



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

Full Year Financial Statements and
Dividend Announcement for the year ended

30 June 2013

Statements of Financial Position

	Note	Group			Company		
		2013	2012	Var.	2013	2012	Var.
		\$'000	\$'000	%	\$'000	\$'000	%
Non-current assets							
Property, plant and equipment	3	6,594	5,119	29	-	1	(100)
Intangible assets	4	35,901	35,735	-	-	-	-
Subsidiaries	5	-	-	-	89,810	83,313	8
Associates		7,889	8,780	(10)	4,868	4,868	-
Joint ventures	6	412	389	6	-	-	-
Financial assets		7,014	6,681	5	7,014	6,681	5
Trade and other receivables		3,253	6,204	(48)	-	-	-
Deferred tax assets		4,805	4,123	17	11	7	57
		<u>65,868</u>	<u>67,031</u>	(2)	<u>101,703</u>	<u>94,870</u>	7
Current assets							
Inventories		7,265	7,272	-	-	-	-
Project-in-progress		1,064	9,778	(89)	-	-	-
Trade and other receivables		32,936	32,164	2	223	264	(16)
Amounts due from related parties		819	77	964	8,002	13,034	(39)
Cash and cash equivalents	7	32,390	32,334	-	11,448	10,051	14
		<u>74,474</u>	<u>81,625</u>	(9)	<u>19,673</u>	<u>23,349</u>	(16)
Total assets		<u>140,342</u>	<u>148,656</u>	(6)	<u>121,376</u>	<u>118,219</u>	3
Equity attributable to Owners of the Company							
Share capital	8	88,773	88,773	-	88,773	88,773	-
Reserves	9	15,714	12,720	24	18,563	16,639	12
		<u>104,487</u>	<u>101,493</u>	3	<u>107,336</u>	<u>105,412</u>	2
Non-controlling interests							
		1,910	1,756	9	-	-	-
Total equity		<u>106,397</u>	<u>103,249</u>	3	<u>107,336</u>	<u>105,412</u>	2
Non-current liabilities							
Interest-bearing borrowings	10	904	3,595	(75)	-	-	-
Deferred tax liabilities		24	632	(96)	-	-	-
		<u>928</u>	<u>4,227</u>	(78)	<u>-</u>	<u>-</u>	-
Current liabilities							
Trade and other payables		27,384	34,070	(20)	932	850	10
Provisions		149	387	(61)	-	-	-
Amounts due to related parties		877	406	116	13,062	10,889	20
Interest-bearing borrowings	10	3,893	5,593	(30)	-	903	(100)
Redeemable convertible preference shares		78	78	-	-	-	-
Current tax payable		636	646	(2)	46	165	(72)
		<u>33,017</u>	<u>41,180</u>	(20)	<u>14,040</u>	<u>12,807</u>	10
Total liabilities		<u>33,945</u>	<u>45,407</u>	(25)	<u>14,040</u>	<u>12,807</u>	10
Total equity and liabilities		<u>140,342</u>	<u>148,656</u>	(6)	<u>121,376</u>	<u>118,219</u>	3

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

Consolidated Statement of Comprehensive Income

	Note	Group		
		2013 \$'000	2012 \$'000	Var. %
Revenue		124,232	144,290	(14)
Cost of revenue		(93,506)	(114,901)	(19)
Gross profit		30,726	29,389	5
Other income	11	910	1,134	(20)
Distribution expenses		(11,732)	(12,836)	(9)
Administrative expenses		(13,761)	(14,251)	(3)
Research and development expenses		(1,754)	(1,014)	73
Other expenses		(885)	(635)	39
Results from operating activities	11	3,504	1,787	96
Finance income		387	273	42
Finance expenses		(242)	(341)	(29)
Net finance income/(expenses)	12	145	(68)	(313)
Share of results of associates (net of tax)		598	328	82
Share of results of joint ventures (net of tax)		(200)	(479)	58
Profit before income tax		4,047	1,568	158
Income tax credit	13	906	694	31
Profit for the year		4,953	2,262	119
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of financial statements of foreign operations		(1,373)	3,595	(138)
Exchange differences on monetary items forming part of net investments in foreign operations		(54)	(1,621)	97
Net change in fair value of available-for-sale financial assets, net of tax		333	619	(46)
Exchange difference on liquidation of a subsidiary reclassified to profit or loss		(18)	-	(100)
Exchange difference on disposal of subsidiaries reclassified to profit or loss		103	59	75
Other comprehensive income for the year, net of income tax		(1,009)	2,652	(138)
Total comprehensive income for the year		3,944	4,914	(20)
Profit attributable to:				
Owners of the Company		4,767	2,247	112
Non-controlling interests		186	15	1,140
Profit for the year		4,953	2,262	119
Total comprehensive income attributable to:				
Owners of the Company		3,790	4,815	(21)
Non-controlling interests		154	99	56
Total comprehensive income for the year		3,944	4,914	(20)
Earnings per share				
- Basic earnings per share (cents)	14	0.86	0.41	110
- Diluted earnings per share (cents)		0.86	0.41	110

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

Consolidated Statement of Changes in Equity

Group	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Exchange translation reserve \$'000	Accumulated profits \$'000	Total attributable to Owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
30 June 2012									
Balance as at 1 July 2011	88,240	(11,720)	751	2,321	(13,864)	31,874	97,602	1,657	99,259
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	2,247	2,247	15	2,262
Other comprehensive income									
<i>Items that may be reclassified subsequently to profit or loss</i>									
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	3,530	-	3,530	65	3,595
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	(1,621)	-	(1,621)	-	(1,621)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	619	-	-	-	619	-	619
Exchange difference on disposal of subsidiaries reclassified to profit or loss	-	-	-	-	40	-	40	19	59
Total other comprehensive income	-	-	619	-	1,949	-	2,568	84	2,652
Total comprehensive income for the year	-	-	619	-	1,949	2,247	4,815	99	4,914
Transactions with Owners, recorded directly in equity									
<i>Contributions by and distributions to Owners</i>									
Issue of shares pursuant to the exercise of warrants	258	-	-	-	-	-	258	-	258
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	-	-	-	347	-	-	347	-	347
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	533	-	-	72	-	(1,529)	(924)	-	(924)
Total transactions with Owners	533	-	-	72	-	(1,529)	(924)	-	(924)
Balance as at 30 June 2012	88,773	(11,720)	1,370	2,393	(11,915)	32,592	101,493	1,756	103,249

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

Consolidated Statement of Changes in Equity

Group	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Exchange translation reserve \$'000	Accumulated profits \$'000	Total attributable to Owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
30 June 2013									
Balance as at 1 July 2012	88,773	(11,720)	1,370	2,393	(11,915)	32,592	101,493	1,756	103,249
Total comprehensive income for the period									
Profit for the year	-	-	-	-	-	4,767	4,767	186	4,953
Other comprehensive income									
Items that may be reclassified subsequently to profit or loss									
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	(1,324)	-	(1,324)	(49)	(1,373)
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	(54)	-	(54)	-	(54)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	333	-	-	-	333	-	333
Exchange difference on liquidation of a subsidiary reclassified to profit or loss	-	-	-	-	(35)	-	(35)	17	(18)
Exchange difference on disposal of a subsidiary reclassified to profit or loss	-	-	-	-	103	-	103	-	103
Total other comprehensive income	-	-	333	-	(1,310)	-	(977)	(32)	(1,009)
Total comprehensive income for the year	-	-	333	-	(1,310)	4,767	3,790	154	3,944
Transactions with Owners, recorded directly in equity									
Contributions by and distributions to Owners									
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 30 June 2013	88,773	(11,720)	1,703	2,481	(13,225)	36,475	104,487	1,910	106,397

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
30 June 2012					
Balance as at 1 July 2011	88,240	751	2,321	13,180	104,492
Total comprehensive income for the year					
Profit for the year	-	-	-	1,225	1,225
Other comprehensive income					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Net change in fair value of available-for-sale financial assets, net of tax	-	619	-	-	619
Total other comprehensive income	-	619	-	-	619
Total comprehensive income for the year	-	619	-	1,225	1,844
Transactions with Owners, recorded directly in equity					
<i>Contributions by and distributions to Owners</i>					
Issuance of shares pursuant to the exercise of warrants	258	-	-	-	258
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	-	-	347	-	347
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 transactions with Owners	533	-	72	(1,529)	(924)
Balance as at 30 June 2012	88,773	1,370	2,393	12,876	105,412
30 June 2013					
Balance as at 1 July 2012	88,773	1,370	2,393	12,876	105,412
Total comprehensive income for the period					
Profit for the year	-	-	-	2,387	2,387
Other comprehensive income					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Net change in fair value of available-for-sale financial assets, net of tax	-	333	-	-	333
Total other comprehensive income	-	333	-	-	333
Total comprehensive income for the year	-	333	-	2,387	2,720
Transactions with Owners, recorded directly in equity					
<i>Contributions by and distributions to Owners</i>					
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 transactions with Owners	-	-	88	(884)	(796)
Balance as at 30 June 2013	88,773	1,703	2,481	14,379	107,336

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

Consolidated Cash Flow Statement

	Group	
	2013	2012
	\$'000	\$'000
Operating Activities		
Profit for the year	4,953	2,262
Adjustments for:		
Allowance for:		
- doubtful debts from trade receivables	-	138
- inventory obsolescence	62	1,394
Amortisation of intangible assets	556	513
Bad debts written off	68	4
Depreciation of property, plant and equipment	1,817	1,930
Dividend income from other financial asset	(175)	-
Gain on disposal of property, plant and equipment	(182)	(340)
Loss/(Gain) on disposal of subsidiaries	174	(49)
Loss on liquidation of a subsidiary	18	-
Gain on disposal of joint ventures	(46)	-
Interest income	(387)	(273)
Interest expenses	242	341
Inventories written off	84	42
Impairment losses on:		
- property, plant and equipment	-	160
- intangible assets	-	2
(Reversal of)/Provision for:		
- restructuring cost	(45)	(12)
- retrenchments benefits	(12)	142
Share-based payment expense	88	347
Share of results of associates and joint ventures (net of tax)	(398)	151
Income tax credit	(906)	(694)
Operating profit before working capital changes	5,911	6,058
Changes in working capital:		
Inventories	(255)	708
Project-in-progress	9,623	(6,876)
Trade and other receivables	1,260	183
Amounts due from related parties (trade)	(534)	11
Trade and other payables	(7,443)	5,799
Amounts due to related parties (trade)	500	-
Restructuring costs paid	(102)	(24)
Retrenchment benefits paid	-	(142)
Other liabilities arising from fire incident paid	-	(40)
Released/(Placement) of pledged deposits with financial institutions	109	(71)
Cash generated from operations	9,069	5,606
Interest received	387	273
Interest paid	(225)	(156)
Income taxes paid	(439)	(1,158)
Cash flows generated from operating activities	8,792	4,565
Investing activities		
Amounts due from related parties (non-trade)	(661)	225
Additional capital injection in an associate ⁽¹⁾	-	(119)
Net cash inflow/(outflow) from disposal of subsidiaries ⁽³⁾	69	(711)
Proceeds from disposal of property, plant and equipment	304	363
Proceeds from disposal of joint ventures	1	-
Dividend received from other financial asset	175	-
Dividend received from an associate	255	-
Purchase of:		
- intangible assets	(845)	(2,379)
- other financial assets	-	(1,548)
- property, plant and equipment ⁽²⁾	(3,422)	(1,470)
Cash flows used in investing activities	(4,124)	(5,639)

	Note	Group 2013 \$'000	2012 \$'000
Financing activities			
Amounts due to related parties (non-trade)		492	(191)
Dividend paid		(884)	(1,529)
Interest paid		(17)	(81)
Issuance of shares		-	258
Repayment of bank loans		(18,052)	(11,487)
Repayment of hire purchase and finance lease creditors		(49)	(221)
Proceeds from bank loans		13,980	11,237
Cash flows used in financing activities		(4,530)	(2,014)
Net increase/(decrease) in cash and cash equivalents		138	(3,088)
Cash and cash equivalents at beginning of year		30,579	33,001
Effect of exchange rate fluctuations on cash held		27	666
Cash and cash equivalents at end of year	7	30,744	30,579

Significant non-cash transactions

- (1) The capital injection in an associate in 2012 included a conversion of inter-company balance of Thai baht 2,000,000 (S\$82,000) and the balance of Thai baht 2,900,000 (S\$119,000) was paid in cash.
- (2) Property, plant and equipment amounting to \$26,000 (2012: Nil) was acquired through hire purchase arrangements and finance leases.
- (3) The effect of disposal of subsidiaries is set out below:

	Group 2013	2012
Property, plant and equipment	24	-
Inventories	91	582
Project-in-progress	162	-
Trade and other receivables	839	1,956
Amount due from related parties	433	-
Cash and cash equivalents	84	712
Trade and other payables	(436)	(1,257)
Amounts due to related parties	(513)	(2,100)
Interest-bearing borrowings	(244)	-
Non-controlling interests	-	19
Net identifiable assets disposed	440	(88)
Realisation of exchange translation reserves	103	40
Transfer to investment in a joint venture	(216)	-
(Loss)/Gain on disposal of subsidiaries	(174)	49
Cash proceed from disposal of subsidiaries	153	1
Less: Cash and cash equivalents disposed	(84)	(712)
Net cash inflow/(outflow) from disposal of subsidiaries	69	(711)

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

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The announcement was authorised for issue by the directors on 20 August 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 improve- ment \$'000	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Motor vehicles \$'000	Plant and machinery \$'000	Mechanical and electrical facilities \$'000	Assets under construct- ion \$'000	Total \$'000
Cost										
At 1 July 2011	1,777	4,238	628	889	4,320	299	32,091	191	1	44,434
Additions	160	161	7	34	207	29	872	-	-	1,470
Disposals/Write off	-	(1,492)	(67)	(57)	(74)	(78)	(1,740)	(191)	(1)	(3,700)
Arising from disposal of subsidiaries	-	(107)	(62)	(56)	(115)	(43)	(2,280)	-	-	(2,663)
Reclassification to intangible assets	-	-	-	-	(266)	-	-	-	-	(266)
Translation difference on consolidation	86	82	13	-	89	6	964	-	-	1,240
At 30 June 2012	2,023	2,882	519	810	4,161	213	29,907	-	-	40,515
Additions	-	81	1	55	327	-	1,338	-	1,646	3,448
Disposal/Write off	-	(4)	(12)	(22)	(206)	(65)	(1,226)	-	-	(1,535)
Reclassification	-	-	-	(24)	-	-	24	-	-	-
Arising from disposal of a subsidiary	-	-	-	(22)	(37)	-	(52)	-	-	(111)
Translation difference on consolidation	(17)	2	(1)	1	(15)	-	(190)	-	19	(201)
At 30 June 2013	2,006	2,961	507	798	4,230	148	29,801	-	1,665	42,116
Accumulated depreciation and impairment losses										
At 1 July 2011	181	3,695	524	789	3,901	237	29,317	171	-	38,815
Depreciation charge for the year	62	310	26	35	219	30	1,248	-	-	1,930
Impairment losses	-	28	-	2	-	3	127	-	-	160
Disposal/Write off	-	(1,503)	(51)	(49)	(63)	(48)	(1,792)	(171)	-	(3,677)
Arising from disposal of subsidiaries	-	(107)	(62)	(56)	(115)	(43)	(2,280)	-	-	(2,663)
Reclassification to intangible assets	-	-	-	-	(260)	-	-	-	-	(260)
Translation difference on consolidation	17	75	13	-	83	5	898	-	-	1,091
At 30 June 2012	260	2,498	450	721	3,765	184	27,518	-	-	35,396

Group	Leasehold land and building \$'000	Leasehold improvement \$'000	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Motor vehicles \$'000	Plant and machinery \$'000	Mechanical and electrical facilities \$'000	Assets under construction \$'000	Total \$'000
Accumulated depreciation and impairment losses										
At 1 July 2012	260	2,498	450	721	3,765	184	27,518	-	-	35,396
Depreciation charge for the year	73	229	24	25	269	13	1,184	-	-	1,817
Disposal/Write off	-	(4)	(12)	(10)	(196)	(65)	(1,126)	-	-	(1,413)
Reclassification	-	-	-	(24)	-	-	24	-	-	-
Arising from disposal of subsidiaries	-	-	-	(12)	(36)	-	(39)	-	-	(87)
Translation difference on consolidation	-	2	(1)	1	(15)	-	(178)	-	-	(191)
At 30 June 2013	333	2,725	461	701	3,787	132	27,383	-	-	35,522
Carrying amount										
At 1 July 2011	1,596	543	104	100	419	62	2,774	20	1	5,619
At 30 June 2012	1,763	384	69	89	396	29	2,389	-	-	5,119
At 30 June 2013	1,673	236	46	97	443	16	2,418	-	1,665	6,594

Assets under construction of the Group with carrying amounts of \$762,000 (2012: Nil) has been pledged to banks as securities for certain bank loans (Note 10).

The carrying amount of property, plant and equipment includes amounts totalling \$81,000 (2012: \$151,000) for the Group in respect of assets acquired under hire purchase agreements and finance leases (Note 10).

Company	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Total \$'000
Cost				
At 1 July 2011 & 1 July 2012	62	36	70	168
Additions	-	1	-	1
Write off	-	(3)	(2)	(5)
At 30 June 2013	62	34	68	164
Accumulated depreciation				
At 1 July 2011	62	36	65	163
Depreciation charge for the year	-	-	4	4
At 30 June 2012	62	36	69	167
Depreciation charge for the year	-	1	1	2
Write off	-	(3)	(2)	(5)
At 30 June 2013	62	34	68	164
Carrying amount				
At 1 July 2011	-	-	5	5
At 30 June 2012	-	-	1	1
At 30 June 2013	-	-	-	-

Depreciation for the year was included in the following line items of the statements of comprehensive income:

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Cost of revenue	1,201	1,374	-	-
Distribution expenses	186	185	-	-
Administrative expenses	370	329	2	4
Research and development expenses	60	42	-	-
	1,817	1,930	2	4

Impairment losses

In the prior year, the Group had impaired \$160,000 mainly due to the cessation of a business under the Distribution and Services solutions.

Impairment loss for the prior year was included in the following line items of the statement of comprehensive income:

	Group	
	2013 \$'000	2012 \$'000
Cost of revenue	-	160

4. Intangible Assets

Group	Computer software \$'000	Technology licence \$'000	Intellectual property \$'000	Development expenditure \$'000	Goodwill \$'000	Total \$'000
Cost						
At 1 July 2011	591	1,919	5,805	881	27,129	36,325
Additions - acquired	7	-	81	-	-	88
Additions – internally developed	-	-	-	2,291	-	2,291
Disposal	(1)	-	-	-	-	(1)
Arising from disposal of subsidiaries	(244)	-	-	-	-	(244)
Reclassification from property, plant and equipment	266	-	-	-	-	266
Translation difference on consolidation	8	68	208	75	379	738
At 30 June 2012	627	1,987	6,094	3,247	27,508	39,463
Additions - acquired	35	-	-	-	-	35
Additions – internally developed	3	-	55	752	-	810
Disposal	(11)	-	-	-	-	(11)
Arising from disposal of subsidiaries	(3)	-	-	-	-	(3)
Translation difference on consolidation	(7)	(15)	(47)	(10)	(85)	(164)
At 30 June 2013	644	1,972	6,102	3,989	27,423	40,130
Accumulated amortisation and impairment losses						
At 1 July 2011	424	529	1,418	-	744	3,115
Amortisation for the year	94	101	306	12	-	513
Impairment losses	2	-	-	-	-	2
Disposal	(1)	-	-	-	-	(1)
Arising from disposal of subsidiaries	(244)	-	-	-	-	(244)
Reclassification from property, plant and equipment	260	-	-	-	-	260
Translation difference on consolidation	6	21	56	-	-	83
At 30 June 2012	541	651	1,780	12	744	3,728
Amorisation for the year	38	343	78	97	-	556
Disposal	(11)	-	-	-	-	(11)
Arising from disposal of subsidiaries	(3)	-	-	-	-	(3)
Translation difference on consolidation	(6)	(15)	(12)	(8)	-	(41)
At 30 June 2013	559	979	1,846	101	744	4,229
Carrying amount						
At 1 July 2011	167	1,390	4,387	881	26,385	33,210
At 30 June 2012	86	1,336	4,314	3,235	26,764	35,735
At 30 June 2013	85	993	4,256	3,888	26,679	35,901

Company	Computer software \$'000
Cost	
At 1 July 2011, 30 June 2012 & 30 June 2013	<u>21</u>
Accumulated amortisation	
At 1 July 2011	19
Amortisation for the year	<u>2</u>
At 30 June 2012 & 30 June 2013	<u>21</u>
Carrying amount	
At 1 July 2011	<u>2</u>
At 30 June 2012 & 30 June 2013	<u>-</u>

Amortisation for the year was included in the following line items of the statements of comprehensive income:

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Cost of revenue	520	418	-	-
Distribution expenses	3	-	-	-
Administrative expenses	<u>33</u>	<u>95</u>	-	<u>2</u>
	<u>556</u>	<u>513</u>	-	<u>2</u>

Annual impairment tests for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's cash-generating units (CGU) identified according to reportable segment as follows:

	Group	
	2013 \$'000	2012 \$'000
Probe Card solutions	11,284	11,370
Distribution and Services solutions	<u>15,395</u>	<u>15,394</u>
	<u>26,679</u>	<u>26,764</u>

The recoverable amount of a CGU is determined annually based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering periods of one to five years.

Key assumptions used for value-in-use calculations

For the purpose of analysing each CGU, management used the following key assumptions:

	Group	
	Growth rate %	Discount rate %
2013		
Probe Card solutions	6.4	13.2
Distribution and Services solutions	<u>4.6</u>	<u>15.3</u>
2012		
Probe Card solutions	6.6	13.7
Distribution and Services solutions	<u>5.8</u>	<u>14.2</u>

The weighted average growth rates used are based on the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. Cash flows beyond the periods covered by the financial budgets are projected on assumptions of constant revenue growth and gross margin.

Impairment losses for goodwill and others

In the prior year, certain intangible assets under Distribution and Services solutions were impaired by \$2,000 to its recoverable amount.

Impairment losses of all intangible assets for the prior year were included in the following line items of the statement of comprehensive income:

	Group	
	2013	2012
	\$'000	\$'000
Cost of revenue	-	2

5. Subsidiaries

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

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

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

Disposal

During the year, the Group divested part of its investment in its wholly-owned subsidiary, iNETest India Pvt. Ltd. ("iNETest India") through disposal of the 100% interest in iNETest India to a newly incorporated joint venture. The Group's indirect interest in iNETest India is 49% after the completion of the transaction.

Incorporation

The Company's wholly-owned subsidiary, iNETest Resources, 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

Liquidation

In December 2012, Ellipsiz Communications (Australia) Pty Limited ("ECAU"), an inactive subsidiary in Australia, submitted an application for voluntary deregistration under the applicable local laws. On 9 April 2013, ECAU completed the de-registration and has ceased to be a subsidiary of the Group on the said date.

On 26 March 2013 and 5 June 2013, the Company's wholly-owned subsidiaries, Ellipsiz ISP Pte. Ltd. and FMB Industries Pte. Ltd. were placed under members' voluntarily liquidation, respectively.

6. Joint Ventures

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 incorporated a joint venture company in Singapore. Investment in iNETest India was subsequently transferred to joint venture company (see note 5).

7. Cash and Cash Equivalents

	Note	Group		Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Cash at banks and in hand		25,187	25,039	5,932	4,544
Deposits with financial institutions		7,203	7,295	5,516	5,507
		<u>32,390</u>	<u>32,334</u>	<u>11,448</u>	<u>10,051</u>
Deposits held as securities by financial institutions	10	(1,646)	(1,755)		
Cash and cash equivalents in the consolidated cash flow statement		<u>30,744</u>	<u>30,579</u>		

8. Share Capital

	Group and Company	
	No. of shares 2013 '000	No. of shares 2012 '000
Fully paid ordinary shares, with no par value:		
Ordinary shares		
At 1 July	552,794	542,910
Issuance of shares pursuant to the exercise of warrants	-	7,384
Issuance of shares pursuant to the exercise of share awards	-	2,500
At 30 June	<u>552,794</u>	<u>552,794</u>

The Group had not acquired any treasury shares for the financial year ended 30 June 2013. There are no treasury shares held by the Group as at 30 June 2013 and 30 June 2012.

Warrants

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

There were no outstanding warrants which entitled warrant holders to subscribe to new ordinary shares at an exercise price of \$0.035 per share as at the balance sheet date and 30 June 2012.

Options

As at 30 June 2013, there were 19,700,000 (2012: 20,150,000) and 17,906,000 (2012: 18,350,000) outstanding options with exercise prices of \$0.135 per share and \$0.14 per share, respectively.

Awards

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

There were no outstanding awards as at the balance sheet date and 30 June 2012.

9. Reserves

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Capital reserve	(11,720)	(11,720)	-	-
Fair value reserve	1,703	1,370	1,703	1,370
Share-based compensation reserve	2,481	2,393	2,481	2,393
Exchange translation reserve	(13,225)	(11,915)	-	-
Accumulated profits	<u>36,475</u>	<u>32,592</u>	<u>14,379</u>	<u>12,876</u>
	<u>15,714</u>	<u>12,720</u>	<u>18,563</u>	<u>16,639</u>

10. Interest-Bearing Borrowings

Interest-bearing borrowings consist of the following:

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Non-current liabilities				
Secured bank loans	312	-	-	-
Unsecured bank loans	540	3,520	-	-
Obligations under hire purchase agreements and finance leases	52	75	-	-
	<u>904</u>	<u>3,595</u>	<u>-</u>	<u>-</u>
Current liabilities				
Secured bank loans	89	-	-	-
Unsecured bank loans ⁽¹⁾	3,755	5,544	-	903
Obligations under hire purchase agreements and finance leases	49	49	-	-
	<u>3,893</u>	<u>5,593</u>	<u>-</u>	<u>903</u>

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

Maturity of liabilities (excluding finance lease liabilities)

	Group	
	2013 \$'000	2012 \$'000
Within 1 year	3,844	5,544
After 1 year but within 5 years	852	3,520
	<u>4,696</u>	<u>9,064</u>

The borrowings are secured on the following assets:

	Note	Group	
		2013 \$'000	2012 \$'000
Assets under construction	3	762	-
Deposits with financial institutions	7	1,646	1,755
Total carrying amount		<u>2,408</u>	<u>1,755</u>

Obligations under hire purchase agreements and finance leases:

Group	2013			2012		
	Principal \$'000	Interest \$'000	Total \$'000	Principal \$'000	Interest \$'000	Total \$'000
Repayable within 1 year	49	5	54	49	7	56
Repayable after 1 year but within 5 years	52	3	55	75	5	80
	<u>101</u>	<u>8</u>	<u>109</u>	<u>124</u>	<u>12</u>	<u>136</u>

11. Results from Operating Activities

	Group	
	2013 \$'000	2012 \$'000
Other income		
Rental income	-	53
Sundry income	450	680
Gain on disposal of property, plant and equipment	182	340
Gain on disposal of subsidiaries	-	49
Gain on disposal of joint ventures	46	-
Reversal of provision for restructuring cost	45	12
Reversal of provision for retrenchment benefits	12	-
Dividend income from other financial asset	175	-
	<u>910</u>	<u>1,134</u>

	Group	
	2013	2012
	\$'000	\$'000
Other expenses		
Depreciation of property, plant and equipment	1,817	1,930
Amortisation of intangible assets	556	513
Allowance for:		
- doubtful debts from trade receivables	-	138
- inventory obsolescences	62	1,394
Inventories written off	84	42
Bad debts written off	68	4
Impairment loss on:		
- property, plant and equipment	-	160
- intangible assets	-	2
Loss on disposal of investment in a subsidiary	174	-
Operating lease expenses	2,447	2,621
Provision for retrenchment benefits	-	142
Share-based payments expenses	88	347
Exchange loss, net	282	516

The decrease in depreciation charge of property, plant and equipment in 2013 was due to certain plant and machinery were fully depreciated towards the end of the previous financial year.

12. Net Finance Income/(Expenses)

	Group	
	2013	2012
	\$'000	\$'000
Finance income		
Interest income from:		
- financial institutions	45	44
- third parties	105	8
Interest income arising from the unwinding discount implicit in the interest-free third parties receivables	237	221
	<u>387</u>	<u>273</u>
Finance expenses		
Interest expenses to:		
- hire purchase arrangements and finance leases	(7)	(23)
- financial institutions	(233)	(201)
- affiliates	-	(4)
- non-controlling interest	(2)	(9)
Interest expense arising from the discount implicit in the interest-free third parties receivables	-	(104)
	<u>(242)</u>	<u>(341)</u>
	<u>145</u>	<u>(68)</u>

13. Income Tax Credit

	Group	
	2013	2012
	\$'000	\$'000
Current tax expense:		
- current year	438	460
- withholding tax	155	343
- overprovision in prior year	(207)	(76)
	<u>386</u>	<u>727</u>
Deferred tax credit:		
- original and reversal of temporary differences	(464)	(49)
- underprovision in prior year	(218)	(172)
- recognition of previously unrecognised tax losses	(610)	(1,200)
	<u>(1,292)</u>	<u>(1,421)</u>
Total income tax credit	<u>(906)</u>	<u>(694)</u>

14. Earnings Per Share

	Group	
	2013 \$'000	2012 \$'000
Basic earnings per share is based on:		
Profit for the year attributable to Owners of the Company	4,767	2,247
	No. of shares '000	No. of shares '000
Weighted average number of:		
- shares outstanding during the year	552,794	542,910
- shares issued during the year:		
- pursuant to the exercise of warrants	-	5,976
- pursuant to the exercise of share awards	-	2,500
	<u>552,794</u>	<u>551,386</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, warrants and awards with the potential ordinary shares weighted for the period outstanding.

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

	Group	
	2013 No. of shares '000	2012 No. of shares '000
Weighted average number of shares issued, used in calculation of basic earnings per share	<u>552,794</u>	<u>551,386</u>

As at 30 June 2013, 37,606,000 (2012: 38,500,000) share options were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

15. Net Asset and Tangible Asset Values Per Ordinary Share

	Group cents	Company cents
Net asset value per ordinary share based on issued share capital of the Company as at		
(a) 30 June 2013	<u>18.90</u>	<u>19.42</u>
(b) 30 June 2012	<u>18.36</u>	<u>19.07</u>
Net tangible asset value per ordinary share based on issued share capital of the Company as at		
(a) 30 June 2013	<u>12.41</u>	<u>19.42</u>
(b) 30 June 2012	<u>11.90</u>	<u>19.07</u>

16. Breakdown of Revenue and Profit/(Loss) After Tax Before Non-Controlling Interests

Group	2013 \$'000	2012 \$'000	Variance %
Revenue reported for first half year	65,690	68,402	(4)
Operating profit/(loss) after tax before deducting non-controlling interests for first half year	1,616	(1,591)	202
Revenue reported for second half year	58,542	75,888	(23)
Operating profit after tax before deducting non-controlling interests for second half year	3,337	3,853	(13)

17. Dividends

17.1 Dividend Paid

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

17.2 Dividend Declared (Proposed)

	2013	2012
Name of dividend	Final (Proposed)	Final (Proposed)
Dividend type	Cash	Cash
Dividend rate	0.20 cents per ordinary share	0.16 cents per ordinary share
Tax	Tax exempt (One-Tier)	Tax exempt (One-Tier)

Date payable

The final dividend proposed, if approved at the Eighteen Annual General Meeting, will be payable on 14 November 2013.

Book closure date

The book closure date is 29 October 2013, after 5.00 pm.

17.3 Annual Dividend

	Net Dividend	
	2013	2012
	\$'000	\$'000
Ordinary shares		
Final dividend ⁽¹⁾	1,106	884

⁽¹⁾ The final dividend for 2013 is estimated based on the number of ordinary shares issued by the Company as at 30 June 2013. This dividend has not been provided for in the financial statements.

18. Significant Related Party Transactions

Significant transactions with related parties are as follows:

	Group	
	2013	2012
	\$'000	\$'000
Sales and service income:		
- joint ventures	89	211
- associate	124	131
- other affiliates	452	914
Service fee paid to an associate	(383)	(207)
Interest expenses paid to:		
- affiliate ⁽¹⁾	-	(4)
- non-controlling interest of subsidiary	(2)	(9)
Rental expenses paid to:		
- director	(121)	(125)
- associate	-	(3)
- non-controlling interest of subsidiary	(58)	(50)
- other affiliate	(160)	(147)

	Group	
	2013 \$'000	2012 \$'000
Services rendered by:		
- affiliate ⁽¹⁾	(1)	(10)

⁽¹⁾ This relates to corporations which a director of the Company had an interest during the financial year.

There is no managerial position in the Company or its principal subsidiaries, who is a family member or relative of a director, chief executive officer or substantial shareholder of the Company during the financial year.

19. Interested Person Transactions

There was no interested person transaction during the year under review and the immediate preceding year.

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

20. Commitments

Lease Commitments

As at 30 June 2013, commitments of the Group for minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	2013 \$'000	2012 \$'000
Receivable:		
Within 1 year	2	2
After 1 year but within 5 years	2	5
	<u>4</u>	<u>7</u>
Payable:		
Within 1 year	1,581	1,390
After 1 year but within 5 years	1,416	1,126
	<u>2,997</u>	<u>2,516</u>

Corporate guarantees

At the balance sheet date, the Company provided corporate guarantee amounting to \$13,383,000 (2012: \$17,886,000) to banks for banking facilities of \$21,507,000 (2012: \$23,717,000) made available to its subsidiaries, of which the subsidiaries have utilised \$6,480,000 (2012: \$9,145,000).

Acquisition agreement

Our wholly-owned subsidiary, SV Probe Pte Ltd, entered into a business transfer agreement on 25 June 2013 to acquire certain probe card business, technologies, intellectual property rights and assets from Tokyo Cathode Laboratory Co., Ltd. The acquisition will allow the Group to expand its activities in Japan, Taiwan, Singapore, China and Hong Kong. Purchase consideration is US\$3,500,000 and is payable in cash. As at 30 June 2013, the completion of the agreement is still outstanding.

21. Other information

Reportable segments

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Revenue and Expense								
Total revenue from external customers	89,903	108,970	34,329	35,320	-	-	124,232	144,290
Inter-segment revenue	303	391	-	264	(303)	(655)	-	-
	<u>90,206</u>	<u>109,361</u>	<u>34,329</u>	<u>35,584</u>			<u>124,232</u>	<u>144,290</u>
Segment results	<u>2,744</u>	<u>(16)</u>	<u>661</u>	<u>1,497</u>	-	-	3,405	1,481
Unallocated corporate results							<u>99</u>	<u>306</u>
							3,504	1,787
Share of results of associates and joint ventures								
- allocated to reportable segment	423	65	97	162	-	-	520	227
- unallocated corporate & others							<u>(122)</u>	<u>(378)</u>
Profit before finance income/(expenses) and income tax							3,902	1,636
Finance income							387	273
Finance expenses							(242)	(341)
Income tax credit							906	694
Non-controlling interests							<u>(186)</u>	<u>(15)</u>
Profit for the year attributable to Owners of the Company							<u>4,767</u>	<u>2,247</u>
Assets and Liabilities								
Segment assets	64,351	73,831	44,156	43,034	-	-	108,507	116,865
Investments in associates								
- allocated to reportable segment	2,545	2,234	5,344	6,546	-	-	7,889	8,780
Investments in joint ventures								
- allocated to reportable segment	283	75	-	-	-	-	283	75
- unallocated corporate & others							<u>129</u>	<u>314</u>
Tax receivables	144	131	-	-	-	-	144	131
Deferred tax assets	1,862	1,245	2,932	2,871	-	-	4,794	4,116
Unallocated corporate assets							<u>18,596</u>	<u>18,375</u>
Total assets							<u>140,342</u>	<u>148,656</u>
Segment liabilities	23,089	29,810	4,453	4,235	-	-	27,542	34,045
Interest-bearing borrowings	3,478	8,094	1,319	191	-	-	4,797	8,285
Income tax liabilities	460	270	154	843	-	-	614	1,113
Unallocated corporate liabilities							<u>992</u>	<u>1,964</u>
Total liabilities							<u>33,945</u>	<u>45,407</u>
Capital expenditure								
- allocated to reportable segment	631	280	3,661	3,569	-	-	4,292	3,849
- unallocated corporate & others							<u>1</u>	<u>-</u>
							<u>4,293</u>	<u>3,849</u>

	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Other items								
Depreciation of property, plant and equipment								
- allocated to reportable segment	533	576	1,282	1,350	-	-	1,815	1,926
- unallocated corporate expenses							2	4
							<u>1,817</u>	<u>1,930</u>
Amortisation of intangible assets								
- allocated to reportable segment	34	84	522	427	-	-	556	511
- unallocated corporate expenses							-	2
							<u>556</u>	<u>513</u>
Gain on disposal of property, plant and equipment								
- allocated to reportable segment	(25)	(293)	(157)	(47)	-	-	(182)	(340)
(Reversal of allowance)/Allowance for inventory obsolescence								
- allocated to reportable segment	(48)	1,130	110	264	-	-	62	1,394
Inventories written off								
- allocated to reportable segment	1	-	83	42	-	-	84	42
Allowance/(Reversal of allowance) for doubtful trade receivables								
- allocated to reportable segment	-	148	-	(10)	-	-	-	138
Bad debts written off								
- allocated to reportable segment	30	4	38	-	-	-	68	4
Impairment loss on property, plant and equipment								
- allocated to reportable segment	-	160	-	-	-	-	-	160
Impairment loss on other intangible assets								
- allocated to reportable segment	-	2	-	-	-	-	-	2
Loss/(Gain) on disposal of subsidiaries								
- allocated to reportable segment	174	(49)	-	-	-	-	174	(49)

Geographical segments

Group	Singapore		Other Asean Countries		China & Taiwan		USA		Europe		Other Regions		Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue from external customers	52,062	52,508	16,571	27,915	28,920	36,105	17,066	17,598	4,488	3,200	5,125	6,964	124,232	144,290
Non-current segment assets	28,537	28,075	3,307	3,710	4,706	6,292	7,948	7,577	20	17	1,230	1,387	45,748	47,058
Investments in associates	-	-	2,545	2,234	-	-	-	-	-	-	5,344	6,546	7,889	8,780
Investments in joint ventures	216	-	67	75	129	314	-	-	-	-	-	-	412	389
Investments in other financial assets	6,840	6,488	-	-	-	-	-	-	174	193	-	-	7,014	6,681
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	4,805	4,123
Total non-current assets	35,593	34,563	5,919	6,019	4,835	6,606	7,948	7,577	194	210	6,574	7,933	65,868	67,031
Capital expenditure	1,207	2,519	1,010	351	1,066	162	1,005	738	2	5	3	74	4,293	3,849



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

Financial Statements and Dividend Announcement for
full year ended

30 June 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 had revenue of \$124.2 million for the year ended 30 June 2013 (FY2013). This was a decline of 14% compared to the previous financial year (FY2012). Both business segments attained lower revenue in FY2013 with Probe Card solutions (PCS) experiencing a decrease of 3% and Distribution & Services solutions (DSS) had a decline of 17%. 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 FY2013. Our Singapore operations delivered a relatively flat growth in FY2013 revenue while our Europe activities attained 40% revenue growth.

Despite the 14% decrease in revenue, gross profit in FY2013 was 5% higher than FY2012, due mainly to the improved gross profit margin. Gross profit attained in FY2013 was \$30.7 million (FY2012: \$29.4 million) and gross profit margin was at 25% (FY2012: 20%). In FY2012, the Group ceased one of its less profitable business activities in Taiwan and recorded a one-time provision of \$2.0 million for the impairment of the carrying amounts of related inventories as well as plant and equipment in the cost of sales. Excluding the one-time provisions, the gross profit margin in FY2012 was 22%. The exit from less profitable activities to focus on revenue streams that generate better margins and the change in certain revenue streams to be on a commission base, had improved the average gross profit margin of the Group.

Other income

Other income decreased by 20% from \$1.1 million in FY2012 to \$0.9 million in FY2013 mainly due to the lower gain on disposal of plant and equipment during the year. For details of other income, please refer to note 11 to the financial statements.

Operating expenses

Total operating expenses decreased by 2% from \$28.7 million to \$28.1 million. Included in the operating expenses of FY2012 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 while in FY2013, the Group incurred certain one-time acquisition cost of approximately \$0.3 million for an acquisition project that has not been completed as at 30 June 2013. Without these one-time expenses, operating expenses in FY2013 and FY2012 were \$27.9 million and \$28.3 million, respectively.

In line with the lower revenue, distribution expenses decreased by 9%. The divestment of certain business activities as well as the synergy effect of our integration exercise had resulted in 3% 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 year.

Net finance income/(expenses)

The Group had net finance income of \$145,000 in FY2013, an improvement over FY2012's net finance expenses of \$68,000. The recording of higher finance income and lower finance expenses led to the positive variance.

Share of results of associates and joint ventures

The Group recorded profits of \$598,000 from share of results from associates and had share of losses of \$200,000 from its joint ventures for FY2013.

Income taxes

In FY2013, the Group had a net tax credit of \$0.9 million, comprised mainly deferred tax credits of \$1.3 million, partially offset by current year tax expenses of \$0.4 million.

Net profit attributable to Owners of the Company

The Group had net profits after taxes and non-controlling interests of \$4.8 million for FY2013, an improvement over the net profits of \$2.2 million in FY2012. In FY2013, the Group recorded one-time acquisition cost of approximately \$0.3 million for an acquisition project that has not been completed as at 30 June 2013, while FY2012's net profits considered certain one-time expenses relating to the cessation of the Group's pump refurbishment activity in Taiwan that amounted to approximately \$2.2 million. Excluding these one-time expenses, the Group had net profits of \$5.0 million and \$4.4 million in FY2013 and FY2012, respectively.

The 14% increase in net profits from \$4.4 million in FY2012 to \$5.0 million in FY2013 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 2% from \$67.0 million to \$65.9 million. A portion of non-current trade and other receivables as at 30 June 2012 had been re-classified to current as it became receivable within 12 months from 30 June 2013. This led to the 48% drop in trade and other receivables. The capital expenditure incurred during the year led to the 29% increase in the carrying amounts of property, plant and equipment. The translation losses during the year, partially offset by share of positive results from associates, led to the 10% decrease in investment in associates. Investment in joint ventures, on the other hand, had increased by 5% mainly due to the transfer of one of the Group's investment in subsidiaries to investment in joint ventures resulting from the divestment of the Group's interest in the subsidiary from 100% to 49%.

Current assets

Total current asset as at 30 June 2013 was \$74.5 million, a decrease of 9% from \$81.6 million as at 30 June 2012. The completion of projects leading to lower outstanding project-in-progress as at 30 June 2013 was the main reason for the decrease in current assets. Resulting from the divestment in a subsidiary to a joint venture, intercompany balances which were previously eliminated at consolidation level in FY2012 are now classified as amount due from related parties, thus leading to the increase of balances from \$77,000 to \$819,000.

Current liabilities and non-current liabilities

Total liabilities as at 30 June 2013 stood at \$33.9 million, a 25% decrease from \$45.4 million as at 30 June 2012. The \$4.4 million decrease in interest-bearing borrowings and lower trade and other payables as at 30 June 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 year.

Liquidity and Capital Reserves

The Group had a net cash inflow of \$0.1 million for the year. This can be accounted by:

- (a) cash inflow of \$8.8 million for operating activities;
- (b) cash outflow of \$4.1 million for investing activities; and
- (c) cash outflow of \$4.6 million for financing activities.

The positive results during the year, coupled with the net positive movement in working capital led to the cash inflow from operating activities of \$8.8 million in FY2013.

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

As at 30 June 2013, the Group's cash and cash equivalents position (including fixed deposits held as securities) was \$32.4 million.

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

Not applicable.

(C) A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

We are cautious over our business operating environment and performance prospects for the rest of 2013. Market conditions continue to be impacted by the overall fragile macroeconomic environment, weakness in the PC market and the continuing inventory adjustments across the semiconductor and electronics value chain. With a conservative growth of 2.1% projected for the worldwide semiconductor market to US\$298 billion in 2013 (source: World Semiconductor Trade Statistics Spring 2013 Forecast) and a 1.7% decrease expected for chip equipment spending to US\$36.3 billion this year (source: Semiconductor Equipment and Materials International Mid-Year Consensus Forecast 2013), the Group would continue to focus on sustaining our performance and growth while preparing our respective businesses to unlock new opportunities inherent in all challenges that we face.