



ROWSLEY

ROWSLEY LTD.
ANNUAL REPORT

2012

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.

CONTENTS

BUSINESS REVIEW

Joint Statement by Executive	
Chairman and Executive Director	02
Board of Directors	06
Key Executives	09
Corporate Directory	11
Corporate Governance	12

FINANCIAL REPORT

Directors' Report	24
Statement by Directors	27
Independent Auditor's Report	28
Consolidated Statement of	
Comprehensive Income	30
Balance Sheets	31
Consolidated Statement of	
Changes in Equity	32
Consolidated Statement of Cash Flows	33
Notes to the Financial Statements	34

INVESTORS' INFORMATION

Shareholdings and	
Warranholdings Statistics	71
Notice of Annual General Meeting	74
Proxy Form	

JOINT STATEMENT BY EXECUTIVE CHAIRMAN AND EXECUTIVE DIRECTOR

OVERVIEW

The Group reported a loss attributable to shareholders of \$5.24 million for the financial year ended 31 March 2012 (“**reporting financial year**”) compared to a net profit of \$1.36 million in the financial year ended 31 March 2011.

The Group’s subsidiary, San Technology Holding Pte. Ltd. (“**STH**”) underwent voluntary liquidation process after liquidators were appointed on 21 October 2011. This resulted in recognition of a loss on disposal of a subsidiary of \$1.60 million.

In the reporting financial year, the Group disposed of all of its holding of UPP Holdings Limited’s (“**UPP**”) shares and warrants (W130301), and 107,000 shares in Epicentre Holdings Limited (“**Epicentre**”).

In spite of the fact that the selling price of UPP shares of \$0.17 per share represented 37% premium over the 10-day volume weighted average price of \$0.124 per share, and the selling price of warrants of \$0.07 per warrant was 150% higher than the closing price of \$0.028 on the day before disposal, the Group still recorded an accounting loss on disposal of \$1.35 million. However, based on cash flow basis, the disposal of UPP shares and warrants amounted to an investment gain of \$0.8 million, which included cumulative dividends received from UPP.

The loss of \$1.35 million was partially offset by a gain on disposal of shares in Epicentre of \$0.02 million in the reporting financial year, bringing the net loss on disposal of available-for-sale financial assets to \$1.33 million.

The disposal provided cash inflow of \$22.22 million to the Group and part of the proceeds had been used to repay substantial shareholder’s loan of \$16 million on 9 March 2012. The remaining balance would be used for operating cash flow and other potential investments.

In the reporting financial year, the Group received dividend income of \$702,000 from its listed portfolio in F J Benjamin Holdings Ltd (“**F J Benjamin**”), Epicentre and UPP, up from \$548,000 in the preceding financial year. In addition, the Group also received \$189,000, being 10% premium

from its investment cost in International Brand Partners Private Ltd. (“**IBP**”), after IBP redeemed the convertible loan of \$1.89 million that it received from the Group in May 2011.

The Group reported a share of loss of \$288,000 from its associated company, Streamax International Holding Co., Limited (formerly known as Chenhong International Metal Holding Co., Limited) (“**Streamax**”), whose business was adversely affected by global decline in nickel prices and production issues at its supplier’s factory in the reporting financial year.

The Group’s total assets decreased from \$52.85 million as at the end of the preceding financial year to \$34.17 million as at the end of the reporting financial year. The decrease was largely attributed to fair value loss from the mark-to-market valuation for the Group’s investments in quoted securities of \$5.07 million and disposal of investment in quoted securities of \$15.32 million.

Total liabilities of the Group amounted to \$1.15 million as at the end of the reporting financial year, representing a decrease of \$17.06 million from the preceding financial year. The decrease was largely due to repayment of short-term borrowings of \$17.21 million. As a result, the Group did not have any borrowing as at the end of the reporting financial year.

The net asset value per share for the Group was 3.72 cents as at the end of the reporting financial year, compared to 3.91 cents as at the end of the preceding financial year. The decline reflects the volatilities of the market conditions faced by the Group’s quoted securities whose market values declined at the end of the reporting financial year.

INVESTMENT PORTFOLIO

The Group manages its investment portfolio with a view to achieve capital appreciation and cash dividends over the medium to long term via equity or convertible instruments in investees with strong underlying business, economic and management characteristics.

In summary, the key changes to the investment portfolio in the reporting financial year are as follows:

JOINT STATEMENT BY EXECUTIVE CHAIRMAN AND EXECUTIVE DIRECTOR

- Divestment of International Brand Partners Private Ltd. (“**IBP**”)

In May 2011, the Group invested in IBP by way of an unsecured convertible loan of \$1.89 million bearing interest of 4% and convertible into 30% shareholdings in the share capital of IBP. During the Group’s investment monitoring and portfolio review, an opportunity arose to divest the investment in IBP at a premium. In March 2012, the Group capitalised on the opportunity and redeemed the investment for a total consideration of \$2.15 million, representing an annualised return of about 15% on the investment.

- Investment in Heliconix, Inc. (“**Heliconix**”)

In June 2011, the Group invested in Heliconix by way of an unsecured convertible loan of US\$180,000 for the proof-of-value development of a unique production process, for solar thermal selective absorbent coatings, which was successfully completed in January 2012. The Group has since further invested in Heliconix via its investment holding company Riezen Pte. Ltd.

- Voluntary liquidation of San Technology Holding Pte. Ltd. (“**STH**”)

STH proposed a rights issue exercise in order to strengthen its financial position and raise cash to sustain its business operations. However, the shareholders of STH did not participate in the proposed rights issue. In October 2012, pursuant to an extraordinary general meeting of STH, being the Group’s 51% owned subsidiary, the shareholders of STH passed a special resolution to approve the voluntary winding up of STH.

- Divestment of UPP Holdings Limited (“**UPP**”)

In March 2012, the Group’s entire equity stake of 108,136,000 shares in UPP amounting to 18.56% of the issued paid up capital of UPP and 53,630,000 UPP warrants expiring 1 March 2013 was divested for an aggregate cash consideration of \$22.14 million.

After the reporting financial year, the following changes to the investment portfolio were made:

- Investment in Riezen Pte. Ltd. (“**Riezen**”)

In April 2012, the Group entered into a convertible loan agreement with Riezen, the investment holding company of Heliconix, to provide a convertible loan of up to \$6.29 million to Riezen.

As at the end of the reporting financial year, the investment portfolio consisted of the following:

Unlisted investments:

- 24.33% in Streamax (formerly known as Chenhong International Metal Holding Co., Limited)
- \$6.29 million convertible loan in Riezen

Listed investments:

- 3.51% in F J Benjamin
- 5.20% in Epicentre

Streamax International Holding Co., Limited (formerly known as Chenhong International Metal Holding Co., Limited) (“Streamax”)

For the reporting financial year, the Group recorded maiden dividends of \$934,500 from its investments in Streamax. These dividends are expected to be received in the current financial year ending 31 March 2013.

Streamax changed its name to Streamax International Holding Co., Limited in March 2012 to better reflect its growing international business presence. In the previous reporting financial year, Streamax contributed \$512,000 to our bottom line under share of profit of associated companies. For the reporting financial year, Streamax’s results was a loss of \$288,000 under share of loss of associated companies as its financial performance was adversely affected by global decline in nickel prices and production issues at its supplier’s factory. Since then, Streamax has been actively trying to seek alternative suppliers and to expand its product offerings. The Group is currently also working with the management of Streamax to expand its business globally.

JOINT STATEMENT BY EXECUTIVE CHAIRMAN AND EXECUTIVE DIRECTOR

The principal business of Streamax is the recycling of stainless steel and manufacturing of nickel beans. It is an established raw materials supplier to leading stainless steel manufacturers in China such as Baoshan Iron & Steel and Zhangjiagang Pohang Stainless Steel.

Riezen Pte. Ltd. (“Riezen”)

In April 2012, the Group entered into a convertible loan agreement with Riezen, the investment holding company of Heliconix, to provide a convertible loan of up to \$6.29 million to Riezen. As part of Riezen’s group restructuring, the earlier US\$180,000 convertible loan agreement with Heliconix was novated to Riezen. The \$6.29 million convertible loan to Riezen is unsecured and is to be disbursed to Riezen in three tranches, subject to Riezen fulfilling certain conditions for each tranche. Upon full conversion of the \$6.29 million convertible loan, the Group could hold up to 60% of the resultant enlarged issued share capital of Riezen.

Riezen and its subsidiaries, Heliconix, Inc., a company incorporated in the United States of America and Ziolar Pte. Ltd., a company incorporated in Singapore (collectively the “Riezen Group”) will principally be engaged in the business of providing primary process technologies to solar thermal collector companies and developing low and mid temperature thin film selective coatings for solar thermal applications.

F J Benjamin Holdings Ltd (“F J Benjamin”)

For the reporting financial year, the Group received dividends of \$399,280 from its investments in F J Benjamin.

F J Benjamin’s revenue and net profit after tax for the nine months ended 31 March 2012 have improved compared to the previous corresponding financial period. For the nine months ended 31 March 2012, its turnover rose 13.8% from \$265.07 million in the previous corresponding period to \$301.72 million and its net profit after tax increased by 13.2% from \$10.44 million in the previous corresponding period to \$11.82 million.

F J Benjamin is a leader in building brands and in developing retail and distribution networks for international luxury and lifestyle labels across Asia.

Epicentre Holdings Limited (“Epicentre”)

For the reporting financial year, the Group received dividends of \$194,400 from its investments in Epicentre.

Epicentre’s revenue for the six months ended 31 December 2011 increased by 0.4% from \$92.14 million in the previous corresponding period to \$92.56 million and its net profit after tax decreased by 78% from \$4.73 million in the previous corresponding period to \$1.03 million, primarily due to lower gross margins and higher administrative expenses.

Epicentre is a one-stop premium retailer specialising in the sale of Apple brand products and its complementary products. Its products are sold through its EpiCentres and EpiLife retail outlets located in Singapore, Malaysia and China.

OUTLOOK

The European fiscal and monetary crisis which appeared to have stabilised over the past year have recently resurfaced amidst concerns over Greece and Spain. There are also increasing concerns about the impact of slowing economies in China and India on the global economy.

However, the Group believes that the long term prospects of major Asian economies remained bright and given the Group’s stronger balance sheet with higher cash holdings and zero bank borrowings, the present uncertainty in the global markets will present opportunities for the Group to invest in well managed companies with good long term growth potential.

The Group will continue to be very selective and disciplined in its investment process and decisions, with an emphasis on picking high-growth businesses with robust business models and outstanding entrepreneurs.

JOINT STATEMENT BY EXECUTIVE CHAIRMAN AND EXECUTIVE DIRECTOR

ACKNOWLEDGEMENT

Lastly, we would like to express our deep appreciation to shareholders and business associates for their continued trust and support to Rowsley Ltd. in the past year.

We also wish to acknowledge the counsel and guidance from fellow directors as well as the management and staff for their dedication and valuable contributions.



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. Chairman of the Board from 2006 to 2010. Executive Chairman of the Board since 1 August 2010. Current 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 an optical solutions subsidiary company, and implemented operational improvements and restructuring to enhance the revenues and profits for these companies.

Besides working 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 an 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.

BOARD OF DIRECTORS

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. Current Member of Nominating Committee. Was Chair of Remuneration Committee from 2006 to 2010.

Dr Lam Lee G has over 29 years of international experience in general management, strategy consulting, corporate governance, investment banking and direct investment.

He is Chairman of Monte Jade Science and Technology Association of Hong Kong, and serves as an independent or non-executive director 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 (and a former Specially-invited Member of the Zhejiang Province Committee) of the Chinese People's Political Consultative Committee (CPPCC), 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 (YPO), a Member of the Chief Executives Organisation (CEO), a Fellow of the Hong Kong Institute of Directors, a Fellow of the Hong Kong Institute of Arbitrators, a Member of the General Council and the Corporate Governance Committee of the Chamber of Hong Kong Listed Companies, a Vice President of the Hong Kong Real Estate Association, a founding Board Member and the Honorary Treasurer of the Hong Kong-Vietnam Chamber of Commerce, a Board Member of the Australian Chamber of Commerce in Hong Kong, A Board Member of Hong Kong Education City Limited, and a Visiting Professor (in the fields of corporate governance and investment banking) at the School of Economics & Management of Tsinghua University in Beijing.

Dr Lam 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.

CLAIRE LEE SUK LENG

INDEPENDENT DIRECTOR

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

Ms Claire Lee Suk Leng has over 10 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 Bachelor of Business Administration (Distinction) in Finance from the University of Hawaii at Manoa.

BOARD OF DIRECTORS

YOON SOON SENG

INDEPENDENT DIRECTOR

Director of Rowsley Ltd. since 11 August 2010. Chair of Nominating Committee since 13 July 2011. Current 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.

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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

LEE PIN KWAN

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr Lee Pin Kwan had worked in two of the international accounting firms in Singapore where he was involved in audits primarily of multinationals and Singapore listed companies in diverse industries ranging from trading, retails and installations projects to manufacturing, property development and shipping.

Prior to joining the Company, Mr Lee was chief financial officer of a company listed on the main board of the Stock Exchange of Hong Kong Limited with a manufacturing subsidiary operating in the People's Republic of China. He was involved in the initial public offering process of that group of companies and overseeing the group's financial and accounting functions post listing.

Mr Lee holds a Bachelor of Innovation and Entrepreneurship from the University of Adelaide, Australia and is a graduate of the Association of Chartered Certified Accountants. He is a Member of the Institute of Certified Public Accountants of Singapore, a Member of the Hong Kong Institute of Certified Public Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom.

CORPORATE DIRECTORY

Board Of Directors

Dr Ho Tat Kin
Executive Chairman

Quek Kai Hoo
Executive Director

Dr Lam Lee G
Lead Independent Director

Claire Lee Suk Leng
Independent Director

Yoon Soon Seng
Independent Director

Audit Committee

Dr Lam Lee G
Chairman

Claire Lee Suk Leng

Yoon Soon Seng

Nominating Committee

Yoon Soon Seng
Chairman (w.e.f. 13 July 2011)

Dr Ho Tat Kin

Dr Lam Lee G

Rajasingam M Rajagopal
Chairman (until 12 July 2011)

Remuneration Committee

Claire Lee Suk Leng
Chairperson

Yoon Soon Seng

Rajasingam M Rajagopal
(until 12 July 2011)

Investment Committee

Dr Lam Lee G
Chairman

Dr Ho Tat Kin

Claire Lee Suk Leng

Chief Financial Officer

Lee Pin Kwan
(w.e.f. 1 August 2011)

Han Tsi Fung
Acting Chief Financial Officer (until 31 July 2011)

Company Secretary

Lee Pin Kwan
(w.e.f. 31 December 2011)

Han Tsi Fung
(until 31 December 2011)

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
100 Beach Road #30-00
Shaw Tower
Singapore 189702
Director-In-Charge: Chin Chee Choon

Principal Bankers

Hong Leong Finance Limited
Bank of East Asia
United Overseas Bank Limited

Solicitors

Chang See Hiang & Partners

Registered Office

1 Kim Seng Promenade #13-10
Great World City, West Tower
Singapore 237994
Tel: (65) 6235 5056
Fax: (65) 6235 6505
Email: contactus@rowsley.com
Website: <http://www.rowsley.com>

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) Authorisation of merger and acquisition transactions;
- (h) Authorisation 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.

For financial year ended 31 March 2012, 4 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.

CORPORATE GOVERNANCE

The attendance of directors at board and board committee meetings held during financial year ended 31 March 2012 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	4	4	1	1	4
Number of Meetings Attended					
Dr Ho Tat Kin	4	*	1	*	4
Quek Kai Hoo	4	*	*	*	*
Dr Lam Lee G	4	4	1	N/A	4
Rajasingam M Rajagopal	1	N/A	1	1	N/A
Claire Lee Suk Leng	2	3	N/A	1	3
Yoon Soon Seng	4	4	N/A	1	N/A

* Attended by invitation

N/A: Not Applicable

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 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.

CORPORATE GOVERNANCE

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 5 members, 2 of whom are executive directors and the remaining 3 are independent directors. Independent directors make up 60% 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.

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.

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.

CORPORATE GOVERNANCE

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.

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 Yoon Soon Seng (Chairman, appointed on 13 July 2011), Dr Ho Tat Kin and Dr Lam Lee G. One meeting was held during financial year ended 31 March 2012.

Upon the appointment of Dr Ho Tat Kin as Executive Chairman with effect from 1 August 2010, he remains as a member of the NC. The composition of the NC does 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.

CORPORATE GOVERNANCE

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 of 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/ 12 Jul 2011	Member	N/A	N/A	N/A	N/A
Independent Directors						
Dr Lam Lee G	26 Jun 2002/ 12 Jul 2011	Member	Chairman	Member	N/A	Chairman
Rajasingam M Rajagopal (Until 12 July 2011)	24 May 2003/ 17 July 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/ 12 Jul 2011	Member	Member	Chairman	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.

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 significantly 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 2-year period vis-à-vis the Singapore Straits Times Index.

CORPORATE GOVERNANCE

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 recognises 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 two members, all of whom are independent directors. One meeting was held during financial year ended 31 March 2012.

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

CORPORATE GOVERNANCE

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.

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 2012.

Table 3: Remuneration of Directors

Name of Director	Salary \$	Directors' Fees \$
Dr Ho Tat Kin	504,000	–
Quek Kai Hoo	180,000	–
Dr Lam Lee G	–	68,000
Rajasingam M Rajagopal (until 12 July 2011)	–	14,740
Claire Lee Suk Leng	–	55,000
Yoon Soon Seng	–	51,152

CORPORATE GOVERNANCE

For the financial year ended 31 March 2012, the remuneration of the top executives were:

Han Tsi Fung, Acting Chief Financial Officer & Company Secretary*	\$194,250
Lee Pin Kwan, Chief Financial Officer & Company Secretary	\$141,800

* Mr Han ceased to be the Company Secretary on 31 December 2011.

For financial year ended 31 March 2012, 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 2012 was \$74,800. 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 2012.

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 2012.

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.

CORPORATE GOVERNANCE

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 authorise 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.

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 aggregate amount of fees paid/payable to the external auditors for the financial year under review was \$57,201, of which audit fee amounted to \$45,500 and non-audit fee amounted to \$11,701.

The AC had met with the external auditors without the presence of the Management.

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 million short-term, interest-free and collateral-free loan provided by the substantial shareholder for one of the Company's investment projects, which was borrowed in March 2011 and repaid in March 2012.

CORPORATE GOVERNANCE

**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 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.

For financial year ended 31 March 2012, 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 2012.

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.

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

The Company is currently upgrading its website (www.rowsley.com) to enhance its communication with its shareholders and the general public.

CORPORATE GOVERNANCE

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.

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 2012 by the Company or any of its subsidiaries involving the interests of the CEO, any director or substantial shareholder, save for a \$16 million short-term, interest-free and collateral-free loan from the substantial shareholder of the Company, which was fully repaid in March 2012.

INTERESTED PERSON TRANSACTIONS

During financial year ended 31 March 2012, 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 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.

CORPORATE GOVERNANCE

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 2012

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 March 2012 and the balance sheet of the Company as at 31 March 2012.

DIRECTORS

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

Dr Ho Tat Kin
Quek Kai Hoo
Dr Lam Lee G
Claire Lee Suk Leng
Yoon Soon Seng

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 2012.

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.

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.

DIRECTORS' REPORT

For the financial year ended 31 March 2012

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;
- (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.

DIRECTORS' REPORT

For the financial year ended 31 March 2012

AUDIT COMMITTEE (CONTINUED)

The Audit Committee met four times during the financial year ended 31 March 2012. 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.

Based on the internal controls established and maintained by the Group, works performed by the internal and independent auditors and reviews performed by management, the Audit Committee and the Board are of the opinion that the Group's internal controls, addressing financial operational and compliance risks were adequate as at 31 March 2012.

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.

The Company confirms that the appointment of the independent auditors complies with Rule 712, Rule 715 and Rule 716 of the SGX-ST Listing Manual.

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

31 May 2012

STATEMENT BY DIRECTORS

For the financial year ended 31 March 2012

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 30 to 70 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 2012 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

31 May 2012

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") set out on pages 30 to 70, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 March 2012, the consolidated statement of comprehensive income, statement of changes in equity and 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; and 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 about 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 control 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.

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 2012, and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

**INDEPENDENT AUDITOR'S REPORT
To the members of Rowsley Ltd.**

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

31 May 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2012

	Note	2012 \$'000	2011 \$'000
Continuing operations			
Revenue – Dividend income		702	548
Other (loss)/income – net	4	(2,561)	308
Expenses			
– Distribution and marketing		(130)	(207)
– Administrative		(2,314)	(2,895)
– Finance	7	(4)	–
Share of (loss)/profit of associated companies	16	(288)	4,293
(Loss)/profit before income tax		(4,595)	2,047
Income tax expense	8	–	–
(Loss)/profit from continuing operations		(4,595)	2,047
Discontinued operations			
Loss from discontinued operations	9	(1,269)	(1,351)
Total (loss)/profit		(5,864)	696
Other comprehensive income/(loss):			
Available-for-sale financial assets			
– Fair value loss	24	(4,120)	(918)
– Reclassification	24	6,831	–
Currency translation differences arising from consolidation		–	47
Reclassification of currency translation reserves on disposal of a subsidiary		(7)	–
Other comprehensive income/(loss), net of tax		2,704	(871)
Total comprehensive loss		(3,160)	(175)
(Loss)/profit attributable to:			
Equity holders of the Company		(5,242)	1,358
Non-controlling interests		(622)	(662)
		(5,864)	696
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(2,538)	463
Non-controlling interests		(622)	(638)
		(3,160)	(175)
Earnings per share from continuing and discontinued operations attributable to equity holders of the Company (cents per share)			
Basic earnings per share			
From continued operations	10	(0.45)	0.30
From discontinued operations		(0.14)	(0.15)
Diluted earnings per share			
From continued operations	10	(0.45)	0.29
From discontinued operations		(0.14)	(0.14)

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

BALANCE SHEETS

As at 31 March 2012

	Note	Group		Company	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	11	9,331	5,960	6,411	4,752
Other receivables	12	1,243	387	72	72
Inventories	13	–	242	–	–
		10,574	6,589	6,483	4,824
Non-current assets					
Available-for-sale financial assets	14	8,762	29,158	–	–
Amounts due from subsidiaries – non-trade	15	–	–	20,054	38,344
Investment in associated companies	16	14,488	15,710	–	–
Investments in subsidiaries	17	–	–	200	200
Plant and equipment	18	347	1,393	347	423
		23,597	46,261	20,601	38,967
Total assets		34,171	52,850	27,084	43,791
LIABILITIES					
Current liabilities					
Trade and other payables	20	158	565	95	118
Current income tax liabilities		2	2	2	2
Borrowings	21	–	17,095	–	16,000
		160	17,662	97	16,120
Non-current liabilities					
Deferred income tax liabilities	22	985	538	20	20
		985	538	20	20
Total liabilities		1,145	18,200	117	16,140
NET ASSETS		33,026	34,650	26,967	27,651
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	23	51,915	51,914	51,915	51,914
Currency translation reserve		–	7	–	–
Fair value reserve	24	4,711	2,000	–	–
Accumulated losses		(23,600)	(18,358)	(24,948)	(24,263)
		33,026	35,563	26,967	27,651
Non-controlling interests		–	(913)	–	–
Total equity		33,026	34,650	26,967	27,651

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2012

	Note	← Attributable to equity holders of the Company →					Non-controlling interests	Total equity
		Share capital	Fair value reserve ^(a)	Currency translation reserve	Accumulated losses	Total		
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
2012								
Beginning of financial year		51,914	2,000	7	(18,358)	35,563	(913)	34,650
Issue of new shares	23	1	–	–	–	1	–	1
Disposal of subsidiary	11	–	–	–	–	–	1,535	1,535
Total comprehensive loss for the year		–	2,711	(7)	(5,242)	(2,538)	(622)	(3,160)
End of financial year		51,915	4,711	–	(23,600)	33,026	–	33,026
2011								
Beginning of financial year		51,914	2,918	(16)	(19,991)	34,825	–	34,825
Effects of adopting FRS27 (revised)		–	–	–	275	275	(275)	–
Total comprehensive income/(loss) for the year		–	(918)	23	1,358	463	(638)	(175)
End of financial year		51,914	2,000	7	(18,358)	35,563	(913)	34,650

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2012

	Note	2012 \$'000	2011 \$'000
Cash flows from operating activities			
Total (loss)/profit		(5,864)	696
Adjustments for:			
– Income tax expense		–	9
– Depreciation of plant and equipment		122	140
– Loss on disposal of plant and equipment		97	20
– Loss on disposal of available-for-sale financial assets	4	1,328	–
– Loss on disposal of a subsidiary	4	1,598	–
– Impairment of goodwill		–	512
– Interest income		(172)	(27)
– Dividend income		(702)	(548)
– Finance expenses		54	82
– Share of profit/(loss) of associated companies	16	288	(4,293)
– Unrealised currency translation losses		15	124
		(3,236)	(3,285)
Change in working capital, net effects from disposal of a subsidiary:			
– Inventories		1,028	(86)
– Other receivables		(2,863)	7
– Trade and other payables		2,839	198
Cash used in operations		(2,232)	(3,166)
Interest received		76	26
Interest paid		(7)	(38)
Income tax paid		–	(9)
Net cash used in operating activities		(2,163)	(3,187)
Cash flows from investing activities			
Investment in an associated company		–	(15,200)
Additions to plant and equipment		(2)	(488)
Disposal of plant and equipment		9	214
Disposal of available-for-sale financial assets		22,219	–
Disposal of a subsidiary, net of cash disposed of	11	(103)	–
Loans to third parties		(2,128)	–
Repayment of loan by a third party		1,895	–
Dividends received		752	498
Net cash provided by/(used in) investing activities		22,642	(14,976)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		1	–
Proceeds from borrowings		100	16,120
Repayment of borrowings		(17,209)	(33)
Bank deposits pledged		1,202	(92)
Net cash (used in)/provided by financing activities		(15,906)	15,995
Net increase/(decrease) in cash and cash equivalents		4,573	(2,168)
Cash and cash equivalents			
Beginning of financial year		4,758	6,926
End of financial year	11	9,331	4,758

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

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

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 17 of 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 2011

On 1 April 2011, 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.

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 collectability 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 customers, and the customers have accepted the products and the collectability of the related receivables is reasonably assured.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition (continued)

(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 lessees) is recognised on a straight-line basis over the lease term.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

2.4 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(a) *Subsidiaries (continued)*

(ii) *Acquisitions*

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

The consideration transferred for the acquisition of a subsidiary or business 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.

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 (i) 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 (ii) fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

(iii) *Disposals*

When a change in the Group 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 previously 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 equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest 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.

(b) *Transactions with non-controlling interests*

Changes in the Group'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 Company. 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 within equity attributable to the equity holders of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(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.

(i) *Acquisitions*

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.

(ii) *Equity method of accounting*

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 to make 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.

(iii) *Disposals*

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

Gains and losses arising from partial disposals or dilutions in investments in associated companies in which significant influence is retained are recognised in profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 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.

(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:

	<u>Useful lives</u>
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 losses – 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 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and business on or after 1 January 2010 represents the excess of (i) 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 (ii) the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries and business prior to 1 January 2010 and on acquisition of 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.

2.7 Borrowing costs

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

2.8 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.

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of non-financial assets (continued)

(b) *Intangible assets*
Plant and equipment
Investments in subsidiaries and associated companies

Intangible assets, 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 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.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

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.

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.

2.10 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following categories: loans and receivables 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 "other receivables" including convertible loan receivable and "cash and cash equivalents" on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets (continued)

(a) Classification (continued)

(i) Loans and receivables (continued)

Convertible loan receivable is recognised initially at fair value. The difference between the fair value of the receivables and loan amount at the inception is recognised in the income statement. Subsequently, these loans are measured at amortised cost using the effective interest method. The unwinding of the difference is recognised as interest income in the income statement over the expected repayment period.

(ii) Available-for-sale financial assets

Available-for-sale financial assets 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 the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

(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 other comprehensive income 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

Available-for-sale financial assets 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 available-for-sale financial assets 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 other comprehensive income and accumulated in the fair value reserve. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets (continued)

(e) Impairment (continued)

(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.

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 impairment allowance 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) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.10(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 previously recognised in the other comprehensive income 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.

2.11 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, in which case they are presented as non-current liabilities.

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.

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payments are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 March 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 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.

2.14 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.

2.15 Inventories

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

2.16 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 and associated companies, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Income taxes (continued)

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.

2.17 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. Provisions are not recognised for future operating losses.

2.18 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.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Employee compensation (continued)

(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.

2.19 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 Dollars, 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. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Currency translation (continued)

(c) Translation of Group entities' financial statements (continued)

- (iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.20 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.

2.21 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.

2.22 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.

2.23 Dividends to Company's shareholders

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

2.24 Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expenses. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2012

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.

Critical accounting estimates and assumptions

Estimated impairment of non-financial assets

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Intangible assets, 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.

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 19).

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 is assessed for impairment whenever there is an indication that it may be impaired. 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 amount of the investment, the management also gives due consideration to a range of factors to assess if the carrying amount is 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 company's operation plans and outlook, divestment and investment plans, general market conditions and the outlook thereof. The carrying value of investment in associated company is disclosed in Note 16.

4. OTHER (LOSS)/INCOME – NET

	Group	
	2012 \$'000	2011 \$'000
Rental income	–	126
Interest income	172	182
Gain on loan redemption	189	–
Loss on disposal of available-for-sale financial assets	(1,328)	–
Loss on disposal of a subsidiary	(1,598)	–
SME cash grant	4	–
	(2,561)	308

The SME cash grant is a government grant introduced in the Singapore Budget 2011 to help companies cope with the rising costs of doing business. The Company received a one-off SME cash grant of 5% on total revenue for Year of Assessment 2011.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

5. EXPENSES BY NATURE

	Group	
	2012	2011
	\$'000	\$'000
Auditors' remuneration		
<i>Fees on audit services paid/payable to:</i>		
– Auditor of the Company		
– Current year	45	40
– Under-provision in prior year	4	(11)
<i>Fees on non-audit services paid/payable to:</i>		
– Auditor of the Company	12	39
– Other auditor		
– Current year	6	19
– Over-provision in prior year	(24)	–
Business development	130	207
Depreciation of plant and equipment (Note 18)	78	58
Employee compensation (Note 6)	1,719	1,471
Impairment of goodwill (Note 19)	–	512
Professional fees	206	329
Rental expense on operating leases	106	279
Other expenses	162	159
Total distribution and marketing costs and administrative expenses	2,444	3,102

6. EMPLOYEE COMPENSATION

	Group	
	2012	2011
	\$'000	\$'000
Wages and salaries	1,452	1,614
Employer's contribution to defined contribution plans including Central Provident Fund	71	71
Directors' fee	189	198
Jobs Credit Scheme	–	(2)
Other short-term benefits	85	134
	1,797	2,015
Less: Amounts attributable to discontinued operations	(78)	(544)
Amounts attributable to continuing operations	1,719	1,471

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.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2012

7. FINANCE EXPENSES

	Group	
	2012 \$'000	2011 \$'000
Interest expense – bank borrowings	(4)	–

8. INCOME TAXES

(a) *Income tax expenses*

	Group	
	2012 \$'000	2011 \$'000
Tax expense attributable to profit is made up of:		
– Under provision in prior financial years		
<i>From discontinued operations</i>		
Current income tax – foreign (Note 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	
	2012 \$'000	2011 \$'000
(Loss)/profit before income tax		
– Continuing operations	(4,595)	2,047
– Discontinued operations (Note 9)	(1,269)	(1,342)
	(5,864)	705
Tax calculated at tax rate of 17% (2011: 17%)	(997)	120
Effects of:		
– different tax rates in other countries	–	(65)
– income not subject to tax	(576)	(632)
– deferred income tax asset not recognised	1,573	577
Tax charge	–	–

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 2012

8. INCOME TAXES (CONTINUED)

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

	Group					
	Before tax \$'000	2012 Tax (charge)/ credit \$'000	After tax \$'000	Before Tax \$'000	2011 Tax (charge)/ credit \$'000	After tax \$'000
Fair value (losses)/gains and reclassification adjustments on available-for-sale financial assets	(4,964)	844	(4,120)	(994)	76	(918)
Reclassification on impairment of an available-for-sale financial asset	6,831	-	6,831	-	-	-
Currency translation differences arising from consolidation	-	-	-	47	-	47
Reclassification of currency translation reserves on disposal of a subsidiary	(7)	-	(7)	-	-	-
Other comprehensive income/(loss)	1,860	844	2,704	(947)	76	(871)

9. LOSS FROM DISCONTINUED OPERATIONS

On 21 October 2011, the shareholders passed a special resolution to approve the voluntary winding up of its 51% interest in San Technology Holding Pte. Ltd. comprising the oil recycling and renewable energy business. The results of the re-measurement of the disposal group are as follows:

	Group	
	2012 \$'000	2011 \$'000
Income	505	38
Expenses	(1,774)	(1,380)
Loss before tax from discontinued operations (Note 8)	(1,269)	(1,342)
Tax (Note 8)	-	(9)
Loss after tax from discontinued operations	(1,269)	(1,351)

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2012

10. EARNINGS PER SHARE

(a) Basic earnings per share

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

	Continuing operations		Discontinued operations		Total	
	2012	2011	2012	2011	2012	2011
Net (loss)/profit attributable to equity holders of the Company (\$'000)	(3,973)	2,709	(1,269)	(1,351)	(5,242)	1,358
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	886,723	886,721	886,723	886,721	886,723	886,721
Basic earnings per share (cents per share)	(0.45)	0.30	(0.14)	(0.15)	(0.59)	0.15

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, (loss)/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 (loss)/profit.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

10. EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share (continued)

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

	Continuing operations		Discontinued operations		Total	
	2012	2011	2012	2011	2012	2011
Net (loss)/profit attributable to equity holders of the Company (\$'000)	(3,973)	2,709	(1,269)	(1,351)	(5,242)	1,358
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	886,723	886,721	886,723	886,721	886,723	886,721
Adjustment for warrants ('000)	-	48,992	-	48,992	-	48,992
	886,723	935,713	886,723	935,713	886,723	935,713
Diluted earnings per share (cents per share)	(0.45)	0.29	(0.14)	(0.14)	(0.59)	0.15

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Cash at bank and on hand	5,328	1,266	2,408	58
Short-term bank deposits	4,003	4,694	4,003	4,694
	9,331	5,960	6,411	4,752

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

	Group	
	2012 \$'000	2011 \$'000
Cash and bank balances (as above)	9,331	5,960
Less: Bank deposits pledged	-	(1,202)
Cash and cash equivalent per consolidated statement of cash flows	9,331	4,758

Bank deposits are pledged in relation to the security granted for certain borrowings (Note 21).

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2012

11. CASH AND CASH EQUIVALENTS (CONTINUED)

Disposal of a subsidiary

On 21 October 2011, the shareholders passed a special resolution to approve the voluntary winding up of San Technology Pte. Ltd..

The effects of the disposal on the cash flows of the Group were:

	Group 2012 \$'000
Carrying amounts of assets and liabilities of the subsidiary as at 21 October 2011:	
Cash and cash equivalents	103
Trade and other receivables	10
Property, plant and equipment	30
Inventories	2
Total assets	145
Trade and other payables	(3,292)
Total liabilities	(3,292)
Net liabilities derecognised	(3,147)
Less: Non-controlling interests	1,535
Net liabilities	(1,612)

The aggregate cash inflows arising from the disposal were:

Net liabilities (as above)	(1,612)
Impairment of amount due to holding company	3,210
Loss on disposal of a subsidiary	(1,598)
Cash proceeds from disposal	-
Less: Cash and cash equivalents in subsidiary liquidated	(103)
Net cash outflow on disposal	(103)

12. OTHER RECEIVABLES

	Group		Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Deposits	30	40	30	28
Prepayments	38	173	35	36
Convertible loan receivables (a)	226	-	-	-
Dividend receivable from an associated company (Note 16)	934	-	-	-
Other receivables – non-related parties	15	174	7	8
	1,243	387	72	72

- (a) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

13. INVENTORIES

	Group	
	2012 \$'000	2011 \$'000
Consumables and spare parts	-	98
Work-in-progress	-	144
	-	242

The cost of inventories recognised as an expense and included in "loss from discontinued operations" amounted to \$788,000 (2011: \$32,000).

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2012 \$'000	2011 \$'000
Beginning of financial year	29,158	6,484
Additions (Note 16)	-	23,668
Fair value loss recognised in other comprehensive income (Note 24)	(4,964)	(994)
Reclassification to deferred income taxes (Note 22)	(108)	-
Disposals	(15,324)	-
End of financial year	8,762	29,158

Available-for-sale financial assets are analysed as follows:

	Group	
	2012 \$'000	2011 \$'000
Listed securities		
- equity securities - Singapore	8,762	29,158

During the financial year, the Group disposed of its entire shareholdings and warrants (W130301) in UPP Holdings Limited and 107,000 shares in Epicentre Holdings Limited. The net loss from disposals of S\$1,328,000 was recognised in profit or loss within "other (loss)/income-net".

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2012

15. AMOUNTS DUE FROM SUBSIDIARIES – NON-TRADE

	Company	
	2012	2011
	\$'000	\$'000
Amounts due from subsidiaries – non-trade	11,530	31,506
Less: allowance for impairment	(7,097)	(8,578)
	4,433	22,928
Loan to subsidiary	15,621	18,284
Less: allowance for impairment	-	(2,868)
	20,054	38,344

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 \$15,621,000 (2011: \$15,416,000) is unsecured, interest-free and has 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.

16. INVESTMENT IN ASSOCIATED COMPANIES

	Group	
	2012	2011
	\$'000	\$'000
Beginning of financial year	15,710	19,885
Additional investment	-	15,200
Share of (losses)/profits	(288)	709
Reversal of impairment loss	-	3,584
Share of results of associated companies	(288)	4,293
Reclassification to available-for-sale financial assets (Note 14)	-	(23,668)
Dividend receivable (Note 12)	(934)	-
End of financial year	14,488	15,710

The Group has accounted for recovery of impairment loss of \$3,584,000 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 available-for-sale financial asset 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

16. INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

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.

On 2 March 2012, Chenhong changed its name to Streamax International Holding Co., Limited.

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

	Group	
	2012	2011
	\$'000	\$'000
– Assets	86,906	64,399
– Liabilities	42,705	30,748
– Revenue	114,500	20,861
– Net (loss)/profit	(1,125)	2,102

Goodwill amounting to \$7,530,000 (2011: \$7,530,000) is included in the carrying amount of investment in associated company.

Details of associated company is as follows:

Name of company	Principal activities	Country of business/ Incorporation	Equity holding	
			2012	2011
			%	%
Streamax International Holding Co., Ltd ^(a) (Previously known as Chenhong International Metal Holding Co., Limited)	Recycling and sale of stainless steel metal and production and sale of nickel bean products	Hong Kong	24.33	24.33

(a) Audit procedures have been performed for consolidation purposes by Nexia TS Public Accounting Corporation.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2012

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2012	2011
	\$'000	\$'000
<i>Equity investments at cost</i>		
Beginning of financial year	200	1,200
Less: allowance for impairment	-	(1,000)
End of financial year	200	200
<i>Accumulated impairment</i>		
Beginning of financial year	1,000	200
Allowance for impairment	-	1,000
Reversal of allowance for impairment	(1,000)	(200)
End of financial year	-	1,000

Details of subsidiaries are as follow:

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			2012	2011
			%	%
<i>Held by the Company</i>				
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	100
San Technology Holding Pte. Ltd. ^{(1) (a)}	Oil recycling and renewable energy business and investment holding company	Singapore	-	51
<i>Held by San Technology Holding Pte. Ltd.</i>				
Sanfeng Chemical Technology Co., Limited ⁽²⁾	Oil recycling and renewable energy business	Hong Kong	-	51
San Technology (Shenzhen) Co., Ltd ⁽²⁾	Oil recycling and renewable energy business	People's Republic of China	-	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.

(a) On 21 October 2011, the shareholders passed a special resolution to approve the voluntary winding up of San Technology Holding Pte. Ltd..

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

18. 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									
2012									
<i>Cost</i>									
Beginning of financial year	54	102	10	365	119	–	914	–	1,564
Currency translation differences	–	(1)	–	1	1	–	3	–	4
Additions	1	–	1	–	–	–	–	–	2
Reclassification	–	–	–	–	–	–	(788)	–	(788)
Disposals	(20)	(27)	(2)	–	–	–	–	–	(49)
Written off	(15)	(5)	–	–	(65)	–	(107)	–	(192)
Reclassified to disposal group	–	–	–	(48)	–	–	(22)	–	(70)
End of financial year	20	69	9	318	55	–	–	–	471
<i>Accumulated depreciation</i>									
Beginning of financial year	22	19	2	32	49	–	47	–	171
Currency translation differences	–	–	–	–	1	–	1	–	2
Depreciation charge – Continuing Operations (Note 5)	4	14	1	32	27	–	–	–	78
– Discontinued Operations	3	3	1	5	18	–	14	–	44
Disposals	(9)	(13)	(1)	–	–	–	–	–	(23)
Written off	(5)	(1)	–	–	(51)	–	(51)	–	(108)
Reclassified to disposal group	–	–	–	(29)	–	–	(11)	–	(40)
End of financial year	15	22	3	40	44	–	–	–	124
Net book value									
End of financial year	5	47	6	278	11	–	–	–	347
2011									
<i>Cost</i>									
Beginning of financial year	85	57	8	344	152	9	127	849	1,631
Currency translation differences	(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
<i>Accumulated depreciation</i>									
Beginning of financial year	50	27	6	81	80	9	24	–	277
Currency translation differences	–	(1)	–	(1)	(2)	–	(2)	–	(6)
Depreciation charge – Continuing Operations (Note 5)	4	8	–	30	16	–	–	–	58
– Discontinued Operations	7	7	1	10	32	–	25	–	82
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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2012

18. PLANT AND EQUIPMENT (CONTINUED)

	Computers \$'000	Furniture and fittings \$'000	Office equipment \$'000	Motor vehicle \$'000	Renovation \$'000	Electrical Fittings \$'000	Total \$'000
<i>Company</i>							
2012							
<i>Cost</i>							
Beginning of financial year	19	69	8	318	55	–	469
Additions	1	–	1	–	–	–	2
End of financial year	20	69	9	318	55	–	471
<i>Accumulated depreciation</i>							
Beginning of financial year	12	8	2	8	16	–	46
Depreciation charge	3	14	1	32	28	–	78
End of financial year	15	22	3	40	44	–	124
Net book value							
End of financial year	5	47	6	278	11	–	347
2011							
<i>Cost</i>							
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
<i>Accumulated depreciation</i>							
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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

19. GOODWILL

	Group	
	2012 \$'000	2011 \$'000
Beginning of financial year	-	512
Impairment charge (Note 5)	-	(512)
End of financial year	-	-

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%

As at 31 March 2011, management fully impaired the goodwill as the likelihood of the CGU generating profit is considered remote.

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Trade payables				
– Non-related parties	-	267	-	-
Accruals for operating expenses	158	298	95	118
	158	565	95	118

21. BORROWINGS

	Group		Company	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Bank borrowings – secured	-	1,095	-	-
Shareholder's loan – unsecured	-	16,000	-	16,000
	-	17,095	-	16,000

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 11) and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2012

21. BORROWINGS (CONTINUED)

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

	Group	
	2012 \$'000	2011 \$'000
Bank borrowings in RMB	-	4.86%
Interest-bearing loans in USD	-	3.10%

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

The loans were fully repaid in the financial year ended 31 March 2012.

22. 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	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Deferred income tax liabilities				
To be settled after one year				
- Fair value gains - net	965	518	-	-
- Accelerated tax depreciation	20	20	20	20
	985	538	20	20

Movement in deferred income tax account is as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation \$'000	Fair value gains - net \$'000	Total \$'000
2012			
Beginning of financial year	20	518	538
Charged to equity	-	555	555
Reclassification (Note 14)	-	(108)	(108)
End of financial year	20	965	985
2011			
Beginning of financial year	20	594	614
Charged to equity	-	(76)	(76)
End of financial year	20	518	538

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

22. DEFERRED INCOME TAXES (CONTINUED)

Company

Deferred income tax liabilities

	Accelerated tax depreciation \$'000	Fair value gains – net \$'000	Total \$'000
2012 and 2011			
Beginning and end of financial year	20	–	20

23. SHARE CAPITAL

	No. of ordinary shares Issued share capital '000	Amount Share capital \$'000
<u>Group and Company</u>		
2012		
Beginning of financial year	886,723	51,914
Shares issued	8	1
End of financial year	886,731	51,915
2011		
Beginning of financial year	886,720	51,914
Shares issued	3	–*
End of financial year	886,723	51,914

* denotes below \$1,000

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

On 23 March 2012, the Company issued 7,500 (2011: 3,000) ordinary shares arising from the conversion of 7,500 (2011: 3,000) warrants. 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.

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 2012, the outstanding warrants were 380,012,392 (2011: 380,019,892).

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2012

23. SHARE CAPITAL (CONTINUED)

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.

24. FAIR VALUE RESERVE

	Group	
	2012 \$'000	2011 \$'000
Beginning of financial year	2,000	2,918
Available-for-sale financial assets		
– Fair value losses (Notes 8, 14)	(4,964)	(994)
– Tax on fair value changes (Note 8)	844	76
	(4,120)	(918)
– Disposals (Note 8)	6,831	–
	2,711	(918)
End of financial year	4,711	2,000

25. COMMITMENTS

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

	Group	
	2012 \$'000	2011 \$'000
Not later than one year	109	141
Between one and five years	45	159
	154	300

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

26. 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 any 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 currency exposure based on the information provided to key management is as follows:

	SGD \$'000	RMB \$'000	USD \$'000	Total \$'000
2012				
Financial assets				
Available-for-sale financial assets	8,762	–	–	8,762
Cash and cash equivalent	9,331	–	–	9,331
Investment in associated company	14,488	–	–	14,488
Other receivables	45	934	226	1,205
	<u>32,626</u>	<u>934</u>	<u>226</u>	<u>33,786</u>
Financial liabilities				
Trade and other payables	158	–	–	158
	<u>158</u>	<u>–</u>	<u>–</u>	<u>158</u>
Net financial assets	<u>32,468</u>	<u>934</u>	<u>226</u>	<u>33,628</u>
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	<u>–</u>	<u>934</u>	<u>226</u>	<u>1,160</u>

In 2011, 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.

The Company is not exposed to currency risk since all its financial assets and liabilities as at 31 March 2011 and 2012 are denominated in Singapore Dollars.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2012

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(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 available-for-sale financial assets or investment in associated company.

Further details of these equity investments can be found in Notes 14 and 16 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 available-for-sale financial assets, 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 2012 would increase/decrease by \$727,000 (2011: \$2,411,000).

(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 11.

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

	2012 \$'000	2011 \$'000
<u>Group</u>		
Trade and other payables	158	565
<u>Company</u>		
Trade and other payables	95	118

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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.

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	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Total liabilities	1,145	18,200	117	16,140
Net assets	33,026	34,650	26,967	27,651
Debt-equity ratio	0.035 times	0.525 times	0.004 times	0.584 times

The Group and the Company do not have any externally imposed capital requirements for the financial years ended 31 March 2012 and 2011.

27. 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	
	2012 \$'000	2011 \$'000
Rental income from an entity related by common shareholders	-	126

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2012 \$'000	2011 \$'000
Wages and salaries	940	900
Employer's contribution to defined contribution plans, including Central Provident Fund	25	22
Retirement benefits	80	-
Directors' fee	189	198
	1,234	1,120

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

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 March 2012

28. 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 investment corporate segment recorded a loss due to disposal of the subsidiary company, San Technology Holding Pte. Ltd. ("STH") and loss incurred on disposal of UPP shares and warrants (W130301) during the financial year ended 31 March 2012.

STH, the Company's subsidiary which was in the oil recycling and renewable energy segment, underwent voluntary liquidation process since 21 October 2011.

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 2012

28. SEGMENT INFORMATION (CONTINUED)

Allocation basis (continued)

Business segments

	Oil recycling and renewable energy (Discontinued operations) \$'000	Corporate investment (Continuing operations) \$'000	Group \$'000
2012			
Sales			
– external sales	480	–	480
Segment result	(1,269)	(4,595)	(5,864)
Income tax			–
Net loss			(5,864)
Other segment items			
Capital expenditure			
– plant and equipment	–	2	2
Depreciation	44	78	122
Segment assets	*	34,171	34,171
Segment liabilities	*	158	158
Current income tax liabilities			2
Deferred income tax liabilities			985
Total liabilities			1,145

* STH underwent voluntary liquidation process after liquidators were appointed on 21 October 2011.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2012

28. SEGMENT INFORMATION (CONTINUED)**Allocation basis (continued)****Business segments (continued)**

	Oil recycling and renewable energy (Discontinued operations) \$'000	Corporate investment (Continuing operations) \$'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	82	58	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

29. EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 26 April 2012, the Company's wholly owned subsidiary, SSP Innovations Pte Ltd ("SSP") signed a convertible loan with Riezen Pte. Ltd. ("Riezen") and the existing shareholders of Riezen pursuant to which SSP shall grant a convertible loan of up to \$6,290,000 (equivalent to US\$5,000,000) (the "Convertible Loan") to Riezen. The Convertible Loan is unsecured and is to be disbursed to Riezen in three tranches, subject to Riezen fulfilling certain conditions for each tranche. Under the terms of the agreement, SSP may convert the convertible loan for up to 60% of the resultant enlarged issued share capital of Riezen.

Riezen and its subsidiaries are principally engaged in the business of providing primary process technologies to solar thermal collector companies and developing low and mid temperature thin film selective coatings for solar thermal applications.

On the same day, SSP signed Deeds of Novation and Termination with existing shareholders of Heliconix, Inc. ("Heliconix") and Riezen. Under the Deed of Novation, Heliconix would transfer all its liability under the convertible loan agreement, signed on 7 June 2011, to Riezen, its holding company. The convertible loan between SSP and Heliconix was then terminated under a Deed of Termination. The loan amount of US\$180,000 formed part of the convertible loan of \$6,290,000 between SSP and Riezen.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

30. 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 to the Group's accounting periods beginning on or after 1 April 2012 or later periods and which the Group has not early adopted:

- Amendments to FRS 1 – Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after 1 July 2012)
- Amendments to FRS 101 – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (effective for annual periods beginning on or after 1 July 2011)
- Amendments to FRS 107 Disclosures – Transfer of Financial Assets (effective for annual periods beginning on or after 1 July 2011)
- FRS 19 (revised 2011) – Employee Benefits (effective for annual periods beginning on or after 1 January 2013)
- FRS 27 (revised 2011) – Separate Financial Statements (effective for annual periods beginning on or after 1 January 2013)
- FRS 110 – Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2013)
- FRS 111 – Joint Arrangements (effective for annual periods beginning on or after 1 January 2013)
- FRS 112 – Disclosure of Interest in Other Entities (effective for annual periods beginning on or after 1 January 2013)
- FRS 113 – Fair Value Measurement (effective for annual periods beginning on or after 1 January 2013)

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 in the period of their initial adoption.

31. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Rowsley Ltd. on 31 May 2012.

SHAREHOLDINGS AND WARRANTHOLDINGS STATISTICS

As at 28 May 2012

No. of Issued shares	-	888,562,732 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 28 May 2012, 70.16% 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 28 May 2012

S/No	Substantial Shareholders	Number of Shares			Total	Percentage of the issued shares
		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		
(1)	Garville Pte Ltd ("Garville")	111,930,588	-	153,198,294 ^(a)	265,128,882	29.84
(2)	Garville (Hong Kong) Limited ("Garville (HK)")	153,198,294	-	-	153,198,294	17.24
(3)	Lim Eng Hock	-	-	265,128,882 ^(b)	265,128,882	29.84

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 28 May 2012

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 999	163	3.15	12,958	0.00
1,000 – 10,000	1,258	24.32	7,711,876	0.87
10,001 – 1,000,000	3,688	71.29	324,820,363	36.56
1,000,001 and above	64	1.24	556,017,535	62.57
	5,173	100.00	888,562,732	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1	Garville (Hong Kong) Limited	153,198,294	17.24
2	Garville Pte Ltd	111,930,588	12.60
3	UOB Kay Hian Pte Ltd	25,962,500	2.92
4	OCBC Securities Private Ltd	25,719,000	2.89
5	Lim Tien Lock Christopher	19,970,000	2.25
6	Maybank Kim Eng Securities Pte. Ltd.	16,181,000	1.82
7	HSBC (Singapore) Nominees Pte Ltd	15,837,000	1.78
8	DBS Nominees Pte Ltd	13,011,800	1.46
9	Citibank Nominees Singapore Pte Ltd	12,716,000	1.43
10	Mayban Nominees (S) Pte Ltd	12,637,000	1.42
11	United Overseas Bank Nominees Pte Ltd	10,426,800	1.17
12	Nomura Singapore Limited	8,400,000	0.95
13	Lim Hwee Leng	7,417,262	0.83
14	OCBC Nominees Singapore Pte Ltd	7,267,920	0.82
15	Yap Chin Kok	7,000,000	0.79
16	Seet Hong Kiang	6,700,000	0.75
17	Phillip Securities Pte Ltd	5,316,105	0.60
18	Tan Soon Kiat	5,140,000	0.58
19	DBS Vickers Securities (S) Pte Ltd	4,953,000	0.56
20	Thia Peng Heok George	4,450,000	0.50
		474,234,269	53.36

SHAREHOLDINGS AND WARRANTHOLDINGS STATISTICS
As at 28 May 2012

ANALYSIS OF WARRANTHOLDINGS

Range of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 – 999	285	13.91	140,776	0.04
1,000 – 10,000	510	24.89	2,356,000	0.62
10,001 – 1,000,000	1,217	59.39	78,581,836	20.78
1,000,001 and above	37	1.81	297,101,879	78.56
	2,049	100.00	378,180,491	100.00

TOP 20 WARRANTHOLDERS

No.	Name of Warrantholder	No. of Warrants	%
1	Garville (Hong Kong) Limited	148,905,126	39.37
2	Garville Pte Ltd	47,970,252	12.68
3	UOB Kay Hian Pte Ltd	13,915,667	3.68
4	Lim Tien Lock Christopher	8,122,000	2.15
5	Mayban Nominees (S) Pte Ltd	5,532,485	1.46
6	Maybank Kim Eng Securities Pte. Ltd.	5,306,500	1.40
7	Citibank Nominees Singapore Pte Ltd	4,899,000	1.30
8	Seet Hong Kiang	4,451,000	1.18
9	HSBC (Singapore) Nominees Pte Ltd	4,405,000	1.16
10	OCBC Securities Private Ltd	4,329,450	1.14
11	Nomura Singapore Limited	3,600,000	0.95
12	Lim Yan Ling	3,328,500	0.88
13	Yap Chin Kok	3,000,000	0.79
14	Tang Chong Sim	2,951,000	0.78
15	Lim Kian Hong (Lin Jian Hong)	2,850,000	0.75
16	Yeap Lam Wah	2,847,000	0.75
17	Ang Chua Yong	2,250,000	0.59
18	HL Bank Nominees (S) Pte Ltd	2,000,000	0.53
19	Tan Hwee Chen	2,000,000	0.53
20	Tan Soon Kiat	1,796,184	0.47
		274,459,164	72.54

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of the Company will be held on Tuesday, 26 June 2012 at 9.30 a.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 2012 and the Independent Auditor's Report thereon. **[Resolution 1]**
2. To re-elect Dr Ho Tat Kin, a Director retiring pursuant to Article 96(2) of the Articles of Association of the Company. [See Explanatory Note (a)] **[Resolution 2]**
3. To re-elect Ms Claire Lee Suk Leng, a Director retiring pursuant to Article 96(2) of the Articles of Association of the Company. [See Explanatory Note (b)] **[Resolution 3]**
4. To approve the sum of up to \$186,000 as Directors' fees for the financial year ending 31 March 2013 and the payment thereof on a quarterly basis. (2012: up to \$238,000/-) **[Resolution 4]**
5. To re-appoint Nexia TS Public Accounting Corporation, Certified Public Accountants as Independent Auditor of the Company and to authorise the Directors of the Company to fix its remuneration. **[Resolution 5]**

Special Business

To consider and, if thought fit, to pass with or without modifications, the following as Ordinary Resolution(s):-

6. 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);

NOTICE OF ANNUAL GENERAL MEETING

- (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:
- (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 (c)]

[Resolution 6]

Any Other Business

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

By Order of the Board

Lee Pin Kwan
Company Secretary

Singapore
11 June 2012

Explanatory Notes

- (a) Dr Ho Tat Kin, if re-elected, will remain as a member of the Investment Committee and the Nominating Committee.
- (b) Ms Claire Lee Suk Leng, if re-elected, will remain as Chairman of the Remuneration Committee and a member of the Audit Committee and the Investment Committee. Ms Claire Lee Suk Leng will be considered as an Independent Director of the Company.
- (c) Ordinary Resolution 6, proposed in Item 6 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 6 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 6 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.

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.

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PROXY FORM

ROWSLEY LTD.

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

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, 26 June 2012 at 9.30 a.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 2012 and the Independent Auditor’s Report		
2.	Re-election of Dr Ho Tat Kin as Director		
3.	Re-election of Ms Claire Lee Suk Leng as Director		
4.	Approval of Directors’ fees for the financial year ending 31 March 2013		
5.	Re-appointment of Nexia TS Public Accounting Corporation, Certified Public Accountants as Independent Auditor of the Company		
	SPECIAL BUSINESS		
6.	Authority to allot and issue shares in the capital of the Company		

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

Dated this _____ day of _____ 2012

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.

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ROWSLEY

ROWSLEY LTD.

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

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