



**Ellipsiz Ltd and its Subsidiaries
Registration Number: 199408329R**

Third Quarter Financial Statements and
Dividend Announcement for period ended

31 March 2010

Statements of Financial Position

		Group			Company		
	Note	31 March 2010 \$'000	30 June 2009 \$'000	Var. %	31 March 2010 \$'000	30 June 2009 \$'000	Var. %
Non-current assets							
Property, plant and equipment	3	10,148	13,660	(26)	8	8	-
Intangible assets	4	35,285	36,163	(2)	6	9	(33)
Subsidiaries	5	-	-	-	81,090	83,324	(3)
Associates		4,252	4,382	(3)	3,018	3,018	-
Joint ventures		236	209	13	-	-	-
Financial assets		3,158	-	100	3,158	-	100
Amounts due from related parties		-	-	-	1,209	1,652	(27)
Deferred tax assets		2,619	2,220	18	2	7	(71)
		<u>55,698</u>	<u>56,634</u>	(2)	<u>88,491</u>	<u>88,018</u>	1
Current assets							
Inventories		9,714	10,245	(5)	-	-	-
Project-in-progress		1,433	823	74	-	-	-
Convertible loan receivable		-	-	-	-	-	-
Trade and other receivables		32,297	26,796	21	290	42	590
Amounts due from related parties		25	160	(84)	8,280	11,374	(27)
Cash and cash equivalents	6	41,860	32,433	29	14,830	3,649	306
Asset classified as held for sale	7	2,381	-	100	-	-	-
		<u>87,710</u>	<u>70,457</u>	24	<u>23,400</u>	<u>15,065</u>	55
Total assets		<u>143,408</u>	<u>127,091</u>	13	<u>111,891</u>	<u>103,083</u>	9
Equity attributable to owners of the Company							
Share capital	8	86,793	129,578	(33)	86,793	129,578	(33)
Reserves		3,042	(52,706)	106	12,579	(42,514)	130
		<u>89,835</u>	<u>76,872</u>	17	<u>99,372</u>	<u>87,064</u>	14
Minority interests		2,535	2,614	(3)	-	-	-
Total equity		<u>92,370</u>	<u>79,486</u>	16	<u>99,372</u>	<u>87,064</u>	14
Non-current liabilities							
Interest-bearing borrowings	9	4,601	5,604	(18)	2,986	3,442	(13)
Deferred tax liabilities		703	1,000	(30)	-	-	-
		<u>5,304</u>	<u>6,604</u>	(20)	<u>2,986</u>	<u>3,442</u>	(13)
Current liabilities							
Trade and other payables		30,429	27,380	11	1,947	2,035	(4)
Provisions		1,870	2,131	(12)	-	-	-
Amounts due to related parties		368	82	349	3,913	5,270	(26)
Interest-bearing borrowings	9	8,117	9,470	(14)	3,089	4,911	(37)
Redeemable convertible preference shares		78	78	-	-	-	-
Current tax payable		4,872	1,860	162	584	361	62
		<u>45,734</u>	<u>41,001</u>	12	<u>9,533</u>	<u>12,577</u>	(24)
Total liabilities		<u>51,038</u>	<u>47,605</u>	7	<u>12,519</u>	<u>16,019</u>	(22)
Total equity and liabilities		<u>143,408</u>	<u>127,091</u>	13	<u>111,891</u>	<u>103,083</u>	9

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

Consolidated Statement of Comprehensive Income

Group	Note	1 January 2010 to 31 March 2010 \$'000	1 January 2009 to 31 March 2009 \$'000	Var. %	1 July 2009 to 31 March 2010 \$'000	1 July 2008 to 31 March 2009 \$'000	Var. %
Revenue		37,576	30,593	23	104,771	116,015	(10)
Cost of revenue		(28,867)	(40,885)	(29)	(80,092)	(113,835)	(30)
Gross profit		<u>8,709</u>	<u>(10,292)</u>	185	<u>24,679</u>	<u>2,180</u>	1,032
Other income	10	1,289	996	29	20,337	2,438	734
Distribution expenses		(3,610)	(3,303)	9	(10,671)	(11,788)	(9)
Administrative expenses		(3,534)	(6,609)	(47)	(12,291)	(16,706)	(26)
Research and development expenses		(572)	(648)	(12)	(1,875)	(2,532)	(26)
Other expenses		(314)	(7,757)	(96)	(1,781)	(7,913)	(77)
Results from operating activities	10	1,968	(27,613)	107	18,398	(34,321)	154
Finance income		8	27	(70)	33	126	(74)
Finance expenses		(153)	(171)	(11)	(462)	(600)	(23)
Net finance expenses	11	(145)	(144)	1	(429)	(474)	(9)
Share of results of associates (net of tax)		(217)	(450)	52	(108)	(843)	87
Share of results of joint ventures (net of tax)		32	(37)	186	52	6	767
Profit/(Loss) before income tax		<u>1,638</u>	<u>(28,244)</u>	106	<u>17,913</u>	<u>(35,632)</u>	150
Income tax (expense)/credit	12	(107)	(334)	(68)	(3,020)	626	(582)
Profit/(Loss) for the period		<u><u>1,531</u></u>	<u><u>(28,578)</u></u>	105	<u><u>14,893</u></u>	<u><u>(35,006)</u></u>	143
Other comprehensive income							
Exchange differences on translation of financial statements of foreign operations		833	2,312	(64)	(699)	7,168	(110)
Exchange differences on monetary items forming part of net investments in foreign operations		(798)	(531)	(50)	(611)	(1,514)	60
Net change in fair value of available-for-sale financial assets, net of tax		(1,318)	(9)	(14,544)	(1,129)	(27)	(4,081)
Net change in fair value of available-for-sale financial assets transferred to profit or loss, net of tax		-	-	-	(14)	(13)	(8)
Other comprehensive income for the period, net of income tax		<u>(1,283)</u>	<u>1,772</u>	(172)	<u>(2,453)</u>	<u>5,614</u>	(144)
Total comprehensive income for the period		<u><u>248</u></u>	<u><u>(26,806)</u></u>	101	<u><u>12,440</u></u>	<u><u>(29,392)</u></u>	142
Profit/(Loss) attributable to:							
Owners of the Company		1,481	(28,363)	105	14,990	(34,718)	143
Minority interests		50	(215)	(123)	(97)	(288)	(66)
Profit/(Loss) for the period		<u><u>1,531</u></u>	<u><u>(28,578)</u></u>	105	<u><u>14,893</u></u>	<u><u>(35,006)</u></u>	143

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

Ellipsiz Ltd and its subsidiaries
 Third quarter results ended
 31 March 2010

Group	Note	1 January 2010 to 31 March 2010 \$'000	1 January 2009 to 31 March 2009 \$'000	Var. %	1 July 2009 to 31 March 2010 \$'000	1 July 2008 to 31 March 2009 \$'000	Var. %
Total comprehensive income attributable to:							
Owners of the Company		205	(26,691)	101	12,504	(29,217)	143
Minority interests		43	(115)	(137)	(64)	(175)	(63)
Total comprehensive income for the period		<u>248</u>	<u>(26,806)</u>	101	<u>12,440</u>	<u>(29,392)</u>	142
Earnings per share	13						
- Basic (cents)		0.29	(6.37)	105	2.93	(10.92)	127
- Diluted (cents)		<u>0.28</u>	<u>(6.37)</u>	104	<u>2.79</u>	<u>(10.92)</u>	126

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Consolidated Statement of Changes in Equity

Group	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Compensation reserve \$'000	Exchange translation reserve \$'000	Accumulated (losses)/profit \$'000	Total attributable to owners of the Company \$'000	Minority interests \$'000	Total equity \$'000
31 March 2010									
Balance as at 1 July 2009	129,578	(11,720)	-	464	(7,730)	(33,720)	76,872	2,614	79,486
Total comprehensive income for the period									
Profit/(Loss) for the period	-	-	-	-	-	13,509	13,509	(147)	13,362
Other comprehensive income									
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	(1,572)	-	(1,572)	40	(1,532)
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	187	-	187	-	187
Net change in fair value of available-for-sale financial assets, net of tax	-	-	189	-	-	-	189	-	189
Net change in fair value of available-for-sale financial assets transferred to profit or loss, net of tax	-	-	(14)	-	-	-	(14)	-	(14)
Total other comprehensive income	-	-	175	-	(1,385)	-	(1,210)	40	(1,170)
Total comprehensive income for the period	-	-	175	-	(1,385)	13,509	12,299	(107)	12,192
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Issue of ordinary shares	173	-	-	-	-	-	173	-	173
Capital reduction	(42,978)	-	-	-	-	42,978	-	-	-
Value of employee services received for issue of share options	-	-	-	138	-	-	138	-	138
Total contributions by and distributions to owners	(42,805)	-	-	138	-	42,978	311	-	311
Total transactions with owners	(42,805)	-	-	138	-	42,978	311	-	311
Balance as at 31 December 2009	86,773	(11,720)	175	602	(9,115)	22,767	89,482	2,507	91,989

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

Group	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Compensation reserve \$'000	Exchange translation reserve \$'000	Accumulated (losses)/profit \$'000	Total attributable to owners of the Company \$'000	Minority interests \$'000	Total equity \$'000
31 March 2010									
Balance as at 1 January 2010	86,773	(11,720)	175	602	(9,115)	22,767	89,482	2,507	91,989
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	1,481	1,481	50	1,531
Other comprehensive income									
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	840	-	840	(7)	833
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	(798)	-	(798)	-	(798)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	(1,318)	-	-	-	(1,318)	-	(1,318)
Total other comprehensive income	-	-	(1,318)	-	42	-	(1,276)	(7)	(1,283)
Total comprehensive income for the period	-	-	(1,318)	-	42	1,481	205	43	248
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Issue of ordinary shares	20	-	-	-	-	-	20	-	20
Value of employee services received for issue of share options	-	-	-	208	-	-	208	-	208
Total contributions by and distributions to owners	20	-	-	208	-	-	228	-	228
Capital injection by minority shareholder of a subsidiary	-	-	-	-	-	-	-	122	122
Arising from acquisition of additional interest from minority shareholder of a subsidiary	-	-	-	-	-	(80)	(80)	(137)	(217)
Total transactions with owners	20	-	-	208	-	(80)	148	(15)	133
Balance as at 31 March 2010	86,793	(11,720)	(1,143)	810	(9,073)	24,168	89,835	2,535	92,370

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Consolidated Statement of Changes in Equity

Group	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Compensation reserve \$'000	Exchange translation reserve \$'000	Accumulated profits/(loss) \$'000	Total attributable to owners of the Company \$'000	Minority interests \$'000	Total equity \$'000
31 March 2009									
Balance as at 1 July 2008	121,112	(11,720)	40	464	(11,428)	5,188	103,656	3,589	107,245
Total comprehensive income for the period									
Loss for the period	-	-	-	-	-	(6,355)	(6,355)	(73)	(6,428)
Other comprehensive income									
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	4,843	-	4,843	13	4,856
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	(983)	-	(983)	-	(983)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	(18)	-	-	-	(18)	-	(18)
Net change in fair value of available-for-sale financial assets transferred to profit or loss, net of tax	-	-	(13)	-	-	-	(13)	-	(13)
Total other comprehensive income	-	-	(31)	-	3,860	-	3,829	13	3,842
Total comprehensive income for the period	-	-	(31)	-	3,860	(6,355)	(2,526)	(60)	(2,586)
Balance as at 31 December 2008	121,112	(11,720)	9	464	(7,568)	(1,167)	101,130	3,529	104,659
Balance as at 1 January 2009	121,112	(11,720)	9	464	(7,568)	(1,167)	101,130	3,529	104,659
Total comprehensive income for the period									
Loss for the period	-	-	-	-	-	(28,363)	(28,363)	(215)	(28,578)
Other comprehensive income									
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	2,212	-	2,212	100	2,312
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	(531)	-	(531)	-	(531)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	(9)	-	-	-	(9)	-	(9)
Total other comprehensive income	-	-	(9)	-	1,681	-	1,672	100	1,772
Total comprehensive income for the period	-	-	(9)	-	1,681	(28,363)	(26,691)	(115)	(26,806)

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Ellipsiz Ltd and its Subsidiaries
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Group	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Compensation reserve \$'000	Exchange translation reserve \$'000	Accumulated profits/(loss) \$'000	Total attributable to owners of the Company \$'000	Minority interests \$'000	Total equity \$'000
31 March 2009									
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Issue of ordinary shares	8,793	-	-	-	-	-	8,793	-	8,793
Share issue expenses	(323)	-	-	-	-	-	(323)	-	(323)
Capital contribution by minority shareholders of a subsidiary	-	-	-	-	-	-	-	784	784
Dividend paid to minority shareholder of a subsidiary	-	-	-	-	-	-	-	(30)	(30)
Total contributions by and distributions to owners	8,470	-	-	-	-	-	8,470	754	9,224
Total transactions with owners	8,470	-	-	-	-	-	8,470	754	9,224
Balance as at 31 March 2009	129,582	(11,720)	-	464	(5,887)	(29,530)	82,909	4,168	87,077

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

Statement of Changes in Equity

Company	Share capital \$'000	Fair value reserve \$'000	Compensation reserve \$'000	Accumulated (losses)/profit \$'000	Total equity \$'000
31 March 2010					
Balance as at 1 July 2009	129,578	-	464	(42,978)	87,064
Total comprehensive income for the period					
Profit for the period	-	-	-	802	802
Other comprehensive income					
Net change in fair value of available-for-sale financial assets, net of tax	-	189	-	-	189
Net change in fair value of available-for-sale financial assets transferred to profit or loss, net of tax	-	(14)	-	-	(14)
Total other comprehensive income	-	175	-	-	175
Total comprehensive income for the period	-	175	-	802	977
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares	173	-	-	-	173
Capital reduction	(42,978)	-	-	42,978	-
Value of employee services received for issue of share options	-	-	50	-	50
Total contributions by and distributions to owners	(42,805)	-	50	42,978	223
Total transactions with owners	(42,805)	-	50	42,978	223
Balance as at 31 December 2009	86,773	175	514	802	88,264
Balance as at 1 January 2010	86,773	175	514	802	88,264
Total comprehensive income for the period					
Profit for the period	-	-	-	12,110	12,110
Other comprehensive income					
Net change in fair value of available-for-sale financial assets, net of tax	-	(1,318)	-	-	(1,318)
Total other comprehensive income	-	(1,318)	-	-	(1,318)
Total comprehensive income for the period	-	(1,318)	-	12,110	10,792
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares	20	-	-	-	20
Value of employee services received for issue of share options	-	-	296	-	296
Total contributions by and distributions to owners	20	-	296	-	316
Total transactions with owners	20	-	296	-	316
Balance as at 31 March 2010	86,793	(1,143)	810	12,912	99,372

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Ellipsiz Ltd and its Subsidiaries
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Company	Share capital \$'000	Fair value reserve \$'000	Compen- sation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
31 March 2009					
Balance as at 1 July 2008	121,112	40	464	(32,192)	89,424
Total comprehensive income for the period					
Profit for the period	-	-	-	242	242
Other comprehensive income					
Net change in fair value of available-for-sale financial assets, net of tax	-	(18)	-	-	(18)
Net change in fair value of available-for-sale financial assets transferred to profit or loss, net of tax	-	(13)	-	-	(13)
Total other comprehensive income	-	(31)	-	-	(31)
Total comprehensive income for the period	-	(31)	-	242	211
Balance as at 31 December 2008	121,112	9	464	(31,950)	89,635
Balance as at 1 January 2009	121,112	9	464	(31,950)	89,635
Total comprehensive income for the period					
Loss for the period	-	-	-	(8,261)	(8,261)
Other comprehensive income					
Net change in fair value of available-for-sale financial assets, net of tax	-	(9)	-	-	(9)
Total other comprehensive income	-	(9)	-	-	(9)
Total comprehensive income for the period	-	(9)	-	(8,261)	(8,270)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares	8,793	-	-	-	8,793
Share issue expenses	(323)	-	-	-	(323)
Total contributions by and distributions to owners	8,470	-	-	-	8,470
Total transactions with owners	8,470	-	-	-	8,470
Balance as at 31 March 2009	129,582	-	464	(40,211)	89,835

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

Consolidated Cash Flow Statement

	1 January 2010 to 31 March 2010 \$'000	1 January 2009 to 31 March 2009 \$'000	1 July 2009 to 31 March 2010 \$'000	1 July 2008 to 31 March 2009 \$'000
Operating Activities				
Profit/(Loss) for the period	1,531	(28,578)	14,893	(35,006)
Adjustments for:				
Allowance/(Reversal of allowance) for:				
- inventory obsolescence	142	2,746	417	4,026
- doubtful debts from trade and other receivables	2	143	(80)	160
- doubtful convertible loan receivable	-	1,598	-	1,598
Depreciation of property, plant and equipment	1,092	1,976	3,580	6,678
Interest income	(8)	(27)	(33)	(126)
Interest expenses	153	171	462	600
Bad debts written off	-	18	33	21
Property, plant and equipment written off:				
- others	6	134	10	159
- arising from fire incident	-	5,332	-	5,332
Inventories written off:				
- others	21	10	221	15
- arising from fire incident	-	3,145	-	3,145
Impairment losses on property, plant and equipment:				
- others	-	1,255	-	1,906
- arising from fire incident	-	3,377	-	3,377
Impairment losses on:				
- investment in associate	-	1,850	-	1,850
- other financial assets	-	5,898	-	5,898
Loss/(Gain) on disposal of:				
- property, plant and equipment	2	53	(58)	-
- other financial asset	-	-	(14)	(13)
- an associate	-	-	-	(13)
Amortisation of intangible assets	113	125	340	363
Grant income	-	(63)	-	(208)
Government grant – Jobs Credit Scheme income	(91)	-	(498)	-
Insurance claim income arising from fire incident	(957)	-	(19,210)	-
Provision for other liabilities arising from fire incident	127	-	921	-
Retrenchment benefits arising from fire incident	-	-	222	-
Share option expense	208	-	346	-
Share of results of associates and joint ventures (net of tax)	185	487	56	837
Income tax expense/(credit)	107	334	3,020	(626)
Operating profit/(loss) before working capital changes	2,633	(16)	4,628	(27)
Inventories	(888)	(594)	(241)	107
Project-in-progress	1,091	2,424	161	1,731
Amounts due from related parties (trade)	(1)	157	134	350
Amounts due to related parties (trade)	-	(1)	1	(16)
Trade and other receivables	(5,688)	3,625	(5,732)	11,837
Trade and other payables	4,076	(2,417)	2,381	(7,653)
Advances from insurance claims	-	-	100	-
Insurance claim received	3,514	-	16,924	-
Utilisation of provision for other liabilities arising from fire incident	(299)	-	(320)	-

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Ellipsiz Ltd and its Subsidiaries
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	1 January 2010 to 31 March 2010 \$'000	1 January 2009 to 31 March 2009 \$'000	1 July 2009 to 31 March 2010 \$'000	1 July 2008 to 31 March 2009 \$'000
Restructuring and retrenchment costs paid	(192)	(1,155)	(1,111)	(5,528)
(Placement)/Release of pledged deposits with financial institutions	(1,074)	3,217	(1,061)	3,222
Cash generated from operations	3,172	5,240	15,864	4,023
Interest received	8	27	33	126
Interest paid	(91)	(134)	(256)	(492)
Tax credit received	-	189	132	458
Income taxes paid	(324)	(46)	(794)	(629)
Cash flows from operating activities	2,765	5,276	14,979	3,486
Investing Activities				
Purchase of:				
- property, plant and equipment ⁽¹⁾⁽²⁾	(80)	(216)	(610)	(2,364)
- intangible assets	(37)	(81)	(157)	(688)
- other financial assets	-	-	(4,300)	(15)
Proceeds from disposal of:				
- property, plant and equipment	22	-	106	204
- other financial asset	-	-	14	19
- an associate	-	-	-	616
Investment in associate	-	-	-	(261)
Acquisition of non-controlling interest from minority shareholder of a subsidiary	(217)	-	(217)	-
Amounts due from related parties (non-trade)	1	235	-	(3)
Cash flows from investing activities	(311)	(62)	(5,164)	(2,492)
Financing Activities				
Interest paid	(62)	(37)	(206)	(108)
Drawdown of bank loans	2,962	5,777	7,322	14,183
Repayment of bank loans	(3,283)	(9,772)	(9,150)	(15,097)
Drawdown from hire purchase and finance lease creditors	205	-	205	-
Repayment of hire purchase and finance lease creditors	(120)	(136)	(574)	(460)
Amounts due to related parties (non-trade)	302	(708)	302	(68)
Grant received	-	-	-	168
Government grant – Jobs Credit Scheme received	91	-	498	-
Issuance of shares	20	8,470	193	8,470
Dividend paid to minority shareholder of a subsidiary	-	(30)	-	(30)
Capital injection by minority shareholders of a subsidiary	122	784	122	784
Cash flow from financing activities	237	4,348	(1,288)	7,842
Net increase in cash and cash equivalents	2,691	9,562	8,527	8,836
Cash and cash equivalents at beginning of period	36,789	23,610	31,166	24,167
Effect of exchange rate changes on balances in foreign currencies	114	370	(99)	539
Cash and cash equivalents at end of period	39,594	33,542	39,594	33,542

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Significant non-cash transaction

- (1) Property, plant and equipment amounting to \$Nil (31 March 2009: \$64,000) were acquired through hire purchase arrangements and finance lease.
- (2) The Group is claiming insurance for the restoration costs of leasehold building damaged in the fire incident and the insurer had made an interim payment of \$2,286,000 directly to the contractor.

The effect of acquiring additional non-controlling interest from minority shareholder of a subsidiary is set out below:

	1 July 2009 to 31 March 2010 \$'000
Acquisition of non-controlling interest from minority shareholder of a subsidiary	137
Equity	80
Consideration paid, satisfied in cash	<u>217</u>

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

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The announcement was authorised for issue by the directors on 11 May 2010.

1. Basis of Preparation

The financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 34 – Interim Financial Reporting.

The financial statements were not audited or reviewed by the auditors.

2. Changes in the Accounting Policies, Methods of Computation and Accounting Standards

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those used in the audited financial statements for the year ended 30 June 2009. In addition, the Group has adopted new/revised FRS and INT FRS that have become effective for the financial year beginning 1 July 2009.

Following the adoption of FRS 1 - Presentation of Financial Statements (2008), the Group presents in the consolidated statements of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. The change in accounting policy only impacts presentation aspects.

The Group also adopted FRS 103 Business Combination (2009) and FRS 27 Consolidated and Separate Financial Statements (2009) for acquisitions of non-controlling interests occurring in the financial year starting 1 July 2009. Under the new accounting policy, acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore, no goodwill is recognised as a result of such transactions. The change in accounting policy was applied prospectively and had no material impact on earnings per share.

The adoption of the remaining new/revised FRS and INT FRS did not result in substantial changes to the Group's and the Company's accounting policies. Additional disclosures will be required in the financial statements of the Company and its subsidiaries for the full year ending 30 June 2010.

3. Property, Plant and Equipment

Group	Leasehold land and building \$'000	Leasehold improve- ment \$'000	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Motor vehicles \$'000	Plant and machinery \$'000	Mechanical and electrical facilities \$'000	Assets under construct- ion \$'000	Total \$'000
31 March 2010										
Cost										
At 1 July 2009	4,596	4,369	610	1,059	5,690	459	36,201	384	224	53,592
Additions	-	28	17	26	150	10	284	-	2,381	2,896
Disposal/write-off	(2,505)	(28)	(4)	(28)	(1,434)	(181)	(223)	(13)	-	(4,416)
Reclassification	-	-	-	-	-	-	187	-	(187)	-
Transfer to asset held for sale	-	-	-	-	-	-	-	-	(2,381)	(2,381)
Translation difference	(82)	(105)	(14)	(28)	(102)	(11)	(1,416)	-	-	(1,758)
At 31 March 2010	2,009	4,264	609	1,029	4,304	277	35,033	371	37	47,933
Accumulated depreciation and impairment losses										
At 1 July 2009	2,598	3,117	508	861	4,954	392	27,288	214	-	39,932
Depreciation charge for the period	44	343	30	68	315	19	2,737	24	-	3,580
Disposal/write-off	(2,505)	(24)	(2)	(22)	(1,431)	(180)	(187)	(7)	-	(4,358)
Translation difference	(4)	(74)	(13)	(22)	(92)	(9)	(1,155)	-	-	(1,369)
At 31 March 2010	133	3,362	523	885	3,746	222	28,683	231	-	37,785
Carrying amount										
At 31 March 2010	1,876	902	86	144	558	55	6,350	140	37	10,148
At 1 July 2009	1,998	1,252	102	198	736	67	8,913	170	224	13,660

Company	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Total \$'000
31 March 2010				
Cost				
At 1 July 2009	62	47	1,462	1,571
Additions	-	-	4	4
Write-off	-	-	(1,394)	(1,394)
At 31 March 2010	62	47	72	181
Accumulated depreciation				
At 1 July 2009	62	45	1,456	1,563
Depreciation charge for the period	-	1	3	4
Write-off	-	-	(1,394)	(1,394)
At 31 March 2010	62	46	65	173
Carrying amount				
At 31 March 2010	-	1	7	8
At 1 July 2009	-	2	6	8

Leasehold land and building and plant and machinery of the Group with carrying amounts of \$1,808,000 (30 June 2009: \$1,911,000) and \$1,428,000 (30 June 2009: \$509,000), respectively, have been pledged to banks as securities for certain bank loans (Note 9).

The carrying amount of property, plant and equipment includes amount totalling \$855,000 (30 June 2009: \$1,023,000) for the Group in respect of assets acquired under hire purchase agreements and finance leases.

4. Intangible Assets

Group	Computer software \$'000	Technology licence \$'000	Intellectual property \$'000	Goodwill \$'000	Total \$'000
31 March 2010					
Cost					
At 1 July 2009	2,252	2,262	6,572	29,034	40,120
Additions	14	-	143	-	157
Write-off	(1,808)	-	-	-	(1,808)
Translation difference	1	(89)	(259)	(408)	(755)
At 31 March 2010	459	2,173	6,456	28,626	37,714
Accumulated amortisation and impairment losses					
At 1 July 2009	2,142	448	983	384	3,957
Amortisation for the period	29	64	247	-	340
Write-off	(1,808)	-	-	-	(1,808)
Translation difference	*	(18)	(42)	-	(60)
At 31 March 2010	363	494	1,188	384	2,429
Carrying amount					
At 31 March 2010	96	1,679	5,268	28,242	35,285
At 1 July 2009	110	1,814	5,589	28,650	36,163

* Amount less than \$1,000

Company	Computer software \$'000
31 March 2010	
Cost	
At 1 July 2009	1,829
Write-off	(1,808)
At 31 March 2010	21

Company	Computer software \$'000
Accumulated amortisation	
At 1 July 2009	1,820
Amortisation for the period	3
Write-off	(1,808)
At 31 March 2010	<u>15</u>
Carrying amount	
At 31 March 2010	<u>6</u>
At 1 July 2009	<u>9</u>

5. Subsidiaries

Acquisition and additional interest in subsidiary

On 26 January 2010, E+HPS Pte Ltd, a 51% owned subsidiary of the Company, entered into an agreement to acquire the remaining 40% equity shareholding in iNETest Technologies India Pte Ltd (iNETest India) from the minority shareholder, for an aggregate consideration of US\$155,000 (approximately \$217,000). Upon completion of this acquisition, Ellipsis's effective interest in iNETest India increased from 60% to 80.4%.

Subsequent to the balance sheet date, the Group streamlined its business by transferring its entire 40% stake in iNETest India from E+HPS Pte Ltd to iNETest Resources Pte Ltd ("Share Transfer"). As a result, iNETest India has become a wholly owned subsidiary of the Company. The aggregated consideration payable for the Share Transfer is US\$155,000.

Dissolution of subsidiaries

On 25 February 2010, SV Probe China Co Ltd, incorporated in the People's Republic of China and a wholly owned subsidiary of the Company, was voluntarily dissolved.

On 26 March 2010, Antech Instruments Pte Ltd and Solidvision Pte Ltd, wholly owned dormant subsidiaries of the Company, were voluntarily dissolved.

6. Cash and Cash Equivalents

	Note	Group		Company	
		31 March 2010 \$'000	30 June 2009 \$'000	31 March 2010 \$'000	30 June 2009 \$'000
Cash at banks and in hand		33,918	30,190	9,328	3,449
Deposits with financial institutions		7,942	2,243	5,502	200
		<u>41,860</u>	<u>32,433</u>	<u>14,830</u>	<u>3,649</u>
Bank overdraft	9	(83)	(145)		
Deposits held as securities by financial institutions	9	(2,183)	(1,122)		
Cash and cash equivalents in the consolidated cash flow statement		<u>39,594</u>	<u>31,166</u>		

7. Asset classified as held for sale

	Group	
	31 March 2010 \$'000	30 June 2009 \$'000
Property, plant and equipment	<u>2,381</u>	<u>-</u>

During the financial period, Ellipsiz ISP Pte Ltd (EISP), a wholly owned subsidiary of the Company, entered into an agreement to sell its leasehold building for a consideration of \$4,400,000 with a third party. The building has a net book value of \$2,381,000, based on the progress of reinstatement works as at 31 March 2010. The estimated cost to reinstate the building is approximately \$2,593,000. Although the sale is subject to certain conditions and completion of the building for available use, the sale of building is expected to be completed by August 2010.

8. Share Capital

	Group and Company	
	No. of shares 31 March 2010 '000	No. of shares 30 June 2009 '000
Fully paid ordinary shares, with no par value:		
Ordinary shares		
At 1 July	506,940	255,658
Issuance of shares pursuant to the rights issue	-	251,245
Issuance of shares pursuant to the exercise of warrants	5,540	37
At 31 March 2010/30 June 2009	<u>512,480</u>	<u>506,940</u>

The Group had not acquired any treasury shares for the financial period ended 31 March 2010. There are no treasury shares held by the Group as at 31 March 2010 and 31 March 2009.

As at 31 March 2010, there were outstanding warrants which entitle warrant holders to subscribe 36,297,000 (31 March 2009: 41,874,000) new ordinary shares at the exercise price of \$0.035 per share.

9. Interest-Bearing Borrowings

Interest-bearing borrowings consist of the following:

Note	Group		Company	
	31 March 2010 \$'000	30 June 2009 \$'000	31 March 2010 \$'000	30 June 2009 \$'000
Non-current liabilities				
Secured bank loans	265	517	-	-
Unsecured bank loans ⁽¹⁾	3,815	4,392	2,986	3,442
Obligations under hire purchase agreements and finance leases	521	695	-	-
	<u>4,601</u>	<u>5,604</u>	<u>2,986</u>	<u>3,442</u>
Current liabilities				
Bank overdraft	6	83	145	-
Secured bank loans	1,718	1,469	-	-
Unsecured bank loans ⁽¹⁾	5,837	7,155	3,089	4,911
Obligations under hire purchase agreements and finance leases	479	701	-	-
	<u>8,117</u>	<u>9,470</u>	<u>3,089</u>	<u>4,911</u>

⁽¹⁾ The unsecured bank loans of the Company are guaranteed by certain subsidiaries of the Company.

Maturity of liabilities (excluding finance lease liabilities)

	Group	
	31 March 2010 \$'000	30 June 2009 \$'000
Within 1 year	7,638	8,769
After 1 year but within 5 years	4,080	4,909
	<u>11,718</u>	<u>13,678</u>

The secured bank loans are secured on the following assets:

	Note	Group	
		31 March 2010 \$'000	30 June 2009 \$'000
Leasehold land and building	3	1,808	1,911
Plant and machinery	3	1,428	509
Deposits with financial institutions	6	2,183	1,122
Total carrying amount		<u>5,419</u>	<u>3,542</u>

Obligations under hire purchase agreements and finance leases:

Group	31 March 2010			30 June 2009		
	Principal \$'000	Interest \$'000	Payment \$'000	Principal \$'000	Interest \$'000	Payment \$'000
Repayable within 1 year	479	47	526	701	79	780
Repayable after 1 year but within 5 years	521	60	581	695	43	738
	<u>1,000</u>	<u>107</u>	<u>1,107</u>	<u>1,396</u>	<u>122</u>	<u>1,518</u>

10. Results from Operating Activities

Group	1 January 2010	1 January 2009	1 July 2009	1 July 2008
	to 31 March 2010 \$'000	to 31 March 2009 \$'000	to 31 March 2010 \$'000	to 31 March 2009 \$'000
Other income				
Rental income from third parties	106	93	299	278
(Loss)/Gain on disposal of:				
- property, plant and equipment	(2)	(53)	58	-
- other financial asset	-	-	14	13
- an associate	-	-	-	13
Exchange gain, net	-	753	-	1,630
Government grant – Jobs Credit Scheme	91	-	498	-
Grant income	-	63	-	208
Insurance claim income	957	-	19,210	-
Sundry income	137	140	258	296
	<u>1,289</u>	<u>996</u>	<u>20,337</u>	<u>2,438</u>

⁽¹⁾ Included in insurance claim income is \$16,415,000 relating to compensation received for property, plant and equipment impaired or written off in the last financial year.

Group	Note	1 January 2010	1 January 2009	1 July 2009	1 July 2008
		to 31 March 2010 \$'000	to 31 March 2009 \$'000	to 31 March 2010 \$'000	to 31 March 2009 \$'000
Other expenses					
Allowance/(Reversal of allowance) for:					
- doubtful debts from trade and other receivables		2	143	(80)	160
- doubtful convertible loan receivable		-	1,598	-	1,598
Allowance for inventory obsolescence		142	2,746	417	4,026
Bad debts written off		-	18	33	21
Depreciation of property, plant and equipment	3	1,092	1,976	3,580*	6,678
Amortisation of intangible assets	4	113	125	340	363
Plant and equipment written off:					
- others		6	134	10	159
- arising from fire incident		-	5,332	-	5,332
Inventories written off:					
- others		21	10	221	15
- arising from fire incident		-	3,145	-	3,145

	1 January 2010 to 31 March 2010 \$'000	1 January 2009 to 31 March 2009 \$'000	1 July 2009 to 31 March 2010 \$'000	1 July 2008 to 31 March 2009 \$'000
Impairment losses on property, plant and equipment:				
- others	-	1,255	-	1,906
- arising from fire incident	-	3,377	-	3,377
Impairment loss on:				
- investment in associate	-	1,850	-	1,850
- other financial assets	-	5,898	-	5,898
Retrenchment benefits arising from fire incident	-	-	222	-
Provision for other liabilities arising from fire incident	127	-	921	-
Share option expense	208	-	346	-
Exchange loss, net	165	-	815	-

* Significant decrease of depreciation in 9 months ended 31 March 2010 was mainly due to property, plant and equipment of a subsidiary was fully impaired after the fire incident.

11. Net Finance Expenses

Group	1 January 2010 to 31 March 2010 \$'000	1 January 2009 to 31 March 2009 \$'000	1 July 2009 to 31 March 2010 \$'000	1 July 2008 to 31 March 2009 \$'000
Finance income				
Interest income from:				
- financial institutions	8	17	30	116
- associate	-	-	1	-
- third parties	-	10	2	10
	8	27	33	126
Finance expenses				
Interest expenses to:				
- hire purchase arrangements and finance leases	(14)	(33)	(55)	(108)
- loans from financial institutions	(136)	(135)	(402)	(474)
- loans from affiliates	(3)	(3)	(5)	(18)
	(153)	(171)	(462)	(600)
Net finance expenses recognised in the income statement	(145)	(144)	(429)	(474)

12. Income Tax Expense/(Credit)

Group	1 January 2010 to 31 March 2010 \$'000	1 January 2009 to 31 March 2009 \$'000	1 July 2009 to 31 March 2010 \$'000	1 July 2008 to 31 March 2009 \$'000
Current tax expense:				
- current year	502	129	3,722	311
- withholding tax	23	18	42	122
- group relief	-	-	-	9
- under/(over) in prior year	30	(38)	(8)	(91)
	555	109	3,756	351
Deferred tax (credit)/expense:				
- original and reversal of temporary differences	(445)	146	(686)	(1,047)
- change in tax rate	-	59	-	59
- overprovision in prior year	(3)	20	(50)	11
	(448)	225	(736)	(977)
Total income tax expense/(credit)	107	334	3,020	(626)

13. Earnings Per Share

	1 January 2010 to 31 March 2010 \$'000	1 January 2009 to 31 March 2009 \$'000	1 July 2009 to 31 March 2010 \$'000	1 July 2008 to 31 March 2009 \$'000
Basic earnings per share is based on: Profit/(Loss) for the period attributable to owners of the Company	1,481	(28,363)	14,990	(34,718)
Weighted average number of:-				
- shares outstanding during the period	511,894	255,658	506,940	255,658
- share issued pursuant to right issue exercise	-	189,829	-	62,353
- share issued during the period pursuant to the exercise of warrants	277	-	3,935	-
	<u>512,171</u>	<u>445,487</u>	<u>510,875</u>	<u>318,011</u>

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive share options and warrants with the potential ordinary shares weighted for the period outstanding.

The effect of the exercise of share options and warrants on the weighted average number of ordinary shares in issue is as follows:

	1 January 2010 to 31 March 2010 No. of shares '000	1 January 2009 to 31 March 2009 No. of shares '000	1 July 2009 to 31 March 2010 No. of shares '000	1 July 2008 to 31 March 2009 No. of shares '000
Weighted average number of shares issued, used in calculation of basic earnings per share	512,171	445,487	510,875	318,011
Dilutive effect of warrants	26,224	-	27,226	-
Weighted average number of ordinary shares (diluted)	<u>538,395</u>	<u>445,487</u>	<u>538,101</u>	<u>318,011</u>

At 31 March 2010, 27,200,000 options were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

14. Net Asset Value Per Share

	Group cents	Company cents
Net asset value per ordinary share based on issued share capital of the Company as at		
(a) 31 March 2010	17.53	19.39
(b) 30 June 2009	<u>15.16</u>	<u>17.17</u>

15. Dividends

There was no dividend declared or recommended for the current financial period reported on or the corresponding period of the immediately preceding financial year.

16. Significant Related Party Transactions

Significant transactions with related parties are as follows:

Group	1 January 2010	1 January 2009	1 July 2009	1 July 2008
	to 31 March 2010 \$'000	to 31 March 2009 \$'000	to 31 March 2010 \$'000	to 31 March 2009 \$'000
Sales to other affiliates	-	338	97	2,248
Service income from an associate	-	1	62	31
Interest income from an associate	-	-	1	-
Rental expense paid to:				
- an associate	(9)	-	(20)	-
- a director	(3)	(21)	(66)	(84)
Interest expense paid to affiliates ⁽¹⁾	(3)	(3)	(5)	(18)

⁽¹⁾ This relates to a corporation which a director of the Company had an interest during the financial period.

17. Interested Person Transactions

There was no significant interested person transaction during the period under review and the corresponding period of the immediate preceding year.

18. Commitments

Lease Commitments

As at 31 March 2010, commitments of the Group for minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	31 March 2010 \$'000	30 June 2009 \$'000
Receivable:-		
Within 1 year	114	112
After 1 year but within 5 years	85	158
	<u>199</u>	<u>270</u>
Payable:-		
Within 1 year	2,619	3,282
After 1 year but within 5 years	2,852	4,111
After 5 years	613	548
	<u>6,084</u>	<u>7,941</u>

Capital commitments

	Group	
	31 March 2010 \$'000	30 June 2009 \$'000
Capital commitments contracted but not provided for	-	239

During the financial period, the Group awarded a contract of tender value \$2,593,000 to a third party to restore the leasehold building that was damaged in a fire incident in March 2009 to working condition. As at 31 March 2010, the Group had recognised \$2,381,000 of the costs incurred in the financial statements. The remaining capital commitment of \$212,000 is expected to be settled in the next twelve months.

Other commitments

On 18 March 2010, E+HPS Pte Ltd (E+HPS), a 51% owned subsidiary of the Company, entered into an agreement to acquire 50% of the equity shareholding in Lucky City Group Company Limited (Lucky City Group Company) for a consideration of HK\$15,000 (approximately \$3,000). Lucky City Group Company is incorporated under the laws of Hong Kong and its principal activity is that of investment holding.

Corporate guarantees

As at 31 March 2010, the Company provided corporate guarantee amounting to \$13,088,000 (30 June 2009: \$19,609,000) to banks for banking facilities of \$10,289,000 (30 June 2009: \$19,621,000) made available to its subsidiaries, of which the subsidiaries have utilised \$3,610,000 (30 June 2009: \$2,602,000).

19. Contingent Assets

During the financial period, certain insurance claims relating to the fire incident at our wafer reclaim facility was finalised, and hence the Group recognised insurance income amounting to \$19,210,000 as other income. The remaining claim process is still in progress and insurance income will be recognised upon finalisation of the claims by the insurance companies.

20. Subsequent Events

Subsequent to the balance sheet date, the Company subscribed and was allotted additional shares of 53,750,000, from the exercise of renounceable non-underwritten rights issue by Alantac Technology Ltd ("Alantac") on 21 April 2010, for a total cost of \$1,613,000. The effective interest of the investment in Alantac remained at 13.76%.

21. Other information

Analysis by Businesses

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March
	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and Expense								
Total revenue from external customers	71,113	79,314	33,658	36,701	-	-	104,771	116,015
Inter-segment revenue	609	657	-	7	(609)	(664)	-	-
	<u>71,722</u>	<u>79,971</u>	<u>33,658</u>	<u>36,708</u>			<u>104,771</u>	<u>116,015</u>
Segment results	<u>17,707</u>	<u>(15,607)</u>	<u>640</u>	<u>(12,143)</u>	-	-	18,347	(27,750)
Unallocated corporate results							51	(6,571)
							<u>18,398</u>	<u>(34,321)</u>
Share of results of associates and joint ventures								
- allocated to business segment	178	22	(234)	(858)	-	-	(56)	(836)
- unallocated corporate & other							-	(1)
Profit/(Loss) before interest income/(expense) and income tax							18,342	(35,158)
Interest income							33	126
Interest expense							(462)	(600)
Income tax (expense)/credit							(3,020)	626
Minority interests							97	288
Profit/(Loss) for the period							<u>14,990</u>	<u>(34,718)</u>

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	31 March	30 June	31 March	30 June	31 March	30 June	31 March	30 June
	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets and Liabilities								
Segment assets	70,442	60,333	46,388	54,936	-	-	116,830	115,269
Unallocated corporate assets							19,395	4,862
Investments in associates								
- allocated to business segment	1,055	933	3,197	3,449	-	-	4,252	4,382
Investments in joint ventures								
- allocated to business segment	236	209	-	-	-	-	236	209
Tax receivables							76	149
Deferred tax assets							2,619	2,220
Total assets							<u>143,408</u>	<u>127,091</u>
Segment liabilities	24,793	22,123	5,937	6,599	-	-	30,730	28,722
Unallocated corporate liabilities							2,015	949
Interest-bearing borrowings							12,718	15,074
Income tax liabilities							5,575	2,860
Total liabilities							<u>51,038</u>	<u>47,605</u>

	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009	31 March 2010	31 March 2009	31 March 2010	31 March 2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure								
- allocated to business segment	2,644	564	405	2,540	-	-	3,049	3,104
- unallocated corporate expenses							4	12
							<u>3,053</u>	<u>3,116</u>
Other non-cash items								
Depreciation of property, plant and equipment								
- allocated to business segment	581	2,237	2,995	4,431	-	-	3,576	6,668
- unallocated corporate expenses							4	10
							<u>3,580</u>	<u>6,678</u>
Amortisation of intangible assets								
- allocated to business segment	25	52	312	308	-	-	337	360
- unallocated corporate expenses							3	3
							<u>340</u>	<u>363</u>
(Gain)/Loss on disposal of property, plant and equipment								
- allocated to business segment	(50)	3	(8)	(3)	-	-	(58)	-
Property, plant and equipment written off								
- allocated to business segment	4	158	6	1	-	-	10	159
- arising from fire incident	-	5,332	-	-	-	-	-	5,332
							<u>10</u>	<u>5,491</u>
Impairment losses on property, plant and equipment:								
- allocated to business segment	-	1,244	-	662	-	-	-	1,906
- arising from fire incident	-	3,377	-	-	-	-	-	3,377
							<u>-</u>	<u>5,283</u>
(Reversal of allowance)/Allowance for inventory obsolescence								
- allocated to business segment	(15)	1,037	432	2,989	-	-	417	4,026
Inventories written off								
- allocated to business segment	23	4	198	11	-	-	221	15
- arising from fire incident	-	3,145	-	-	-	-	-	3,145
							<u>221</u>	<u>3,160</u>
(Reversal of allowance)/Allowance for doubtful debts from trade and other receivables								
- allocated to business segment	(24)	126	(56)	12	-	-	(80)	138
- unallocated corporate expense							-	22
							<u>(80)</u>	<u>160</u>

Distribution & Services

Probe Card

Eliminations

Consolidated

	solutions		solutions		31 March 2010 \$'000	31 March 2009 \$'000	31 March 2010 \$'000	31 March 2009 \$'000	31 March 2010 \$'000	31 March 2009 \$'000
	31	31	31	31						
	March 2010 \$'000	March 2009 \$'000	March 2010 \$'000	March 2009 \$'000						
Allowance for doubtful convertible loan receivable										
- unallocated corporate expense									-	1,598
Bad debts written off										
- allocated to business segments	33	20	-	1	-	-	-	-	33	21
Impairment loss on investment in associate										
- allocated to business segment	-	-	-	1,850	-	-	-	-	-	1,850
Impairment losses on other financial assets										
- unallocated corporate expense									-	5,898

Analysis by region

Group	Singapore		Other Asean Countries		China & Taiwan		USA		Europe		Other Regions		Consolidated	
	31	31	31	31	31	31	31	31	31	31	31	31	31	31
	March 2010 \$'000	March 2009 \$'000	March 2010 \$'000	March 2009 \$'000	March 2010 \$'000	March 2009 \$'000	March 2010 \$'000	March 2009 \$'000	March 2010 \$'000	March 2009 \$'000	March 2010 \$'000	March 2009 \$'000	March 2010 \$'000	March 2009 \$'000
Total revenue from external customers	35,204	39,702	22,287	21,789	20,346	23,285	18,712	22,222	3,160	3,988	5,062	5,029	104,771	116,015
	31	30	31	30	31	30	31	30	31	30	31	30	31	30
	March 2010 \$'000	June 2009 \$'000	March 2010 \$'000	June 2009 \$'000	March 2010 \$'000	June 2009 \$'000	March 2010 \$'000	June 2009 \$'000	March 2010 \$'000	June 2009 \$'000	March 2010 \$'000	June 2009 \$'000	March 2010 \$'000	June 2009 \$'000
Non-current segment assets	23,486	28,437	5,810	6,162	3,428	1,742	10,943	11,545	26	49	1,740	1,888	45,433	49,823
Investments in associates	-	-	1,055	933	-	-	-	-	-	-	3,197	3,449	4,252	4,382
Investments in joint ventures	-	-	236	209	-	-	-	-	-	-	-	-	236	209
Investments in other financial assets	2,867	-	-	-	-	-	-	-	291	-	-	-	3,158	-
Deferred tax assets													2,619	2,220
Total non-current assets	26,353	28,437	7,101	7,304	3,428	1,742	10,943	11,545	317	49	4,937	5,337	55,698	56,634
	31	31	31	31	31	31	31	31	31	31	31	31	31	31
	March 2010 \$'000	March 2009 \$'000	March 2010 \$'000	March 2009 \$'000	March 2010 \$'000	March 2009 \$'000	March 2010 \$'000	March 2009 \$'000	March 2010 \$'000	March 2009 \$'000	March 2010 \$'000	March 2009 \$'000	March 2010 \$'000	March 2009 \$'000
Capital expenditure	2,504	597	449	1,463	40	61	55	329	-	114	5	552	3,053	3,116

**CONFIRMATION BY THE BOARD
PURSUANT TO RULE 705(4) OF THE SGX-ST LISTING MANUAL**

We, Chong Fook Choy and Chan Wai Leong, being Non-Executive Chairman and Chief Executive Officer of Ellipsiz Ltd (the "Company"), do hereby confirm on behalf of the Board of Directors of the Company, that to the best of our knowledge, nothing has come to our attention which may render the unaudited financial results of the Company and of the Group for the 3rd quarter results ended 31 March 2010 to be false or misleading.

On behalf of the Board of Directors



Chong Fook Choy
Non-Executive Chairman



Chan Wai Leong
Chief Executive Officer

Singapore
11 May 2010



Ellipsiz Ltd and its Subsidiaries
Registration Number: 199408329R

Third Quarter Financial Statements and Dividend Announcement for
period ended

31 March 2010

Review and Commentary

- (A) A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (i) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors;**
 - (ii) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on; and**
 - (iii) any factors leading to material changes in contributions to turnover and earnings by the business or geographical segments.**

The following discussion is based on and should be read in conjunction with, the consolidated financial statements of Ellipsiz Ltd and its subsidiaries (the Group), including the notes thereto.

Results of Operations

Overview

The Group attained revenue of \$105 million with profit after tax and minority interests of \$15.0 million for the nine months ended 31 March 2010 (3Q FY2010-YTD). Revenue from the third quarter ended 31 March 2010 (3Q FY2010) was \$38 million and the profits after tax and minority interests was \$1.5 million.

Included in the higher profits for the financial periods were some one-time income and charges with details as follows:

One-time income / (charges)	3Q FY2010	3Q FY2010-YTD
Insurance claim income	\$1.0 million	\$19.2 million
One-time charges like retrenchment benefits and compensation liabilities etc	(\$0.1 million)	(\$1.1 million)
Tax liabilities arising out of the insurance claims	(\$0.2 million)	(\$2.8 million)
NET one-time income	\$0.7 million	\$15.3 million

Excluding the above one-time income and charges, the Group's profits after tax and minority were \$0.8 million for 3Q FY2010 but a net loss of \$0.3 million for 3QFY2010-YTD.

Revenue

3Q FY2010-YTD vs 3Q FY2009-YTD

The Group's revenue for the nine months ended 31 March 2010 (3Q FY2010-YTD) was \$105 million, a decrease of 10% over the performance in corresponding period of FY2009 (3Q FY2009-YTD).

Probe Card solutions (PCS) reported revenue of \$34 million in 3QFY2010-YTD, a 8% year-on-year (y-o-y) decrease, as the segment continues to be affected by pricing pressures and keen competition in the market.

Similarly, Distribution and Services solutions (DSS) had lower revenue of \$71 million in 3Q FY2010-YTD, a 10% y-o-y decline from 3Q FY2009-YTD. Without taking into account revenue from wafer reclaim activities in 3Q FY2009-YTD, revenue from DSS decreased marginally by only 1% y-o-y. The weaker 1H performance as customers remain cautious on their capital expenditures in that two quarters, led to this marginal decline.

The lower revenue in both PCS and DSS led to the weaker revenues in most of the regions.

3Q FY2010 vs 3Q FY2009

For the three months ended 31 March 2010 (3Q FY2010), the Group reported revenue of \$38 million, a 23% improvement over \$31 million in the corresponding quarter of the previous financial year (3Q FY2009). The improved market demands led to increases in revenue attained by both PCS (+20%) and DSS (+24%) in the quarter when compared with 3Q FY2009.

Gross profit and gross profit margin

The Group attained gross profit of \$8.7 million for 3Q FY2010 and \$24.7 million for 3Q FY2010-YTD, a y-o-y improvement of 94% and 31% for the quarterly and year-to-date performance respectively. *(For comparative purpose, Gross Profits in FY2009 were adjusted for one-time charges).*

Gross profit margins improved by 8 percentage points from 15% in 3Q FY2009 to 23% for the current quarter and 8 percentage points from 16% in 3Q FY2009-YTD to 24% in 3Q FY2010-YTD.

The better margin was due to reduction in the fixed portion of the manufacturing expenses following the Group's conscientious efforts to align costs with sales activities and improved sales from revenue stream with higher margins as compared to FY2009.

Other income

The Group recorded \$20.3 million other income in 3Q FY2010-YTD, an \$17.9 million increase as compared to \$2.4 million in 3Q FY2009-YTD. The increase was mainly attributable to the recording of non-recurring insurance claim income of \$19.2 million and the receipt of jobs credit income subsidised by the government, partially offset by the absence of exchange gain this financial period. In 3Q FY2009-YTD, the Group had an exchange gain of \$1.6 million.

Operating expenses

Total operating expenses (adjusted for one-time charges) for 3Q FY2010-YTD decreased 11% y-o-y from \$28.5 million in 3Q FY2009-YTD to \$25.5 million in 3Q FY2010-YTD.

The reduction in operating expenses was mainly due to

- (i) lower operating expenses with the completion of the various phases of the facilities rationalisation exercise carried out by PCS since the fourth quarter of FY2008 (Q4 FY2008); and
- (ii) the positive impact from the costs-control measures put in place by the Group since second quarter of the last financial year.

The decrease was partially offset by the exchange loss of \$815,000 in 3QFY2010-YTD. The Group was in a net exchange gain position in 3Q FY2009-YTD.

Share of results of associates and joint ventures

The Group recorded losses of \$108,000 and profits of \$52,000 from the shares of results of its associates and joint ventures respectively for 3Q FY2010-YTD.

Income taxes

In 3Q FY2010-YTD, the Group recorded a tax expense of \$3 million, which mainly arises from the provision of tax expense in relation to the insurance claim income of \$19.2 million for the financial period. This is partially offset by deferred tax credits in the financial period resulting from movements in temporary differences.

Net loss attributable to equity holders of the Company

Excluding the one-time insurance claim income (net of tax) and fire disaster recovery costs, the Group had a net loss after taxes and minority interests of \$289,000 3Q FY2010-YTD.

Better gross margins and lower cost structure partially offset by the negative variance from exchange gain in 3Q FY2009-YTD to exchange loss position in 3Q FY2010-YTD led to the Group achieving positive results in the current financial period.

Financial Conditions

Non-current assets

The non-current assets decreased marginally by 2% from \$56.6 million as at 30 June 2009 to \$55.7 million as at 31 March 2010. The decrease was accounted mainly by decrease in property, plant and equipment and intangible assets of \$3.5 million (-26%) and \$0.9 million (-2%), respectively, offset by a \$3.2 million investment in quoted equity securities.

Current assets

Total current assets as at 31 March 2010 was \$87.7 million, a 24% increase as compared to \$70.5 million as at 30 June 2009. The increase was due to higher cash and cash equivalents held, increase in trade and other receivables and asset held for sale as at balance sheet date.

Current liabilities and non-current liabilities

Total liabilities as at 31 March 2010 stood at \$51.0 million, a 7% increase from \$47.6 million as at 30 June 2009. The increase was mainly due to the increase in trade and other payable resulting from increase in operating activities and the recording of higher tax payable on the insurance claim. The increase was however partially offset by a 16% decrease in interest-bearing borrowings.

Minority interests

There was no significant movement in the minority interests during the financial period.

Liquidity and Capital Reserves

The net cash inflow of the Group for financial period ended 31 March 2010 was \$8.5 million. This can be accounted by:

- (a) cash inflow of \$15.0 million for operating activities;
- (b) cash outflow of \$5.2 million for investing activities; and
- (c) cash outflow of \$1.3 million for financing activities.

The cash inflow from operating activities is a result of the group's \$4.6 million profits from operations, coupled with insurance claim monies received. This is partially offset by negative movements in working capital and the payment of \$1.1 million restructuring and retrenchment costs.

The acquisition of property, plant and equipment and other financial asset led to the cash outflow for investing activities, while repayments of interest-bearing borrowings during the financial period was the main reason for the outflow of cash for financing activities.

As at 31 March 2010, the Group's cash and cash equivalents position (including fixed deposits held as securities) was \$41.9 million.

<p>(B) Where a forecast, a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.</p>
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Not applicable.

(C) A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Business conditions had seemingly improved in recent months. Global semiconductor billings grew 46% and 56% for January and February of 2010 respectively compared to a year ago. The worldwide booking and billings for semiconductor manufacturing equipment also recorded its highest ever Book-to-Bill ratio of 1.23 times for January and 1.22 times for February preliminary number since a high of 1.23 times in December 2003. The ratio remained above parity at 1.19 times in March 2010. (Source: WSTS, April 2010; SEMI, March 2010.)

While global semiconductor revenue for January and February 2010 had improved from the previous year, it declined on monthly basis. The worldwide semiconductor sales fell by a sequential 0.5% and 1.3% for January and February 2010 respectively. The decline, however, was mild compared to sequential fall of 3.6% and 5.2% for the same months of 2008, when global chip sales had yet to be negatively impacted by the Sep 2008 credit crisis. First quarter of the year had traditionally been a seasonally slow period.

Despite the month-on-month decline, Semiconductor Industry Association, in April 2010 release, expects overall demand for semiconductors to recover, driven principally by the growth in sales of electronic products such as PCs and cell phones in emerging economies. Gartner, meanwhile, had projected double digits compounded annual growth rate for semiconductor in emerging economies such as India and Vietnam compared to overall Asia Pacific growth of 9.4% from 2009 to 2014 as a result of new and upgraded production facilities, government policies, and growing domestic demand.

In view of the above development, the Group is cautiously optimistic of its business prospects for the rest of the year, and expects performances of its businesses to continue to be impacted by the global economic situations such as the credit crisis in Greece, potential tightening of stimulus measures amid inflationary fears, concerns over double-ordering in the semiconductor sector as well as developments at the electronics manufacturing industry. The Group would, however, continue exploration of greater opportunities to ride on the impending growth in emerging economies and new markets of the Asia Pacific region.