



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

Third Quarter Financial Statement and Dividend Announcement

Financial period ended

**31 March 2013**

## Statements of Financial Position

	Note	Group			Company		
		31 March 2013 \$'000	30 June 2012 \$'000	Var. %	31 March 2013 \$'000	30 June 2012 \$'000	Var. %
<b>Non-current assets</b>							
Property, plant and equipment	3	6,442	5,119	26	1	1	-
Intangible assets	4	35,495	35,735	(1)	-	-	-
Subsidiaries	5	-	-	-	89,198	83,313	7
Associates		8,119	8,780	(8)	4,868	4,868	-
Joint ventures	6	224	389	(42)	-	-	-
Financial assets		7,165	6,681	7	7,165	6,681	7
Trade and other receivables		2,525	6,204	(59)	-	-	-
Deferred tax assets		4,129	4,123	-	9	7	29
		<u>64,099</u>	<u>67,031</u>	(4)	<u>101,241</u>	<u>94,870</u>	7
<b>Current assets</b>							
Inventories		6,673	7,272	(8)	-	-	-
Project-in-progress		2,753	9,778	(72)	-	-	-
Trade and other receivables		32,135	32,164	-	340	264	29
Amounts due from related parties		151	77	96	8,875	13,034	(32)
Assets classified as held for sale		1,714	-	100	-	-	-
Cash and cash equivalents	7	31,323	32,334	(3)	9,611	10,051	(4)
		<u>74,749</u>	<u>81,625</u>	(8)	<u>18,826</u>	<u>23,349</u>	(19)
<b>Total assets</b>		<u>138,848</u>	<u>148,656</u>	(7)	<u>120,067</u>	<u>118,219</u>	2
<b>Equity attributable to Owners of the Company</b>							
Share capital	8	88,773	88,773	-	88,773	88,773	-
Reserves		12,244	12,720	(4)	16,929	16,639	2
		<u>101,017</u>	<u>101,493</u>	-	<u>105,702</u>	<u>105,412</u>	-
<b>Non-controlling interests</b>		1,856	1,756	6	-	-	-
<b>Total equity</b>		<u>102,873</u>	<u>103,249</u>	-	<u>105,702</u>	<u>105,412</u>	-
<b>Non-current liabilities</b>							
Interest-bearing borrowings	9	1,006	3,595	(72)	-	-	-
Deferred tax liabilities		586	632	(7)	-	-	-
		<u>1,592</u>	<u>4,227</u>	(62)	<u>-</u>	<u>-</u>	-
<b>Current liabilities</b>							
Trade and other payables		27,400	34,070	(20)	637	850	(25)
Provisions		174	387	(55)	-	-	-
Amounts due to related parties		372	406	(8)	13,624	10,889	25
Interest-bearing borrowings	9	4,124	5,593	(26)	-	903	(100)
Redeemable convertible preference shares		78	78	-	-	-	-
Liabilities classified as held for sale		1,354	-	100	-	-	-
Current tax payable		881	646	36	104	165	(37)
		<u>34,383</u>	<u>41,180</u>	(17)	<u>14,365</u>	<u>12,807</u>	12
<b>Total liabilities</b>		<u>35,975</u>	<u>45,407</u>	(21)	<u>14,365</u>	<u>12,807</u>	12
<b>Total equity and liabilities</b>		<u>138,848</u>	<u>148,656</u>	(7)	<u>120,067</u>	<u>118,219</u>	2

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

## Consolidated Statement of Comprehensive Income

Group	Note	1 January	1 January	Var.	1 July	1 July	Var.
		2013 to 31 March 2013 \$'000	2012 to 31 March 2012 \$'000		2012 to 31 March 2013 \$'000	2011 to 31 March 2012 \$'000	
<b>Revenue</b>		27,836	31,477	(12)	93,526	99,879	(6)
Cost of revenue		(20,478)	(25,282)	(19)	(70,975)	(79,971)	(11)
<b>Gross profit</b>		<u>7,358</u>	<u>6,195</u>	19	<u>22,551</u>	<u>19,908</u>	13
Other income	10	288	13	2,115	377	576	(35)
Distribution expenses		(2,975)	(3,043)	(2)	(9,024)	(9,925)	(9)
Administrative expenses		(3,388)	(3,431)	(1)	(10,346)	(10,890)	(5)
Research & development expenses		(362)	(314)	15	(1,260)	(948)	33
Other expenses		(21)	(118)	(82)	(343)	(867)	(60)
<b>Results from operating activities</b>	10	<u>900</u>	<u>(698)</u>	229	<u>1,955</u>	<u>(2,146)</u>	191
Finance income		97	66	47	315	179	76
Finance expenses		(80)	(52)	54	(194)	(191)	2
<b>Net finance income/(expenses)</b>	11	<u>17</u>	<u>14</u>	21	<u>121</u>	<u>(12)</u>	(1,108)
Share of results of associates (net of tax)		(192)	169	(214)	624	467	34
Share of results of joint ventures (net of tax)		(11)	(95)	88	(167)	(117)	(43)
<b>Profit/(Loss) before income tax</b>		<u>714</u>	<u>(610)</u>	217	<u>2,533</u>	<u>(1,808)</u>	240
Income tax expense	12	(222)	(22)	909	(425)	(415)	2
<b>Profit/(Loss) for the period</b>		<u>492</u>	<u>(632)</u>	178	<u>2,108</u>	<u>(2,223)</u>	195
<b>Other comprehensive income</b>							
<b>Item that may be reclassified subsequently to profit or loss</b>							
Exchange differences on transaction of financial statements of foreign operations		495	(2,408)	120	(2,004)	1,871	(207)
Exchange differences on monetary items forming part of net investments in foreign operations		52	216	(76)	(168)	(887)	81
Net change in fair value of available-for-sale financial assets, net of tax		(2)	1,119	(100)	484	(110)	540
Arising from disposal of subsidiaries		-	-	-	-	59	(100)
<b>Other comprehensive income for the period, net of income tax</b>		<u>545</u>	<u>(1,073)</u>	151	<u>(1,688)</u>	<u>933</u>	(281)
<b>Total comprehensive income for the period</b>		<u>1,037</u>	<u>(1,705)</u>	161	<u>420</u>	<u>(1,290)</u>	133
<b>Profit/(Loss) attributable to:</b>							
Owners of the Company		423	(343)	223	1,942	(1,599)	221
Non-controlling interests		69	(289)	(124)	166	(624)	(127)
<b>Profit/(Loss) for the period</b>		<u>492</u>	<u>(632)</u>	178	<u>2,108</u>	<u>(2,223)</u>	195

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

	<b>1 January 2013 to 31 March 2013 \$'000</b>	<b>1 January 2012 to 31 March 2012 \$'000</b>	<b>Var. %</b>	<b>1 July 2012 to 31 March 2013 \$'000</b>	<b>1 July 2011 to 31 March 2012 \$'000</b>	<b>Var. %</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	993	(1,392)	171	320	(742)	143
Non-controlling interests	44	(313)	(114)	100	(548)	(118)
<b>Total comprehensive income for the period</b>	<b>1,037</b>	<b>(1,705)</b>	<b>161</b>	<b>420</b>	<b>(1,290)</b>	<b>133</b>
<b>Earnings per share</b>						
- Basic (cents)	0.08	(0.06)	233	0.35	(0.29)	221
- Diluted (cents)	0.08	(0.06)	233	0.35	(0.29)	221

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/(losses) \$'000	Total attributable to Owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>31 March 2012</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>									
Loss for the period	-	-	-	-	-	(1,256)	(1,256)	(335)	(1,591)
<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	-	-	-	-	4,198	-	4,198	81	4,279
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	(1,103)	-	(1,103)	-	(1,103)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	(1,229)	-	-	-	(1,229)	-	(1,229)
Arising from disposal of subsidiaries	-	-	-	-	40	-	40	19	59
Total other comprehensive income	-	-	(1,229)	-	3,135	-	1,906	100	2,006
Total comprehensive income for the period	-	-	(1,229)	-	3,135	(1,256)	650	(235)	415
<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	56	-	-	-	-	-	56	-	56
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	-	-	-	210	-	-	210	-	210
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	331	-	-	(65)	-	(1,529)	(1,263)	-	(1,263)
Total transactions with Owners	331	-	-	(65)	-	(1,529)	(1,263)	-	(1,263)
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 profit/(losses) \$'000	Total attributable to Owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>31 March 2012</b>									
Balance as at 1 January 2012	88,571	(11,720)	(478)	2,256	(10,729)	29,089	96,989	1,422	98,411
<b>Total comprehensive income for the period</b>									
Loss for the period	-	-	-	-	-	(343)	(343)	(289)	(632)
<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	-	-	-	-	(2,384)	-	(2,384)	(24)	(2,408)
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	216	-	216	-	216
Net change in fair value of available-for-sale financial assets, net of tax	-	-	1,119	-	-	-	1,119	-	1,119
Total other comprehensive income	-	-	1,119	-	(2,168)	-	(1,049)	(24)	(1,073)
Total comprehensive income for the period	-	-	1,119	-	(2,168)	(343)	(1,392)	(313)	(1,705)
<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	202	-	-	-	-	-	202	-	202
Value of employee services received for issue of share options	-	-	-	55	-	-	55	-	55
Total contributions by and distributions to Owners	202	-	-	55	-	-	257	-	257
Total transactions with Owners	202	-	-	55	-	-	257	-	257
Balance as at 31 March 2012	88,773	(11,720)	641	2,311	(12,897)	28,746	95,854	1,109	96,963

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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 March 2013</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	-	-	-	-	-	1,519	1,519	97	1,616
<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	-	-	-	-	(2,458)	-	(2,458)	(41)	(2,499)
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	(220)	-	(220)	-	(220)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	486	-	-	-	486	-	486
Total other comprehensive income	-	-	486	-	(2,678)	-	(2,192)	(41)	(2,233)
Total comprehensive income for the period	-	-	486	-	(2,678)	1,519	(673)	56	(617)
<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	-	-	-	88	-	-	88	-	88
Final dividend of 0.16 cents per share in respect of 2012	-	-	-	-	-	(884)	(884)	-	(884)
Total contributions by and distributions to Owners	-	-	-	88	-	(884)	(796)	-	(796)
Total transactions with Owners	-	-	-	88	-	(884)	(796)	-	(796)
Balance as at 31 December 2012	88,773	(11,720)	1,856	2,481	(14,593)	33,227	100,024	1,812	101,836

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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 March 2013</b>									
Balance as at 1 January 2013	88,773	(11,720)	1,856	2,481	(14,593)	33,227	100,024	1,812	101,836
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	423	423	69	492
<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	-	-	-	-	520	-	520	(25)	495
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	52	-	52	-	52
Net change in fair value of available-for-sale financial assets, net of tax	-	-	(2)	-	-	-	(2)	-	(2)
Total other comprehensive income	-	-	(2)	-	572	-	570	(25)	545
Total comprehensive income for the period	-	-	(2)	-	572	423	993	44	1,037
Balance as at 31 March 2013	88,773	(11,720)	1,854	2,481	(14,021)	33,650	101,017	1,856	102,873

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## 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 March 2012</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	-	-	-	496	496
<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	-	(1,229)	-	-	(1,229)
Total other comprehensive income	-	(1,229)	-	-	(1,229)
Total comprehensive income for the period	-	(1,229)	-	496	(733)
<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	56	-	-	-	56
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	-	-	210	-	210
Final dividend of 0.13 cents per share in respect 2011	-	-	-	(710)	(710)
Special dividend of 0.15 cents per share in respect 2011	-	-	-	(819)	(819)
Total contributions by and distributions to Owners	331	-	(65)	(1,529)	(1,263)
Total transactions with Owners	331	-	(65)	(1,529)	(1,263)
Balance as at 31 December 2011	88,571	(478)	2,256	12,147	102,496
Balance as at 1 January 2012	88,571	(478)	2,256	12,147	102,496
<b>Total comprehensive income for the period</b>					
Loss for the period	-	-	-	(2)	(2)
<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	-	1,119	-	-	1,119
Total other comprehensive income	-	1,119	-	-	1,119
Total comprehensive income for the period	-	1,119	-	(2)	1,117
<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	202	-	-	-	202
Value of employee services received for issue of share options	-	-	55	-	55
Total contributions by and distributions to Owners	202	-	55	-	257
Total transactions with Owners	202	-	55	-	257
Balance as at 31 March 2012	88,773	641	2,311	12,145	103,870

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 March 2013</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	-	-	-	464	464
<b>Other comprehensive income Items that may be reclassified subsequently to profit or loss</b>					
Net change in fair value of available-for-sale financial assets, net of tax	-	486	-	-	486
Total other comprehensive income	-	486	-	-	486
Total comprehensive income for the period	-	486	-	464	950
<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	-	-	88	-	88
Final dividend of 0.16 cents per share in respect of 2012	-	-	-	(884)	(884)
Total contributions by and distributions to Owners	-	-	88	(884)	(796)
Total transactions with Owners	-	-	88	(884)	(796)
Balance as at 31 December 2012	88,773	1,856	2,481	12,456	105,566
Balance as at 1 January 2013	88,773	1,856	2,481	12,456	105,566
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	138	138
<b>Other comprehensive income Items that may be reclassified subsequently to profit or loss</b>					
Net change in fair value of available-for-sale financial assets, net of tax	-	(2)	-	-	(2)
Total other comprehensive income	-	(2)	-	-	(2)
Total comprehensive income for the period	-	(2)	-	138	136
Balance as at 31 March 2013	88,773	1,854	2,481	12,594	105,702

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

## Consolidated Statement of Cash Flows

Group	1 January 2013	1 January 2012	1 July 2012	1 July 2011
	to 31 March 2013 \$'000	to 31 March 2012 \$'000	to 31 March 2013 \$'000	to 31 March 2012 \$'000
<b>Operating Activities</b>				
Profit/(Loss) for the period	492	(632)	2,108	(2,223)
Adjustments for:				
Allowance for:				
- inventory obsolescence	32	47	26	1,552
- doubtful debts from trade receivables	-	-	38	80
Depreciation of property, plant and equipment	426	437	1,357	1,427
Interest income	(97)	(66)	(315)	(179)
Interest expense	80	52	194	191
Bad debts written off	24	3	24	5
Inventories written off	28	1	53	24
Gain on disposal of property, plant and equipment	(2)	(11)	(26)	(237)
Amortisation of intangible assets	142	118	367	396
Impairment losses on:				
- property, plant and equipment	-	35	-	208
- intangible assets	-	-	-	3
Gain on disposal of subsidiaries	-	-	-	(49)
Gain on disposal of joint ventures	(46)	-	(46)	-
Restructuring cost reversed	-	-	(45)	(12)
Retrenchment benefits	-	-	(12)	250
Provision for other liabilities	-	-	-	150
Share-based payment expense	-	55	88	265
Fair value loss on initial recognition of loan and receivables	-	-	-	104
Share of results of associates and joint ventures (net of tax)	203	(74)	(457)	(350)
Income tax expense	222	22	425	415
<b>Operating profit/(loss) before working capital changes</b>	<b>1,504</b>	<b>(13)</b>	<b>3,779</b>	<b>2,020</b>
Changes in working capital:				
Inventories	(780)	801	324	732
Project-in-progress	3,423	156	7,137	1,074
Amounts due from related parties (trade)	(1)	448	(105)	(109)
Amounts due to related parties (trade)	-	-	6	(7)
Trade and other receivables	6,520	(4,203)	2,136	556
Trade and other payables	(6,926)	2,147	(5,954)	(1,966)
Other liabilities arising from fire incident paid	-	-	-	(40)
Restructuring costs paid	-	-	(102)	(24)
Release of pledged/(Placement of) deposits with financial institutions	119	4	116	(86)
Cash generated from/(used in) operations	3,859	(660)	7,337	2,150
Interest received	97	66	315	179
Interest paid	(79)	(33)	(177)	(124)
Income tax (paid)/received	(38)	5	(321)	(881)
<b>Cash flows generated from/(used in) operating activities</b>	<b>3,839</b>	<b>(622)</b>	<b>7,154</b>	<b>1,324</b>

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

Group	Note	1 January 2013	1 January 2012	1 July 2012	1 July 2011
		to 31 March 2013 \$'000	to 31 March 2012 \$'000	to 31 March 2013 \$'000	to 31 March 2012 \$'000
<b>Investing Activities</b>					
Purchase of property, plant and equipment		(991)	(660)	(3,017)	(1,683)
Purchase of intangible assets		(160)	(516)	(667)	(1,603)
Proceeds from disposal of property, plant and equipment		56	24	210	601
Purchase of other financial assets		-	-	-	(1,548)
Net cash outflow on disposal of subsidiaries		-	-	-	(711)
Proceeds from disposal of joint ventures		1	-	1	-
Dividend received from an associate		248	-	248	-
Amounts due from related parties (non-trade)		-	(91)	8	186
<b>Cash flows used in investing activities</b>		<b>(846)</b>	<b>(1,243)</b>	<b>(3,217)</b>	<b>(4,758)</b>
<b>Financing Activities</b>					
Interest paid		(1)	(19)	(17)	(67)
Drawdown of bank loans		2,331	2,076	8,914	8,600
Repayment of bank loans		(6,040)	(2,903)	(12,783)	(9,282)
Repayment of hire purchase and finance lease creditors		(10)	(30)	(38)	(196)
Amounts due to related parties (non-trade)		13	(173)	(26)	(203)
Issuance of shares		-	202	-	258
Dividend paid		-	-	(884)	(1,529)
<b>Cash flows used in financing activities</b>		<b>(3,707)</b>	<b>(847)</b>	<b>(4,834)</b>	<b>(2,419)</b>
<b>Net decrease in cash and cash equivalents</b>					
		(714)	(2,712)	(897)	(5,853)
Cash and cash equivalents at beginning of period		29,895	30,781	30,579	33,001
Effect of exchange rate changes on balances in foreign currencies		214	(486)	(287)	435
<b>Cash and cash equivalents at end of period</b>	7	<b>29,395</b>	<b>27,583</b>	<b>29,395</b>	<b>27,583</b>
<b>Disposal of subsidiaries</b>					
					<b>1 July 2011 to 31 March 2012 \$'000</b>
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)
Net cash outflow on disposal of subsidiaries					(711)

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

## Notes to the Financial Statements

These notes form and integral part of the financial statements.

The announcement was authorised for issue by the directors on 8 May 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 March 2013</b>									
<b>Cost</b>									
At 1 July 2012	2,023	2,882	519	810	4,161	213	29,907	-	40,515
Additions	-	27	2	7	212	-	1,316	1,453	3,017
Disposals and write off	-	(4)	(10)	(22)	(112)	(39)	(1,010)	-	(1,197)
Asset classified as held for sale	-	-	-	(22)	(43)	-	(57)	-	(122)
Translation difference on consolidation	(55)	(41)	(7)	(10)	(64)	(3)	(700)	(10)	(890)
At 31 March 2013	1,968	2,864	504	763	4,154	171	29,456	1,443	41,323
<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	57	152	18	19	194	10	907	-	1,357
Disposals and write off	-	(4)	(10)	(10)	(102)	(39)	(848)	-	(1,013)
Asset classified as held for sale	-	-	-	(14)	(37)	-	(39)	-	(90)
Translation difference on consolidation	(7)	(36)	(7)	(7)	(61)	(3)	(648)	-	(769)
At 31 March 2013	310	2,610	451	709	3,759	152	26,890	-	34,881
<b>Carrying amount</b>									
At 1 July 2012	1,763	384	69	89	396	29	2,389	-	5,119
At 31 March 2013	1,658	254	53	54	395	19	2,566	1,443	6,442

Assets under construction of the Group with carrying amounts of \$623,000 (30 June 2012: Nil) has been pledged to banks as securities for bank loans (Note 9).

The carrying amount of property, plant and equipment includes amount totalling \$60,000 (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 March 2013</b>				
<b>Cost</b>				
At 1 July 2012	62	36	70	168
Additions	-	1	-	1
At 31 March 2013	<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 March 2013	<u>62</u>	<u>36</u>	<u>70</u>	<u>168</u>
<b>Carrying amount</b>				
At 1 July 2012	-	-	1	1
At 31 March 2013	<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 March 2013</b>						
<b>Cost</b>						
At 1 July 2012	627	1,987	6,094	3,247	27,508	39,463
Additions	13	-	45	609	-	667
Disposals	(10)	-	-	-	-	(10)
Translation difference on consolidation	(7)	(54)	(167)	(86)	(298)	(612)
At 31 March 2013	<u>623</u>	<u>1,933</u>	<u>5,972</u>	<u>3,770</u>	<u>27,210</u>	<u>39,508</u>
<b>Accumulated amortisation and impairment losses</b>						
At 1 July 2012	541	651	1,780	12	744	3,728
Amortisation for the period	25	75	228	39	-	367
Disposals	(10)	-	-	-	-	(10)
Translation difference on consolidation	(7)	(17)	(48)	-	-	(72)
At 31 December 2012	<u>549</u>	<u>709</u>	<u>1,960</u>	<u>51</u>	<u>744</u>	<u>4,013</u>
<b>Carrying amount</b>						
At 1 July 2012	86	1,336	4,314	3,235	26,764	35,735
At 31 March 2013	<u>74</u>	<u>1,224</u>	<u>4,012</u>	<u>3,719</u>	<u>26,466</u>	<u>35,495</u>

Company	Computer software \$'000
<b>31 March 2013</b>	
<b>Cost</b>	
At 1 July 2012 and 31 March 2013	<u>21</u>
<b>Accumulated amortisation and impairment losses</b>	
At 1 July 2012 and 31 March 2013	<u>21</u>
<b>Carrying amount</b>	
At 1 July 2012 and 31 March 2013	<u>-</u>

## 5. Subsidiaries

On 26 March 2013, the Company's wholly-owned subsidiary, Ellipsiz ISP Pte. Ltd., was placed under members' voluntarily liquidation.

The dormant subsidiary, Ellipsiz Communications (Australia) Pty Limited completed the deregistration process on 9 April 2013 and has ceased to be a subsidiary of the Group with effect from the said date.

## 6. Joint Venture

On 7 February 2013, the Company's 51% subsidiary, E+HPS Pte. Ltd. ("E+HPS"), entered into an agreement with the minority shareholder of E+HPS, to sell its entire 50% interest in the joint venture, Lucky City Group Company Limited, for a total cash consideration of HKD5,000 (approximately S\$1,000).

On 25 March 2013, the Company's wholly-owned subsidiary, iNETest Resources Pte. Ltd. ("IRPL") signed an agreement to incorporate a joint venture company in Singapore for the purpose of investment holding and general trading activities in Singapore and India. IRPL will have 49% equity interest in the joint venture company. The paid up capital of the joint venture company is S\$300,000.

Under the same agreement, IRPL has committed to enter into a share sale agreement ("SPA") to sell its entire shareholding in its wholly-owned India subsidiary, iNETest Technologies India Private Limited ("iNETest India") to the joint venture company at a price of S\$300,000, payable in cash on completion of the sale. Completion is scheduled to be no later than 15 May 2013. The sale price was arrived at on a willing buyer willing seller basis and after taking into consideration the net asset value of iNETest India (which is approximately INR13.7 million or S\$300,000) based on its management accounts as at 31 December 2012. iNETest India will cease to be a subsidiary of the Ellipsiz group upon completion of the sale.

## 7. Cash and Cash Equivalents

Note	Group		Company	
	31 March 2013 \$'000	30 June 2012 \$'000	31 March 2013 \$'000	30 June 2012 \$'000
Cash at banks and in hand	23,631	25,039	3,597	4,544
Deposits with financial institutions	7,692	7,295	6,014	5,507
	<u>31,323</u>	<u>32,334</u>	<u>9,611</u>	<u>10,051</u>
Net cash and cash equivalent classified as held for sale	(289)	-		
Deposits held as securities by financial institutions	9 (1,639)	(1,755)		
Cash and cash equivalents in the consolidated cash flow statement	<u>29,395</u>	<u>30,579</u>		

## 8. Share Capital

	Group and Company 31 March 2013		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 March 2013 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 31 March 2013. There are no treasury shares held by the Group as at 30 June 2012 and 31 March 2013.

### Warrants

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

There were Nil outstanding warrants which entitle warrant holders to subscribe Nil new ordinary shares at the exercise price of \$0.035 per share as at the balance sheet date and 31 March 2012.

### Options

At the balance sheet date, there were 19,700,000 (31 March 2012: 20,600,000) and 17,906,000 (31 March 2012: 18,550,000) 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).

## 9. Interest-Bearing Borrowings

*Interest-bearing borrowings consist of the following:*

	Group		Company	
	31 March 2013 \$'000	30 June 2012 \$'000	31 March 2013 \$'000	30 June 2012 \$'000
<b>Non-current liabilities</b>				
Secured bank loan	329	-	-	-
Unsecured bank loans	634	3,520	-	-
Obligations under hire purchase agreements and finance leases	43	75	-	-
	<u>1,006</u>	<u>3,595</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>				
Secured bank loan	88	-	-	-
Unsecured bank loans <sup>(1)</sup>	3,993	5,544	-	903
Obligations under hire purchase agreements and finance leases	43	49	-	-
	<u>4,124</u>	<u>5,593</u>	<u>-</u>	<u>903</u>

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

	Group	
	31 March 2013 \$'000	30 June 2012 \$'000
Within 1 year	4,081	5,544
After 1 year but within 5 years	963	3,520
	<u>5,044</u>	<u>9,064</u>

The borrowings are secured on the following assets:

	Note	Group	
		31 March 2013 \$'000	30 June 2012 \$'000
Assets under construction	3	623	-
Deposits with financial institutions	7	1,639	1,755
		<u>2,262</u>	<u>1,755</u>

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

Group	31 March 2013			30 June 2012		
	Principal \$'000	Interest \$'000	Payments \$'000	Principal \$'000	Interest \$'000	Payments \$'000
Repayable within 1 year	43	5	48	49	7	56
Repayable after 1 year but within 5 years	43	1	44	75	5	80
	<u>86</u>	<u>6</u>	<u>92</u>	<u>124</u>	<u>12</u>	<u>136</u>



## 10. Results from Operating Activities

Group	1 January 2013	1 January 2012	1 July 2012	1 July 2011
	to 31 March 2013 \$'000	to 31 March 2012 \$'000	to 31 March 2013 \$'000	to 31 March 2012 \$'000
<b>Other income</b>				
Rental income from third parties	-	-	-	53
Gain on disposal of property plant and equipment	2	11	26	237
Reversal of restructuring cost	-	-	-	12
Gain on disposal of subsidiaries	-	-	-	49
Gain on disposal of joint ventures	46	-	46	-
Sundry income	240	2	305	225
	<u>288</u>	<u>13</u>	<u>377</u>	<u>576</u>
<b>Other expenses</b>				
Allowance for doubtful debts from trade receivables	-	-	38	80
Allowance for inventory obsolescence	32	47	26	1,552
Bad debts written off	24	3	24	5
Inventories written off	28	1	53	24
Depreciation of property, plant and equipment	3	426	437	1,357
Amortisation of intangible assets	4	142	118	367
Impairment losses on:				
- property, plant and equipment	-	35	-	208
- intangible assets	-	-	-	3
Retrenchment benefits	-	-	(12)	250
Reversal of restructuring cost	-	-	(45)	-
Provision for other liabilities	-	-	-	150
Fair value loss on initial recognition of loan and receivables	-	-	-	104
Share-based payment expense	-	55	88	265
Exchange loss, net	20	26	379	330

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.

## 11. Net Finance Income/(Expenses)

Group	1 January 2013	1 January 2012	1 July 2012	1 July 2011
	to 31 March 2013 \$'000	to 31 March 2012 \$'000	to 31 March 2013 \$'000	to 31 March 2012 \$'000
<b>Finance income</b>				
Interest income from:				
- financial institutions	13	14	30	52
- third party	21	16	78	16
Interest income arising from the unwinding discount implicit in the interest-free third parties receivable	63	36	207	111
	<u>97</u>	<u>66</u>	<u>315</u>	<u>179</u>
<b>Finance expenses</b>				
Interest expenses to:				
- hire purchase arrangements and finance leases	(2)	(3)	(6)	(20)
- financial institutions	(78)	(47)	(186)	(160)
- an affiliate	-	-	-	(4)
- non-controlling interest	-	(2)	(2)	(7)
	<u>(80)</u>	<u>(52)</u>	<u>(194)</u>	<u>(191)</u>
Net finance income/(expenses) recognised in the profit and loss	<u>17</u>	<u>14</u>	<u>121</u>	<u>(12)</u>

## 12. Income Tax Expenses

Group	1 January 2013 to 31 March 2013 \$'000	1 January 2012 to 31 March 2012 \$'000	1 July 2012 to 31 March 2013 \$'000	1 July 2011 to 31 March 2012 \$'000
<b>Current tax expense</b>				
- current year	183	140	504	499
- withholding tax	56	-	115	91
- under/(over) provision in prior year	158	(114)	60	(31)
	<u>397</u>	<u>26</u>	<u>679</u>	<u>559</u>
<b>Deferred tax credit</b>				
- origination and reversal of temporary differences	(29)	(67)	(97)	(204)
- utilisation of previously unrecognised deferred tax assets	-	63	(11)	60
- group relief	(146)	-	(146)	-
	<u>(175)</u>	<u>(4)</u>	<u>(254)</u>	<u>(144)</u>
Total income tax expenses	<u>222</u>	<u>22</u>	<u>425</u>	<u>415</u>

## 13. Earnings Per Share

	1 January 2013 to 31 March 2013 \$'000	1 January 2012 to 31 March 2012 \$'000	1 July 2012 to 31 March 2013 \$'000	1 July 2011 to 31 March 2012 \$'000
Basic earnings per share is based on: Profit/(Loss) for the period attributable to Owners of the Company	<u>423</u>	<u>(343)</u>	<u>1,942</u>	<u>(1,599)</u>
	1 January 2013 to 31 March 2013 No. of shares '000	1 January 2012 to 31 March 2012 No. of shares '000	1 July 2012 to 31 March 2013 No. of shares '000	1 July 2011 to 31 March 2012 No. of shares '000
Weighted average number of:				
- shares outstanding during the period	552,794	547,009	552,794	542,910
- shares issued during the period				
- pursuant to the exercise of warrants	-	4,631	-	4,913
- pursuant to the exercise of awards	-	-	-	2,500
	<u>552,794</u>	<u>551,640</u>	<u>552,794</u>	<u>550,323</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 period outstanding.

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

	1 January 2013 to 31 March 2013 No. of shares '000	1 January 2012 to 31 March 2012 No. of shares '000	1 July 2012 to 31 March 2013 No. of shares '000	1 July 2011 to 31 March 2012 No. of shares '000
Weighted average number of shares issued, used in the calculation of basic earnings per shares	<u>552,794</u>	<u>551,640</u>	<u>552,794</u>	<u>550,323</u>
Weighted average number of ordinary shares (diluted)	<u>552,794</u>	<u>551,640</u>	<u>552,794</u>	<u>550,323</u>

As at 31 March 2013, 37,606,000 (31 March 2012: 39,150,000) options were excluded from the diluted weighted average number of ordinary shares calculations as their effect would have been anti-dilutive.

#### 14. Net Asset Value Per Share

	Group cents	Company cents
Net asset value per ordinary share based on issued share capital of the Company as at		
(a) 31 March 2013	18.27	19.12
(b) 30 June 2012	18.36	19.07

#### 15. Dividends

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

#### 16. Significant Related Party Transactions

Significant transactions with related parties are as follows:

	1 January 2013 to 31 March 2013 \$'000	1 January 2012 to 31 March 2012 \$'000	1 July 2012 to 31 March 2013 \$'000	1 July 2011 to 31 March 2012 \$'000
Sales to:				
- an joint venture	-	6	89	178
- an associate	-	82	-	129
- other affiliates	110	61	362	713
Service income from an associate	-	-	59	28
Purchases from an associate	(22)	-	(22)	-
Management fees paid to an associate	-	(156)	-	(156)
Rental expenses paid to:				
- an associate	-	-	-	(3)
- non-controlling interest of subsidiary	(16)	(12)	(41)	(37)
- other affiliate	-	(49)	-	(112)
- a director	(37)	(30)	(89)	(89)
Interest expense paid to:				
- non-controlling interest of subsidiary	-	(2)	(2)	(7)
- affiliates <sup>(1)</sup>	-	-	-	(4)

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

#### 17. Interested Person Transactions

There was no 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.

#### 18. Commitments

##### Lease Commitments

As at 31 March 2013, commitments of the Group for minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	31 March 2013 \$'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	1,763	1,390
After 1 year but within 5 years	1,563	1,126
	3,326	2,516

### Corporate guarantees

As at 31 March 2013, the Company provided corporate guarantees amounting to \$18,726,000 (30 June 2012: \$17,886,000) to banks for banking facilities of \$27,136,000 (30 June 2012: \$23,717,000) made available to its subsidiaries, of which the subsidiaries have utilised \$12,202,000 (30 June 2012: \$9,145,000).

## 19. Operating Segments

### Reportable segments

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	31	31	31	31	31	31	31	31
	March 2013	March 2012	March 2013	March 2012	March 2013	March 2012	March 2013	March 2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue and Expense</b>								
Total revenue from external customers	68,516	72,915	25,010	26,964	-	-	93,526	99,879
Inter-segment revenue	97	111	-	264	(97)	(375)	-	-
	<u>68,613</u>	<u>73,026</u>	<u>25,010</u>	<u>27,228</u>			<u>93,526</u>	<u>99,879</u>
Segment results	<u>1,477</u>	<u>(4,007)</u>	<u>531</u>	<u>1,243</u>	-	-	<u>2,008</u>	<u>(2,764)</u>
Unallocated corporate results							(53)	618
							<u>1,955</u>	<u>(2,146)</u>
Share of results of associates and joint ventures								
- allocated to reportable segment	417	219	202	199	-	-	619	418
- unallocated corporate and others							(162)	(68)
Profit/(Loss) before finance income/(expense) and income tax							2,412	(1,796)
Finance income							315	179
Finance expense							(194)	(191)
Income tax expenses							(425)	(415)
Non-controlling interests							(166)	624
Profit/(Loss) for the period							<u>1,942</u>	<u>(1,599)</u>

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	31	30	31	30	31	30	31	30
	March 2012	June 2012	March 2012	June 2012	March 2012	June 2012	March 2012	June 2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets and Liabilities</b>								
Segment assets	63,949	73,831	43,630	43,034	-	-	107,579	116,865
Investments in associates								
- allocated to reportable segments	2,604	2,234	5,515	6,546	-	-	8,119	8,780
Investments in joint ventures								
- allocated to reportable segments	66	75	-	-	-	-	66	75
- unallocated corporate & others							158	314
Assets classified as held for sale	1,714	-	-	-	-	-	1,714	-
Tax receivables	163	131	-	-	-	-	163	131
Deferred tax assets	1,320	1,245	2,800	2,871	-	-	4,120	4,116
Unallocated corporate assets							16,929	18,375
Total assets							<u>138,848</u>	<u>148,656</u>
Segment liabilities	23,044	29,810	4,332	4,235	-	-	27,376	34,045
Interest-bearing borrowings	3,707	8,094	1,423	191	-	-	5,130	8,285
Income tax liabilities	527	270	836	843	-	-	1,363	1,113
Liabilities classified as held for sale	1,354	-	-	-	-	-	1,354	-
Unallocated corporate liabilities							752	1,964
Total liabilities							<u>35,975</u>	<u>45,407</u>

	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	31 March 2013 \$'000	31 March 2012 \$'000	31 March 2013 \$'000	31 March 2012 \$'000	31 March 2013 \$'000	31 March 2012 \$'000	31 March 2013 \$'000	31 March 2012 \$'000
Capital expenditure - allocated to reportable segments	462	536	3,222	2,750	-	-	<u>3,684</u>	<u>3,286</u>
<b>Other items</b>								
Depreciation of property, plant and equipment - allocated to reportable segments	369	396	987	1,028	-	-	1,356	1,424
- unallocated corporate expenses							<u>1</u>	<u>3</u>
							<u>1,357</u>	<u>1,427</u>
Gain on disposal of property, plant and equipment - allocated to reportable segments	(17)	(193)	(9)	(44)	-	-	<u>(26)</u>	<u>(237)</u>
Amortisation of intangible assets - allocated to reportable segments	24	74	343	320	-	-	367	394
- unallocated corporate expenses							<u>-</u>	<u>2</u>
							<u>367</u>	<u>396</u>
Allowance/(Reversal of allowance) for doubtful debts from trade receivables - allocated to reportable segments	-	90	38	(10)	-	-	<u>38</u>	<u>80</u>
(Reversal of allowance)/Allowance for inventory obsolescence - allocated to reportable segments	(21)	1,309	47	243	-	-	<u>26</u>	<u>1,552</u>
Bad debts written off - allocated to reportable segments	24	5	-	-	-	-	<u>24</u>	<u>5</u>
Inventories written off - allocated to reportable segments	1	-	52	24	-	-	<u>53</u>	<u>24</u>
Impairment losses on property, plant and equipment - allocated to reportable segments	-	208	-	-	-	-	<u>-</u>	<u>208</u>
Impairment losses on intangible assets - allocated to reportable segments	-	3	-	-	-	-	<u>-</u>	<u>3</u>

## Geographical segments

Group	Singapore		Other Asean Countries		China & Taiwan		USA		Europe		Other Regions		Consolidated	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue from external customers	42,054	32,134	12,297	22,454	20,746	24,352	12,520	13,061	2,808	2,642	3,101	5,236	93,526	99,879
	31 March 2013	30 June 2012	31 March 2013	30 June 2012	31 March 2013	30 June 2012	31 March 2013	30 June 2012	31 March 2013	30 June 2012	31 March 2013	30 June 2012	31 March 2013	30 June 2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current segment assets	28,681	28,075	3,221	3,710	3,505	6,292	7,810	7,577	13	17	1,232	1,387	44,462	47,058
Investments in associates	-	-	2,604	2,234	-	-	-	-	-	-	5,515	6,546	8,119	8,780
Investments in joint ventures	-	-	66	75	158	314	-	-	-	-	-	-	224	389
Investments in other financial assets	7,014	6,488	-	-	-	-	-	-	151	193	-	-	7,165	6,681
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	4,129	4,123
	35,695	34,563	5,891	6,019	3,663	6,606	7,810	7,577	164	210	6,747	7,933	64,099	67,031
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure	906	2,083	922	325	910	91	-	779	943	-	3	8	3,684	3,286

**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 3<sup>rd</sup> quarter results ended 31 March 2013 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  
8 May 2013



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

Third Quarter Financial Statements and Dividend Announcement

Financial period ended

**31 March 2013**

*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***

The Group reported revenue of \$93.5 million for the nine months ended 31 March 2013 (9MFY2013), a decline of 6% from \$99.9 million revenue attained in the first nine months of previous financial year (9MFY2012). Probe Card solutions (PCS) and Distribution & Services solutions (DSS) were 7% and 6% lower than their 9MFY2012's performance respectively. The business segments continue to experience challenges from keen price competition and currency risk. Other than Singapore and Europe, all other regions that the Group operates in experienced weaker performance in 9MFY2013. Our Singapore operations delivered some major projects during the two quarters and therefore higher revenue was recorded in the territory.

Gross profit attained in 9MFY2013 was \$22.6 million, an increase of 13% over \$20.0 million in 9MFY2012. Gross profit margin was 24% as compared to 20% a year ago. In 9MFY2012, 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 9MFY2012 was 22%.

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

Other income decreased by 35% from \$0.6 million in 9MFY2012 to \$0.4 million in 9MFY2013 mainly due to the lower gain on disposal of plant and equipment during the period. For details of other income, please refer to note 10 to the financial statements.

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

Total operating expenses decreased by 7% from \$22.6 million to \$20.9 million. Included in the operating expenses of 9MFY2012 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 9MFY2012 was \$22.1 million and the favourable variance from the lower expenses in 9MFY2013 was 5%.

In line with the lower revenue, distribution expenses decreased by 9% while the divestment of certain business activities as well as the synergy effect of our integration exercise had resulted in 5% 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 9MFY2012 was mainly due to the one-time expense highlighted in the earlier paragraph.

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

The Group had net finance income of \$121,000 in 9MFY2013 instead of net finance expenses of S\$12,000 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 \$624,000 from share of results from associates and had share of losses of \$167,000 from its joint ventures for 9MFY2013.

### **Income taxes**

In 9MFY2013, the Group recorded a tax expense of \$0.4 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 \$1.9 million for 9MFY2013, an improvement over the net loss of \$1.6 million in 9MFY2012. 9MFY2012'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 \$0.6 million in 9MFY2012.

The 226% increase in net profits from \$0.6 million in 9MFY2012 to \$1.9 million in 9MFY2013 was mainly attributable to the improved gross profit, the incurrence of lower operating expenses and higher share of results from associates, partially offset by lower other income.

### **Financial Conditions**

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

The non-current assets decreased by 4% from \$67.0 million to \$64.1million. 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 March 2013. This led to the 59% drop in trade and other receivables. Investments in joint ventures decreased by 42% mainly due to the share of losses during the financial period. The capital expenditure incurred during the financial period led to the 26% increase in the carrying amounts of property, plant and equipment.

#### **Current assets**

Total current asset as at 31 March 2013 was \$74.7 million, a decrease of 8% from \$81.6 million as at 30 June 2012. The completion of projects leading to lower outstanding project-in-progress as at 31 March 2013 was the main reason for the decrease in current assets

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

Total liabilities as at 31 March 2013 stood at \$36.0 million, a 21% decrease from \$45.4 million as at 30 June 2012. The \$4.1 million decrease in interest bearing borrowings and lower trade and other payables as at 31 March 2013 were the main causes for the decline in total liabilities.

#### **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 \$897,000 for financial period ended 31 March 2013. This can be accounted by:

- (a) cash inflow of \$7.1 million for operating activities;
- (b) cash outflow of \$3.2 million for investing activities; and
- (c) cash outflow of \$4.8 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 \$7.1 million in 9MFY2013.

The purchase of additional plant and equipment and intangible assets were the main causes for the net cash outflow of \$3.2 million for investing activities, while the net repayments of interest-bearing borrowings and the payment of dividend during the financial period led to the outflow of cash for financing activities.

As at 31 March 2013, the Group's cash and cash equivalents position (including fixed deposits held as securities) was \$31.3 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 about our business operating environment and performance prospects into the second quarter of 2013. Continued weakness in PC demand, availability of key components and/or parts in intensely competitive smartphone and tablet segments, coupled with uncertain macroeconomic and geopolitical conditions could potentially impact the conservative growth outlook for global semiconductor revenue and capital equipment investment, in turn, affecting our businesses. We remain committed to simplify our business, build our fundamentals, while exploring opportunities to achieve performance sustainability.