



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

First Quarter Financial Statement and Dividend Announcement for  
three months ended

**30 September 2012**

## Statements of Financial Position

	Note	Group			Company		
		30 September 2012 \$'000	30 June 2012 \$'000	Var. %	30 September 2012 \$'000	30 June 2012 \$'000	Var. %
<b>Non-current assets</b>							
Property, plant and equipment	3	5,006	5,119	(2)	2	1	100
Intangible assets	4	35,141	35,735	(2)	-	-	-
Subsidiaries	5	-	-	-	89,136	83,313	7
Associates		8,970	8,780	2	4,868	4,868	-
Joint ventures		238	389	(39)	-	-	-
Financial assets		6,384	6,681	(4)	6,384	6,681	(4)
Trade and other receivables		3,274	6,204	(47)	-	-	-
Amounts due from related parties		-	-	-	-	-	-
Deferred tax assets		4,041	4,123	(2)	9	7	29
		<u>63,054</u>	<u>67,031</u>	(6)	<u>100,399</u>	<u>94,870</u>	6
<b>Current assets</b>							
Inventories		7,143	7,272	(2)	-	-	-
Project-in-progress		5,180	9,778	(47)	-	-	-
Trade and other receivables		34,336	32,164	7	512	264	94
Amounts due from related parties		311	77	304	9,438	13,034	(28)
Cash and cash equivalents	6	32,721	32,334	1	9,916	10,051	(1)
		<u>79,691</u>	<u>81,625</u>	(2)	<u>19,866</u>	<u>23,349</u>	(15)
<b>Total assets</b>		<u>142,745</u>	<u>148,656</u>	(4)	<u>120,265</u>	<u>118,219</u>	2
<b>Equity attributable to Owners of the Company</b>							
Share capital	7	88,773	88,773	-	88,773	88,773	-
Reserves		11,023	12,720	(13)	16,974	16,639	2
		<u>99,796</u>	<u>101,493</u>	(2)	<u>105,747</u>	<u>105,412</u>	-
<b>Non-controlling interests</b>							
		1,773	1,756	1	-	-	-
<b>Total equity</b>		<u>101,569</u>	<u>103,249</u>	(2)	<u>105,747</u>	<u>105,412</u>	-
<b>Non-current liabilities</b>							
Interest-bearing borrowings	8	64	3,595	(98)	-	-	-
Deferred tax liabilities		599	632	(5)	-	-	-
		<u>663</u>	<u>4,227</u>	(84)	<u>-</u>	<u>-</u>	-
<b>Current liabilities</b>							
Trade and other payables		30,520	34,070	(10)	843	850	(1)
Provisions		382	387	(1)	-	-	-
Amounts due to related parties		416	406	2	12,932	10,889	19
Interest-bearing borrowings	8	8,436	5,593	51	568	903	(37)
Redeemable convertible preference shares		78	78	-	-	-	-
Current tax payable		681	646	5	175	165	6
		<u>40,513</u>	<u>41,180</u>	(2)	<u>14,518</u>	<u>12,807</u>	13
<b>Total liabilities</b>		<u>41,176</u>	<u>45,407</u>	(9)	<u>14,518</u>	<u>12,807</u>	13
<b>Total equity and liabilities</b>		<u>142,745</u>	<u>148,656</u>	(4)	<u>120,265</u>	<u>118,219</u>	2

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

## Consolidated Statement of Comprehensive Income

	Note	1 July 2012 to 30 September 2012 \$'000	1 July 2011 to 30 September 2011 \$'000	Var. %
<b>Revenue</b>		29,550	36,732	(20)
Cost of revenue		(22,070)	(28,562)	(23)
<b>Gross profit</b>		<u>7,480</u>	<u>8,170</u>	(8)
Other income	9	56	320	(83)
Distribution expenses		(3,008)	(3,869)	(22)
Administrative expenses		(3,412)	(3,644)	(6)
Research and development expenses		(559)	(312)	79
Other expenses		(291)	(24)	1,113
<b>Results from operating activities</b>	9	<u>266</u>	<u>641</u>	(59)
Finance income		100	54	85
Finance expenses		(48)	(65)	(26)
<b>Net finance income/(expenses)</b>	10	<u>52</u>	<u>(11)</u>	(573)
Share of results of associates (net of tax)		308	300	3
Share of results of joint ventures (net of tax)		(160)	64	(350)
<b>Profit before income tax</b>		<u>466</u>	<u>994</u>	(53)
Income tax expenses	11	(72)	(174)	(59)
<b>Profit for the period</b>		<u><b>394</b></u>	<u><b>820</b></u>	(52)
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translation of financial statements of foreign operations		(1,640)	2,809	(158)
Exchange differences on monetary items forming part of net investments in foreign operations		(212)	(526)	60
Net change in fair value of available-for-sale financial assets, net of tax		(297)	(253)	(17)
<b>Other comprehensive income for the period, net of income tax</b>		<u>(2,149)</u>	<u>2,030</u>	(206)
<b>Total comprehensive income for the period</b>		<u><b>(1,755)</b></u>	<u><b>2,850</b></u>	(162)
<b>Profit/(Loss) attributable to:</b>				
Owners of the Company		335	1,045	(68)
Non-controlling interests		59	(225)	(126)
<b>Profit for the period</b>		<u><b>394</b></u>	<u><b>820</b></u>	(52)
<b>Total comprehensive income attributable to:</b>				
Owners of the Company		(1,772)	3,039	(158)
Non-controlling interests		17	(189)	(109)
<b>Total comprehensive income for the period</b>		<u><b>(1,755)</b></u>	<u><b>2,850</b></u>	(162)
<b>Earnings per share</b>				
- Basic (cents)	12	0.06	0.19	(68)
- Diluted (cents)		0.06	0.19	(68)

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>									
<b>Items that may be reclassified subsequently to profit or loss</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>30 September 2012</b>									
Balance as at 1 July 2012	88,773	(11,720)	1,370	2,393	(11,915)	32,592	101,493	1,756	103,249
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	335	335	59	394
<b>Other comprehensive income</b>									
<b>Items that may be reclassified subsequently to profit or loss</b>									
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	(1,598)	-	(1,598)	(42)	(1,640)
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	(212)	-	(212)	-	(212)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	(297)	-	-	-	(297)	-	(297)
Total other comprehensive income	-	-	(297)	-	(1,810)	-	(2,107)	(42)	(2,149)
Total comprehensive income for the period	-	-	(297)	-	(1,810)	335	(1,772)	17	(1,755)
<b>Transactions with Owners, recorded directly in equity</b>									
<b>Contributions by and distributions to Owners</b>									
Value of employee services received for issue of share options	-	-	-	75	-	-	75	-	75
Total contributions by and distributions to Owners	-	-	-	75	-	-	75	-	75
Total transactions with Owners	-	-	-	75	-	-	75	-	75
Balance as at 30 September 2012	88,773	(11,720)	1,073	2,468	(13,725)	32,927	99,796	1,773	101,569

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 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>					
<b>Items that may be reclassified</b>					
<b>subsequently to profit or loss</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</b>					
<b>directly in equity</b>					
<b>Contributions by and distributions to</b>					
<b>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
<b>30 September 2012</b>					
Balance as at 1 July 2012	88,773	1,370	2,393	12,876	105,412
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	557	557
<b>Other comprehensive income</b>					
<b>Items that may be reclassified</b>					
<b>subsequently to profit or loss</b>					
Net change in fair value of available-for-sale financial assets, net of tax	-	(297)	-	-	(297)
Total other comprehensive income	-	(297)	-	-	(297)
Total comprehensive income for the period	-	(297)	-	557	260
<b>Transactions with Owners, recorded</b>					
<b>directly in equity</b>					
<b>Contributions by and distributions to</b>					
<b>Owners</b>					
Value of employee services received for issue of share options	-	-	75	-	75
Total contributions by and distributions to Owners	-	-	75	-	75
Total transactions with Owners	-	-	75	-	75
Balance as at 30 September 2012	88,773	1,073	2,468	13,433	105,747

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

## Consolidated Cash Flow Statement

Group	Note	1 July 2012 to 30 September 2012 \$'000	1 July 2011 to 30 September 2011 \$'000
<b>Operating Activities</b>			
Profit for the period		394	820
Adjustments for:			
Allowance/(Reversal of allowance) for:			
- inventory obsolescence		-	48
- doubtful debts from trade receivables		38	(4)
Depreciation of property, plant and equipment		462	545
Interest income		(100)	(54)
Interest expense		48	65
Inventory written off		14	12
Gain on disposal of property, plant and equipment		(16)	(38)
Amortisation of intangible assets		113	116
Reversal of retrenchments benefits		(12)	-
Share-based payment expense		75	116
Share of results of associates and joint ventures (net of tax)		(148)	(364)
Income tax expense		72	174
Operating profit before working capital changes		940	1,436
Changes in working capital:			
Inventories		(33)	939
Project-in-progress		4,694	(258)
Amounts due from related parties (trade)		(243)	(239)
Amounts due to related parties (trade)		6	10
Trade and other receivables		339	2,666
Trade and other payables		(3,424)	(1,674)
Restructuring costs paid		(3)	(17)
Other liabilities arising from fire incident paid		-	(40)
Placement of pledged deposits with financial institutions		(7)	(145)
Cash generated from operations		2,269	2,678
Interest received		100	54
Interest paid		(38)	(39)
Income tax paid		(86)	(202)
<b>Cash flows generated from operating activities</b>		<b>2,245</b>	<b>2,491</b>
<b>Investing Activities</b>			
Purchase of property, plant and equipment		(638)	(354)
Purchase of intangible assets		(302)	(548)
Proceeds from disposal of property, plant and equipment		139	41
Amounts due from related parties (non-trade)		8	277
<b>Cash flows used in investing activities</b>		<b>(793)</b>	<b>(584)</b>
<b>Financing Activities</b>			
Interest paid		(10)	(26)
Drawdown of bank loans		3,297	3,036
Repayment of bank loans		(4,121)	(3,151)
Repayment of hire purchase and finance lease creditors		(17)	(122)
Amounts due to related parties (non-trade)		20	(19)
Issuance of shares		-	7
<b>Cash flow used in financing activities</b>		<b>(831)</b>	<b>(275)</b>
<b>Net increase in cash and cash equivalents</b>		<b>621</b>	<b>1,632</b>
Cash and cash equivalents at beginning of period		30,579	33,001
Effect of exchange rate changes on balances in foreign currencies		(473)	609
<b>Cash and cash equivalents at end of period</b>	6	<b>30,727</b>	<b>35,242</b>

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 7 November 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 2012. In addition, the Group has adopted new/revised FRS and INT FRS that have become effective for the financial year beginning 1 July 2012 (see Note 2).

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 2012, the Company and the Group have applied the Amendments to FRS 1, *Presentation of items of Other Comprehensive Income* to present separately items of other comprehensive income that would be reclassified subsequently to profit or loss when specific conditions are met from those that would never be reclassified subsequently to profit or loss. The adoption of the revised standards affects only the disclosures in the financial statements.

There is no financial effect on the results, earnings per share and the financial position of the Company and the Group for the current and previous financial periods.

### 3. Property, Plant and Equipment

Group	Leasehold land and building \$'000	Leasehold improvements \$'000	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Motor vehicles \$'000	Plant and machinery \$'000	Assets under construction \$'000	Total \$'000
<b>30 September 2012</b>									
<b>Cost</b>									
At 1 July 2012	2,023	2,882	519	810	4,161	213	29,907	-	40,515
Additions	-	7	-	2	81	-	444	104	638
Disposals	-	(4)	(8)	(2)	(4)	(39)	(844)	-	(901)
Translation difference on consolidation	(79)	(70)	(11)	(14)	(104)	(5)	(1,001)	(3)	(1,287)
At 30 September 2012	1,944	2,815	500	796	4,134	169	28,506	101	38,965
<b>Accumulated depreciation and impairment losses</b>									
At 1 July 2012	260	2,498	450	721	3,765	184	27,518	-	35,396
Depreciation charge for the period	19	69	6	7	62	4	295	-	462
Disposals	-	(4)	(8)	(2)	(4)	(39)	(721)	-	(778)
Translation difference on consolidation	(11)	(65)	(11)	(12)	(94)	(5)	(923)	-	(1,121)
At 30 September 2012	268	2,498	437	714	3,729	144	26,169	-	33,959
<b>Carrying amount</b>									
At 1 July 2012	1,763	384	69	89	396	29	2,389	-	5,119
At 30 September 2012	1,676	317	63	82	405	25	2,337	101	5,006



Company	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Total \$'000
<b>30 September 2012</b>				
<b>Cost</b>				
At 1 July 2012	62	36	70	168
Additions	-	1	-	1
30 September 2012	62	37	70	169
<b>Accumulated depreciation</b>				
At 1 July 2012	62	36	69	167
Depreciation charge for the period	-	*	-	-
At 30 September 2012	62	36	69	167
<b>Carrying amount</b>				
At 1 July 2012	-	-	1	1
At 30 September 2012	-	1	1	2

The carrying amount of property, plant and equipment includes amount totalling \$162,000 (30 June 2012: \$151,000) for the Group in respect of assets acquired under hire purchase agreements and finance leases.

\* Less than \$1,000

#### 4. Intangible Assets

Group	Computer software \$'000	Technology licence \$'000	Intellectual property \$'000	Development expenditure \$'000	Goodwill \$'000	Total \$'000
<b>30 September 2012</b>						
<b>Cost</b>						
At 1 July 2012	627	1,987	6,094	3,247	27,508	39,463
Additions	4	-	22	276	-	302
Disposals	(11)	-	-	-	-	(11)
Translation difference on consolidation	(11)	(78)	(239)	(134)	(431)	(893)
At 30 September 2012	609	1,909	5,877	3,389	27,077	38,861
<b>Accumulated amortisation and impairment losses</b>						
At 1 July 2012	541	651	1,780	12	744	3,728
Amortisation for the period	8	25	77	3	-	113
Disposals	(11)	-	-	-	-	(11)
Translation difference on consolidation	(11)	(26)	(72)	(1)	-	(110)
At 30 September 2012	527	650	1,785	14	744	3,720
<b>Carrying amount</b>						
At 1 July 2012	86	1,336	4,314	3,235	26,764	35,735
At 30 September 2012	82	1,259	4,092	3,375	26,333	35,141

Company	Computer software \$'000
<b>30 September 2012</b>	
<b>Cost</b>	
At 1 July 2012 and 30 September 2012	21
<b>Accumulated amortisation and impairment losses</b>	
At 1 July 2012 and 30 September 2012	21
<b>Carrying amount</b>	
At 1 July 2012 and 30 September 2012	-

## 5. Subsidiaries

During the financial period, the Company increased its investments in two wholly-owned subsidiaries:

- (a) Ellipsis DSS Pte Ltd ("EDSS") by subscribing for new shares at an aggregate subscription price of \$4,500,000. The share subscription consideration is settled by way of capitalising inter-company trade and non-trade debts due to the Company; and
- (b) iNETest Resources Pte Ltd ("iNETest Resources") by transferring the Company's legal and beneficial interests in its wholly-owned subsidiary, iNETest Malaysia Sdn Bhd ("IMSB"), to iNETest Resources in exchange of 2,200,000 new shares in iNETest Resources.

Upon completion of the above exercises, the Company's interests in EDSS and IMSB remain unchanged at 100%.

## 6. Cash and Cash Equivalents

Note	Group		Company	
	30 September 2012 \$'000	30 June 2012 \$'000	30 September 2012 \$'000	30 June 2012 \$'000
Cash at banks and in hand	25,417	25,039	4,406	4,544
Deposits with financial institutions	7,304	7,295	5,510	5,507
	<u>32,721</u>	<u>32,334</u>	<u>9,916</u>	<u>10,051</u>
Bank overdraft	8 (232)	-		
Deposits held as securities by financial institutions	8 (1,762)	(1,755)		
Cash and cash equivalents in the consolidated cash flow statement	<u>30,727</u>	<u>30,579</u>		

## 7. Share Capital

	Group and Company 30 September 2012		Group and Company 30 June 2012	
	No. of share '000	Share capital \$'000	No. of share '000	Share capital \$'000
<b>Fully paid ordinary shares, with no par value:</b>				
Ordinary shares				
At 1 July 2012 and 1 July 2011	552,794	88,773	542,910	88,240
Issuance of shares pursuant to the exercise of warrants	-	-	7,384	258
Issuance of shares pursuant to the vesting of share awards	-	-	2,500	275
At 30 September 2012 and 30 June 2012	<u>552,794</u>	<u>88,773</u>	<u>552,794</u>	<u>88,773</u>

The Group had not acquired any treasury shares for the financial period ended 30 September 2012. There are no treasury shares held by the Group as at 30 June 2012 and 30 September 2012.

### Warrants

Warrants expired on 20 January 2012, 5.00 pm and de-listed from SGX-ST on 25 January 2012.

As at 30 September 2012, there were Nil (30 September 2011: 8,308,000) outstanding warrants which entitle warrant holders to subscribe Nil (30 September 2011: 8,308,000) new ordinary shares at the exercise price of \$0.035 per share.

### Options

At the balance sheet date, there were 20,150,000 (30 September 2011: 22,284,000) and 18,350,000 (30 September 2011: 20,100,000) 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 that vested on 30 June 2011.

At the balance sheet, there was no outstanding awards (30 September 2011: Nil).

## 8. Interest-Bearing Borrowings

*Interest-bearing borrowings consist of the following:*

	Group		Company	
	30 September 2012 \$'000	30 June 2012 \$'000	30 September 2012 \$'000	30 June 2012 \$'000
<b>Non-current liabilities</b>				
Unsecured bank loans <sup>(1)</sup>	-	3,520	-	-
Obligations under hire purchase agreements and finance leases	64	75	-	-
	<u>64</u>	<u>3,595</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>				
Bank overdraft	232	-	-	-
Unsecured bank loans <sup>(1)</sup>	8,162	5,544	568	903
Obligations under hire purchase agreements and finance leases	42	49	-	-
	<u>8,436</u>	<u>5,593</u>	<u>568</u>	<u>903</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 2012 \$'000	30 June 2012 \$'000
Within 1 year	8,394	5,544
After 1 year but within 5 years	-	3,520
	<u>8,394</u>	<u>9,064</u>

The borrowings are secured on the following asset:

	Note	Group	
		30 September 2012 \$'000	30 June 2012 \$'000
Deposits with financial institutions	6	<u>1,762</u>	<u>1,755</u>

*Obligations under hire purchase agreements and finance leases*

Group	30 September 2012			30 June 2012		
	Principal \$'000	Interest \$'000	Payments \$'000	Principal \$'000	Interest \$'000	Payments \$'000
Repayable within 1 year	42	6	48	49	7	56
Repayable after 1 year but within 5 years	64	3	67	75	5	80
	<u>106</u>	<u>9</u>	<u>115</u>	<u>124</u>	<u>12</u>	<u>136</u>

## 9. Results from Operating Activities

Group	1 July 2012 to 30 September 2012 \$'000	1 July 2011 to 30 September 2011 \$'000
	<b>Other income</b>	
Rental income from third parties	-	26
Gain on disposal of property, plant and equipment	16	38
Sundry income	40	256
	<u>56</u>	<u>320</u>

		1 July 2012 to 30 September 2012 \$'000	1 July 2011 to 30 September 2011 \$'000
<b>Other expenses</b>			
		38	(4)
		-	48
		14	12
	3	462	545
	4	113	116
		75	116
		283	19

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

#### 10. Net Finance Income/(Expenses)

Group		1 July 2012 to 30 September 2012 \$'000	1 July 2011 to 30 September 2011 \$'000
<b>Finance income</b>			
	Interest income from:		
	- financial institutions	9	54
	- third party	32	-
	Interest income arising from the unwinding discount implicit in the interest-free third parties receivable	59	-
		100	54
<b>Finance expenses</b>			
	Interest expenses to:		
	- hire purchase arrangements and finance leases	(2)	(5)
	- financial institutions	(45)	(56)
	- an affiliate	-	(2)
	- non-controlling interest of a subsidiary	(1)	(2)
		(48)	(65)
	Net finance income/(expenses) recognised in profit or loss	52	(11)

#### 11. Income Tax Expenses

Group		1 July 2012 to 30 September 2012 \$'000	1 July 2011 to 30 September 2011 \$'000
<b>Current tax expense</b>			
	- current year	189	199
	- withholding tax	37	-
	- over provision in prior year	(113)	(10)
		113	189
<b>Deferred tax expense</b>			
	- origination and reversal of temporary differences	(39)	(15)
	- over provision in prior year	(2)	-
		(41)	(15)
	Total income tax expenses	72	174

## 12. Earnings Per Share

<b>Group</b>	<b>1 July 2012 to 30 September 2012 \$'000</b>	<b>1 July 2011 to 30 September 2011 \$'000</b>
Basic earnings per share is based on: Profit for the period attributable to Owners of the Company	335	1,045
	<b>1 July 2012 to 30 September 2012 No. of shares '000</b>	<b>1 July 2011 to 30 September 2011 No. of shares '000</b>
Weighted average number of:		
- shares outstanding during the period	552,794	542,910
- shares issued during the period:		
- pursuant to the exercise of warrants	-	208
- pursuant to the vesting of share awards	-	2,500
	<b>552,794</b>	<b>545,618</b>

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 2012 to 30 September 2012 No. of shares '000</b>	<b>1 July 2011 to 30 September 2011 No. of shares '000</b>
Weighted average number of share issued, used in the calculation of basic earnings per share	552,794	545,618
Dilutive effect of warrants	-	5,474
Dilutive effect of share awards	-	27
Weighted average number of ordinary shares (diluted)	<b>552,794</b>	<b>551,119</b>

As at 30 September 2012, 38,500,000 (30 September 2011: 42,384,000) 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 2012	18.05	19.13
(b) 30 June 2012	<b>18.36</b>	<b>19.07</b>

## 14. Dividends

The resolution in respect of the first and final dividend declared for the financial year ended 30 June 2012 was approved at the Company's Annual General Meeting convened on 18 October 2012. The first and final tax exempt, one-tier cash dividend of 0.16 cents per ordinary share will be payable on 15 November 2012.

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:

Group	1 July 2012 to 30 September 2012 \$'000	1 July 2011 to 30 September 2011 \$'000
Sales to:		
- an joint venture	43	-
- an associate	-	6
- other affiliates	214	222
Service income from an associate	-	28
Rental expenses paid to:		
- an associate	-	(3)
- non-controlling interest of subsidiary	(12)	(12)
- other affiliates	-	(39)
- a director	(32)	(33)
Interest expense paid to:		
- non-controlling interest of subsidiary	(1)	(2)
- affiliates <sup>(1)</sup>	-	(2)
	<hr/>	<hr/>

<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 interested person transaction during the period and the corresponding period of the immediately preceding financial year that requires disclosure or shareholders' approval under chapter 9 of the Rules of the Listing Manual.

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

## 17. Commitments

### *Lease Commitments*

As at 30 September 2012, commitments of the Group for minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	30 September 2012 \$'000	30 June 2012 \$'000
<b>Receivable:</b>		
Within 1 year	2	2
After 1 year but within 5 years	4	5
	<hr/>	<hr/>
	6	7
<b>Payable:</b>		
Within 1 year	1,424	1,390
After 1 year but within 5 years	995	1,126
	<hr/>	<hr/>
	2,419	2,516

### *Corporate guarantees*

As at 30 September 2012, the Company provided corporate guarantees amounting to \$18,681,000 (30 June 2012: \$17,886,000) to banks for banking facilities of \$25,197,000 (30 June 2012: \$23,717,000) made available to its subsidiaries, of which the subsidiaries have utilised \$9,081,000 (30 June 2012: \$9,145,000).

## 18. Operating Segments

### Reportable segments

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	30 September 2012	30 September 2011	30 September 2012	30 September 2011	30 September 2012	30 September 2011	30 September 2012	30 September 2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue and Expense</b>								
Total revenue from external customers	20,846	27,402	8,704	9,330	-	-	29,550	36,732
Inter-segment revenue	39	155	-	185	(39)	(340)	-	-
	<u>20,885</u>	<u>27,557</u>	<u>8,704</u>	<u>9,515</u>			<u>29,550</u>	<u>36,732</u>
Segment results	40	(484)	186	959	-	-	226	475
Unallocated corporate results							40	166
							<u>266</u>	<u>641</u>
Share of results of associates and joint ventures								
- allocated to reportable segment	168	185	136	112	-	-	303	297
- unallocated corporate and others							(155)	67
Profit before finance income/(expense) and income tax							414	1,005
Finance income							100	54
Finance expense							(48)	(65)
Income tax expenses							(72)	(174)
Non-controlling interests							(59)	225
Profit for the period							<u>335</u>	<u>1,045</u>

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	30 September 2012	30 June 2012	30 September 2012	30 June 2012	30 September 2012	30 June 2012	30 September 2012	30 June 2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets and Liabilities</b>								
Segment assets	69,629	73,831	41,600	43,034	-	-	111,229	116,865
Investments in associates								
- allocated to reportable segments	2,408	2,234	6,562	6,546	-	-	8,970	8,780
Investments in joint ventures								
- allocated to reportable segments	65	75	-	-	-	-	65	75
- unallocated corporate & others							173	314
Tax receivables	168	131	-	-	-	-	168	131
Deferred tax assets	1,261	1,245	2,771	2,871	-	-	4,032	4,116
Unallocated corporate assets							18,108	18,375
Total assets							<u>142,745</u>	<u>148,656</u>
Segment liabilities	26,207	29,810	4,300	4,235	-	-	30,507	34,045
Interest-bearing borrowings	7,792	8,094	140	191	-	-	7,932	8,285
Income tax liabilities	411	270	694	843	-	-	1,105	1,113
Unallocated corporate liabilities							1,632	1,964
Total liabilities							<u>41,176</u>	<u>45,407</u>

	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	30 September 2012	30 September 2011	30 September 2012	30 September 2011	30 September 2012	30 September 2011	30 September 2012	30 September 2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure								
- allocated to reportable segments	22	52	917	850	-	-	939	902
- unallocated corporate expenses							1	-
							<u>940</u>	<u>902</u>
<b>Other items</b>								
Depreciation of property, plant and equipment:								
- allocated to reportable segments	113	160	349	384	-	-	462	544
- unallocated corporate expenses							-	1
							<u>462</u>	<u>545</u>
Gain on disposal of property, plant and equipment								
- allocated to reportable segments	(16)	(10)	-	(28)	-	-	(16)	(38)
Amortisation of intangible assets								
- allocated to reportable segments	7	13	106	102	-	-	113	115
- unallocated corporate expenses							-	1
							<u>113</u>	<u>116</u>
Allowance/(Reversal of allowance) for doubtful debts from trade receivables								
- allocated to reportable segments	-	-	38	(4)	-	-	38	(4)
(Reversal of)/Allowance for inventory obsolescence								
- allocated to reportable segments	-	(12)	-	60	-	-	-	48
Inventory written-off								
- allocated to reportable segments	-	-	14	12	-	-	14	12

### Geographical segments

Group	Singapore		Other Asean Countries		China & Taiwan		USA		Europe		Other Regions		Consolidated	
	30 September 2012	30 September 2011	30 September 2012	30 September 2011	30 September 2012	30 September 2011	30 September 2012	30 September 2011	30 September 2012	30 September 2011	30 September 2012	30 September 2011	30 September 2012	30 September 2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue from external customers	11,226	9,782	4,196	10,051	8,068	9,352	4,428	4,286	873	1,203	759	2,058	29,550	36,732
Non-current segment assets	28,942	28,075	2,673	3,710	2,844	6,292	7,639	7,577	16	17	1,307	1,387	43,421	47,058
Investments in associates	-	-	2,408	2,234	-	-	-	-	-	-	6,562	6,546	8,970	8,780
Investments in joint ventures	-	-	65	75	173	314	-	-	-	-	-	-	238	389
Investments in other financial assets	6,138	6,488	-	-	-	-	-	-	246	193	-	-	6,384	6,681
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	4,041	4,123
	<u>35,080</u>	<u>34,563</u>	<u>5,146</u>	<u>6,019</u>	<u>3,017</u>	<u>6,606</u>	<u>7,639</u>	<u>7,577</u>	<u>262</u>	<u>210</u>	<u>7,869</u>	<u>7,933</u>	<u>63,054</u>	<u>67,031</u>
Capital expenditure	309	562	24	124	12	38	595	178	-	-	-	-	940	902



**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 2012 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  
7 November 2012



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

First Quarter Financial Statements and Dividend Announcement for  
three months ended

**30 September 2012**

*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 2012 (1QFY2013), the Group reported revenue of \$29.6 million, a decline of 20% from \$36.7 million revenue attained in the corresponding quarter of the previous financial year (1QFY2012). Probe Card solutions (PCS) and Distribution & Services solutions (DSS) were 7% and 24% lower than their 1QFY2012's performance respectively. The macroeconomic uncertainties leading to the adoption of more conservative capital spending and the slowdown in embarking on new projects by some customers were the main causes for the 24% decrease in revenue of DSS. Loss in revenue from fixturing and pump refurbishment activities that the Group divested in Q2 of last financial year had also contributed to the drop in the revenue of DSS. Keen price competition and currency risk continues to pose challenges to the Group. Other than Singapore and USA, all other regions that the Group operates in experienced weaker performance in 1QFY2013.

Gross profit attained in 1QFY2013 was \$7.5 million, a drop of 8% over \$8.2 million in 1QFY2012. Gross profit margin was 25% as compared to 22% a year ago. The decline in revenue came mainly from DSS that generally has lower margin than the average gross profit margin of the Group. This thus led to the increase in margin for the financial period. The revenue contributions from DSS and PCS in 1QFY2013 were 71% and 29% of the group revenue respectively. In 1QFY2012, the contribution from DSS was 75% while PCS accounted for 25% of the total revenue.

#### ***Other income***

Other income decreased by 83% from \$0.3 million in 1QFY2012 to \$0.1 million in 1QFY2013 mainly due to the lower sundry income received during the period. For details of other income, please refer to note 9 to the financial statements.

#### ***Operating expenses***

Total operating expenses decreased by 7% from \$7.8 million to \$7.3 million. In line with the lower revenue, distribution expenses decreased by 22% while the divestment of certain business activities as well as the synergy effect of our integration exercise had resulted in 6% savings in administrative expenses. The positive effects of the lower distribution and administrative expenses were partially offset by the incurrence of higher research and development expenses and exchange losses during the quarter.

#### ***Net finance income / (expenses)***

The Group had net finance income of \$52,000 in 1QFY2013 instead of net finance expenses of S\$11,000 during the corresponding period of last financial year. The recording of higher finance income and incurrence of lower finance expenses led to the positive variance.

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

The Group recorded profits of \$308,000 from share of results from associates and had share of losses of \$160,000 from its joint ventures for 1QFY2013.

#### ***Income taxes***

In 1QFY2013, the Group recorded a tax expense of \$0.1 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 \$0.3 million for the financial period, a decline of 68% from 1QFY2012's profits of \$1.0 million. This is attributable mainly to lower gross profits from the reduced revenues and share of losses from joint ventures instead of share of profits in 1QFY2012. The negative effects of the above were however, partially offset by lower operating expenses and tax expenses as well as positive variance from finance income and expenses.

### **Financial Conditions**

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

The non-current assets decreased by 6% from \$67.0 million to \$63.1 million. A portion of trade and other receivables as at 30 June 2012 had been re-classified as current trade and other receivables as it becomes receivable within 12 months from 30 September 2012 due to the receipt of final acceptance from the customer. This led to the 47% drop in trade and other receivables. Investments in joint ventures decreased by 39% as a result of the share of losses during the financial period.

#### ***Current assets***

Total current asset as at 30 September 2012 was \$79.7 million, a drop of 2% from \$81.6 million as at 30 June 2012. Project-in-progress decreased by 47% due to completion of some projects during the quarter. Trade and other receivables increased by 7% as a result of the classification of certain non-current receivables to current as mentioned earlier. Excluding the effect of the re-classification, trade and other receivables were lower due the decrease in activity level during the quarter.

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

Total liabilities as at 30 September 2012 stood at \$41.2 million, a 9% decrease from \$45.4 million as at 30 June 2012. The decline was mainly attributed to the decrease in trade and other payables. There was re-classification of certain interest bearing borrowings from non-current liabilities to current liabilities. Total interest bearing borrowings decreased by 7% from \$9.2 million as at 30 June 2012 to \$8.5 million as at 30 September 2012.

#### ***Non-controlling interests***

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

### **Liquidity and Capital Reserves**

The net cash inflow of the Group for financial period ended 30 September 2012 was \$0.6 million. This can be accounted by:

- (a) cash inflow of \$2.2 million for operating activities;
- (b) cash outflow of \$0.8 million for investing activities; and
- (c) cash outflow of \$0.8 million for financing activities.

The positive results in the quarter, coupled with the net positive movement in working capital led to the cash inflow from operating activities of \$2.2 million in 1QFY2013.

The purchase of additional plant and equipment and intangible assets led to negative cashflow of \$0.8 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 2012, the Group's cash and cash equivalents position (including fixed deposits held as securities) was \$32.7 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.**

We are cautious over our business prospects for the rest of 2012 and into the first quarter of 2013. Uncertain macroeconomic conditions in the US, Europe and China continued to limit spending and production across the supply chain as well as at the consumer end. The Group would, therefore, continue with our focuses on building cost efficient manufacturing capacity, continuing efforts on research and developments, expanding geographical networks and strengthening logistics capabilities towards sustainable performance.