	5	(5)	–	(16)	(14)	(31)
End of financial year	85	57	8	344	152	9	127	849	1,631
Accumulated depreciation									
Beginning of financial year	43	17	5	32	42	9	12	–	160
Depreciation charge	7	10	1	40	38	–	21	–	117
Currency translation difference	–	–	–	9	–	–	(9)	–	–
End of financial year	50	27	6	81	80	9	24	–	277
Net book value									
End of financial year	**35**	**30**	**2**	**263**	**72**	**–**	**103**	**849**	**1,354**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

17. Plant and equipment (continued)

	Computers $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Renovation $'000	Electrical fittings $'000	Total $'000
Company							
2011							
Cost							
Beginning of financial year	51	19	5	293	37	9	414
Additions	9	69	7	317	55	–	457
Disposals	(41)	(19)	(4)	(292)	(37)	(9)	(402)
End of financial year	19	69	8	318	55	–	469
Accumulated depreciation							
Beginning of financial year	47	19	5	66	37	9	183
Depreciation charge	4	8	1	30	16	–	59
Disposals	(39)	(19)	(4)	(88)	(37)	(9)	(196)
End of financial year	12	8	2	8	16	–	46
Net book value							
End of financial year	**7**	**61**	**6**	**310**	**39**	**–**	**423**
2010							
Cost							
Beginning of financial year	49	19	5	293	37	9	412
Additions	2	–	–	–	–	–	2
End of financial year	51	19	5	293	37	9	414
Accumulated depreciation							
Beginning of financial year	43	16	5	37	37	9	147
Depreciation charge	4	3	–	29	–	–	36
End of financial year	47	19	5	66	37	9	183
Net book value							
End of financial year	**4**	**–**	**–**	**227**	**–**	**–**	**231**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

18. Goodwill

	Group	
	2011	2010
	$'000	$'000
Beginning of financial year	**512**	512
Impairment charge (Note 5)	**(512)**	–
End of financial year	**–**	512

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to business segments.

The recoverable amount of a CGU was determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering of one year period.

Key assumptions used for value-in-use calculations:

Gross margin	50%
Growth rate	40%
Discount rate	30%

During the financial year, management fully impaired the goodwill as the likelihood of the CGU generating profit is considered remote.

19. Trade and other payables

	Group		Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Trade payables				
– Non-related parties	**267**	105	**–**	23
Accrued for operating expenses	**298**	218	**118**	177
	565	323	**118**	200

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

20. Borrowings

	Group	
	2011	2010
	$'000	$'000
Bank borrowings – secured	**1,095**	1,008
Shareholder's loan – unsecured	**16,000**	–
	17,095	1,008

The bank borrowings are primarily denominated in Chinese Renminbi ("RMB") and United States Dollar ("USD"). Bank borrowings are secured by bank deposits and a corporate guarantee of a subsidiary (Note 10) and are repayable on demand.

The weighted average interest rates of bank borrowings are as follows:

	Group	
	2011	2010
	%	%
Bank borrowings in RMB	**4.86**	4.86
Interest-bearing loans in USD	**3.10**	3.10

The shareholder's loan, denominated in Singapore Dollar, is unsecured, interest-free and is repayable on demand.

21. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group		Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Deferred income tax liabilities				
To be settled after one year				
– Fair value gain – net	**(518)**	(594)	**–**	–
– Accelerated tax depreciation	**(20)**	(20)	**(20)**	(20)
	(538)	(614)	**(20)**	(20)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

21. Deferred income taxes (continued)

Movement in deferred income tax account is as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Fair value loss/(gain) $'000	Total $'000
2011			
Beginning of financial year	(20)	(594)	(614)
Charged to equity	–	76	76
End of financial year	(20)	(518)	(538)
2010			
Beginning of financial year	(20)	59	39
Credited to equity	–	(653)	(653)
End of financial year	(20)	(594)	(614)

Company

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Fair value loss/(gain) $'000	Total $'000
2011 and 2010			
Beginning and end of financial year	(20)	–	(20)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

22. Share capital

	No. of ordinary shares	Amount
	Issued share capital	**Share capital**
	’000	$’000
Group and Company		
2011		
Beginning of financial year	886,720	51,914
Shares issued	3	– *
End of financial year	886,723	51,914
2010		
Beginning of financial year	633,371	36,713
Shares issued	253,349	15,201
End of financial year	886,720	51,914

* denotes below $1,000

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

On 16 November 2010, the Company issued 3,000 ordinary shares arising from the conversion of 3,000 warrants. The newly issued shares rank pari passu in all respects with the previously issued shares.

On 22 September 2009, the Company issued 253,348,666 ordinary shares for a total consideration of $15,201,000 for cash by way of rights issue to provide funds for the expansion of the Group’s operations. The newly issued shares rank pari passu in all respects with the previously issued shares.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

22. Share capital (continued)

Warrants

On 29 July 2009, the Company announced a renounceable rights issue of shares with warrants at the issue price of $0.06 for each rights share with warrants, each warrant carrying the right to subscribe for 1 new share at an exercise price of S$0.10, on the basis of 2 rights shares with 3 warrants for every 5 existing ordinary shares.

On 22 September 2009, the Company allotted and issued 253,348,666 rights shares and 380,022,892 warrants for valid acceptances received.

The warrants are exercisable within three (3) years from the date of issue of warrants on 22 September 2009 and will expire on 21 September 2012. As at 31 March 2011, the outstanding warrants were 380,019,892 (2010: 380,022,892).

Share options

The Rowsley Employees Share Option Scheme (the "Scheme") was approved by the members of the Company at an Extraordinary General Meeting held on 26 June 2002. The Scheme will be administered by a committee which consists of directors of the Company. The committee is to administer the Scheme in accordance with its objectives and rules thereof and to determine participation eligibility, grant of options and any other matters as may be required.

No unissued shares are under option as at the date of this report. No options were granted during the current financial year and no options were granted to employees of the Company and its related corporations.

23. Fair value reserve

	Group	
	2011	2010
	$'000	$'000
Beginning of financial year	**2,918**	(270)
Financial assets, available-for-sale		
Fair value (loss)/gain (Note 13)	**(994)**	3,841
Tax (credit)/charge on fair value gain/(loss) (Note 8)	**76**	(653)
	918	3,188
End of financial year	**2,000**	2,918

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

24. Commitments

(a) *Operating lease commitments – where the Group is a lessee*

The Group leases office premises from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group	
	2011	2010
	$'000	$'000
Not later than one year	**141**	260
Between one and five years	**159**	39
	300	299

(b) *Operating lease commitments – where the Group is a lessor*

The Group has sub-leased a certain portion of the above office premises to related party under non-cancellable operating leases.

The future minimum lease receivables under the non-cancellable operating leases contracted for the balance sheet date but not recognised as receivables, are as follows:

	Group	
	2011	2010
	$'000	$'000
Not later than one year	**–**	71
Between one and five years	**–**	–
	–	71

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

25. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. This includes establishing policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits.

(a) Market risk

(i) Currency risk

The Group's exposure to currency risk is not significant as it mainly transacts in their functional currency and small portion in currency other than their functional currency. Expenses are predominantly denominated in Singapore Dollar.

(ii) Price risk

The Group is exposed to equity securities price risks arising from investments held by the Group which are classified on the consolidated balance sheet either as financial assets, available-for-sale or investment in associated company.

Further details of these equity investments can be found in Notes 13 and 15 to the financial statements.

Equity price sensitivity

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

In respect of equity investments classified as financial assets, available-for-sale and investment in associated company, if equity prices had been 10% higher or lower, with all other variables including tax rate being held constant:

The Group's equity as at 31 March 2011 would increase/decrease by $2,411,000 (2010: $2,636,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

25. Financial risk management (continued)

(b) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the balance sheet date, assets held by the Group and Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 10.

Short term funding is obtained mainly from overdraft facilities, trade financing and short-term borrowing from banks. The Group monitors working capital projections regularly, taking into account the available banking and other borrowing facilities to ensure that the Group has adequate working capital to meet current funding requirements.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

	2011	2010
	$'000	$'000
Group		
Trade and other payables	**565**	323
Company		
Trade and other payables	**118**	200

(c) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return of capital to shareholders, issue new shares, buy back issued shares or obtain new borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

25. Financial risk management (continued)

(c) Capital risk (continued)

Management monitors capital based on a debt-equity ratio. The debt-equity ratio is calculated as total liabilities divided by total net assets.

	Group		Company	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Total liabilities	**18,200**	1,947	**16,140**	222
Net assets	**34,650**	34,825	**27,651**	28,488
Debt-equity ratio	**0.53 times**	0.06 times	**0.58 times**	0.01 times

The Group and the Company do not have any externally imposed capital requirements for the financial years ended 31 March 2011 and 2010.

26. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2011	2010
	$'000	$'000
Rental income from an entity related by common shareholders	**126**	92

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2011	2010
	$'000	$'000
Wages and salaries	**900**	700
Employer's contribution to defined contribution plans, including Central Provident Fund	**22**	20
Directors' fee	**198**	161
	1,120	881

Details on directors' remuneration are disclosed in the Corporate Governance Report.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

27. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors comprise of Executive and Non-Executive Directors.

The Board of Directors considers the business from a business segment perspective.

The investment/corporate segment focus on identifying new investment opportunities locally and overseas that has the potential to increase revenue streams and produce good returns on investments.

The operating subsidiary is engaged in the used oil recycling and renewable energy business in China.

Allocation basis

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

The Board of Directors assesses the performance of the operating segments based on profit/(loss) before income tax.

The amounts provided to the Board of Directors with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the Board of Directors monitors the plant and equipment, inventories, receivables, financial assets and operating cash attributable to each segment. All assets and liabilities are allocated to reportable segments other than income tax liabilities, and deferred income tax liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

27. Segment information (continued)

Business segments

	Oil recycling and renewable energy $'000	Corporate investment $'000	Group $'000
2011			
Sales			
– external sales	38	–	38
Segment result	(1,342)	2,047	705
Income tax			(9)
Net profit			696
Other segment items			
Capital expenditure			
– plant and equipment	30	458	488
Depreciation	81	59	140
Segment assets	2,680	50,170	52,850
Segment liabilities	1,447	16,213	17,660
Current income tax liabilities			2
Deferred income tax liabilities			538
Total liabilities			18,200
2010			
Sales			
– external sales	17	–	17
Segment result	(1,148)	7,637	6,489
Income tax			(9)
Net profit			6,480
Other segment items			
Capital expenditure			
– plant and equipment	897	–	897
Depreciation	81	36	117
Segment assets	3,191	33,581	36,772
Segment liabilities	1,121	210	1,331
Current income tax liabilities			2
Deferred income tax liabilities			614
Total liabilities			1,947

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

28. Events occurring after balance sheet date

On 3 May 2011, the Company signed a convertible loan agreement with International Brand Partners Private Ltd ("IBP") for $1,894,500. The loan is unsecured and bears interest at 4% per annum. IBP is a global shoe marketing company that designs, sources, markets and distributes shoes worldwide. On the same date, the Company also signed a shareholders' agreement with IBP for a loan $631,500, which will be drawn down when IBP meets certain performance milestones.

On 7 June 2011, the Company signed a convertible loan agreement with Heliconix, Inc. ("Heliconix") for US$180,000. The loan is unsecured, convertible into shares in Heliconix at the Company's discretion and bears interest of 10% per annum if no conversion takes place. Heliconix's principal activity is that of development of high-performance, low-cost selective coating absorbents for the world-wide solar thermal industry.

29. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 31 March 2011 or later periods and which the Group has not early adopted:

- Amendments to FRS 24 – Related party disclosures (effective for annual periods beginning on or after 1 January 2011)
- Amendments to FRS 32 Financial Instruments: Presentation – Classification of rights issues (effective for annual periods beginning on or after 1 February 2010)
- Amendments to INT FRS 114 – Prepayments of a minimum funding requirement (effective for annual periods commencing on or after 1 January 2011)
- INT FRS 119 Extinguishing financial liabilities with equity instruments (effective for annual periods commencing on or after 1 July 2010)

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in the future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

SHAREHOLDINGS AND WARRANTHOLDINGS STATISTICS

As at 14 June 2011

No. of Issued shares	–	886,723,331 shares
Class of shares	–	Fully paid ordinary shares
Voting rights	–	1 vote per ordinary share

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 14 June 2011, 70.1% of the issued ordinary shares of the Company are held by the public and therefore Rule 723 of the Listing Manual is complied with.

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders as at 14 June 2011

		Number of Shares				
S/No.	**Substantial Shareholders**	**Shareholdings registered in the name of substantial shareholders**	**Shareholdings held by the substantial shareholders in the name of nominees**	**Shareholdings in which the substantial shareholders are deemed to be interested**	**Total**	**Percentage of the issued shares**
(1)	Garville Pte Ltd ("Garville")	111,930,588	–	153,198,294 (a)	265,128,882	29.90%
(2)	Garville (Hong Kong) Limited ("Garville (HK)")	153,198,294		–	153,198,294	17.28%
(3)	Lim Eng Hock	–	–	265,128,882 (b)	265,128,882	29.90%

Notes

(a) Deemed interest arising as a result of Garville's 100% interest in Garville (HK) pursuant to Section 7 of the Companies Act (the "Act").

(b) Deemed interest arising as a result of Lim Eng Hock's 100% interest in Garville and Garville's 100% interest in Garville (HK) pursuant to Section 7 of the Act.

SHAREHOLDINGS AND WARRANTHOLDINGS STATISTICS

As at 14 June 2011

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	157	2.70	8,927	0.00
1,000 - 10,000	1,355	23.29	8,345,448	0.94
10,001 - 1,000,000	4,241	72.91	357,870,310	40.36
1,000,001 and above	64	1.10	520,498,646	58.70
	5,817	100.00	886,723,331	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1	Garville (Hong Kong) Limited	153,198,294	17.28
2	Garville Pte Ltd	111,930,588	12.62
3	OCBC Securities Private Ltd	24,873,598	2.81
4	UOB Kay Hian Pte Ltd	16,688,000	1.88
5	Kim Eng Securities Pte. Ltd.	15,047,000	1.70
6	Citibank Nominees Singapore Pte Ltd	14,336,000	1.62
7	Mayban Nominees (S) Pte Ltd	13,317,000	1.50
8	DBS Nominees Pte Ltd	12,320,800	1.39
9	United Overseas Bank Nominees Pte Ltd	10,406,000	1.17
10	Chan Lay Hoon	8,670,013	0.98
11	Lim Hwee Leng	8,417,262	0.95
12	Nomura Singapore Limited	8,400,000	0.95
13	Yap Chin Kok	7,000,000	0.79
14	DBS Vickers Securities (S) Pte Ltd	6,804,000	0.77
15	Phillip Securities Pte Ltd	6,585,105	0.74
16	OCBC Nominees Singapore Pte Ltd	6,172,920	0.70
17	Tan Soon Kiat	5,258,000	0.59
18	HSBC (Singapore) Nominees Pte Ltd	4,650,000	0.52
19	HL Bank Nominees (S) Pte Ltd	4,200,000	0.47
20	Tay Thiam Song	3,957,000	0.45
		442,231,580	49.88

SHAREHOLDINGS AND WARRANTHOLDINGS STATISTICS

As at 14 June 2011

ANALYSIS OF WARRANTHOLDINGS

Range of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 - 999	203	8.78	100,829	0.03
1,000 - 10,000	574	24.81	2,621,757	0.69
10,001 - 1,000,000	1,499	64.81	90,248,800	23.75
1,000,001 and above	37	1.60	287,048,506	75.53
	2,313	100.00	380,019,892	100.00

TOP 20 WARRANTHOLDERS

No.	Name of Warrantholder	No. of Warrants	%
1	Garville (Hong Kong) Limited	148,905,126	39.18
2	Garville Pte Ltd	47,970,252	12.62
3	Kim Eng Securities Pte. Ltd.	10,780,000	2.84
4	OCBC Securities Private Ltd	8,651,450	2.28
5	Mayban Nominees (S) Pte Ltd	5,532,485	1.46
6	Citibank Nominees Singapore Pte Ltd	4,539,000	1.19
7	Phillip Securities Pte Ltd	4,443,001	1.17
8	Nomura Singapore Limited	3,600,000	0.95
9	Tan Cheng Hai or Ang Gim Hoon	3,500,000	0.92
10	Yeap Lam Wah	3,049,000	0.80
11	Yap Chin Kok	3,000,000	0.79
12	Tang Chong Sim	2,951,000	0.78
13	Lim Kian Hong (Lin Jian Hong)	2,850,000	0.75
14	UOB Kay Hian Pte Ltd	2,693,167	0.71
15	Tan Soon Kiat	2,250,184	0.59
16	United Overseas Bank Nominees Pte Ltd	2,153,420	0.57
17	Ang Chua Yong	2,000,000	0.53
18	HL Bank Nominees (S) Pte Ltd	2,000,000	0.53
19	Tan Hwee Chen	2,000,000	0.53
20	Goh Mui Joo	1,851,000	0.49
		264,719,085	69.68

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of the Company will be held on Tuesday, 12 July 2011 at 2.30 p.m. at 87 Science Park Drive, Science Park 1, Science Hub, Level 1 (Buona Vista Room), Singapore 118260 to transact the following businesses:–

Ordinary Business

1. To receive and adopt the Directors' Report and Audited Accounts for the financial year ended 31 March 2011 and the Independent Auditor's Report thereon. **[Resolution 1]**

2. To re-elect Dr Lam Lee G, a Director retiring pursuant to Article 96(2) of the Articles of Association of the Company. [See Explanatory Note (a)] **[Resolution 2]**

3. To note the retirement of Mr Rajasingam M Rajagopal, a Director retiring pursuant to Article 96(2) of the Articles of Association of the Company. Mr Rajasingam M Rajagopal will not be seeking re-election as a director. [See Explanatory Note (b)]

4. To re-elect Mr Yoon Soon Seng, a Director retiring pursuant to Article 78 of the Articles of Association of the Company. [See Explanatory Note (c)] **[Resolution 3]**

5. To re-elect Mr Quek Kai Hoo, a Director retiring pursuant to Article 97 of the Articles of Association of the Company. **[Resolution 4]**

6. To approve an additional sum of $10,392/- as Directors' fees for the financial year ended 31 March 2011. [See Explanatory Note (d)] **[Resolution 5]**

7. To approve the sum of up to $238,000/- as Directors' fees for the financial year ending 31 March 2012 and the payment thereof on a quarterly basis. (2010: $182,000/-) **[Resolution 6]**

8. To re-appoint Nexia TS Public Accounting Corporation, Certified Public Accountants as Independent Auditor of the Company and to authorize the Directors of the Company to fix its remuneration. **[Resolution 7]**

NOTICE OF ANNUAL GENERAL MEETING

Special Business

To consider and, if thought fit, to pass with or without modifications, the following as Ordinary Resolutions:–

9. Authority to allot and issue shares in the capital of the Company

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Articles of Association of the Company and the listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Board of Directors of the Company be and is hereby authorised to:–

(a) (i) allot and issue shares in the capital of the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively the "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares,

at any time to such persons, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force):–

(i) issue additional Instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this Resolution was in force; and

(ii) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force or such additional Instruments in b(i) above,

PROVIDED ALWAYS THAT:–

(I) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares, if any) at the time of the passing of this Resolution (as calculated in accordance with subparagraph (II) below), of which the aggregate number of Shares issued other than on a pro rata basis to existing shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the Company's total number of issued Shares (excluding treasury shares, if any) (as calculated in accordance with subparagraph (II) below);

(II) (subject to such manner of calculation as may be prescribed by SGX-ST for the purpose of determining the aggregate number of Shares that may be issued under subparagraph (I) above), the percentage of the issued Shares is based on the Company's total number of issued Shares (excluding treasury shares, if any) at the time of the passing of this Resolution after adjusting for:

NOTICE OF ANNUAL GENERAL MEETING

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the SGX-ST Listing Manual; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares; and

(III) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. [See Explanatory Note (e)] **[Resolution 8]**

10. Authority to grant options and allot and issue shares under the Rowsley Employees' Share Option Scheme

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, authority be and is hereby given to the Directors of the Company to offer and grant options in accordance with the provisions of the Rowsley Employees' Share Option Scheme (the "**Scheme**") and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) pursuant to the exercise of the options granted (while the authority conferred by this Resolution is in force) under the Scheme, provided always that the aggregate number of shares to be issued pursuant to the Scheme and all other share-based incentive schemes of the Company, if any, shall not exceed 15% of the total number of issued shares (excluding treasury shares, if any) in the capital of the Company from time to time and further, unless revoked or varied by the Company in general meeting, this Resolution shall remain in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. [See Explanatory Note (f)] **[Resolution 9]**

Any Other Business

11. To transact any other business that may be transacted at an annual general meeting.

By Order of the Board

Han Tsi Fung
Company Secretary

Singapore
27 June 2011

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes

(a) Dr Lam Lee G, if re-elected, will remain as Chairman of the Audit Committee and a member of the Nominating Committee. Dr Lam Lee G will be considered as an Independent Director of the Company and will continue to be the Lead Independent Director of the Company.

(b) Upon his retirement, Mr Rajasingam M Rajagopal will also be relinquishing his positions as Chairman of the Nominating Committee and member of the Remuneration Committee.

(c) Mr Yoon Soon Seng, if re-elected, will remain as a member of the Audit Committee and the Remuneration Committee. Mr Yoon Soon Seng will be considered as an Independent Director of the Company.

(d) The Directors' fees for the year ended 31 March 2011 as approved at the last annual general meeting of the Company was an amount of up to $182,000/-. The additional amount of $10,392/- as Directors' fees arose due to a revision in the structure of Directors' fees in 2010. If approved at the annual general meeting, the total Directors' fees for the year ended 31 March 2011 will be $192,392/-.

(e) Ordinary Resolution 8, proposed in Item 9 above, if passed, will empower the Board of Directors of the Company, from the date of the above Meeting until the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to issue Shares and convertible securities in the Company up to an amount not exceeding 50% of the total number of issued Shares (excluding treasury shares, if any), of which 20% may be issued other than on a pro rata basis to shareholders. The aggregate number of Shares which may be issued shall be based on the total number of issued Shares at the time Ordinary Resolution 9 is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time Ordinary Resolution 9 is passed, and any subsequent bonus issue or consolidation or subdivision of Shares. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(f) Ordinary Resolution 9, proposed in Item 10 above, if passed, will empower the Directors, from the date of the above Meeting until the date of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to issue shares in the capital of the Company up to a number not exceeding in total 15% of the total number of issued shares (excluding treasury shares, if any) in the capital of the Company from time to time pursuant to the exercise of the options under the Scheme. Unless revoked or varied by ordinary resolution of the shareholders of the Company in general meeting, this Resolution shall remain in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Note

A member entitled to attend and vote at the Annual General Meeting may appoint not more than two proxies to attend and vote on his behalf. Where a member appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1 Kim Seng Promenade #13-10, Great World City, West Tower, Singapore 237994 not less than 48 hours before the time set for the Annual General Meeting.

PROXY FORM

ROWSLEY LTD.

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

IMPORTANT FOR CPF INVESTORS ONLY:

1. This Annual Report is forwarded to you at the request of your CPF Approved Nominee and is sent SOLELY FOR INFORMATION ONLY.
2. This Proxy Form is therefore not valid for use by CPF investors and shall not be effective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Annual General Meeting as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register with the Company Secretary of Rowsley Ltd..

I/We ______________________________

NRIC/Passport/Co. Registration No. ______________________________

of ______________________________

being a member/members of **ROWSLEY LTD.** hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Annual General Meeting ("**AGM**") of the Company to be held on **Tuesday, 12 July 2011 at 2.30 p.m.** at 87 Science Park Drive, Science Park 1, Science Hub, Level 1 (Buona Vista Room), Singapore 118260 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM. If no person is named in the above boxes, the Chairman of the AGM shall be my/our proxy to vote, for or against the Resolutions to be proposed at the AGM as indicated hereunder for me/us and on my/our behalf at the AGM and at any adjournment thereof.

No.	Resolutions Relating To:	*For	*Against
	ORDINARY BUSINESS		
1.	Directors' Report and Audited Accounts for the financial year ended 31 March 2011 and the Independent Auditor's Report thereon		
2.	Re-election of Dr Lam Lee G as Director		
3.	Re-election of Mr Yoon Soon Seng as Director		
4.	Re-election of Mr Quek Kai Hoo as Director		
5.	Approval of additional Directors' fees for the financial year ended 31 March 2011		
6.	Approval of Directors' fees for the financial year ending 31 March 2012		
7.	Re-appointment of Nexia TS Public Accounting Corporation, Certified Public Accountants as Independent Auditor of the Company		
	SPECIAL BUSINESS		
8.	Authority to allot and issue shares in the capital of the Company		
9.	Authority to grant options and allot and issue shares under the Rowsley Employees' Share Option Scheme		

* Please indicate your vote "For" or "Against" with a "X" within the box provided.

Dated this __________ day of ____________________ 2011

Total Number of Shares Held	
Depository Register	
Register of Members	

____
Signature(s) of Member(s) or
Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member entitled to attend and vote at the AGM of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not to be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 1 Kim Seng Promenade #13-10, Great World City, West Tower, Singapore 237994 not less than 48 hours before the time set for the AGM.

4. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such number or proportion is specified, the first named proxy shall be deemed as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

5. The instrument appointing a proxy or proxies shall be in writing and signed by the appointer or by an attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.

6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by the attorney, the power of attorney (or other authority) or a notarially duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Cap. 50.

8. The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in this instrument of proxy. In addition, in case of members whose shares are entered in the Depository Register, the Company may reject an instrument of proxy lodged if the member, being the appointer, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time set for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

ROWSLEY

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

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