



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

First Quarter Financial Statement and Dividend Announcement for  
three months ended

**30 September 2011**

**Statements of Financial Position**

		Group			Company		
	Note	30 September 2011 \$'000	30 June 2011 \$'000	Var. %	30 September 2011 \$'000	30 June 2011 \$'000	Var. %
<b>Non-current assets</b>							
Property, plant and equipment	3	5,583	5,619	(1)	4	5	(20)
Intangible assets	4	34,342	33,210	3	1	2	(50)
Subsidiaries		-	-	-	84,320	84,123	-
Associates		8,896	7,917	12	4,868	4,868	-
Joint ventures		947	838	13	-	-	-
Financial assets	5	4,261	4,514	(6)	4,261	4,514	(6)
Trade receivable		4,632	4,695	(1)	-	-	-
Amounts due from related parties		-	-	-	272	433	(37)
Deferred tax assets		2,742	2,653	3	13	11	18
		<u>61,403</u>	<u>59,446</u>	3	<u>93,739</u>	<u>93,956</u>	-
<b>Current assets</b>							
Inventories		8,986	9,920	(9)	-	-	-
Project-in-progress		3,344	4,085	(18)	-	-	-
Trade and other receivables		31,223	33,797	(8)	490	362	35
Amounts due from related parties		352	385	(9)	13,903	13,704	1
Cash and cash equivalents	6	37,373	34,685	8	10,547	10,743	(2)
		<u>81,278</u>	<u>82,872</u>	(2)	<u>24,940</u>	<u>24,809</u>	1
<b>Total assets</b>		<u>142,681</u>	<u>142,318</u>	-	<u>118,679</u>	<u>118,765</u>	-
<b>Equity attributable to Owners of the Company</b>							
Share capital	7	88,522	88,240	-	88,522	88,240	-
Reserves		12,242	9,362	31	16,208	16,252	-
		<u>100,764</u>	<u>97,602</u>	3	<u>104,730</u>	<u>104,492</u>	-
<b>Non-controlling interests</b>							
		1,468	1,657	(11)	-	-	-
<b>Total equity</b>		<u>102,232</u>	<u>99,259</u>	3	<u>104,730</u>	<u>104,492</u>	-
<b>Non-current liabilities</b>							
Interest-bearing borrowings	8	4,394	4,272	3	568	903	(37)
Deferred tax liabilities		668	654	2	-	-	-
		<u>5,062</u>	<u>4,926</u>	3	<u>568</u>	<u>903</u>	(37)
<b>Current liabilities</b>							
Trade and other payables		27,938	30,485	(8)	1,289	1,274	1
Provisions		421	492	(14)	-	-	-
Amounts due to related parties		702	692	1	10,340	10,335	-
Interest-bearing borrowings	8	5,306	5,423	(2)	1,317	1,301	1
Redeemable convertible preference shares		78	78	-	-	-	-
Current tax payable		942	963	(2)	435	460	(5)
		<u>35,387</u>	<u>38,133</u>	(7)	<u>13,381</u>	<u>13,370</u>	-
<b>Total liabilities</b>		<u>40,449</u>	<u>43,059</u>	(6)	<u>13,949</u>	<u>14,273</u>	(2)
<b>Total equity and liabilities</b>		<u>142,681</u>	<u>142,318</u>	-	<u>118,679</u>	<u>118,765</u>	-

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

**Consolidated Statement of Comprehensive Income**

	1 July 2011 to 30 September 2011 \$'000	1 July 2010 to 30 September 2010 \$'000	Var. %
<b>Revenue</b>	36,732	44,646	(18)
Cost of revenue	(28,562)	(34,327)	(17)
<b>Gross profit</b>	<u>8,170</u>	<u>10,319</u>	(21)
Other income	320	1,891	(83)
Distribution expenses	(3,869)	(4,075)	(5)
Administrative expenses	(3,644)	(3,827)	(5)
Research and development expenses	(312)	(404)	(23)
Other expenses	(24)	(723)	(97)
<b>Results from operating activities</b>	<u>641</u>	<u>3,181</u>	(80)
Finance income	54	7	671
Finance expenses	(65)	(139)	(53)
<b>Net finance expenses</b>	<u>(11)</u>	<u>(132)</u>	(92)
Share of results of associates (net of tax)	300	261	15
Share of results of joint ventures (net of tax)	64	(12)	633
<b>Profit before income tax</b>	<u>994</u>	<u>3,298</u>	(70)
Income tax expenses	(174)	(116)	50
<b>Profit for the period</b>	<u><b>820</b></u>	<u><b>3,182</b></u>	(74)
<b>Other comprehensive income</b>			
Exchange differences on translation of financial statements of foreign operations	2,809	(2,759)	202
Exchange differences on monetary items forming part of net investments in foreign operations	(526)	721	(173)
Net change in fair value of available-for-sale financial assets, net of tax	(253)	1,189	(121)
<b>Other comprehensive income for the period, net of income tax</b>	<u>2,030</u>	<u>(849)</u>	339
<b>Total comprehensive income for the period</b>	<u><b>2,850</b></u>	<u><b>2,333</b></u>	22
<b>Profit/(Loss) attributable to:</b>			
Owners of the Company	1,045	3,495	(70)
Non-controlling interests	(225)	(313)	(28)
<b>Profit for the period</b>	<u><b>820</b></u>	<u><b>3,182</b></u>	(74)
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	3,039	2,696	13
Non-controlling interests	(189)	(363)	(48)
<b>Total comprehensive income for the period</b>	<u><b>2,850</b></u>	<u><b>2,333</b></u>	22
<b>Earnings per share</b>			
- Basic (cents)	0.19	0.68	(72)
- Diluted (cents)	0.19	0.64	(70)

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

**Consolidated Statement of Changes in Equity**

Group	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Exchange translation reserve \$'000	Accumulated profits \$'000	Total attributable to Owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>30 September 2010</b>									
Balance as at 1 July 2010	86,855	(11,720)	237	1,018	(9,496)	29,833	96,727	2,216	98,943
<b>Total comprehensive income for the period</b>									
Profit/(Loss) for the period	-	-	-	-	-	3,495	3,495	(313)	3,182
<b>Other comprehensive income</b>									
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	(2,709)	-	(2,709)	(50)	(2,759)
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	721	-	721	-	721
Net change in fair value of available-for-sale financial assets, net of tax	-	-	1,189	-	-	-	1,189	-	1,189
Total other comprehensive income	-	-	1,189	-	(1,988)	-	(799)	(50)	(849)
Total comprehensive income for the period	-	-	1,189	-	(1,988)	3,495	2,696	(363)	2,333
<b>Transactions with Owners, recorded directly in equity</b>									
<b>Contributions by and distributions to Owners</b>									
Issuance of shares pursuant to the exercise of warrants	234	-	-	-	-	-	234	-	234
Value of employee services received for issue of share options	-	-	-	175	-	-	175	-	175
Value of employee services received for issue of share awards	-	-	-	50	-	-	50	-	50
Total contributions by and distributions to Owners	234	-	-	225	-	-	459	-	459
Total transactions with Owners	234	-	-	225	-	-	459	-	459
Balance as at 30 September 2010	87,089	(11,720)	1,426	1,243	(11,484)	33,328	99,882	1,853	101,735

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

**Consolidated Statement of Changes in Equity**

Group	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Exchange translation reserve \$'000	Accumulated profits \$'000	Total attributable to Owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>30 September 2011</b>									
Balance as at 1 July 2011	88,240	(11,720)	751	2,321	(13,864)	31,874	97,602	1,657	99,259
<b>Total comprehensive income for the period</b>									
Profit/(Loss) for the period	-	-	-	-	-	1,045	1,045	(225)	820
<b>Other comprehensive income</b>									
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	2,773	-	2,773	36	2,809
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	(526)	-	(526)	-	(526)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	(253)	-	-	-	(253)	-	(253)
Total other comprehensive income	-	-	(253)	-	2,247	-	1,994	36	2,030
Total comprehensive income for the period	-	-	(253)	-	2,247	1,045	3,039	(189)	2,850
<b>Transactions with Owners, recorded directly in equity</b>									
<b>Contributions by and distributions to Owners</b>									
Issuance of shares pursuant to the exercise of warrants	7	-	-	-	-	-	7	-	7
Issuance of shares pursuant to the vesting of share awards	-	-	-	-	-	-	-	-	-
- Value of employee services received	275	-	-	(275)	-	-	-	-	-
Value of employee services received for issue of share options	-	-	-	116	-	-	116	-	116
Total contributions by and distributions to Owners	282	-	-	(159)	-	-	123	-	123
Total transactions with Owners	282	-	-	(159)	-	-	123	-	123
Balance as at 30 September 2011	88,522	(11,720)	498	2,162	(11,617)	32,919	100,764	1,468	102,232

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

**Statement of Changes in Equity**

Company	Share capital \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Accumulated profits \$'000	Total Equity \$'000
<b>30 September 2010</b>					
Balance as at 1 July 2010	86,855	237	1,018	15,571	103,681
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	14	14
<b>Other comprehensive income</b>					
Net change in fair value of available-for-sale financial assets, net of tax	-	1,189	-	-	1,189
Total other comprehensive income	-	1,189	-	-	1,189
Total comprehensive income for the period	-	1,189	-	14	1,203
<b>Transactions with Owners, recorded directly in equity</b>					
<b>Contributions by and distributions to Owners</b>					
Issuance of shares pursuant to the exercise of warrants	234	-	-	-	234
Value of employee services received for issue of share options	-	-	175	-	175
Value of employee services received for issue of share awards	-	-	50	-	50
Total contributions by and distributions to Owners	234	-	225	-	459
Total transactions with Owners	234	-	225	-	459
Balance as at 30 September 2010	87,089	1,426	1,243	15,585	105,343
<b>30 September 2011</b>					
Balance as at 1 July 2011	88,240	751	2,321	13,180	104,492
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	368	368
<b>Other comprehensive income</b>					
Net change in fair value of available-for-sale financial assets, net of tax	-	(253)	-	-	(253)
Total other comprehensive income	-	(253)	-	-	(253)
Total comprehensive income for the period	-	(253)	-	368	115
<b>Transactions with Owners, recorded directly in equity</b>					
<b>Contributions by and distributions to Owners</b>					
Issuance of shares pursuant to the exercise of warrants	7	-	-	-	7
Issuance of shares pursuant to the vesting of share awards					
- Value of employee services received	275	-	(275)	-	-
Value of employee services received for issue of share options	-	-	116	-	116
Total contributions by and distributions to Owners	282	-	(159)	-	123
Total transactions with Owners	282	-	(159)	-	123
Balance as at 30 September 2011	88,522	498	2,162	13,548	104,730

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

**Consolidated Statement of Cash Flows**

Group	Note	1 July 2011 to 30 September 2011 \$'000	1 July 2010 to 30 September 2010 \$'000
<b>Operating Activities</b>			
Profit for the period		820	3,182
Adjustments for:			
Allowance/(Reversal of allowance) for:			
- inventory obsolescence		48	118
- doubtful debts from trade receivables		(4)	147
Depreciation of property, plant and equipment		545	1,022
Interest income		(54)	(7)
Interest expense		65	139
Inventory written off		12	18
Gain on disposal of property, plant and equipment		(38)	(4)
Gain on disposal of asset classified as held for sale		-	(1,681)
Amortisation of intangible assets		116	100
Reversal of impairment of property, plant and equipment		-	(28)
Government grant – Jobs Credit Scheme income		-	(8)
Share-based payment expense		116	225
Share of results of associates and joint ventures (net of tax)		(364)	(249)
Income tax expense		174	116
Operating profit before working capital changes		1,436	3,090
Changes in working capital:			
Inventories		939	(156)
Project-in-progress		(258)	(786)
Amounts due from related parties (trade)		(239)	(52)
Amounts due to related parties (trade)		10	-
Trade and other receivables		2,666	(8)
Trade and other payables		(1,674)	351
Insurance claims received		-	2,751
Restructuring costs paid		(17)	(54)
Other liabilities arising from fire incident paid		(40)	(95)
(Placement)/Released of pledged deposits with financial institutions		(145)	859
Cash generated from operations		2,678	5,900
Interest received		54	7
Interest paid		(39)	(89)
Income tax paid		(202)	(140)
<b>Cash flows generated from operating activities</b>		2,491	5,678
<b>Investing Activities</b>			
Purchase of property, plant and equipment		(354)	(535)
Purchase of intangible assets		(548)	(43)
Proceeds from disposal of property, plant and equipment		41	12
Proceeds from disposal of asset classified as held for sale		-	4,359
Additional capital injection in associate		-	(196)
Amounts due from related parties (non-trade)		277	7
<b>Cash flows (used in)/generated from investing activities</b>		(584)	3,604
<b>Financing Activities</b>			
Interest paid		(26)	(50)
Drawdown of bank loans		3,036	2,982
Repayment of bank loans		(3,151)	(5,786)
Repayment of hire purchase and finance lease creditors		(122)	(128)
Amounts due to related parties (non-trade)		(19)	4
Government grant - Jobs Credit Scheme received		-	8
Issuance of shares		7	234
<b>Cash flow used in financing activities</b>		(275)	(2,736)
<b>Net increase in cash and cash equivalents</b>		1,632	6,546
Cash and cash equivalents at beginning of period		33,001	36,280
Effect of exchange rate changes on balances in foreign currencies		609	(496)
<b>Cash and cash equivalents at end of period</b>	6	35,242	42,330

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

## Notes to the Financial Statements

These notes form and integral part of the financial statements.

The announcement was authorised for issue by the directors on 11 November 2011.

### 1. Basis of Preparation

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 2011. In addition, the Group has adopted new/revised FRS and INT FRS that have become effective for the financial year beginning 1 July 2011.

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

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

From 1 July 2011, the Group has applied the revised FRS 24 *Related Party Disclosures* (2010) to identify parties that are related to the Group and to determine the disclosures to be made on transactions and outstanding balances, including commitments, between the Group and its related parties. FRS 24 (2010) improved the definition of a related party in order to eliminate inconsistencies and ensure symmetrical identification of relationships between two parties.

The adoption of FRS 24 (2010) affects only the disclosures made in the financial statements.

There is no financial effect on the results and financial position of the Group for the current and previous financial years. Accordingly, the adoption of FRS 24 (2010) has no impact on earnings per share.

### 3. Property, Plant and Equipment

Group	Leasehold land and building \$'000	Leasehold improve- ments \$'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
<b>30 September 2011</b>										
<b>Cost</b>										
At 1 July 2011	1,777	4,238	628	889	4,320	299	32,091	191	1	44,434
Additions	-	19	-	2	34	-	191	-	108	354
Disposals/Write off	-	(213)	(5)	(2)	(18)	(35)	(22)	(68)	(1)	(364)
Reclassification	-	-	-	-	192	-	(192)	-	-	-
Translation difference on consolidation	69	98	15	12	119	4	1,019	-	6	1,342
At 30 September 2011	<b>1,846</b>	<b>4,142</b>	<b>638</b>	<b>901</b>	<b>4,647</b>	<b>268</b>	<b>33,087</b>	<b>123</b>	<b>114</b>	<b>45,766</b>
<b>Accumulated depreciation and impairment losses</b>										
At 1 July 2011	181	3,695	524	789	3,901	237	29,317	171	-	38,815
Depreciation charge for the period	13	91	9	8	54	18	352	-	-	545
Disposals/Write off	-	(213)	(5)	(2)	(17)	(35)	(32)	(57)	-	(361)
Reclassification	-	-	-	-	185	-	(185)	-	-	-
Translation difference on consolidation	8	93	14	10	111	4	944	-	-	1,184
At 30 September 2011	<b>202</b>	<b>3,666</b>	<b>542</b>	<b>805</b>	<b>4,234</b>	<b>224</b>	<b>30,396</b>	<b>114</b>	<b>-</b>	<b>40,183</b>
<b>Carrying amount</b>										
At 1 July 2011	1,596	543	104	100	419	62	2,774	20	1	5,619
At 30 September 2011	<b>1,644</b>	<b>476</b>	<b>96</b>	<b>96</b>	<b>413</b>	<b>44</b>	<b>2,691</b>	<b>9</b>	<b>114</b>	<b>5,583</b>



Company	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Total \$'000
<b>30 September 2011</b>				
<b>Cost</b>				
At 1 July 2011 and 30 September 2011	62	36	70	168
<b>Accumulated depreciation</b>				
At 1 July 2011	62	36	65	163
Depreciation charge for the period	-	-	1	1
At 30 September 2011	62	36	66	164
<b>Carrying amount</b>				
At 1 July 2011	-	-	5	5
At 30 September 2011	-	-	4	4

Leasehold land and building and plant and machinery of the Group with carrying amounts of \$1,608,000 (30 June 2011: \$1,518,000) and \$510,000 (30 June 2011: \$589,000), respectively, have been pledged to banks as securities for certain bank loans (Note 8).

The carrying amount of property, plant and equipment includes amount totalling \$255,000 (30 June 2011: \$308,000) 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	Development expenditure \$'000	Goodwill \$'000	Total \$'000
<b>30 September 2011</b>						
<b>Cost</b>						
At 1 July 2011	591	1,919	5,805	881	27,129	36,325
Additions	7	-	21	520	-	548
Translation difference on consolidation	3	74	226	64	414	781
At 30 September 2011	601	1,993	6,052	1,465	27,543	37,654
<b>Accumulated amortisation and impairment losses</b>						
At 1 July 2011	424	529	1,418	-	744	3,115
Amortisation for the period	15	24	73	4	-	116
Translation difference on consolidation	1	21	59	-	-	81
At 30 September 2011	440	574	1,550	4	744	3,312
<b>Carrying amount</b>						
At 1 July 2011	167	1,390	4,387	881	26,385	33,210
At 30 September 2011	161	1,419	4,502	1,461	26,799	34,342

Company	Computer software \$'000
<b>30 September 2011</b>	
<b>Cost</b>	
At 1 July 2011 and 30 September 2011	21
<b>Accumulated amortisation and impairment losses</b>	
At 1 July 2011	19
Amortisation for the period	1
At 30 September 2011	20
<b>Carrying amount</b>	
At 1 July 2011	2
At 30 September 2011	1

#### 5. Financial Assets

Subsequent to the balance sheet date, on 5 October 2011, the Company increased its investment in a quoted equity security by purchasing an additional 49,947,558 ordinary shares at an aggregate purchase price of \$1,548,000, which increased the Company's effective interests from 14.18% to 19.83%.

**6. Cash and Cash Equivalents**

	Note	Group		Company	
		30 September 2011 \$'000	30 June 2011 \$'000	30 September 2011 \$'000	30 June 2011 \$'000
Cash at banks and in hand		30,794	28,673	6,242	6,440
Deposits with financial institutions		6,579	6,012	4,305	4,303
		<u>37,373</u>	<u>34,685</u>	<u>10,547</u>	<u>10,743</u>
Bank overdraft	8	(302)	-		
Deposits held as securities by financial institutions	8	(1,829)	(1,684)		
Cash and cash equivalents in the consolidated statement of cash flows		<u>35,242</u>	<u>33,001</u>		

**7. Share Capital**

	Group and Company	
	30 September 2011 '000	30 June 2011 '000
<b>Fully paid ordinary shares, with no par value:</b>		
Ordinary shares		
At 1 July 2011/1 July 2010	542,910	514,228
Issuance of shares pursuant to the exercise of warrants	209	26,032
Issuance of shares pursuant to the vesting of share awards	2,500	2,650
At 30 September 2011/30 June 2011	<u>545,619</u>	<u>542,910</u>

The Group had not acquired any treasury shares for the financial period ended 30 September 2011. There are no treasury shares held by the Group as at 30 June 2011 and 30 September 2011.

**Warrants**

As at 30 September 2011, there were outstanding warrants of 8,308,000 (30 September 2010: 27,852,000) which entitle warrant holders to subscribe 8,308,000 (30 September 2010: 27,852,000) new ordinary shares at the exercise price of \$0.035 per share.

**Options**

At the balance sheet date, there were 22,284,000 (30 September 2010: 26,000,000) and 20,100,000 (30 September 2010: 20,500,000) outstanding options with exercise price of \$0.135 per share and \$0.14 per share respectively.

No options were exercised during the financial period.

**Awards**

On 1 July 2011, 2,500,000 shares were issued for the awards vested on 30 June 2011.

At the balance sheet, there was no outstanding awards (30 September 2010: 2,500,000).

**8. Interest-Bearing Borrowings**

*Interest-bearing borrowings consist of the following:*

	Note	Group		Company	
		30 September 2011 \$'000	30 June 2011 \$'000	30 September 2011 \$'000	30 June 2011 \$'000
<b>Non-current liabilities</b>					
Secured bank loans		30	29	-	-
Unsecured bank loans <sup>(1)</sup>		4,261	4,127	568	903
Obligations under hire purchase agreements and finance leases		103	116	-	-
		<u>4,394</u>	<u>4,272</u>	<u>568</u>	<u>903</u>
<b>Current liabilities</b>					
Bank overdraft	6	302	-	-	-
Secured bank loans		71	305	-	-
Unsecured bank loans <sup>(1)</sup>		4,814	4,889	1,317	1,301
Obligations under hire purchase agreements and finance leases		119	229	-	-
		<u>5,306</u>	<u>5,423</u>	<u>1,317</u>	<u>1,301</u>

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

**Maturity of liabilities (excluding finance lease liabilities)**

	Group	
	30 September 2011 \$'000	30 June 2011 \$'000
Within 1 year	5,187	5,194
After 1 year but within 5 years	4,291	4,156
	9,478	9,350

The secured bank loans are secured on the following assets:

	Note	Group	
		30 September 2011 \$'000	30 June 2011 \$'000
Leasehold land and building	3	1,608	1,518
Plant and machinery	3	510	589
Deposits with financial institutions	6	1,829	1,684
Total carrying amount		3,947	3,791

**Obligations under hire purchase agreements and finance leases**

Group	30 September 2011			30 June 2011		
	Principal \$'000	Interest \$'000	Payments \$'000	Principal \$'000	Interest \$'000	Payments \$'000
Repayable within 1 year	119	10	129	229	13	242
Repayable after 1 year but within 5 years	103	20	123	116	22	138
	222	30	252	345	35	380

**9. Results from Operating Activities**

Group	Note	1 July 2011 to 30 September 2011 \$'000	1 July 2010 to 30 September 2010 \$'000
		<b>Other income</b>	
Rental income from third parties		26	21
Gain on disposal of property, plant and equipment		38	4
Gain on disposal of asset classified as held-for-sale		-	1,681
Government grant – Jobs Credit Scheme		-	8
Sundry income		256	177
		320	1,891
<b>Other expenses</b>			
(Reversal of allowance)/Allowance for doubtful debts from trade receivables		(4)	147
Allowance for inventory obsolescence		48	118
Inventory written off		12	18
Depreciation of property, plant and equipment	3	545	1,022
Amortisation of intangible assets	4	116	100
Reversal of impairment of property, plant and equipment		-	(28)
Share-based payment expense		116	225
Exchange loss, net		19	695

Depreciation expenses were lower in the current financial period as certain plant and machinery were fully depreciated towards the end of previous financial year.

**10. Net Finance Expenses**

Group	1 July 2011 to 30 September 2011 \$'000	1 July 2010 to 30 September 2010 \$'000
	<b>Finance income</b>	
Interest income from financial institutions	54	7

	1 July 2011 to 30 September 2011 \$'000	1 July 2010 to 30 September 2010 \$'000
<b>Finance expenses</b>		
Interest expenses to:		
- hire purchase arrangements and finance leases	(5)	(14)
- financial institutions	(56)	(122)
- an affiliate	(2)	(3)
- non-controlling interest of subsidiary	(2)	-
	<u>(65)</u>	<u>(139)</u>
Net finance expenses recognised in profit or loss	<u>(11)</u>	<u>(132)</u>

#### 11. Income Tax Expense

Group	1 July 2011 to 30 September 2011 \$'000	1 July 2010 to 30 September 2010 \$'000
<b>Current tax expense:</b>		
- current year	199	174
- (over)/under provision in prior year	(10)	5
	<u>189</u>	<u>179</u>
<b>Deferred tax expense:</b>		
- origination and reversal of temporary differences	(15)	(78)
- under provision in prior year	-	15
	<u>(15)</u>	<u>(63)</u>
Total income tax expense	<u>174</u>	<u>116</u>

#### 12. Earnings Per Share

Group	1 July 2011 to 30 September 2011 \$'000	1 July 2010 to 30 September 2010 \$'000
Basic earnings per share is based on:		
Profit for the period attributable to Owners of the Company	<u>1,045</u>	<u>3,495</u>
	1,045	3,495
	<u>542,910</u>	<u>514,228</u>
<b>Weighted average number of:</b>		
- shares outstanding during the period	542,910	514,228
- shares issued during the period:		
- pursuant to the exercise of warrants	208	1,653
- pursuant to the vesting of share awards	2,500	-
	<u>545,618</u>	<u>515,881</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, awards and warrants with the potential ordinary shares weighted for the year outstanding.

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

	<b>1 July 2011 to 30 September 2011 No. of shares '000</b>	<b>1 July 2010 to 30 September 2010 No. of shares '000</b>
Weighted average number of share issued, used in the calculation of basic earnings per share	545,618	515,881
Dilutive effect of warrants	5,474	25,243
Dilutive effect of share awards	27	1,005
Weighted average number of ordinary shares (diluted)	551,119	542,129

As at 30 September 2011, 42,384,000 (30 September 2010: 46,500,000) options were excluded from the diluted weighted average number of ordinary shares calculations as their effect would have been anti-dilutive.

### 13. Net Asset Value Per Share

	<b>Group cents</b>	<b>Company cents</b>
Net asset value per ordinary share based on issued share capital of the Company as at		
(a) 30 September 2011	18.47	19.19
(b) 30 June 2011	17.98	19.25

### 14. Dividends

The resolution in respect of the final dividend declared for the financial year ended 30 June 2011 was approved at the Company's Annual General Meeting convened on 19 October 2011. The final tax exempt, one-tier cash dividend of 0.13 cents per ordinary share and special tax exempt, one-tier cash dividend of \$0.15 cents per ordinary share will be payable on 16 November 2011.

There was no dividend declared or recommended for the current financial period reported on.

### 15. Significant Related Party Transactions

Significant transactions with related parties are as follows:

<b>Group</b>	<b>1 July 2011 to 30 September 2011 \$'000</b>	<b>1 July 2010 to 30 September 2010 \$'000</b>
Sales to:		
- an joint venture	-	7
- an associate	6	-
- other affiliates	222	10
Service income from an associate	28	83
Management fees paid to other affiliate	-	12
Rental expenses paid to:		
- an associate	(3)	(9)
- non-controlling interest of subsidiary	(12)	(12)
- other affiliates	(39)	(31)
- a director	(33)	(30)
Interest expense paid to:		
- non-controlling interest of subsidiary	(2)	-
- affiliates <sup>(1)</sup>	(2)	(3)

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

**16. Interested Person Transactions**

There was no significant interested person transaction during the period and the corresponding period of the immediately preceding financial year.

The Company does not have any general mandate from shareholders for interested person transaction.

**17. Commitments**

**Lease Commitments**

As at 30 September 2011, commitments of the Group for minimum lease payments under non-cancellable operating leases are as follows:

	<b>Group</b>	
	<b>30 September</b>	<b>30 June</b>
	<b>2011</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Receivable:</b>		
Within 1 year	20	44
After 1 year but within 5 years	6	7
	26	51
<b>Payable:</b>		
Within 1 year	1,994	2,278
After 1 year but within 5 years	1,083	1,480
	3,077	3,758

**Corporate guarantees**

As at 30 September 2011, the Company provided corporate guarantees amounting to \$20,085,000 (30 June 2011: \$19,859,000) to banks for banking facilities of \$24,355,000 (30 June 2011: \$18,959,000) made available to its subsidiaries, of which the subsidiaries have utilised \$9,174,000 (30 June 2011: \$8,636,000).

**18. Operating Segments**

**Reportable segments**

	<b>Distribution &amp; Services solutions</b>		<b>Probe Card solutions</b>		<b>Eliminations</b>		<b>Consolidated</b>	
	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
	<b>September</b>	<b>September</b>	<b>September</b>	<b>September</b>	<b>September</b>	<b>September</b>	<b>September</b>	<b>September</b>
<b>Group</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue and Expense</b>								
Total revenue from external customers	27,402	32,056	9,330	12,590	-	-	36,732	44,646
Inter-segment revenue	155	287	185	95	(340)	(382)	-	-
	27,557	32,343	9,515	12,685			36,732	44,646
Segment results	(484)	1,141	959	1,731	-	-	475	2,872
Unallocated corporate results							166	309
							641	3,181
Share of results of associates and joint ventures								
- allocated to reportable segment	185	140	112	109	-	-	297	249
- unallocated corporate and others							67	-
Profit before interest income/(expense) and income tax							1,005	3,430
Interest income							54	7
Interest expense							(65)	(139)
Income tax expenses							(174)	(116)
Non-controlling interests							225	313
Profit for the period							1,045	3,495

**Ellipsiz Ltd and its Subsidiaries**  
*First quarter results ended*  
*30 September 2011*

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	30 September 2011	30 June 2011	30 September 2011	30 June 2011	30 September 2011	30 June 2011	30 September 2011	30 June 2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets and Liabilities</b>								
Segment assets	69,317	71,638	44,150	42,391	-	-	113,467	114,029
Investments in associates								
- allocated to reportable segments	2,114	1,874	6,782	6,043	-	-	8,896	7,917
Investments in joint ventures								
- allocated to reportable segments	176	174	-	-	-	-	176	174
- unallocated corporate & others							771	664
Tax receivables	20	39	3	3	-	-	23	42
Deferred tax assets	126	125	2,603	2,517	-	-	2,729	2,642
Unallocated corporate assets							16,619	16,850
Total assets							<u>142,681</u>	<u>142,318</u>
Segment liabilities	23,440	26,291	4,392	4,168	-	-	27,832	30,459
Interest-bearing borrowings	7,355	6,657	460	834	-	-	7,815	7,491
Income tax liabilities	484	459	818	826	-	-	1,302	1,285
Unallocated corporate liabilities							3,500	3,824
Total liabilities							<u>40,449</u>	<u>43,059</u>
	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure								
- allocated to reportable segments	52	321	850	257	-	-	902	578
<b>Other non-cash items</b>								
Depreciation of property, plant and equipment:								
- allocated to reportable segments	160	171	384	850	-	-	544	1,021
- unallocated corporate expenses							1	1
							<u>545</u>	<u>1,022</u>
Gain on disposal of property, plant and equipment								
- allocated to reportable segments	(10)	(3)	(28)	(1)	-	-	(38)	(4)
Amortisation of intangible assets								
- allocated to reportable segments	13	9	102	90	-	-	115	99
- unallocated corporate expenses							1	1
							<u>116</u>	<u>100</u>
(Reversal of)/Allowance for doubtful debts from trade receivables								
- allocated to reportable segments	-	-	(4)	147	-	-	(4)	147

**Ellipsiz Ltd and its Subsidiaries**  
 First quarter results ended  
 30 September 2011

	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(Reversal of)/Allowance for inventory obsolescence - allocated to reportable segments	(12)	(39)	60	157	-	-	48	118
Inventory written-off - allocated to reportable segments	-	-	12	18	-	-	12	18

**Geographical segments**

Group	Singapore		Other Asean Countries		China & Taiwan		USA		Europe		Other Regions		Consolidated	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010	30 September 2011	30 September 2010	30 September 2011	30 September 2010	30 September 2011	30 September 2010	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue from external customers	9,782	12,617	10,051	8,694	9,352	10,786	4,286	7,166	1,203	1,087	2,058	4,296	36,732	44,646
Non-current segment assets	24,878	23,285	4,131	4,033	6,679	6,771	7,407	7,995	17	18	1,445	1,422	44,557	43,524
Investments in associates	-	-	2,114	1,874	-	-	-	-	-	-	6,782	6,043	8,896	7,917
Investments in joint ventures	-	-	176	174	771	664	-	-	-	-	-	-	947	838
Investments in other financial assets	4,138	4,389	-	-	-	-	-	-	123	125	-	-	4,261	4,514
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	2,742	2,653
	29,016	27,674	6,421	6,081	7,450	7,435	7,407	7,995	140	143	8,227	7,465	61,403	59,446
Capital expenditure	562	280	124	175	38	36	178	77	-	-	-	10	902	578



**CONFIRMATION BY THE BOARD**  
**PURSUANT TO RULE 705(5) 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 interim financial statements of the Company and of the Group for the 1<sup>st</sup> quarter results ended 30 September 2011 to be false or misleading in any material aspect.

On behalf of the Board of Directors



*Chong Fook Choy*  
*Non-Executive Chairman*



*Chan Wai Leong*  
*Chief Executive Officer*

Singapore  
11 November 2011



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

First Quarter Financial Statements and Dividend Announcement for  
three months ended

**30 September 2011**

***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**

### ***Revenue and gross profits***

For the three months ended 30 September 2011 (1Q FY2012), the Group reported revenue of \$36.7 million, a decline of 18% from \$44.6 million revenue attained in the corresponding quarter of the previous financial year (1Q FY2011). Probe Card solutions (PCS) and Distribution & Services solutions (DSS) were 26% and 15% lower than their 1Q FY2011's performance respectively. The macroeconomic uncertainties, especially in the US and Europe; the excess inventories built up after the tight capacity situation in 2010; and the adoption of more conservative capital spending by some customers in view of the global uncertainties, had affected the performance of the Group and leading to lower revenue from operations in most of the regions. Keen price competition and currency risk continues to pose challenges to the Group.

Gross profit attained in 1QFY2012 was \$8.2 million, a drop of 21% over \$10.3 million in 1QFY2011. Gross profit margin decreased by 1% to 22%.

### ***Other income***

Other income decreased by 83% from \$1.9 million in 1Q FY2011 to \$0.3 million in 1Q FY2012 mainly due to the non-recurrence of 1Q FY2011's gain of \$1.7 million from disposal of asset classified as held for sale.

### ***Operating expenses***

Total operating expenses decreased by 13% from \$9.0 million to \$7.8 million. Both distribution and administrative expenses dropped by 5% while research and development and other expenses decreased by 23% and 97% respectively. The capitalisation of certain development costs led to the decrease in development expenses and the incurrence of lower exchange losses (1Q FY2012 : \$19,000 and 1Q FY2011 : \$695,000) resulted in the 97% decline in other expenses.

### ***Finance expenses***

Due to the lower interest-bearing borrowings, finance expenses incurred in 1Q FY2012 was 53% lower than that incurred in corresponding period of previous financial year.

### ***Share of results of associates and joint ventures***

The Group recorded profits of \$300,000 from share of results from associates and \$64,000 from share of results from its joint ventures for 1Q FY2012.

### ***Income taxes***

In 1Q FY2012, the Group recorded a tax expense of \$0.2 million, mainly for the quarter's current tax expense. This is partially offset by the reversal of deferred tax liabilities as a result of movement in temporary differences.

**Net profit attributable to Owners of the Company**

The Group had net profits after taxes and non-controlling interests of \$1.0 million for the financial period, a decline of 70% from 1Q FY2011's profits of \$3.5 million. The negative variance can mainly be accounted by the non-recurrence of 1Q FY2011's one-time gain on disposal of asset classified as held for sale and the loss in gross profits due to the lower revenue attained in the financial period. The negative impacts were partially offset by the incurrence of lower operating expenses.

**Financial Conditions**

**Non-current assets**

The non-current assets increased marginally by 3% from \$59.4 million to \$61.4 million. This is attributable to share of results and translation gains relating to the Group's investment in associates and joint ventures during the financial period.

**Current assets**

Total current asset as at 30 September 2011 was \$81.3 million, a drop of 2% from \$82.9 million as at 30 June 2011. Decrease in project-in-progress due to completion of some projects and lower inventories and receivables levels as a result of lower activities had contributed to the decrease in total current assets.

**Current liabilities and non-current liabilities**

Total liabilities as at 30 September 2011 stood at \$40.4 million, a 6% decrease from \$43.1 million as at 30 June 2011. The decline was mainly attributed to decrease in trade and other payables.

**Non-controlling interests**

The decrease in the non-controlling interests was due to the share of losses during the financial period.

**Liquidity and Capital Reserves**

The net cash inflow of the Group for financial period ended 30 September 2011 was \$1.6 million. This can be accounted by:

- (a) cash inflow of \$2.5 million for operating activities;
- (b) cash outflow of \$0.6 million for investing activities; and
- (c) cash outflow of \$0.3 million for financing activities.

The positive results in the quarter, coupled with the higher collections from trade and other receivables led to the cash inflow from operating activities of \$2.5 million in 1QFY2012.

The purchase of additional plant and equipment and intangible assets led to negative cashflow of \$0.6 million 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 30 September 2011, the Group's cash and cash equivalents position (including fixed deposits held as securities) was \$37.4 million.

**(B) Where a forecast, a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

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.**

The group remains extremely cautious of our business prospects as semiconductor revenue projections as well as capital equipment spending forecasts are being scaled back with various indicators pointing to a stalling economy. Reports of rising semiconductor inventories also raised concerns over the near-term outlook for the chip market. IHS iSupply reports that “global supplier semiconductor stockpiles at the end of the second quarter of 2011 stood at an unusually elevated 83.4 Days of Inventory (DOI) - a level exceeding even the last record high of 83.1 DOI seen in the first quarter of 2008” and “for the semiconductor industry, wading into such potentially troubling territory—reminiscent of the dark days leading into the recession...” With the extremely cloudy visibility of the economy as well as the semiconductor industry, the Group remains focus on prioritizing its resources to grow the business.