



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

Second Quarter Financial Statements and  
Dividend Announcement for period ended

**31 December 2011**

**Statements of Financial Position**

		Group			Company		
	Note	31 December 2011 \$'000	30 June 2011 \$'000	Var. %	31 December 2011 \$'000	30 June 2011 \$'000	Var. %
<b>Non-current assets</b>							
Property, plant and equipment	3	5,362	5,619	(5)	3	5	(40)
Intangible assets	4	35,003	33,210	5	1	2	(50)
Subsidiaries	5	-	-	-	84,398	84,123	-
Associates		8,863	7,917	12	4,868	4,868	-
Joint ventures		877	838	5	-	-	-
Financial assets	6	4,833	4,514	7	4,833	4,514	7
Trade and other receivables		5,815	4,695	24	-	-	-
Amounts due from related parties		-	-	-	108	433	(75)
Deferred tax assets		2,897	2,653	9	9	11	(18)
		<u>63,650</u>	<u>59,446</u>	7	<u>94,220</u>	<u>93,956</u>	(1)
<b>Current assets</b>							
Inventories		8,088	9,920	(18)	-	-	-
Project-in-progress		2,845	4,085	(30)	-	-	-
Trade and other receivables		28,228	33,797	(16)	499	362	38
Amounts due from related parties		681	385	77	13,536	13,704	(1)
Cash and cash equivalents	7	32,616	34,685	(6)	7,683	10,743	(28)
		<u>72,458</u>	<u>82,872</u>	(13)	<u>21,718</u>	<u>24,809</u>	(12)
<b>Total assets</b>		<u>136,108</u>	<u>142,318</u>	(4)	<u>115,938</u>	<u>118,765</u>	(2)
<b>Equity attributable to Owners of the Company</b>							
Share capital	8	88,571	88,240	-	88,571	88,240	-
Reserves		8,418	9,362	(10)	13,925	16,252	(14)
		<u>96,989</u>	<u>97,602</u>	(1)	<u>102,496</u>	<u>104,492</u>	(2)
<b>Non-controlling interests</b>		1,422	1,657	(14)	-	-	-
<b>Total equity</b>		<u>98,411</u>	<u>99,259</u>	(1)	<u>102,496</u>	<u>104,492</u>	(2)
<b>Non-current liabilities</b>							
Interest-bearing borrowings	9	4,072	4,272	(5)	228	903	(75)
Deferred tax liabilities		667	654	2	-	-	-
		<u>4,739</u>	<u>4,926</u>	(4)	<u>228</u>	<u>903</u>	(75)
<b>Current liabilities</b>							
Trade and other payables		24,974	30,485	(18)	1,136	1,274	(11)
Provisions		1,004	492	104	-	-	-
Amounts due to related parties		578	692	(16)	10,343	10,335	-
Interest-bearing borrowings	9	5,681	5,423	5	1,334	1,301	3
Redeemable convertible preference shares		78	78	-	-	-	-
Current tax payable		643	963	(33)	401	460	(13)
		<u>32,958</u>	<u>38,133</u>	(14)	<u>13,214</u>	<u>13,370</u>	(1)
<b>Total liabilities</b>		<u>37,697</u>	<u>43,059</u>	(12)	<u>13,442</u>	<u>14,273</u>	(6)
<b>Total equity and liabilities</b>		<u>136,108</u>	<u>142,318</u>	(4)	<u>115,938</u>	<u>118,765</u>	(2)

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

**Consolidated Statement of Comprehensive Income**

Group	Note	1 October	1 October	Var.	1 July	1 July	Var.
		2011 to 31 December 2011 \$'000	2010 to 31 December 2010 \$'000		2011 to 31 December 2011 \$'000	2010 to 31 December 2010 \$'000	
<b>Revenue</b>		31,670	42,593	(26)	68,402	87,239	(22)
Cost of revenue		(26,127)	(32,949)	(21)	(54,689)	(67,276)	(19)
<b>Gross profit</b>		5,543	9,644	(43)	13,713	19,963	(31)
Other income	10	243	86	183	563	1,977	(72)
Distribution expenses		(3,013)	(3,673)	(18)	(6,882)	(7,748)	(11)
Administrative expenses		(3,815)	(3,590)	6	(7,459)	(7,417)	1
Research and development expenses		(322)	(348)	(7)	(634)	(752)	(16)
Other expenses		(725)	(617)	18	(749)	(1,340)	(44)
<b>Results from operating activities</b>	10	(2,089)	1,502	(239)	(1,448)	4,683	(131)
Finance income		59	11	436	113	18	528
Finance expenses		(74)	(97)	(24)	(139)	(236)	(41)
<b>Net finance expenses</b>	11	(15)	(86)	(83)	(26)	(218)	(88)
Share of results of associates (net of tax)		(2)	102	(102)	298	363	(18)
Share of results of joint ventures (net of tax)		(86)	12	(817)	(22)	-	(100)
<b>(Loss)/Profit before income tax</b>		(2,192)	1,530	(243)	(1,198)	4,828	(125)
Income tax (expense)/credit	12	(219)	260	(184)	(393)	144	(373)
<b>(Loss)/Profit for the period</b>		(2,411)	1,790	(235)	(1,591)	4,972	(132)
<b>Other comprehensive income</b>							
Exchange differences on translation of financial statements of foreign operations		1,470	(138)	1,165	4,279	(2,897)	248
Exchange differences on monetary items forming part of net investments in foreign operations		(577)	(242)	(138)	(1,103)	479	(330)
Net change in fair value of available-for-sale financial assets, net of tax		(976)	6	(16,367)	(1,229)	1,195	(203)
<b>Other comprehensive income for the period, net of income tax</b>		(83)	(374)	84	1,947	(1,223)	261
<b>Total comprehensive income for the period</b>		(2,494)	1,416	(276)	356	3,749	(91)
<b>(Loss)/Profit attributable to:</b>							
Owners of the Company		(2,301)	1,878	(223)	(1,256)	5,373	(123)
Non-controlling interests		(110)	(88)	25	(335)	(401)	(16)
<b>(Loss)/Profit for the period</b>		(2,411)	1,790	(235)	(1,591)	4,972	(132)

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

Group	Note	1 October	1 October	Var.	1 July	1 July	Var.
		2011 to 31 December 2011 \$'000	2010 to 31 December 2010 \$'000		2011 to 31 December 2011 \$'000	2010 to 31 December 2010 \$'000	
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		(2,429)	1,479	(264)	610	4,175	(84)
Non-controlling interests		(65)	(63)	3	(254)	(426)	(40)
<b>Total comprehensive income for the period</b>		<u>(2,494)</u>	<u>1,416</u>	<u>(2764)</u>	<u>356</u>	<u>3,749</u>	<u>(91)</u>
<b>Earnings per share</b>	13						
- Basic (cents)		(0.42)	0.35	(220)	(0.23)	1.00	(123)
- Diluted (cents)		<u>(0.42)</u>	<u>0.34</u>	<u>(224)</u>	<u>(0.23)</u>	<u>0.97</u>	<u>(124)</u>

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

**Consolidated Statement of Changes in Equity**

<b>Group</b>	<b>Share capital \$'000</b>	<b>Capital reserve \$'000</b>	<b>Fair value reserve \$'000</b>	<b>Share-based compensation reserve \$'000</b>	<b>Exchange translation reserve \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total attributable to Owners of the Company \$'000</b>	<b>Non-controlling interests \$'000</b>	<b>Total equity \$'000</b>
<b>31 December 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>31 December 2010</b>									
Balance as at 1 October 2010	87,089	(11,720)	1,426	1,243	(11,484)	33,328	99,882	1,853	101,735
<b>Total comprehensive income for the period</b>									
Profit/(Loss) for the period	-	-	-	-	-	1,878	1,878	(88)	1,790
<b>Other comprehensive income</b>									
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	(163)	-	(163)	25	(138)
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	(242)	-	(242)	-	(242)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	6	-	-	-	6	-	6
Total other comprehensive income	-	-	6	-	(405)	-	(399)	25	(374)
Total comprehensive income for the period	-	-	6	-	(405)	1,878	1,479	(63)	1,416
<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	667	-	-	-	-	-	667	-	667
Issuance of shares pursuant to the exercise of options	-	-	-	-	-	-	-	-	-
- Exercise price	358	-	-	-	-	-	358	-	358
- Value of employee services received	116	-	-	(116)	-	-	-	-	-
Value of employee services received for issue of share options	-	-	-	382	-	-	382	-	382
Value of employee services received for issue of share awards	-	-	-	100	-	-	100	-	100
Final dividend of 0.15 cents per share in respect of 2010	-	-	-	-	-	(814)	(814)	-	(814)
Special dividend of 1.10 cents per share in respect of 2010	-	-	-	-	-	(5,969)	(5,969)	-	(5,969)
Total contributions by and distributions to Owners	1,141	-	-	366	-	(6,783)	(5,276)	-	(5,276)
Total transactions with Owners	1,141	-	-	366	-	(6,783)	(5,276)	-	(5,276)
Balance as at 31 December 2010	88,230	(11,720)	1,432	1,609	(11,889)	28,423	96,085	1,790	97,875

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**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>31 December 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.

**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>31 December 2011</b>									
Balance as at 1 October 2011	88,522	(11,720)	498	2,162	(11,617)	32,919	100,764	1,468	102,232
<b>Total comprehensive income for the period</b>									
Loss for the period	-	-	-	-	-	(2,301)	(2,301)	(110)	(2,411)
<b>Other comprehensive income</b>									
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	1,425	-	1,425	45	1,470
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	(577)	-	(577)	-	(577)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	(976)	-	-	-	(976)	-	(976)
Total other comprehensive income	-	-	(976)	-	848	-	(128)	45	(83)
Total comprehensive income for the period	-	-	(976)	-	848	(2,301)	(2,429)	(65)	(2,494)
<b>Transactions with Owners, recorded directly in equity Contributions by and distributions to Owners</b>									
Issuance of shares pursuant to the exercise of warrants	49	-	-	-	-	-	49	-	49
Value of employee services received for issue of share options	-	-	-	94	-	-	94	-	94
Final dividend of 0.13 cents per share in respect of 2011	-	-	-	-	-	(710)	(710)	-	(710)
Special dividend of 0.15 cents per share in respect of 2011	-	-	-	-	-	(819)	(819)	-	(819)
Total contributions by and distributions to Owners	49	-	-	94	-	(1,529)	(1,386)	-	(1,386)
Arising from disposal of subsidiaries	-	-	-	-	40	-	-	19	59
Total transactions with Owners	49	-	-	94	40	(1,529)	(1,346)	19	(1,327)
Balance as at 31 December 2011	88,571	(11,720)	(478)	2,256	(10,729)	29,089	96,989	1,422	98,411

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>31 December 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
Balance as at 1 October 2010	87,089	1,426	1,243	15,585	105,343
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	205	205
<b>Other comprehensive income</b>					
Net change in fair value of available-for-sale financial assets, net of tax	-	6	-	-	6
Total other comprehensive income	-	6	-	-	6
Total comprehensive income for the period	-	6	-	205	211
<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	667	-	-	-	667
Issuance of shares pursuant to the exercise of share options	358	-	-	-	358
- Exercise price	116	-	(116)	-	-
- Value of employee services received	-	-	382	-	382
Value of employee services received for issue of share options	-	-	382	-	382
Value of employee services received for issue of share awards	-	-	100	-	100
Final dividend of 0.15 cents per share in respect of 2010	-	-	-	(814)	(814)
Special dividend of 1.10 cents per share in respect of 2010	-	-	-	(5,969)	(5,969)
Total contributions by and distributions to Owners	1,141	-	366	(6,783)	(5,276)
Total transactions with Owners	1,141	-	366	(6,783)	(5,276)
Balance as at 31 December 2010	88,230	1,432	1,609	9,007	100,278

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>31 December 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
<b>Balance as at 30 September 2011</b>	<b>88,522</b>	<b>498</b>	<b>2,162</b>	<b>13,548</b>	<b>104,730</b>
Balance as at 1 October 2011	88,522	498	2,162	13,548	104,730
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	128	128
<b>Other comprehensive income</b>					
Net change in fair value of available-for-sale financial assets, net of tax	-	(976)	-	-	(976)
Total other comprehensive income	-	(976)	-	-	(976)
Total comprehensive income for the period	-	(976)	-	128	(848)
<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	49	-	-	-	49
Value of employee services received for issue of share options	-	-	94	-	94
Final dividend of 0.13 cents per share in respect of 2011	-	-	-	(710)	(710)
Special dividend of 0.15 cents per share in respect of 2011	-	-	-	(819)	(819)
Total contributions by and distributions to Owners	49	-	94	(1,529)	(1,386)
Total transactions with Owners	49	-	94	(1,529)	(1,386)
<b>Balance as at 31 December 2011</b>	<b>88,571</b>	<b>(478)</b>	<b>2,256</b>	<b>12,147</b>	<b>102,496</b>

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

**Consolidated Statement of Cash Flows**

Group	1 October 2011 to 31 December 2011 \$'000	1 October 2010 to 31 December 2010 \$'000	1 July 2011 to 31 December 2011 \$'000	1 July 2010 to 31 December 2010 \$'000
<b>Operating Activities</b>				
(Loss)/Profit for the period	(2,411)	1,790	(1,591)	4,972
Adjustments for:				
Allowance/(Reversal of allowance) for:				
- inventory obsolescence	1,457	(58)	1,505	60
- doubtful debts from trade receivables	84	(9)	80	138
Depreciation of property, plant and equipment	445	955	990	1,977
Interest income	(59)	(11)	(113)	(18)
Interest expense	74	97	139	236
Bad debts written off	2	-	2	-
Property, plant and equipment written off	-	7	-	7
Inventories written off	11	7	23	25
(Gain)/Loss on disposal of property, plant and equipment	(188)	31	(226)	(1)
Gain on disposal of asset classified as held for sale	-	-	-	(1,681)
Amortisation of intangible assets	162	119	278	219
Impairment losses on:				
- property, plant and equipment	173	-	173	-
- intangible assets	3	-	3	-
Government grant – Jobs Credit Scheme income	-	-	-	(8)
Gain on disposal of subsidiaries	(49)	-	(49)	-
Restructuring cost reversed	(12)	-	(12)	-
Retrenchment benefits	250	-	250	-
Provision for other liabilities	150	-	150	-
Share-based payment expense	94	482	210	707
Fair value loss on initial recognition of loan and receivables	104	-	104	-
Share of results of associates and joint ventures (net of tax)	88	(114)	(276)	(363)
Income tax expense/(credit)	219	(260)	393	(144)
<b>Operating profit before working capital changes</b>	<b>597</b>	<b>3,036</b>	<b>2,033</b>	<b>6,126</b>
Changes in working capital:				
Inventories	(1,008)	(754)	(69)	(910)
Project-in-progress	1,176	(1,848)	918	(2,634)
Amounts due from related parties (trade)	(318)	56	(557)	4
Amounts due to related parties (trade)	(17)	21	(7)	21
Trade and other receivables	2,093	3,847	4,759	3,839
Trade and other payables	(2,439)	(1,318)	(4,113)	(967)
Insurance claim received	-	-	-	2,751
Other liabilities arising from fire incident paid <sup>(1)</sup>	-	(128)	(40)	(223)
Restructuring and retrenchment costs paid	(7)	(124)	(24)	(178)
Release of pledged/(Placement of) deposits with financial institutions	55	17	(90)	876
Cash generated from operations	132	2,805	2,810	8,705
Interest received	59	11	113	18
Interest paid	(52)	(53)	(91)	(142)
Income tax paid	(684)	(750)	(886)	(890)
<b>Cash flows from operating activities</b>	<b>(545)</b>	<b>2,013</b>	<b>1,946</b>	<b>7,691</b>

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

Group	Note	1 October 2011 to 31 December 2011 \$'000	1 October 2010 to 31 December 2010 \$'000	1 July 2011 to 31 December 2011 \$'000	1 July 2010 to 31 December 2010 \$'000
<b>Investing Activities</b>					
Purchase of property, plant and equipment		(669)	(267)	(1,023)	(802)
Purchase of intangible assets		(539)	(89)	(1,087)	(132)
Proceeds from disposal of property, plant and equipment		536	29	577	41
Purchase of other financial assets		(1,548)	-	(1,548)	-
Additional capital injection in associate		-	-	-	(196)
Acquisition of additional interest in associate		-	(149)	-	(149)
Proceed for disposal of asset classified as held for sale		-	-	-	4,359
Net cash outflow on disposal of subsidiaries		(711)	-	(711)	-
Amounts due from related parties (non-trade)		-	(19)	277	(12)
<b>Cash flows from investing activities</b>		<b>(2,931)</b>	<b>(495)</b>	<b>(3,515)</b>	<b>3,109</b>
<b>Financing Activities</b>					
Interest paid		(22)	(44)	(48)	(94)
Drawdown of bank loans		3,488	2,566	6,524	5,548
Repayment of bank loans		(3,228)	(3,260)	(6,379)	(9,046)
Repayment of hire purchase and finance lease creditors		(44)	(126)	(166)	(254)
Amounts due to related parties (non-trade)		(11)	59	(30)	63
Government grant – Jobs Credit Scheme received		-	-	-	8
Issuance of shares		49	1,025	56	1,259
Dividend paid		(1,529)	(6,783)	(1,529)	(6,783)
<b>Cash flows from financing activities</b>		<b>(1,297)</b>	<b>(6,563)</b>	<b>(1,572)</b>	<b>(9,299)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(4,773)</b>	<b>(5,045)</b>	<b>(3,141)</b>	<b>1,501</b>
Cash and cash equivalents at beginning of period		35,242	42,330	33,001	36,280
Effect of exchange rate changes on balances in foreign currencies		312	(87)	921	(583)
<b>Cash and cash equivalents at end of period</b>	7	<b>30,781</b>	<b>37,198</b>	<b>30,781</b>	<b>37,198</b>

<sup>(1)</sup> Arising from fire incident

**Disposal of subsidiaries**

	1 July 2011 to 31 December 2011 \$'000	1 July 2010 to 31 December 2010 \$'000
Inventories	582	-
Trade and other receivables	1,956	-
Cash and cash equivalents	712	-
Trade and other payables	(1,257)	-
Amounts due to related parties	(2,100)	-
Non-controlling interests	19	-
Net identifiable assets disposed	(88)	-
Realisation of exchange translation reserves	40	-
Gain on disposal of subsidiaries	49	-
Cash proceed from disposal of subsidiaries	1	-
Less: Cash and cash equivalents disposed	(712)	-
Net cash outflow on disposal of subsidiaries	(711)	-

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 14 February 2012.

### 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- 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
<b>31 December 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	158	175	-	14	78	-	589	-	9	1,023
Disposals/Write off	-	(501)	(9)	(8)	(27)	(36)	(330)	(99)	(1)	(1,011)
Arising from disposal of subsidiaries	-	(107)	(62)	(56)	(115)	(43)	(2,280)	-	-	(2,663)
Reclassification	-	-	-	-	192	-	(100)	(92)	-	-
Reclassification to intangible assets	-	-	-	-	(264)	-	-	-	-	(264)
Translation difference on consolidation	124	148	16	5	155	8	1,504	-	-	1,960
At 31 December 2011	<u>2,059</u>	<u>3,953</u>	<u>573</u>	<u>844</u>	<u>4,339</u>	<u>228</u>	<u>31,474</u>	<u>-</u>	<u>9</u>	<u>43,479</u>
<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	29	161	17	23	106	18	636	-	-	990
Impairment losses for the period	-	1	-	14	6	5	147	-	-	173
Disposals/Write off	-	(382)	(8)	(4)	(23)	(36)	(128)	(79)	-	(660)
Arising from disposal of subsidiaries	-	(107)	(62)	(56)	(115)	(43)	(2,280)	-	-	(2,663)
Reclassification	-	-	-	-	185	-	(93)	(92)	-	-
Reclassification to intangible assets	-	-	-	-	(258)	-	-	-	-	(258)
Translation difference on consolidation	22	135	15	5	144	6	1,393	-	-	1,720
At 31 December 2011	<u>232</u>	<u>3,503</u>	<u>486</u>	<u>771</u>	<u>3,946</u>	<u>187</u>	<u>28,992</u>	<u>-</u>	<u>-</u>	<u>38,117</u>
<b>Carrying amount</b>										
At 1 July 2011	1,596	543	104	100	419	62	2,774	20	1	5,619
At 31 December 2011	<u>1,827</u>	<u>450</u>	<u>87</u>	<u>73</u>	<u>393</u>	<u>41</u>	<u>2,482</u>	<u>-</u>	<u>9</u>	<u>5,362</u>

Company	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Total \$'000
<b>31 December 2011</b>				
<b>Cost</b>				
At 1 July 2011 and 31 December 2011	62	36	70	168
<b>Accumulated depreciation</b>				
At 1 July 2011	62	36	65	163
Depreciation charge for the period	-	-	2	2
At 31 December 2011	62	36	67	165
<b>Carrying amount</b>				
At 1 July 2011	-	-	5	5
At 31 December 2011	-	-	3	3

Leasehold land and building and plant and machinery of the Group with carrying amounts of \$1,623,000 (30 June 2011: \$1,518,000) and \$434,000 (30 June 2011: \$589,000), 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 \$137,000 (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>31 December 2011</b>						
<b>Cost</b>						
At 1 July 2011	591	1,919	5,805	881	27,129	36,325
Additions	8	-	64	1,015	-	1,087
Arising from disposal of subsidiaries	(244)	-	-	-	-	(244)
Reclassification from Property, plant and equipment	264	-	-	-	-	264
Translation difference on consolidation	16	104	317	94	578	1,109
At 31 December 2011	635	2,023	6,186	1,990	27,707	38,541
<b>Accumulated amortisation and impairment losses</b>						
At 1 July 2011	424	529	1,418	-	744	3,115
Amortisation for the period	71	50	151	6	-	278
Impairment losses for the period	3	-	-	-	-	3
Arising from disposal of subsidiaries	(244)	-	-	-	-	(244)
Reclassification from property, plant and equipment	258	-	-	-	-	258
Translation difference on consolidation	13	31	84	-	-	128
At 31 December 2011	525	610	1,653	6	744	3,538
<b>Carrying amount</b>						
At 1 July 2011	167	1,390	4,387	881	26,385	33,210
At 31 December 2011	110	1,413	4,533	1,984	26,963	35,003

Company	Computer software \$'000
<b>31 December 2011</b>	
<b>Cost</b>	
At 1 July 2011 and 31 December 2011	21

<b>Company</b>	<b>Computer software \$'000</b>
<b>Accumulated amortisation and impairment losses</b>	
At 1 July 2011	19
Amortisation for the period	1
At 31 December 2011	20
<b>Carrying amount</b>	
At 1 July 2011	2
At 31 December 2011	1

**5. Subsidiaries**

A wholly owned subsidiary, iNETest Resources Pte Ltd has entered into an agreement with a third party to dispose its all its interests in Testel Solutions Pte Ltd ("Testel") and Testel's subsidiaries for a cash consideration of S\$1,000. This agreement is subject to certain conditions to be fulfilled by the third party.

**6. Financial Assets**

In October 2011, the Company purchased additional 49,948,000 shares in JEP Holding Ltd ("JEP") for a total consideration of \$1,548,000. This has resulted in the Company's interest in JEP to increase to 175,365,000 shares or 19.8% shareholding. With JEP's purchases of its shares from the open market and holding such shares as treasury shares, the Company's shareholding in JEP increased further to 20.04%.

Subsequent to the balance sheet, the Company's investment in JEP has decreased from 20.0% to 18.9% as a result of allotment and issue of new ordinary shares as well as utilisation of its existing treasury shares by the investee for one of its investment activities. The Company's holding of the total number of shares in the investee remains at 175,365,000 ordinary shares.

**7. Cash and Cash Equivalents**

<b>Note</b>	<b>Group</b>		<b>Company</b>	
	<b>31 December 2011 \$'000</b>	<b>30 June 2011 \$'000</b>	<b>31 December 2011 \$'000</b>	<b>30 June 2011 \$'000</b>
Cash at banks and in hand	27,011	28,673	3,878	6,440
Deposits with financial institutions	5,605	6,012	3,805	4,303
	32,616	34,685	7,683	10,743
Bank overdraft	9	(61)		
Deposits held as securities by financial institutions	9	(1,774)		
Cash and cash equivalents in the consolidated statement of cash flows	30,781	33,001		

**8. Share Capital**

	<b>Group and Company</b>	
	<b>31 December 2011 '000</b>	<b>30 June 2011 '000</b>
<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	1,599	26,032
Issuance of shares pursuant to the exercise of share options	-	2,650
Issuance of shares pursuant to the exercise of share awards	2,500	-
At 31 December 2011/30 June 2011	547,009	542,910

The Group had not acquired any treasury shares for the financial period ended 31 December 2011. There are no treasury shares held by the Group as at 30 June 2011 and 31 December 2011.

**Warrants**

As at 31 December 2011, there were outstanding warrants of 6,918,000 (31 December 2010: 8,797,000) which entitle warrant holders to subscribe 6,918,000 (31 December 2010: 8,797,000) new ordinary shares at the exercise price of \$0.035 per share.

**Options**

At the balance sheet date, there were 21,850,000 (31 December 2010: 23,050,000) and 19,700,000 (31 December 2010: 20,500,000) outstanding options with exercise price of \$0.135 per share and \$0.14 per share respectively.

**Awards**

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

At balance sheet date, there were no outstanding awards (31 December 2010: 2,500,000).

**9. Interest-Bearing Borrowings**

*Interest-bearing borrowings consist of the following:*

	Note	Group		Company	
		31 December 2011 \$'000	30 June 2011 \$'000	31 December 2011 \$'000	30 June 2011 \$'000
<b>Non-current liabilities</b>					
Secured bank loans		-	29	-	-
Unsecured bank loans <sup>(1)</sup>		3,952	4,127	228	903
Obligations under hire purchase agreements and finance leases		120	116	-	-
		<u>4,072</u>	<u>4,272</u>	<u>228</u>	<u>903</u>
<b>Current liabilities</b>					
Bank overdraft	7	61	-	-	-
Secured bank loans		30	305	-	-
Unsecured bank loans <sup>(1)</sup>		5,529	4,889	1,334	1,301
Obligations under hire purchase agreements and finance leases		61	229	-	-
		<u>5,681</u>	<u>5,423</u>	<u>1,334</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	
	31 December 2011 \$'000	30 June 2011 \$'000
Within 1 year	5,620	5,194
After 1 year but within 5 years	3,952	4,156
	<u>9,572</u>	<u>9,350</u>

The secured bank loans are secured on the following assets:

	Note	Group	
		31 December 2011 \$'000	30 June 2011 \$'000
Leasehold land and building	3	1,623	1,518
Plant and machinery	3	434	589
Deposits with financial institutions	7	1,774	1,684
Total carrying amount		<u>3,831</u>	<u>3,791</u>

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

Group	31 December 2011			30 June 2011		
	Principal \$'000	Interest \$'000	Payment \$'000	Principal \$'000	Interest \$'000	Payment \$'000
Repayable within 1 year	61	6	67	229	13	242
Repayable after 1 year but within 5 years	120	12	132	116	22	138
	<u>181</u>	<u>18</u>	<u>199</u>	<u>345</u>	<u>35</u>	<u>380</u>



**10. Results from Operating Activities**

Group	Note	1 October 2011 to 31 December 2011 \$'000	1 October 2010 to 31 December 2010 \$'000	1 July 2011 to 31 December 2011 \$'000	1 July 2010 to 31 December 2010 \$'000
<b>Other income</b>					
Rental income from third parties		27	41	53	62
Gain/(Loss) on disposal of property, plant equipment		188	(31)	226	1
Reversal of restructuring cost		12	-	12	-
Gain on disposal of subsidiaries		49	-	49	-
Gain on disposal of asset classified as held for sale		-	-	-	1,681
Government grant – Jobs Credit Scheme		-	-	-	8
Sundry income		(33)	76	223	225
		<u>243</u>	<u>86</u>	<u>563</u>	<u>1,977</u>
<b>Other expense</b>					
Allowance/(Reversal of allowance) for doubtful debts from trade receivables		84	(9)	80	138
Allowance/(Reversal of allowance) for inventory obsolescence		1,457	(58)	1,505	60
Bad debts written off		2	-	2	-
Inventories written off		11	7	23	25
Depreciation of property, plant and equipment	3	445	955	990	1,977
Amortisation of intangible assets	4	162	119	278	219
Property, plant and equipment written off		-	7	-	7
Impairment losses on:					
- property, plant and equipment	3	173	-	173	-
- intangible assets	4	3	-	3	-
Retrenchment benefits		250	-	250	-
Provision for other liabilities		150	-	150	-
Fair value loss on initial recognition of loan and receivables		104	-	104	-
Share-based payment expense		94	482	210	707
Exchange loss, net		285	417	304	1,112

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

**11. Net Finance Expenses**

Group	Note	1 October 2011 to 31 December 2011 \$'000	1 October 2010 to 31 December 2010 \$'000	1 July 2011 to 31 December 2011 \$'000	1 July 2010 to 31 December 2010 \$'000
<b>Finance income</b>					
Interest income from:					
- financial institutions		59	11	113	18
<b>Finance expenses</b>					
Interest expenses to:					
- hire purchase arrangements and finance leases		(12)	(11)	(17)	(25)
- financial institutions		(57)	(84)	(113)	(206)
- an affiliate		(2)	(2)	(4)	(5)
- non-controlling interest		(3)	-	(5)	-
		<u>(74)</u>	<u>(97)</u>	<u>(139)</u>	<u>(236)</u>
Net finance expenses recognised in the profit and loss		<u>(15)</u>	<u>(86)</u>	<u>(26)</u>	<u>(218)</u>

**12. Income Tax Expense/(Credit)**

Group	1 October 2011 to 31 December 2011 \$'000	1 October 2010 to 31 December 2010 \$'000	1 July 2011 to 31 December 2011 \$'000	1 July 2010 to 31 December 2010 \$'000
<b>Current tax expense:</b>				
- current year	160	297	359	471
- withholding tax	91	32	91	32
- under/(over) provision in prior year	93	(6)	83	(1)
	344	323	533	502
<b>Deferred tax credit:</b>				
- origination and reversal of temporary differences	(122)	(349)	(137)	(427)
- overprovision of deferred tax liabilities in prior year	(3)	(26)	(3)	(11)
- utilisation of previously unrecognised deferred tax assets	-	(208)	-	(208)
	(125)	(583)	(140)	(646)
Total income tax expense/(credit)	219	(260)	393	(144)

**13. Earnings per Share**

Basic earnings per share is based on: (Loss)/Profit for the period attributable to Owners of the Company	1 October 2011 to 31 December 2011 \$'000	1 October 2010 to 31 December 2010 \$'000	1 July 2011 to 31 December 2011 \$'000	1 July 2010 to 31 December 2010 \$'000
	(2,301)	1,878	(1,256)	5,373
	<b>No. of shares '000</b>	<b>No. of shares '000</b>	<b>No. of shares '000</b>	<b>No. of shares '000</b>
Weighted average number of:				
- shares outstanding during the period	545,618	520,924	542,910	514,228
- shares issued during the period				
- pursuant to the exercise of warrants	980	18,489	1,154	22,876
- pursuant to the exercise of options	-	1,915	-	957
- pursuant to the exercise of awards	-	-	2,500	-
	546,598	541,328	546,564	538,061

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 period outstanding.

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

Weighted average number of shares issued, used in the calculation of basic earnings per shares	1 October 2011 to 31 December 2011 No. of shares '000	1 October 2010 to 31 December 2010 No. of shares '000	1 July 2011 to 31 December 2011 No. of shares '000	1 July 2010 to 31 December 2010 No. of shares '000
	546,598	541,328	546,564	538,061
Dilutive effect of warrants	4,673	7,947	5,094	16,596
Dilutive effect of awards	-	2,500	-	1,752
Weighted average number of ordinary shares (diluted)	551,271	551,775	551,658	556,409

As at 31 December 2011, 41,550,000 (31 December 2010: 43,550,000) 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 December 2011	17.73	18.74
(b) 30 June 2011	17.98	19.25

**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 October 2011 to 31 December 2011 \$'000	1 October 2010 to 31 December 2010 \$'000	1 July 2011 to 31 December 2011 \$'000	1 July 2010 to 31 December 2010 \$'000
Sales to:				
- joint venture	172	-	172	7
- an associate	41	-	47	-
- other affiliate	430	(10)	652	-
Service income from an associate	-	-	28	83
Purchases from:				
- joint venture	-	(64)	-	(64)
- other affiliate	-	(27)	-	(27)
Management fees paid to other affiliate	-	(11)	-	(23)
Rental expenses paid to:				
- an associate	-	(10)	(3)	(19)
- non-controlling interests	(13)	(13)	(25)	(25)
- other affiliate	(24)	(30)	(63)	(61)
- a director	(26)	(29)	(59)	(59)
Interest expense paid to:				
- non-controlling interests	(3)	-	(5)	-
- other affiliate <sup>(1)</sup>	(2)	(2)	(4)	(5)

<sup>(1)</sup> 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 and the corresponding period of the immediately preceding financial year.

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

**18. Commitments**

**Lease Commitments**

As at 31 December 2011, commitments of the Group for minimum lease payments under non-cancellable operating leases are as follows:

	Group 31 December 2011 \$'000	30 June 2011 \$'000
<b>Receivable:</b>		
Within 1 year	2	44
After 1 year but within 5 years	6	7
	8	51

**Payable:**

Within 1 year  
 After 1 year but within 5 years

Group	
31 December 2011 \$'000	30 June 2011 \$'000
1,725	2,278
1,655	1,480
3,380	3,758

**Corporate guarantees**

As at 31 December 2011, the Company provided corporate guarantee amounting to \$19,201,000 (30 June 2011: \$19,859,000) to banks for banking facilities of \$23,826,000 (30 June 2011: \$18,959,000) made available to its subsidiaries, of which the subsidiaries have utilised \$11,086,000 (30 June 2011: \$8,636,000).

**19. Operating Segments**

**Analysis by Businesses**

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	31 December 2011 \$'000	31 December 2010 \$'000	31 December 2011 \$'000	31 December 2010 \$'000	31 December 2011 \$'000	31 December 2010 \$'000	31 December 2011 \$'000	31 December 2010 \$'000
<b>Revenue and Expense</b>								
Total revenue from external customers	50,088	63,894	18,314	23,345			68,402	87,239
Inter-segment revenue	205	515	262	163	(467)	(678)	-	-
	50,293	64,409	18,576	23,508			68,402	87,239
Segment results	(3,150)	1,317	1,304	2,943	-	-	(1,846)	4,260
Unallocated corporate results							398	423
							(1,448)	4,683
Share of results of associates and joint ventures								
- allocated to reportable segment	269	314	23	49	-	-	292	363
- unallocated corporate & other							(16)	-
(Loss)/Profit before interest income/(expense) and income tax							(1,172)	5,046
Interest income							113	18
Interest expense							(139)	(236)
Income tax (expense)/credit							(393)	144
Non-controlling interests							335	401
(Loss)/Profit for the period							(1,256)	5,373

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	31 December 2011 \$'000	30 June 2011 \$'000	31 December 2011 \$'000	30 June 2011 \$'000	31 December 2011 \$'000	30 June 2011 \$'000	31 December 2011 \$'000	30 June 2011 \$'000
<b>Assets and Liabilities</b>								
Segment assets	64,233	71,638	44,957	42,391	-	-	109,190	114,029
Investments in associates								
- allocated to reportable segment	2,198	1,874	6,665	6,043	-	-	8,863	7,917
Investments in joint ventures								
- allocated to reportable segment	174	174	-	-	-	-	174	174
- unallocated corporate & other							703	664
Tax receivables	59	39	-	3	-	-	59	42
Deferred tax assets	62	125	2,826	2,517	-	-	2,888	2,642
Unallocated corporate assets							14,231	16,850
Total assets							136,108	142,318

	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	31	30	31	30	31	30	31	30
	December 2011	June 2011	December 2011	June 2011	December 2011	June 2011	December 2011	June 2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment liabilities	21,060	26,291	4,424	4,168	-	-	25,484	30,459
Interest-bearing borrowings	7,871	6,657	320	834	-	-	8,191	7,491
Income tax liabilities	229	459	807	826	-	-	1,036	1,285
Unallocated corporate liabilities							2,986	3,824
Total liabilities							<u>37,697</u>	<u>43,059</u>

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	31	31	31	31	31	31	31	31
	December 2011	December 2010	December 2011	December 2010	December 2011	December 2010	December 2011	December 2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure								
- allocated to reportable segments	504	519	1,606	415	-	-	<u>2,110</u>	<u>934</u>
<b>Other non-cash items</b>								
Depreciation of property, plant and equipment:								
- allocated to reportable segment	276	351	712	1,624	-	-	988	1,975
- unallocated corporate expenses							<u>2</u>	<u>2</u>
							<u>990</u>	<u>1,977</u>
Gain on disposal of property, plant and equipment:								
- allocated to reportable segment	(226)	(1)	-	-	-	-	<u>(226)</u>	<u>(1)</u>
Amortisation of intangible assets:								
- allocated to reportable segment	63	20	214	198	-	-	277	218
- unallocated corporate expenses							<u>1</u>	<u>1</u>
							<u>278</u>	<u>219</u>
Allowance/(Reversal of allowance) for doubtful debts from trade receivables								
- allocated to reportable segment	87	-	(7)	138	-	-	<u>80</u>	<u>138</u>
Allowance/(Reversal of allowance) for inventory obsolescence								
- allocated to reportable segments	1,308	(105)	197	165	-	-	<u>1,505</u>	<u>60</u>
Bad debts written off								
- allocated to business segments	2	-	-	-	-	-	<u>2</u>	<u>-</u>
Inventories written off								
- allocated to reportable segments	-	14	23	11	-	-	<u>23</u>	<u>25</u>
Property, plant and equipment written off								
- allocated to reportable segments	-	7	-	-	-	-	<u>-</u>	<u>7</u>

**Ellipsiz Ltd and its Subsidiaries**  
 Second quarter results ended  
 31 December 2011

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Impairment losses on property, plant and equipment								
- allocated to reportable segments	173	-	-	-	-	-	173	-
Impairment losses on intangible								
- allocated to reportable segments	3	-	-	-	-	-	3	-

**Analysis by region**

Group	Singapore		Other Asean Countries		China & Taiwan		USA		Europe		Other Regions		Consolidated	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue from external customers	19,973	24,268	16,747	15,504	17,184	26,534	8,661	11,467	1,860	1,944	3,977	7,522	68,402	87,239
	31 December 2011	30 June 2011	31 December 2011	30 June 2011	31 December 2011	30 June 2011	31 December 2011	30 June 2011	31 December 2011	30 June 2011	31 December 2011	30 June 2011	31 December 2011	30 June 2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current segment assets	26,668	23,285	4,061	4,033	6,502	6,771	7,495	7,995	15	18	1,439	1,422	46,180	43,524
Investments in associates	-	-	2,198	1,874	-	-	-	-	-	-	6,665	6,043	8,863	7,917
Investments in joint ventures	-	-	174	174	703	664	-	-	-	-	-	-	877	838
Investments in other financial assets	4,735	4,389	-	-	-	-	-	-	98	125	-	-	4,833	4,514
Deferred tax assets													2,897	2,653
<b>Total non-current assets</b>	<b>31,403</b>	<b>27,674</b>	<b>6,433</b>	<b>6,081</b>	<b>7,205</b>	<b>7,435</b>	<b>7,495</b>	<b>7,995</b>	<b>113</b>	<b>143</b>	<b>8,104</b>	<b>7,465</b>	<b>63,650</b>	<b>59,446</b>
	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure	1,534	421	216	246	75	88	280	163	-	4	5	12	2,110	934

**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 2<sup>nd</sup> quarter results ended 31 December 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  
14 February 2012



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

Second Quarter Financial Statements and Dividend Announcement for  
six months ended

**31 December 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 six months ended 31 December 2011 (2Q FY2012 YTD), the Group reported revenue of \$68.4 million, a decline of 22% from \$87.2 million revenue attained in the corresponding six months of the previous financial year (2Q FY2011 YTD). Both Probe Card solutions (PCS) and Distribution & Services solutions (DSS) were 22% lower than their 2Q FY2011 YTD's performance. 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.

Revenue for the three months ended 31 December 2011 (2Q FY2012) was \$31.7 million, 26% decrease from corresponding quarter of previous financial year.

Gross profit attained in 2Q FY2012 YTD was \$13.7 million, a drop of 31% over \$20.0 million in 2Q FY2011 YTD. Gross profit margin decreased by 3% to 20%. During the financial period, the Group has made the decision to cease one of its less profitable activities, the pump refurbishment activity in Taiwan. This resulted in the recording of a one-time provision of \$1.7 million for the impairment of the carrying amounts of related inventory as well as plant and equipment in the cost of sales. Excluding this one-time provisions, the gross profit margin for the six months ended 31 December 2011 was 22%.

### ***Other income***

Other income decreased by 72% from \$2.0 million in 2Q FY2011 YTD to \$0.6 million in 2Q FY2012 YTD mainly due to the non-recurrence of 2Q FY2011 YTD's gain of \$1.7 million from the disposal of asset classified as held for sale. The effect of the non-recurrence of the gain was partially offset by the higher gain on disposal of plant and equipment during the current financial period.

### ***Operating expenses***

Total operating expenses decreased by 9% from \$17.3 million to \$15.7 million in 2Q FY2012 YTD.

Included in 2Q FY2012 YTD operating expenses was a one-time expense of \$0.5 million comprised mainly employees severance cost and other related costs to cease the pump refurbishment activity in Taiwan.

Excluding the one-time expenses, the operating expenses in 2Q FY2012 YTD was \$15.2 million, a decrease of 12%. The capitalisation of certain development costs and the incurrance of lower exchange losses (2Q FY2012 YTD: \$304,000 and 2Q FY2011 YTD: \$1,112,000) were the main causes for the decrease in operating expenses.

### ***Finance expenses***

Due to the lower interest-bearing borrowings, finance expenses incurred in 2Q FY2012 YTD was 41% lower than that incurred in the corresponding period of the previous financial year.

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

The Group recorded profits of \$298,000 from share of results from associates and losses of \$22,000 from share of results from its joint ventures for 2Q FY2012 YTD.

### **Income taxes**

In 2Q FY2012 YTD, the Group recorded a tax expense of \$0.4 million, comprised mainly the financial period's current tax expense. This is partially offset by the reversal of deferred tax liabilities as a result of movement in temporary differences.

### **Net (loss)/profit attributable to Owners of the Company**

The Group had net losses after taxes and non-controlling interests of \$1.3 million for the financial period as compared to the net profits of \$5.4 million in the corresponding period of previous financial year.

Current financial period's net losses included one-time expenses relating to the cessation of the Group's pump refurbishment activity in Taiwan that amounted to approximately \$2.2 million. Excluding the one-time expenses, the Group had a net profit of \$0.9 million in 2Q FY2012 YTD. Net profits for the corresponding period in the previous financial year was \$3.7 million, after excluding the one-time gain of \$1.7 million on disposal of asset classified as held for sale.

### **Financial Conditions**

#### **Non-current assets**

The non-current assets increased by 7% from \$59.4 million to \$63.7 million. This is attributable to share of results and translation gains relating to the Group's investment in associates and joint ventures, increase in trade and other receivables (non-current portion) as well as additional investment in financial assets during the financial period.

#### **Current assets**

Total current asset as at 31 December 2011 was \$72.5 million, a drop of 13% from \$82.9 million as at 30 June 2011. Decrease in project-in-progress due to completion of some projects, lower inventories and receivables levels as a result of lower activities and one-time impairment provision of inventories relating to pump refurbishment activity had contributed to the decrease in total current assets. The decrease in cash and cash equivalents mainly due to the purchase of financial assets and payment of dividend had also led to the decline in current assets.

#### **Current liabilities and non-current liabilities**

Total liabilities as at 31 December 2011 stood at \$37.7 million, a 12% decrease from \$43.1 million as at 30 June 2011. The decline was mainly attributed to decrease in trade and other payables as well as current tax 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 outflow of the Group for financial period ended 31 December 2011 was \$3.1 million. This can be accounted by:

- (a) cash inflow of \$2.0 million for operating activities;
- (b) cash outflow of \$3.5 million for investing activities; and
- (c) cash outflow of \$1.6 million for financing activities.

The operating profit before working capital changes in the financial period, coupled with the higher collections from trade and other receivables led to the cash inflow from operating activities of \$2.0 million in 2Q FY2012 YTD.

The purchase of additional plant and equipment, intangible assets and financial asset led to negative cashflow of \$3.5 million for investing activities, while payment of dividend during the financial period was the main reason for the outflow of cash for financing activities.

As at 31 December 2011, the Group's cash and cash equivalents position (including fixed deposits held as securities) was \$32.6 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. The continuous weakening macro economy, oversupplying inventories and a sluggish demand in PC industry influenced both Gartner and SEMI to release a negative growth in 2012 projections in early January 2012. The budgeted 2012 semiconductors capital expenditure is expected to drop in the range of 16% to 19%.

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.