



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

Second Quarter Financial Statement and Dividend Announcement

Financial period ended

**31 December 2012**

## Statements of Financial Position

	Note	Group			Company		
		31 December 2012 \$'000	30 June 2012 \$'000	Var. %	31 December 2012 \$'000	30 June 2012 \$'000	Var. %
<b>Non-current assets</b>							
Property, plant and equipment	3	5,894	5,119	15	1	1	-
Intangible assets	4	35,141	35,735	(2)	-	-	-
Subsidiaries	5	-	-	-	89,112	83,313	7
Associates		8,758	8,780	-	4,868	4,868	-
Joint ventures		241	389	(38)	-	-	-
Financial assets		7,167	6,681	7	7,167	6,681	7
Trade and other receivables		2,906	6,204	(53)	-	-	-
Amounts due from related parties		-	-	-	-	-	-
Deferred tax assets		4,073	4,123	(1)	8	7	14
		<u>64,180</u>	<u>67,031</u>	(4)	<u>101,156</u>	<u>94,870</u>	7
<b>Current assets</b>							
Inventories		5,995	7,272	(18)	-	-	-
Project-in-progress		6,128	9,778	(37)	-	-	-
Trade and other receivables		39,368	32,164	22	348	264	32
Amounts due from related parties		172	77	123	9,284	13,034	(29)
Cash and cash equivalents	6	31,983	32,334	(1)	8,846	10,051	(12)
		<u>83,646</u>	<u>81,625</u>	2	<u>18,478</u>	<u>23,349</u>	(21)
<b>Total assets</b>		<u>147,826</u>	<u>148,656</u>	(1)	<u>119,634</u>	<u>118,219</u>	1
<b>Equity attributable to Owners of the Company</b>							
Share capital	7	88,773	88,773	-	88,773	88,773	-
Reserves		11,251	12,720	(12)	16,793	16,639	1
		<u>100,024</u>	<u>101,493</u>	(1)	<u>105,566</u>	<u>105,412</u>	-
<b>Non-controlling interests</b>							
		<u>1,812</u>	<u>1,756</u>	3	<u>-</u>	<u>-</u>	-
<b>Total equity</b>		<u>101,836</u>	<u>103,249</u>	(1)	<u>105,566</u>	<u>105,412</u>	-
<b>Non-current liabilities</b>							
Interest-bearing borrowings	8	718	3,595	(80)	-	-	-
Deferred tax liabilities		586	632	(7)	-	-	-
		<u>1,304</u>	<u>4,227</u>	(69)	<u>-</u>	<u>-</u>	-
<b>Current liabilities</b>							
Trade and other payables		34,914	34,070	2	830	850	(2)
Provisions		189	387	(51)	-	-	-
Amounts due to related parties		354	406	(13)	12,876	10,889	18
Interest-bearing borrowings	8	8,502	5,593	52	228	903	(75)
Redeemable convertible preference shares		78	78	-	-	-	-
Current tax payable		649	646	-	134	165	(19)
		<u>44,686</u>	<u>41,180</u>	9	<u>14,068</u>	<u>12,807</u>	10
<b>Total liabilities</b>		<u>45,990</u>	<u>45,407</u>	1	<u>14,068</u>	<u>12,807</u>	10
<b>Total equity and liabilities</b>		<u>147,826</u>	<u>148,656</u>	(1)	<u>119,634</u>	<u>118,219</u>	1

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. %
		31 December 2012 \$'000	31 December 2011 \$'000		31 December 2012 \$'000	31 December 2011 \$'000	
<b>Revenue</b>		36,140	31,670	14	65,690	68,402	(4)
Cost of revenue		(28,427)	(26,127)	9	(50,497)	(54,689)	(8)
<b>Gross profit</b>		<u>7,713</u>	<u>5,543</u>	39	<u>15,193</u>	<u>13,713</u>	11
Other income	9	33	243	(86)	89	563	(84)
Distribution expenses		(3,041)	(3,013)	1	(6,049)	(6,882)	(12)
Administrative expenses		(3,546)	(3,815)	(7)	(6,958)	(7,459)	(7)
Research & development expenses		(339)	(322)	5	(898)	(634)	42
Other expenses		(31)	(725)	(96)	(322)	(749)	(57)
<b>Results from operating activities</b>	9	<u>789</u>	<u>(2,089)</u>	138	<u>1,055</u>	<u>(1,448)</u>	173
Finance income		118	59	100	218	113	93
Finance expenses		(66)	(74)	(11)	(114)	(139)	(18)
<b>Net finance income/(expenses)</b>	10	<u>52</u>	<u>(15)</u>	(447)	<u>104</u>	<u>(26)</u>	(500)
Share of results of associates (net of tax)		508	(2)	25,500	816	298	174
Share of results of joint ventures (net of tax)		4	(86)	105	(156)	(22)	(609)
<b>Profit/(Loss) before income tax</b>		<u>1,353</u>	<u>(2,192)</u>	162	<u>1,819</u>	<u>(1,198)</u>	252
Income tax expense	11	(131)	(219)	(40)	(203)	(393)	(48)
<b>Profit/(Loss) for the period</b>		<u>1,222</u>	<u>(2,411)</u>	151	<u>1,616</u>	<u>(1,591)</u>	202
<b>Other comprehensive income item that may be reclassified subsequently to profit or loss</b>							
Exchange differences on transaction of financial statements of foreign operations		(859)	1,470	(158)	(2,499)	4,279	(158)
Exchange differences on monetary items forming part of net investments in foreign operations		(8)	(577)	99	(220)	(1,103)	80
Net change in fair value of available-for-sale financial assets, net of tax		783	(976)	180	486	(1,229)	140
<b>Other comprehensive income for the period, net of income tax</b>		<u>(84)</u>	<u>(83)</u>	(1)	<u>(2,233)</u>	<u>1,947</u>	(215)
<b>Total comprehensive income for the period</b>		<u>1,138</u>	<u>(2,494)</u>	146	<u>(617)</u>	<u>356</u>	(273)
<b>Profit/(Loss) attributable to:</b>							
Owners of the Company		1,184	(2,301)	151	1,519	(1,256)	221
Non-controlling interests		38	(110)	(135)	97	(335)	(129)
<b>Profit/(Loss) for the period</b>		<u>1,222</u>	<u>(2,411)</u>	151	<u>1,616</u>	<u>(1,591)</u>	202

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

	1 October 2012 to 31 December 2012 \$'000	1 October 2011 to 31 December 2011 \$'000	Var. %	1 July 2012 to 31 December 2012 \$'000	1 July 2011 to 31 December 2011 \$'000	Var. %
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	1,099	(2,429)	145	(673)	610	(210)
Non-controlling interests	39	(65)	(160)	56	(254)	(122)
<b>Total comprehensive income for the period</b>	<b>1,138</b>	<b>(2,494)</b>	<b>146</b>	<b>(617)</b>	<b>356</b>	<b>(273)</b>
<b>Earnings per share</b>						
- Basic (cents)	0.21	(0.42)	150	0.27	(0.23)	217
- Diluted (cents)	0.21	(0.42)	150	0.27	(0.23)	217

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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/(losses) \$'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>									
<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 profit/(losses) \$'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>									
<b>Items that may be reclassified subsequently to profit or loss</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</b>									
<b>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)	(1,386)	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

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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 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

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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 2012</b>									
Balance as at 1 October 2012	88,773	(11,720)	1,073	2,468	(13,725)	32,927	99,796	1,773	101,569
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	1,184	1,184	38	1,222
<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	-	-	-	-	(860)	-	(860)	1	(859)
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	(8)	-	(8)	-	(8)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	783	-	-	-	783	-	783
Total other comprehensive income	-	-	783	-	(868)	-	(85)	1	(84)
Total comprehensive income for the period	-	-	783	-	(868)	1,184	1,099	39	1,138
<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	-	-	-	13	-	-	13	-	13
Final dividend of 0.16 cents per share in respect of 2012	-	-	-	-	-	(884)	(884)	-	(884)
Total contributions by and distributions to Owners	-	-	-	13	-	(884)	(871)	-	(871)
Total transactions with Owners	-	-	-	13	-	(884)	(871)	-	(871)
Balance as at 31 December 2012	88,773	(11,720)	1,856	2,481	(14,593)	33,227	100,024	1,812	101,836

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> <b>Items that may be reclassified subsequently</b> <b>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 directly</b> <b>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	275	-	(275)	-	-
- Value of employee services received 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
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> <b>Items that may be reclassified subsequently</b> <b>to profit or loss</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</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	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)
Balance as at 31 December 2011	88,571	(478)	2,256	12,147	102,496

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 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
Balance as at 1 October 2012	88,773	1,073	2,468	13,433	105,747
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	(93)	(93)
<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	-	783	-	-	783
Total other comprehensive income	-	783	-	-	783
Total comprehensive income for the period	-	783	-	(93)	690
<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	-	-	13	-	13
Final dividend of 0.16 cents per share in respect of 2012	-	-	-	(884)	(884)
Total contributions by and distributions to Owners	-	-	13	(884)	(871)
Total transactions with Owners	-	-	13	(884)	(871)
Balance as at 31 December 2012	88,773	1,856	2,481	12,456	105,566

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

## Consolidated Statement of Cash Flows

Group	1 October 2012	1 October 2011	1 July 2012	1 July 2011
	to 31 December 2012 \$'000	to 31 December 2011 \$'000	to 31 December 2012 \$'000	to 31 December 2011 \$'000
<b>Operating Activities</b>				
Profit/(Loss) for the period	1,222	(2,411)	1,616	(1,591)
Adjustments for:				
(Reversal of allowance)/Allowance for:				
- inventory obsolescence	(6)	1,457	(6)	1,505
- doubtful debts from trade receivables	-	84	38	80
Depreciation of property, plant and equipment	469	445	931	990
Interest income	(118)	(59)	(218)	(113)
Interest expense	66	74	114	139
Bad debts written off	-	2	-	2
Inventories written off	11	11	25	23
(Gain)/Loss on disposal of property, plant and equipment	(8)	(188)	(24)	(226)
Amortisation of intangible assets	112	162	225	278
Impairment losses on:				
- property, plant and equipment	-	173	-	173
- intangible assets	-	3	-	3
Gain on disposal of subsidiaries	-	(49)	-	(49)
Restructuring cost reversed	(45)	(12)	(45)	(12)
Retrenchment benefits	-	250	(12)	250
Provision for other liabilities	-	150	-	150
Share-based payment expense	13	94	88	210
Fair value loss on initial recognition of loan and receivables	-	104	-	104
Share of results of associates and joint ventures (net of tax)	(512)	88	(660)	(276)
Income tax expense	131	219	203	393
<b>Operating profit before working capital changes</b>	<b>1,335</b>	<b>597</b>	<b>2,275</b>	<b>2,033</b>
Changes in working capital:				
Inventories	1,137	(1,008)	1,104	(69)
Project-in-progress	(980)	1,176	3,714	918
Amounts due from related parties (trade)	139	(318)	(104)	(557)
Amounts due to related parties (trade)	-	(17)	6	(7)
Trade and other receivables	(4,723)	2,093	(4,384)	4,759
Trade and other payables	4,396	(2,439)	972	(4,113)
Other liabilities arising from fire incident paid	-	-	-	(40)
Restructuring costs paid	(99)	(7)	(102)	(24)
Release of pledged/(Placement of) deposits with financial institutions	4	55	(3)	(90)
Cash generated from operations	1,209	132	3,478	2,810
Interest received	118	59	218	113
Interest paid	(60)	(52)	(98)	(91)
Income tax paid	(197)	(684)	(283)	(886)
<b>Cash flows generated from/(used in) operating activities</b>	<b>1,070</b>	<b>(545)</b>	<b>3,315</b>	<b>1,946</b>

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

Group	Note	1 October 2012	1 October 2011	1 July 2012	1 July 2011
		to 31 December 2012 \$'000	to 31 December 2011 \$'000	to 31 December 2012 \$'000	to 31 December 2011 \$'000
<b>Investing Activities</b>					
Purchase of property, plant and equipment		(1,388)	(669)	(2,026)	(1,023)
Purchase of intangible assets		(205)	(539)	(507)	(1,087)
Proceeds from disposal of property, plant and equipment		15	536	154	577
Purchase of other financial assets		-	(1,548)	-	(1,548)
Net cash outflow on disposal of subsidiaries		-	(711)	-	(711)
Amounts due from related parties (non-trade)		-	-	8	277
<b>Cash flows used in investing activities</b>		<b>(1,578)</b>	<b>(2,931)</b>	<b>(2,371)</b>	<b>(3,515)</b>
<b>Financing Activities</b>					
Interest paid		(6)	(22)	(16)	(48)
Drawdown of bank loans		3,286	3,488	6,583	6,524
Repayment of bank loans		(2,622)	(3,228)	(6,743)	(6,379)
Repayment of hire purchase and finance lease creditors		(11)	(44)	(28)	(166)
Amounts due to related parties (non-trade)		(59)	(11)	(39)	(30)
Issuance of shares		-	49	-	56
Dividend paid		(884)	(1,529)	(884)	(1,529)
<b>Cash flows used in financing activities</b>		<b>(296)</b>	<b>(1,297)</b>	<b>(1,127)</b>	<b>(1,572)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(804)</b>	<b>(4,773)</b>	<b>(183)</b>	<b>(3,141)</b>
Cash and cash equivalents at beginning of period		30,727	35,242	30,579	33,001
Effect of exchange rate changes on balances in foreign currencies		(28)	312	(501)	921
<b>Cash and cash equivalents at end of period</b>	6	<b>29,895</b>	<b>30,781</b>	<b>29,895</b>	<b>30,781</b>

#### Disposal of subsidiaries

	1 July 2011 to 31 December 2011 \$'000
Inventories	582
Trade and other receivables	1,956
Cash and cash equivalents	712
Trade and other payables	(1,257)
Amount 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)
<b>Net cash outflow on disposal of subsidiaries</b>	<b>(711)</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 6 February 2013.

### 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>31 December 2012</b>									
<b>Cost</b>									
At 1 July 2012	2,023	2,882	519	810	4,161	213	29,907	-	40,515
Additions	-	10	2	4	178	-	1,195	637	2,026
Disposals	-	(4)	(8)	(3)	(92)	(39)	(965)	-	(1,111)
Translation difference on consolidation	(89)	(73)	(12)	(13)	(115)	(5)	(1,104)	(7)	(1,418)
At 31 December 2012	1,934	2,815	501	798	4,132	169	29,033	630	40,012
<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	38	115	12	13	127	8	618	-	931
Disposals	-	(4)	(8)	(3)	(92)	(39)	(835)	-	(981)
Translation difference on consolidation	(12)	(67)	(12)	(12)	(103)	(5)	(1,017)	-	(1,228)
At 31 December 2012	286	2,542	442	719	3,697	148	26,284	-	34,118
<b>Carrying amount</b>									
At 1 July 2012	1,763	384	69	89	396	29	2,389	-	5,119
At 31 December 2012	1,648	273	59	79	435	21	2,749	630	5,894

Assets under construction of the Group with carrying amounts of \$628,000 (30 June 2012: Nil) has been pledged to banks as securities for bank loans (Note 8).

The carrying amount of property, plant and equipment includes amount totalling \$110,000 (30 June 2012: \$151,000) for the Group in respect of assets acquired under hire purchase agreements and finance leases.

Company	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Total \$'000
<b>31 December 2012</b>				
<b>Cost</b>				
At 1 July 2012	62	36	70	168
Additions	-	1	-	1
31 December 2012	<u>62</u>	<u>37</u>	<u>70</u>	<u>169</u>
<b>Accumulated depreciation</b>				
At 1 July 2012	62	36	69	167
Depreciation charge for the period	-	*	1	1
At 31 December 2012	<u>62</u>	<u>36</u>	<u>70</u>	<u>168</u>
<b>Carrying amount</b>				
At 1 July 2012	-	-	1	1
At 31 December 2012	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
* 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>31 December 2012</b>						
<b>Cost</b>						
At 1 July 2012	627	1,987	6,094	3,247	27,508	39,463
Additions	4	-	35	468	-	507
Disposals	(11)	-	-	-	-	(11)
Translation difference on consolidation	(13)	(87)	(267)	(149)	(482)	(998)
At 31 December 2012	<u>607</u>	<u>1,900</u>	<u>5,862</u>	<u>3,566</u>	<u>27,026</u>	<u>38,961</u>
<b>Accumulated amortisation and impairment losses</b>						
At 1 July 2012	541	651	1,780	12	744	3,728
Amortisation for the period	17	49	153	6	-	225
Disposals	(11)	-	-	-	-	(11)
Translation difference on consolidation	(12)	(29)	(80)	(1)	-	(122)
At 31 December 2012	<u>535</u>	<u>671</u>	<u>1,853</u>	<u>17</u>	<u>744</u>	<u>3,820</u>
<b>Carrying amount</b>						
At 1 July 2012	86	1,336	4,314	3,235	26,764	35,735
At 31 December 2012	<u>72</u>	<u>1,229</u>	<u>4,009</u>	<u>3,549</u>	<u>26,282</u>	<u>35,141</u>

Company	Computer software \$'000
<b>31 December 2012</b>	
<b>Cost</b>	
At 1 July 2012 and 31 December 2012	<u>21</u>
<b>Accumulated amortisation and impairment losses</b>	
At 1 July 2012 and 31 December 2012	<u>21</u>
<b>Carrying amount</b>	
At 1 July 2012 and 31 December 2012	<u>-</u>

## 5. Subsidiaries

In December 2012, Ellipsiz Communications (Australia) Pty Limited, an inactive subsidiary in Australia, submitted an application for voluntary deregistration under the applicable local laws.

The Company's wholly-owned subsidiary, iNETest Resources Pte. Ltd., has also in December 2012 established a wholly-owned subsidiary, Ellipsiz iNETest Co., Ltd. ("Ellipsiz iNETest Taiwan") in the laws of the Republic of China (Taiwan) with a registered capital of NTD 5 million (equivalent to S\$210,000). The principal activities of the subsidiary are those relating to the sales and marketing of scientific and industrial products, provision of solutions for in-circuit and functional testing, engineering and service support as well as trading and distribution of equipment and consumables in Taiwan.

## 6. Cash and Cash Equivalents

Note	Group		Company	
	31 December 2012 \$'000	30 June 2012 \$'000	31 December 2012 \$'000	30 June 2012 \$'000
Cash at banks and in hand	24,676	25,039	3,334	4,544
Deposits with financial institutions	7,307	7,295	5,512	5,507
	31,983	32,334	8,846	10,051
Bank overdraft	8 (330)	-		
Deposits held as securities by financial institutions	8 (1,758)	(1,755)		
Cash and cash equivalents in the consolidated cash flow statement	29,895	30,579		

## 7. Share Capital

	Group and Company 31 December 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 31 December 2012 and 30 June 2012	552,794	88,773	552,794	88,773

The Group had not acquired any treasury shares for the financial period ended 31 December 2012. There are no treasury shares held by the Group as at 30 June 2012 and 31 December 2012.

### Warrants

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

As at 31 December 2012, there were Nil (31 December 2011: 6,918,000) outstanding warrants which entitle warrant holders to subscribe Nil (31 December 2011: 6,918,000) new ordinary shares at the exercise price of \$0.035 per share.

### Options

At the balance sheet date, there were 20,150,000 (31 December 2011: 21,850,000) and 18,350,000 (31 December 2011: 19,700,000) 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 (31 December 2011: Nil).

## 8. Interest-Bearing Borrowings

*Interest-bearing borrowings consist of the following:*

	Group		Company	
	31 December 2012 \$'000	30 June 2012 \$'000	31 December 2012 \$'000	30 June 2012 \$'000
<b>Non-current liabilities</b>				
Secured bank loan	356	-	-	-
Unsecured bank loans <sup>(1)</sup>	308	3,520	-	-
Obligations under hire purchase agreements and finance leases	54	75	-	-
	<u>718</u>	<u>3,595</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>				
Bank overdraft	330	-	-	-
Secured bank loan	89	-	-	-
Unsecured bank loans <sup>(1)</sup>	8,041	5,544	228	903
Obligations under hire purchase agreements and finance leases	42	49	-	-
	<u>8,502</u>	<u>5,593</u>	<u>228</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	
	31 December 2012 \$'000	30 June 2012 \$'000
Within 1 year	8,460	5,544
After 1 year but within 5 years	664	3,520
	<u>9,124</u>	<u>9,064</u>

The borrowings are secured on the following assets:

	Note	Group	
		31 December 2012 \$'000	30 June 2012 \$'000
Assets under construction	3	628	-
Deposits with financial institutions	6	1,758	1,755
		<u>2,386</u>	<u>1,755</u>

*Obligations under hire purchase agreements and finance leases*

Group	31 December 2012			30 June 2012		
	Principal \$'000	Interest \$'000	Payments \$'000	Principal \$'000	Interest \$'000	Payments \$'000
Repayable within 1 year	42	5	47	49	7	56
Repayable after 1 year but within 5 years	54	2	56	75	5	80
	<u>96</u>	<u>7</u>	<u>103</u>	<u>124</u>	<u>12</u>	<u>136</u>

## 9. Results from Operating Activities

Group	1 October 2012 to 31 December 2012 \$'000	1 October 2011 to 31 December 2011 \$'000	1 July 2012 to 31 December 2012 \$'000	1 July 2011 to 31 December 2011 \$'000
	<b>Other income</b>			
Rental income from third parties	-	27	-	53
Gain on disposal of property plant and equipment	8	188	24	226
Reversal of restructuring cost	-	12	-	12
Gain on disposal of subsidiaries	-	49	-	49
Sundry income	25	(33)	65	223
	<u>33</u>	<u>243</u>	<u>89</u>	<u>563</u>



Group	Note	1 October 2012	1 October 2011	1 July 2012	1 July 2011
		to 31 December 2012 \$'000	to 31 December 2011 \$'000	to 31 December 2012 \$'000	to 31 December 2011 \$'000
<b>Other expenses</b>					
Allowance for doubtful debts from trade receivables		-	84	38	80
(Reversal of allowance)/Allowance for inventory obsolescence		(6)	1,457	(6)	1,505
Bad debts written off		-	2	-	2
Inventories written off		11	11	25	23
Depreciation of property, plant and equipment	3	469	445	931	990
Amortisation of intangible assets	4	112	162	225	278
Impairment losses on:					
- property, plant and equipment	3	-	173	-	173
- intangible assets	4	-	3	-	3
Retrenchment benefits		-	250	(12)	250
Provision for other liabilities		-	150	-	150
Fair value loss on initial recognition of loan and receivables		-	104	-	104
Share-based payment expense		13	94	88	210
Exchange loss, net		76	285	359	304

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 October 2012	1 October 2011	1 July 2012	1 July 2011
	to 31 December 2012 \$'000	to 31 December 2011 \$'000	to 31 December 2012 \$'000	to 31 December 2011 \$'000
<b>Finance income</b>				
Interest income from:				
- financial institutions	8	59	17	113
- third party	25	-	57	-
Interest income arising from the unwinding discount implicit in the interest-free third parties receivable	85	-	144	-
	<u>118</u>	<u>59</u>	<u>218</u>	<u>113</u>
<b>Finance expenses</b>				
Interest expenses to:				
- hire purchase arrangements and finance leases	(2)	(12)	(4)	(17)
- financial institutions	(63)	(57)	(108)	(113)
- an affiliate	-	(2)	-	(4)
- non-controlling interest	(1)	(3)	(2)	(5)
	<u>(66)</u>	<u>(74)</u>	<u>(114)</u>	<u>(139)</u>
Net finance income/(expenses) recognised in the profit and loss	<u>52</u>	<u>(15)</u>	<u>104</u>	<u>(26)</u>

## 11. Income Tax Expenses

Group	1 October 2012 to 31 December 2012 \$'000	1 October 2011 to 31 December 2011 \$'000	1 July 2012 to 31 December 2012 \$'000	1 July 2011 to 31 December 2011 \$'000
<b>Current tax expense</b>				
- current year	132	160	321	359
- withholding tax	22	91	59	91
- under/(over) provision in prior year	15	93	(98)	83
	<u>169</u>	<u>344</u>	<u>282</u>	<u>533</u>
<b>Deferred tax credit</b>				
- origination and reversal of temporary differences	(29)	(122)	(68)	(137)
- utilisation of previously unrecognised deferred tax assets	(9)	-	(11)	-
- over provision in prior year	-	(3)	-	(3)
	<u>(38)</u>	<u>(125)</u>	<u>(79)</u>	<u>(140)</u>
Total income tax expenses	<u>131</u>	<u>219</u>	<u>203</u>	<u>393</u>

## 12. Earnings Per Share

	1 October 2012 to 31 December 2012 \$'000	1 October 2011 to 31 December 2011 \$'000	1 July 2012 to 31 December 2012 \$'000	1 July 2011 to 31 December 2011 \$'000
Basic earnings per share is based on: Profit/(Loss) for the period attributable to Owners of the Company	<u>1,184</u>	<u>(2,301)</u>	<u>1,519</u>	<u>(1,256)</u>
	<b>1 October 2012 to 31 December 2012 No. of shares</b>	<b>1 October 2011 to 31 December 2011 No. of shares</b>	<b>1 July 2012 to 31 December 2012 No. of shares</b>	<b>1 July 2011 to 31 December 2011 No. of shares</b>
Weighted average number of:				
- shares outstanding during the period	552,794	545,618	552,794	542,910
- shares issued during the period				
- pursuant to the exercise of warrants	-	980	-	1,154
- pursuant to the exercise of awards	-	-	-	2,500
	<u>552,794</u>	<u>546,598</u>	<u>552,794</u>	<u>546,564</u>

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

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

	1 October 2012 to 31 December 2012 No. of shares	1 October 2011 to 31 December 2011 No. of shares	1 July 2012 to 31 December 2012 No. of shares	1 July 2011 to 31 December 2011 No. of shares
Weighted average number of shares issued, used in the calculation of basic earnings per shares	552,794	546,598	552,794	546,564
Dilutive effect of warrants	-	4,673	-	5,094
Weighted average number of ordinary shares (diluted)	<u>552,794</u>	<u>551,271</u>	<u>552,794</u>	<u>551,568</u>

As at 31 December 2012, 38,500,000 (31 December 2011: 41,550,000) 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

	Group cents	Company cents
Net asset value per ordinary share based on issued share capital of the Company as at		
(a) 31 December 2012	18.09	19.10
(b) 30 June 2012	18.36	19.07

### 14. 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.

### 15. Significant Related Party Transactions

Significant transactions with related parties are as follows:

	1 October 2012 to 31 December 2012 \$'000	1 October 2011 to 31 December 2011 \$'000	1 July 2012 to 31 December 2012 \$'000	1 July 2011 to 31 December 2011 \$'000
Sales to:				
- an joint venture	46	172	89	172
- an associate	-	41	-	47
- other affiliates	38	430	252	652
Service income from an associate	59	-	59	28
Rental expenses paid to:				
- an associate	-	-	-	(3)
- non-controlling interest of subsidiary	(13)	(13)	(25)	(25)
- other affiliates	-	(24)	-	(63)
- a director	(20)	(26)	(52)	(59)
Interest expense paid to:				
- non-controlling interest of subsidiary	(1)	(3)	(2)	(5)
- affiliates <sup>(1)</sup>	-	(2)	-	(4)

<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 31 December 2012, commitments of the Group for minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	31 December 2012 \$'000	30 June 2012 \$'000
<b>Receivable:</b>		
Within 1 year	2	2
After 1 year but within 5 years	3	5
	5	7
<b>Payable:</b>		
Within 1 year	1,795	1,390
After 1 year but within 5 years	1,892	1,126
	3,687	2,516

### Corporate guarantees

As at 31 December 2012, the Company provided corporate guarantees amounting to \$18,675,000 (30 June 2012: \$17,886,000) to banks for banking facilities of \$25,191,000 (30 June 2012: \$23,717,000) made available to its subsidiaries, of which the subsidiaries have utilised \$9,544,000 (30 June 2012: \$9,145,000).

## 18. Operating Segments

### Reportable segments

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	31	31	31	31	31	31	31	31
	December 2012	December 2011	December 2012	December 2011	December 2012	December 2011	December 2012	December 2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue and Expense</b>								
Total revenue from external customers	48,242	50,088	17,448	18,314			65,690	68,402
Inter-segment revenue	76	205	-	262	(76)	(467)	-	-
	<u>48,318</u>	<u>50,293</u>	<u>17,448</u>	<u>18,576</u>			<u>65,690</u>	<u>68,402</u>
Segment results	553	(3,150)	564	1,304			1,117	(1,846)
Unallocated corporate results							(62)	398
							<u>1,055</u>	<u>(1,448)</u>
Share of results of associates and joint ventures								
- allocated to reportable segment	294	269	517	23	-	-	811	292
- unallocated corporate and others							(151)	(16)
Profit/(Loss) before finance income/(expense) and income tax							1,715	(1,172)
Finance income							218	113
Finance expense							(114)	(139)
Income tax expenses							(203)	(393)
Non-controlling interests							(97)	335
Profit/(Loss) for the period							<u>1,519</u>	<u>(1,256)</u>

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	31	30	31	30	31	30	31	30
	December 2012	June 2012	December 2012	June 2012	December 2012	June 2012	December 2012	June 2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets and Liabilities</b>								
Segment assets	74,618	73,831	42,330	43,034	-	-	116,948	116,865
Investments in associates								
- allocated to reportable segments	2,533	2,234	6,225	6,546	-	-	8,758	8,780
Investments in joint ventures								
- allocated to reportable segments	64	75	-	-	-	-	64	75
- unallocated corporate & others							177	314
Tax receivables	171	131	-	-	-	-	171	131
Deferred tax assets	1,301	1,245	2,764	2,871	-	-	4,065	4,116
Unallocated corporate assets							17,643	18,375
Total assets							<u>147,826</u>	<u>148,656</u>
Segment liabilities	30,503	29,810	4,189	4,235	-	-	34,692	34,045
Interest-bearing borrowings	7,996	8,094	996	191	-	-	8,992	8,285
Income tax liabilities	407	270	694	843	-	-	1,101	1,113
Unallocated corporate liabilities							1,205	1,964
Total liabilities							<u>45,990</u>	<u>45,407</u>

	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	31	31	31	31	31	31	31	31
	December 2012	December 2011	December 2012	December 2011	December 2012	December 2011	December 2012	December 2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure								
- allocated to reportable segments	402	504	2,130	1,606	-	-	2,532	2,110
- unallocated corporate expenses							1	-
							<u>2,533</u>	<u>2,110</u>
<b>Other items</b>								
Depreciation of property, plant and equipment								
- allocated to reportable segments	243	276	687	712	-	-	930	988
- unallocated corporate expenses							1	2
							<u>931</u>	<u>990</u>
Gain on disposal of property, plant and equipment								
- allocated to reportable segments	(16)	(226)	(8)	-	-	-	(24)	(226)
Amortisation of intangible assets								
- allocated to reportable segments	15	63	210	214	-	-	225	277
- unallocated corporate expenses							-	1
							<u>225</u>	<u>278</u>
Allowance/(Reversal of allowance) for doubtful debts from trade receivables								
- allocated to reportable segments	-	87	38	(7)	-	-	38	80
(Reversal of allowance)/Allowance for inventory obsolescence								
- allocated to reportable segments	(12)	1,308	6	197	-	-	(6)	1,505
Bad debts written off								
- allocated to reportable segments	-	2	-	-	-	-	-	2
Inventories written off								
- allocated to reportable segments	-	-	25	23	-	-	25	23
Impairment losses on property, plant and equipment								
- allocated to reportable segments	-	173	-	-	-	-	-	173
Impairment losses on intangible assets								
- allocated to reportable segments	-	3	-	-	-	-	-	3

## Geographical segments

Group	Singapore		Other Asean Countries		China & Taiwan		USA		Europe		Other Regions		Consolidated	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue from external customers	31,978	19,973	7,832	16,747	13,655	17,184	8,863	8,661	1,744	1,860	1,618	3,977	65,690	68,402
	31 December 2012	30 June 2012	31 December 2012	30 June 2012	31 December 2012	30 June 2012	31 December 2012	30 June 2012	31 December 2012	30 June 2012	31 December 2012	30 June 2012	31 December 2012	30 June 2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current segment assets	28,865	28,075	3,440	3,710	2,645	6,292	7,703	7,577	15	17	1,273	1,387	43,941	47,058
Investments in associates	-	-	2,533	2,234	-	-	-	-	-	-	6,225	6,546	8,758	8,780
Investments in joint ventures	-	-	64	75	177	314	-	-	-	-	-	-	241	389
Investments in other financial assets	7,014	6,488	-	-	-	-	-	-	153	193	-	-	7,167	6,681
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	4,073	4,123
	35,879	34,563	6,037	6,019	2,822	6,606	7,703	7,577	168	210	7,498	7,933	64,180	67,031
	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure	696	1,534	97	216	881	75	859	280	-	-	-	5	2,533	2,110

**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 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  
6 February 2013



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

Second Quarter Financial Statements and Dividend Announcement

Financial period ended

**31 December 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 six months ended 31 December 2012 (1HFY2013), the Group reported revenue of \$65.7 million, a decline of 4% from \$68.4 million revenue attained in the first six months of previous financial year (1HFY2012). The decline came mainly from the lower revenue in first quarter, 1QFY2013. The second quarter, 2QFY2013, in fact reported an improvement of 14% on the consolidated revenue over the performance in the corresponding quarter in FY2012 (2QFY2012).

Probe Card solutions (PCS) and Distribution & Services solutions (DSS) were 5% and 4% lower than their 1HFY2012's performance respectively. The business segments continue to experience challenges from keen price competition and currency risk. Other than Singapore and USA, all other regions that the Group operates in experienced weaker performance in 1HFY2013. Our Singapore operations delivered some major projects during the quarter and therefore higher revenue was recorded in the territory.

Gross profit attained in 1HFY2013 was \$15.2 million, an increase of 11% over \$13.7 million in 1HFY2012. Gross profit margin was 23% as compared to 20% a year ago. In 1HFY2012, the Group ceased one of its less profitable pump refurbishment activities in Taiwan and recorded 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 the one-time provisions, the gross profit margin in 1HFY2012 was 22%.

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

Other income decreased by 84% from \$0.6 million in 1HFY2012 to \$0.1 million in 1HFY2013 mainly due to the lower sundry income received and the recording of lower gain on disposal of plant and equipment during the period. For details of other income, please refer to note 9 to the financial statements.

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

Total operating expenses decreased by 10% from \$15.7 million to \$14.2 million. Included in the operating expenses of 1HFY2012 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. Without the one-time expense, operating expenses in 1HFY2012 was \$15.2 million and the favourable variance from the lower expenses in 1HFY2013 was 7%.

In line with the lower revenue, distribution expenses decreased by 12% while the divestment of certain business activities as well as the synergy effect of our integration exercise had resulted in 7% 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 in the period. Higher other expenses in 1HFY2012 was mainly due to the one-time expense highlighted in the earlier paragraph.

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

The Group had net finance income of \$104,000 in 1HFY2013 instead of net finance expenses of S\$26,000 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 \$816,000 from share of results from associates and had share of losses of \$156,000 from its joint ventures for 1HFY2013.

**Income taxes**

In 1HFY2013, the Group recorded a tax expense of \$0.2 million, mainly for the current tax expense incurred during the financial period.

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

The Group had net profits after taxes and non-controlling interests of \$1.5 million for 1HFY2013, an improvement over the net loss of \$1.3 million in 1HFY2012. 1HFY2012'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 1HFY2012.

The 62% increase in net profits from \$0.9 million in 1HFY2012 to \$1.5 million in 1HFY2013 was mainly attributable to the incurrance of lower operating expenses and higher share of results from associates, partially offset by lower gross profits and other income.

**Financial Conditions**

**Non-current assets**

The non-current assets decreased by 4% from \$67.0 million to \$64.2 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 31 December 2012 due to the receipt of final acceptance from the customer. This led to the 53% drop in trade and other receivables. Investments in joint ventures decreased by 38% as a result of the share of losses during the financial period. The capital expenditure incurred during the financial period led to the 15% increase in the carrying amounts of property, plant and equipment.

**Current assets**

Total current asset as at 31 December 2012 was \$83.6 million, an increase of 2% from \$81.6 million as at 30 June 2012. The increase in current assets was mainly due to higher trade and other receivables as at 31 December 2012, partially offset by the decrease in project-in-progress by 37% resulting from the completion of some projects during the financial period. The higher trade and other receivables was attributed to the recording of more deliveries towards the end of 2QFY2013 and the classification of certain non-current receivables to current assets as mentioned earlier.

**Current liabilities and non-current liabilities**

Total liabilities as at 31 December 2012 stood at \$46.0 million, a 1% increase from \$45.4 million as at 30 June 2012. There was re-classification of certain interest bearing borrowings from non-current liabilities to current liabilities. Total interest bearing borrowings as at 31 December 2012 was \$9.2 million, relatively flat as compared to the balance as at 30 June 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 Group had a net cash outflow of \$183,000 for financial period ended 31 December 2012. This can be accounted by:

- (a) cash inflow of \$3.3 million for operating activities;
- (b) cash outflow of \$2.4 million for investing activities; and
- (c) cash outflow of \$1.1 million for financing activities.

The positive results during the financial period, coupled with the net positive movement in working capital led to the cash inflow from operating activities of \$3.3 million in 1HFY2013.

The purchase of additional plant and equipment and intangible assets led to negative cashflow of \$2.4 million for investing activities, while the net repayments of interest-bearing borrowings and the payment of dividend during the financial period were the main reasons for the outflow of cash for financing activities.

As at 31 December 2012, the Group's cash and cash equivalents position (including fixed deposits held as securities) was \$32.0 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.**

Amidst inventories rationalisation across the semiconductor supply chain, weakness in PC demand and the uncertain macroeconomic conditions, we remained cautious over our business prospects over the first half of 2013. Though the strong growth in the Americas region for the second consecutive month had pushed the worldwide semiconductor sales growth above typical seasonal rates in November (Source: Semiconductor Industry Association, 4 January 2013), sustainability remained a concern. We would, therefore, continue to be vigilant of our market environment and focus on building business resiliency and sustainability.