



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

First Quarter Financial Statement and Dividend Announcement

Financial period ended

30 September 2013

Statements of Financial Position

		Group			Company		
	Note	30 September 2013 \$'000	30 June 2013 \$'000	Var. %	30 September 2013 \$'000	30 June 2013 \$'000	Var. %
Non-current assets							
Property, plant and equipment	3	11,305	6,594	71	12	–	100
Intangible assets	4	37,013	35,901	3	–	–	–
Subsidiaries	5	–	–	–	89,749	89,810	–
Associates		7,888	7,889	–	4,868	4,868	–
Joint ventures		352	412	(15)	–	–	–
Financial assets		8,227	7,014	17	8,073	7,014	15
Trade and other receivables		1,156	3,253	(64)	–	–	–
Deferred tax assets		4,707	4,805	(2)	12	11	9
		<u>70,648</u>	<u>65,868</u>	7	<u>102,714</u>	<u>101,703</u>	1
Current assets							
Inventories		11,701	7,265	61	–	–	–
Project-in-progress		2,303	1,064	116	–	–	–
Trade and other receivables		38,794	32,936	18	266	223	19
Amounts due from related parties		761	819	(7)	8,235	8,002	3
Cash and cash equivalents	6	38,756	32,390	20	11,556	11,448	1
		<u>92,315</u>	<u>74,474</u>	24	<u>20,057</u>	<u>19,673</u>	2
Total assets		<u>162,963</u>	<u>140,342</u>	16	<u>122,771</u>	<u>121,376</u>	1
Equity attributable to Owners of the Company							
Share capital	7	88,773	88,773	–	88,773	88,773	–
Reserves		22,280	15,714	42	19,799	18,563	7
		<u>111,053</u>	<u>104,487</u>	6	<u>108,572</u>	<u>107,336</u>	1
Non-controlling interests							
		1,974	1,910	3	–	–	–
		<u>113,027</u>	<u>106,397</u>	6	<u>108,572</u>	<u>107,336</u>	1
Non-current liabilities							
Interest-bearing borrowings	8	1,321	904	46	–	–	–
Deferred tax liabilities		492	24	1,950	–	–	–
		<u>1,813</u>	<u>928</u>	95	<u>–</u>	<u>–</u>	–
Current liabilities							
Trade and other payables		32,786	27,384	20	1,069	932	15
Provisions		5,284	149	3,446	–	–	–
Amounts due to related parties		496	877	(43)	13,075	13,062	–
Interest-bearing borrowings	8	8,587	3,893	121	–	–	–
Redeemable convertible preference shares		78	78	–	–	–	–
Current tax payable		892	636	40	55	46	20
		<u>48,123</u>	<u>33,017</u>	46	<u>14,199</u>	<u>14,040</u>	1
Total liabilities		<u>49,936</u>	<u>33,945</u>	47	<u>14,199</u>	<u>14,040</u>	1
Total equity and liabilities		<u>162,963</u>	<u>140,342</u>	16	<u>122,771</u>	<u>121,376</u>	1

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

Consolidated Statement of Comprehensive Income

	Note	1 July 2013 to 30 September 2013 \$'000	1 July 2012 to 30 September 2012 \$'000	Var. %
Revenue		34,169	29,550	16
Cost of revenue		(25,464)	(22,070)	15
Gross profit		<u>8,705</u>	<u>7,480</u>	16
Other income	9	11,866	56	21,089
Distribution expenses		(3,166)	(3,008)	5
Administrative expenses		(3,678)	(3,412)	8
Research and development expenses		(715)	(559)	28
Other expenses		(6,309)	(291)	2,068
Results from operating activities	9	<u>6,703</u>	<u>266</u>	2,420
Finance income		73	100	(27)
Finance expenses		(49)	(48)	2
Net finance income	10	<u>24</u>	<u>52</u>	(54)
Share of results of associates (net of tax)		168	308	(45)
Share of results of joint ventures (net of tax)		(58)	(160)	64
Profit before income tax		<u>6,837</u>	<u>466</u>	1,367
Income tax expenses	11	(471)	(72)	554
Profit for the period		<u>6,366</u>	<u>394</u>	1,516
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		(745)	(1,640)	55
Exchange differences on monetary items forming part of net investments in foreign operations		(51)	(212)	76
Net change in fair value of available-for-sale financial assets, net of tax		1,060	(297)	457
Other comprehensive income for the period, net of income tax		<u>264</u>	<u>(2,149)</u>	112
Total comprehensive income for the period		<u>6,630</u>	<u>(1,755)</u>	478
Profit attributable to:				
Owners of the Company		6,289	335	1,777
Non-controlling interests		77	59	31
Profit for the period		<u>6,366</u>	<u>394</u>	1,516
Total comprehensive income attributable to:				
Owners of the Company		6,566	(1,772)	471
Non-controlling interests		64	17	276
Total comprehensive income for the period		<u>6,630</u>	<u>(1,755)</u>	478
Earnings per share				
- Basic (cents)	12	1.14	0.06	1,800
- Diluted (cents)		<u>1.14</u>	<u>0.06</u>	1,800

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 September 2012									
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 period	-	-	-	-	-	335	335	59	394
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	-	-	-	-	(1,598)	-	(1,598)	(42)	(1,640)
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	(212)	-	(212)	-	(212)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	(297)	-	-	-	(297)	-	(297)
Total other comprehensive income	-	-	(297)	-	(1,810)	-	(2,107)	(42)	(2,149)
Total comprehensive income for the period	-	-	(297)	-	(1,810)	335	(1,772)	17	(1,755)
Transactions with Owners, recorded directly in equity									
Contributions by and distributions to Owners									
Value of employee services received for issue of share options	-	-	-	75	-	-	75	-	75
Total contributions by and distributions to Owners	-	-	-	75	-	-	75	-	75
Total transactions with Owners	-	-	-	75	-	-	75	-	75
Balance as at 30 September 2012	88,773	(11,720)	1,073	2,468	(13,725)	32,927	99,796	1,773	101,569

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

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 September 2013									
Balance as at 1 July 2013	88,773	(11,720)	1,703	2,481	(13,225)	36,475	104,487	1,910	106,397
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	6,289	6,289	77	6,366
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	-	-	-	-	(732)	-	(732)	(13)	(745)
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	(51)	-	(51)	-	(51)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	1,060	-	-	-	1,060	-	1,060
Total other comprehensive income	-	-	1,060	-	(783)	-	277	(13)	264
Total comprehensive income for the period	-	-	1,060	-	(783)	6,289	6,566	64	6,630
Balance as at 30 September 2013	88,773	(11,720)	2,763	2,481	(14,008)	42,764	111,053	1,974	113,027

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 September 2012					
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 period	-	-	-	557	557
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	-	(297)	-	-	(297)
Total other comprehensive income	-	(297)	-	-	(297)
Total comprehensive income for the period	-	(297)	-	557	260
Transactions with Owners, recorded directly in equity					
Contributions by and distributions to Owners					
Value of employee services received for issue of share options	-	-	75	-	75
Total contributions by and distributions to Owners	-	-	75	-	75
Total transactions with Owners	-	-	75	-	75
Balance as at 30 September 2011	88,773	1,073	2,468	13,433	105,747
30 September 2013					
Balance as at 1 July 2013	88,773	1,703	2,481	14,379	107,336
Total comprehensive income for the period					
Profit for the period	-	-	-	176	176
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	-	1,060	-	-	1,060
Total other comprehensive income	-	1,060	-	-	1,060
Total comprehensive income for the period	-	1,060	-	176	1,236
Balance as at 30 September 2013	88,773	2,763	2,481	14,555	108,572

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

Consolidated Cash Flow Statement

Group	Note	1 July 2013 to 30 September 2013 \$'000	1 July 2012 to 30 September 2012 \$'000
Operating Activities			
Profit for the period		6,366	394
Adjustments for:			
Allowance for:			
- inventory obsolescence		64	-
- doubtful debts from trade receivables		-	38
Depreciation of property, plant and equipment		448	462
Interest income		(73)	(100)
Interest expense		49	48
Bad debts written off		7	-
Inventory written off		10	14
Property, plant and equipment written off		10	-
Gain on disposal of property, plant and equipment		(19)	(16)
Amortisation of intangible assets		165	113
Reversal of retrenchment benefits		-	(12)
Acquisition-related costs		1,083	-
Post-acquisition integration and restructuring costs		5,214	-
Dividend income from other financial asset		(175)	-
Negative goodwill on business combination		(11,489)	-
Share-based payment expense		-	75
Share of results of associates and joint ventures (net of tax)		(110)	(148)
Income tax expense		471	72
Operating profit before working capital changes		2,021	940
Changes in working capital:			
Inventories		(847)	(33)
Project-in-progress		(1,990)	4,694
Amounts due from related parties (trade)		99	(243)
Amounts due to related parties (trade)		(351)	6
Trade and other receivables		1,495	339
Trade and other payables		987	(3,424)
Restructuring costs paid		-	(3)
Released/(Placement) of pledged deposits with financial institutions		334	(7)
Cash generated from operations		1,748	2,269
Interest received		73	100
Interest paid		(49)	(38)
Income tax refund/(paid)		52	(86)
Cash flows generated from operating activities		1,824	2,245
Investing Activities			
Purchase of property, plant and equipment		(384)	(638)
Purchase of intangible assets		(3)	(302)
Proceeds from disposal of property, plant and equipment		24	139
Amounts due from related parties (non-trade)		(41)	8
Net cash inflow from acquisition of businesses	5	1,876	-
Acquisition-related costs paid		(677)	-
Dividend received from other financial asset		175	-
Cash flows generated from/(used in) investing activities		970	(793)
Financing Activities			
Interest paid		-	(10)
Drawdown of bank loans		8,304	3,297
Repayment of bank loans		(4,023)	(4,121)
Repayment of finance lease creditors		(13)	(17)
Amounts due to related parties (non-trade)		(24)	20
Cash flow generated from/(used in) financing activities		4,244	(831)
Net increase in cash and cash equivalents		7,038	621
Cash and cash equivalents at beginning of period		30,744	30,579
Effect of exchange rate changes on balances in foreign currencies		(338)	(473)
Cash and cash equivalents at end of period	6	37,444	30,727

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

Notes to the Financial Statements

These notes form and integral part of the financial statements.

The announcement was authorised for issue by the directors on 6 November 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 2013. In addition, the Group has adopted new/revised FRS and INT FRS that have become effective for the financial year beginning 1 July 2013 (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 2013, the Company and the Group have applied FRS 113 *Fair Value Measurement*. FRS 113 replaces the fair value measurement guidance contained in individual FRSs with a single source of fair value measurement guidance. FRS 113 does not change or extend the use of fair value accounting prescribed in the FRSs, but merely provides guidance on how it should be applied where its use is already required or permitted by other standards within FRSs. Under FRS 113, fair value is defined as an exit price. A comprehensive framework for measuring such fair values has been established in the standard. FRS 113 has also prescribed additional disclosure requirements for fair value measurements.

This adoption 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	Freehold land and building \$'000	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
30 September 2013										
Cost										
At 1 July 2013	–	2,006	2,961	507	798	4,230	148	29,801	1,665	42,116
Additions	–	–	–	–	2	65	–	311	6	384
Acquisition of businesses	1,473	–	157	142	15	8	–	3,144	–	4,939
Disposals/Written off	–	–	(5)	–	(1)	(39)	–	(82)	–	(127)
Reclassification	–	–	–	–	8	(8)	–	–	–	–
Translation difference on consolidation	(40)	(24)	(23)	(7)	(2)	(32)	(1)	(346)	(9)	(484)
At 30 September 2013	1,433	1,982	3,090	642	820	4,224	147	32,828	1,662	46,828
Accumulated depreciation and impairment losses										
At 1 July 2013	–	333	2,725	461	701	3,787	132	27,383	–	35,522
Depreciation charge for the period	6	13	42	9	7	67	3	301	–	448
Disposals/Written off	–	–	(1)	–	(1)	(38)	–	(72)	–	(112)
Translation difference on consolidation	–	(4)	(19)	(3)	(2)	(30)	(1)	(276)	–	(335)
At 30 September 2013	6	342	2,747	467	705	3,786	134	27,336	–	35,523
Carrying amount										
At 1 July 2013	–	1,673	236	46	97	443	16	2,418	1,665	6,594
At 30 September 2013	1,427	1,640	343	175	115	438	13	5,492	1,662	11,305

Company		Furniture	Office	Computers	Total
----------------	--	------------------	---------------	------------------	--------------

	and fittings \$'000	equipment \$'000	\$'000	\$'000
30 September 2013				
Cost				
At 1 July 2013	62	34	68	164
Additions	–	–	12	12
30 September 2013	<u>62</u>	<u>34</u>	<u>80</u>	<u>176</u>
Accumulated depreciation				
At 1 July 2013	62	34	68	164
Depreciation charge for the period	–	–	*	–
At 30 September 2012	<u>62</u>	<u>34</u>	<u>68</u>	<u>164</u>
Carrying amount				
At 1 July 2013	–	–	–	–
At 30 September 2013	<u>–</u>	<u>–</u>	<u>12</u>	<u>12</u>

Leasehold land and building and assets under construction of the Group with carrying amounts of \$1,490,000 (30 June 2013: \$Nil) and \$762,000 (30 June 2013: \$762,000) respectively, have been pledged to banks as securities for certain bank loans (note 8).

The carrying amount of property, plant and equipment includes amounts totally \$55,000 (30 June 2013: \$81,000) for the Group in respect of assets acquired under finance leases (note 8).

* Less than \$1,000.

4. Intangible Assets

Group	Computer software \$'000	Technology licence \$'000	Intellectual property \$'000	Development expenditure \$'000	Goodwill \$'000	Total \$'000
30 September 2013						
Cost						
At 1 July 2013	644	1,972	6,102	3,989	27,423	40,130
Additions	2	–	1	–	–	3
Arising from acquisition of businesses	6	–	1,535	–	–	1,541
Translation difference on consolidation	(3)	(23)	(102)	(47)	(131)	(306)
At 30 September 2013	<u>649</u>	<u>1,949</u>	<u>7,536</u>	<u>3,942</u>	<u>27,292</u>	<u>41,368</u>
Accumulated amortisation and impairment losses						
At 1 July 2013	559	979	1,846	101	744	4,229
Amortisation for the period	11	25	79	50	–	165
Reclassification	–	(234)	234	–	–	–
Translation difference on consolidation	(3)	(8)	(26)	(2)	–	(39)
At 30 September 2013	<u>567</u>	<u>762</u>	<u>2,133</u>	<u>149</u>	<u>744</u>	<u>4,355</u>
Carrying amount						
At 1 July 2013	85	993	4,256	3,888	26,679	35,901
At 30 September 2013	<u>82</u>	<u>1,187</u>	<u>5,403</u>	<u>3,793</u>	<u>26,548</u>	<u>37,013</u>

Company	Computer software \$'000
30 September 2013	
Cost	
At 1 July 2013 and 30 September 2013	<u>21</u>
Accumulated amortisation and impairment losses	
At 1 July 2013 and 30 September 2013	<u>21</u>
Carrying amount	
At 1 July 2013 and 30 September 2013	<u>–</u>

5. Subsidiaries

On 25 June 2013, a wholly owned subsidiary of the Company, SV Probe Pte Ltd ("SV Probe") entered into a business transfer agreement with Tokyo Cathode Laboratory Co. Ltd ("TCL") to acquire (a) certain subsidiaries of TCL in Singapore, Taiwan, Guangzhou and Hong Kong, (b) certain probe card businesses, technologies, intellectual property rights and assets in Japan. This acquisition will allow the Group to expand its product offerings and improve its competitive position, particularly in Japan probe card market.

On 30 August 2013, the business transfer agreement was modified with

- the acquisition to:
 - a. include the purchase of 100% shares in one of TCL's subsidiaries in Japan instead of certain assets of that subsidiary;
 - b. replace the purchase of 100% shares in TCL's subsidiary in Guangzhou with the purchase of certain assets and business of the Guangzhou subsidiary; and
- the final aggregate cash purchase price for the acquisition was reduced to US\$2,855,000 (equivalent to S\$3,652,000), from the initial consideration of US\$3,500,000.

The purchase consideration was fully paid on 30 August 2013.

Other than the transfer of business and certain assets of the Guangzhou subsidiary that is expecting to complete on or before 30 November 2013, the closing for the acquisition was completed on 30 August 2013.

The fair value of identifiable assets acquired and liabilities assumed and effect of business acquisition were determined and disclosed below:

	Note	Group \$'000
Property, plant and equipment		4,939
Intangible assets		1,541
Finance assets		152
Inventories		3,711
Trade and other receivables		5,415
Tax recoverable		44
Cash and cash equivalents		5,528
Trade and other payables		(4,837)
Interest-bearing borrowings		(967)
Deferred tax liabilities		(385)
Net identifiable assets and liabilities acquired		15,141
Negative goodwill on business combination	9	(11,489)
Consideration satisfied in cash		3,652
Cash acquired from business combination		(5,528)
Net cash inflow		(1,876)

This fair value was determined provisionally by management to establish the goodwill arising from the business combination. As the Group has negotiated a bargain purchase price for the businesses and assets acquired, a negative goodwill of \$11,489,000 was estimated to have arisen from the acquisition.

Revenue generated from the acquired business during the quarter was \$2,586,000. As the newly acquired operations are integrated as part of the operations of SV Probe and its subsidiaries, it is not practical to determine the profit or loss generated in the financial period.

Acquisition-related costs

The Group incurred acquisition-related costs of S\$1,083,000 (note 9) relating to external legal and consultant fees, travelling expenses and due diligence costs. These expenses have been included in the other expenses in the Group's statement of profit or loss.

Post-acquisition integration and restructuring costs

The Group had provided in the period, integration and restructuring costs of approximately \$5,214,000 for the post-acquisition integration programme (note 9). The integration costs include costs projected to execute the approved programme that forms part of this acquisition project, to integrate and restructure offices, engineering teams and facilities of SV Probe and the newly acquired businesses.

6. Cash and Cash Equivalents

Note	Group		Company	
	30 September	30 June	30 September	30 June
	2013	2013	2013	2013
	\$'000	\$'000	\$'000	\$'000
Cash at banks and in hand	31,474	25,187	6,038	5,932
Deposits with financial institutions	7,282	7,203	5,518	5,516
	<u>38,756</u>	<u>32,390</u>	<u>11,556</u>	<u>11,448</u>
Deposits held as securities by financial institutions	8	(1,312)		(1,646)
Cash and cash equivalents in the consolidated cash flow statement	<u>37,444</u>	<u>30,744</u>		

7. Share Capital

	Group and Company		Group and Company	
	30 September 2013		30 June 2013	
	No. of share	Share capital	No. of share	Share capital
	'000	\$'000	'000	\$'000
Fully paid ordinary shares, with no par value:				
Ordinary shares				
At 1 July 2013 and 1 July 2012	552,794	88,773	552,794	88,773
At 30 September 2013 and 30 June 2013	<u>552,794</u>	<u>88,773</u>	<u>552,794</u>	<u>88,773</u>

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

Options

At the reporting date, there were 19,700,000 (30 September 2012: 20,150,000) and 17,906,000 (30 September 2012: 18,350,000) outstanding options with exercise price of \$0.135 per share and \$0.14 per share respectively.

No options were exercised during the financial period.

8. Interest-Bearing Borrowings

Interest-bearing borrowings consist of the following:

	Group		Company	
	30 September	30 June	30 September	30 June
	2013	2013	2013	2013
	\$'000	\$'000	\$'000	\$'000
Non-current liabilities				
Secured bank loans	449	312	–	–
Unsecured bank loans	833	540	–	–
Obligations under hire purchase agreements and finance leases	39	52	–	–
	<u>1,321</u>	<u>904</u>	<u>–</u>	<u>–</u>
Current liabilities				
Secured bank loans	178	89	–	–
Unsecured bank loan	8,360	3,755	–	–
Obligations under hire purchase agreements and finance leases	49	49	–	–
	<u>8,587</u>	<u>3,893</u>	<u>–</u>	<u>–</u>

Maturity of liabilities (excluding finance lease liabilities)

	Group	
	30 September	30 June
	2013	2013
	\$'000	\$'000
Within 1 year	8,538	3,844
After 1 year but within 5 years	1,282	852
	<u>9,820</u>	<u>4,696</u>

The borrowings are secured on the following assets:

	Note	Group	
		30 September 2013	30 June 2013
		\$'000	\$'000
Leasehold land and building	3	1,490	–
Assets under construction	3	762	762
Deposits with financial institutions	6	1,312	1,646
		3,564	2,408

Obligations under finance leases

Group	30 September 2013			30 June 2013		
	Principal \$'000	Interest \$'000	Total \$'000	Principal \$'000	Interest \$'000	Total \$'000
Repayable within 1 year	49	4	53	49	5	54
Repayable after 1 year but within 5 years	39	3	42	52	3	55
	88	7	95	101	8	109

9. Results from Operating Activities

Group	Note	1 July 2013 to 30 September 2013	1 July 2012 to 30 September 2012
		\$'000	\$'000
Other income			
Gain on disposal of property, plant and equipment		19	16
Negative goodwill on business combination	5	11,489	–
Dividend income from financial asset		175	–
Sundry income		26	40
Exchange gain, net		157	–
		11,866	56
Other expenses			
Allowance for doubtful debts from trade receivables		–	38
Allowance for inventory obsolescence		64	–
Depreciation of property, plant and equipment	3	448	462
Amortisation of intangible assets	4	165	113
Bad debts written off		7	–
Inventory written off		10	14
Property, plant and equipment written off		10	–
Acquisition-related costs	5	1,083	–
Post-acquisition integration and restructuring costs	5	5,214	–
Share-based payment expense		–	75
Exchange loss, net		–	283
		–	283

10. Net Finance Income

Group	1 July 2013 to 30 September 2013	1 July 2012 to 30 September 2012
	\$'000	\$'000
Finance income		
Interest income from:		
- financial institutions	9	9
- third party	36	32
Interest income arising from the unwinding of discount implicit in the interest-free third party receivables	28	59
	73	100
Finance expenses		
Interest expenses to:		
- finance leases	(2)	(2)
- financial institutions	(47)	(45)
- non-controlling interest of a subsidiary	–	(1)
	(49)	(48)
Net finance income recognised in profit or loss	24	52

11. Income Tax Expenses

Group	1 July 2013 to 30 September 2013 \$'000	1 July 2012 to 30 September 2012 \$'000
Current tax expense		
- current year	294	189
- withholding tax	18	37
- over provision in prior year	-	(113)
	<u>312</u>	<u>113</u>
Deferred tax expense		
- origination and reversal of temporary differences	(21)	(39)
- under/(over) provision in prior year	180	(2)
	<u>159</u>	<u>(41)</u>
Total income tax expenses	<u>471</u>	<u>72</u>

12. Earnings Per Share

Group	1 July 2013 to 30 September 2013 \$'000	1 July 2012 to 30 September 2012 \$'000
Basic earnings per share is based on: Profit for the period attributable to Owners of the Company	<u>6,289</u>	<u>335</u>

Group	1 July 2013 to 30 September 2013 No. of shares '000	1 July 2012 to 30 September 2012 No. of shares '000
Weighted average number of: - shares outstanding during the period	<u>552,794</u>	<u>552,794</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 with the potential ordinary shares weighted for the year outstanding.

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

Group	1 July 2013 to 30 September 2013 No. of shares '000	1 July 2012 to 30 September 2012 No. of shares '000
Weighted average number of share issued, used in the calculation of diluted earnings per share	<u>552,794</u>	<u>552,794</u>

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

13. Net Asset Value Per Share

Group	Group cents	Company cents
Net asset value per ordinary share based on issued share capital of the Company as at		
(a) 30 September 2013	20.09	19.64
(b) 30 June 2013	<u>18.90</u>	<u>19.42</u>

14. Dividends

The resolution in respect of the first and final dividend declared for the financial year ended 30 June 2013 was approved at the Company's Annual General Meeting convened on 18 October 2013. The first and final tax exempt, one-tier cash dividend of 0.20 cents per ordinary share will be payable on 14 November 2013.

There was no dividend declared or recommended for the current financial period reported on.

15. Significant Related Party Transactions

Significant transactions with related parties are as follows:

Group	1 July 2013 to 30 September 2013 \$'000	1 July 2012 to 30 September 2012 \$'000
Sales to:		
- a joint venture	-	43
- an associate	6	-
- other affiliates	30	214
Purchases from:		
- a joint venture	(42)	-
- an associate	(254)	-
Rental expenses paid to:		
- non-controlling interest of subsidiary	(16)	(12)
- a director	(31)	(32)
- other affiliate	(40)	-
Interest expense paid to non-controlling interest of subsidiary	-	(1)

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

16. Interested Person Transactions

There was no interested person transaction during the period and the corresponding period of the immediately preceding financial year that requires disclosure or shareholders' approval under chapter 9 of the Rules of the Listing Manual.

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

17. Commitments

Lease Commitments

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

	Group	
	30 September 2013 \$'000	30 June 2013 \$'000
Receivable:		
Within 1 year	20	2
After 1 year but within 5 years	19	2
	<u>39</u>	<u>4</u>
Payable:		
Within 1 year	1,714	1,581
After 1 year but within 5 years	1,290	1,416
	<u>3,004</u>	<u>2,997</u>

Corporate guarantees

As at 30 September 2013, the Company provided corporate guarantees amounting to \$19,438,000 (30 June 2013: \$13,383,000) to banks for banking facilities of \$22,364,000 (30 June 2013: \$21,507,000) made available to its subsidiaries, of which the subsidiaries have utilised \$10,328,000 (30 June 2013: \$6,480,000).

18. Operating Segments

Reportable segments

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and Expense								
Total revenue from external customers	22,376	20,846	11,793	8,704	-	-	34,169	29,550
Inter-segment revenue	54	39	-	-	(54)	(39)	-	-
	<u>22,430</u>	<u>20,885</u>	<u>11,793</u>	<u>8,704</u>			<u>34,169</u>	<u>29,550</u>
Segment results	972	40	5,501	186	-	-	6,473	226
Unallocated corporate results							230	40
							<u>6,703</u>	<u>266</u>
Share of results of associates and joint ventures								
- allocated to reportable segment	168	168	-	136	-	-	168	303
- unallocated corporate and others							(58)	(155)
Profit before finance income/(expense) and income tax							6,813	414
Finance income							73	100
Finance expense							(49)	(48)
Income tax expenses							(471)	(72)
Non-controlling interests							(77)	(59)
Profit for the period							<u>6,289</u>	<u>335</u>

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	30 September 2013	30 June 2013	30 September 2013	30 June 2013	30 September 2013	30 June 2013	30 September 2013	30 June 2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets and Liabilities								
Segment assets	63,837	64,351	66,307	44,156	-	-	130,144	108,507
Investments in associates								
- allocated to reportable segments	2,647	2,545	5,241	5,344	-	-	7,888	7,889
Investments in joint ventures								
- allocated to reportable segments	281	283	-	-	-	-	281	283
- unallocated corporate & others							71	129
Tax receivables	58	144	14	-	-	-	72	144
Deferred tax assets	1,875	1,862	2,820	2,932	-	-	4,695	4,794
Unallocated corporate assets							19,812	18,596
Total assets							<u>162,963</u>	<u>140,342</u>
Segment liabilities	21,732	23,089	15,832	4,453	-	-	37,564	27,542
Interest-bearing borrowings	3,194	3,478	6,714	1,319	-	-	9,908	4,797
Income tax liabilities	660	460	669	154	-	-	1,329	614
Unallocated corporate liabilities							1,135	992
Total liabilities							<u>49,936</u>	<u>33,945</u>

Ellipsiz Ltd and its Subsidiaries
First quarter results ended
30 September 2013

	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure								
- allocated to reportable segments	57	22	318	917	-	-	375	939
- unallocated corporate expenses							12	1
							<u>387</u>	<u>940</u>
Other items								
Depreciation of property, plant and equipment:								
- allocated to reportable segments	117	113	331	349	-	-	<u>448</u>	<u>462</u>
Loss/(Gain) on disposal of property, plant and equipment								
- allocated to reportable segments	3	(16)	(22)	-	-	-	<u>(19)</u>	<u>(16)</u>
Amortisation of intangible assets								
- allocated to reportable segments	10	7	155	106	-	-	<u>165</u>	<u>113</u>
Allowance for doubtful debts from trade receivables								
- allocated to reportable segments	-	-	-	38	-	-	<u>-</u>	<u>38</u>
Allowance for inventory obsolescence								
- allocated to reportable segments	-	-	64	-	-	-	<u>64</u>	<u>-</u>
Bad debts written off								
- allocated to reportable segments	7	-	-	-	-	-	<u>7</u>	<u>-</u>
Inventory written off								
- allocated to reportable segments	-	-	10	14	-	-	<u>10</u>	<u>14</u>
Property, plant and equipment written off								
- allocated to reportable segments	-	-	10	-	-	-	<u>10</u>	<u>-</u>
Acquisition-related costs								
- allocated to reportable segments	-	-	1,083	-	-	-	<u>1,083</u>	<u>-</u>
Post-acquisition integration & restructuring costs								
- allocated to reportable segments	-	-	5,214	-	-	-	<u>5,214</u>	<u>-</u>
Negative goodwill								
- allocated to reportable segments	-	-	(11,489)	-	-	-	<u>(11,489)</u>	<u>-</u>

Geographical Segments

Group	Singapore		Other Asean Region		China and Taiwan		USA		Europe		Japan		Other Regions		Consolidated	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue from external customers	13,651	11,226	4,230	4,196	8,321	8,068	4,353	4,428	1,360	873	1,292	11	962	748	34,169	29,550
	30 September 2013	30 June 2013	30 September 2013	30 June 2013	30 September 2013	30 June 2013	30 September 2013	30 June 2013	30 September 2013	30 June 2013	30 September 2013	30 June 2013	30 September 2013	30 June 2013	30 September 2013	30 June 2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current segment assets	30,216	28,537	3,234	3,307	5,242	4,706	7,658	7,948	94	20	1,837	–	1,193	1,230	49,474	45,748
Investments in associates	–	–	2,647	2,545	–	–	–	–	–	–	5,241	5,344	–	–	7,888	7,889
Investments in joint ventures	216	216	65	67	71	129	–	–	–	–	–	–	–	–	352	412
Investments in other financial assets	7,716	6,840	–	–	–	–	–	–	357	174	154	–	–	–	8,227	7,014
Deferred tax assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	4,707	4,805
	38,148	35,593	5,946	5,919	5,313	4,835	7,658	7,948	451	194	7,232	5,344	1,193	1,230	70,648	65,868
	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital expenditure	72	309	117	24	15	12	39	595	42	–	102	–	–	–	387	940

**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 1st quarter results ended 30 September 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
6 November 2013



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

First Quarter Financial Statements and Dividend Announcement for
three months ended

30 September 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

For the three months ended 30 September 2013 (1QFY2014), the Group reported revenue of \$34.2 million, a growth of 16% over \$29.6 million revenue attained in the corresponding quarter of the previous financial year (1QFY2013). Revenue from Distribution & Services solutions (DSS) was an improvement of 7%, while Probe Card Solutions (PCS) with the contribution from its newly acquired business, reported growth of 35% in 1QFY2014. PCS completed its acquisition of certain businesses from Tokyo Cathode Laboratory Co. Ltd (TCL) on 30 August 2013 and therefore had recorded one-month revenue from this newly acquired business in the financial quarter. Excluding the contribution from this newly acquired business, PCS had growth of approximately 6% from its original activities. The significant growth in revenue from Japan was from the newly acquired business.

In line with the growth in revenue, gross profit attained in 1QFY2014 improved by 16% to \$8.7 million. Gross profit margin was maintained at the same level of 25%

Other income

Other income increased significantly from \$56K in 1QFY2013 to \$11.9 million in 1QFY2014. The recording of negative goodwill of \$11.5 million from its acquisition of businesses, dividend income of \$0.2 million from its financial investment and exchange gain of \$0.2 million accounted for the increase in other income. Details of other income is disclosed in note 9 to the financial statements.

Operating expenses

Total operating expenses increased by 91% from \$7.3 million to \$13.9 million. Included in other expenses was acquisition cost of \$1.1 million and post-acquisition integration and restructuring costs of \$5.2 million relating to the acquisition of businesses from TCL. Excluding the one-time cost, operating expenses increased by 4%, mainly due to the additional expenses incurred by the newly acquired operations.

Net finance income / (expenses)

Due to the lower finance income in 1QFY2014, net finance income decreased by 54% from \$52,000 in 1QFY2013 to \$24,000 in 1QFY2014.

Share of results of associates and joint ventures

The Group recorded profits of \$168,000 from share of results from associates and had share of losses of \$58,000 from its joint ventures for 1QFY2014.

Income taxes

In 1QFY2014, the Group recorded tax expense of \$0.5 million, mainly for the tax expense in the current quarter and an adjustment to the under provision of deferred tax expenses in prior year.

Net profit attributable to Owners of the Company

The Group had net profits after taxes and non-controlling interests of \$6.3 million for the financial period, an improvement over 1QFY2013's profits of \$0.3 million. In 1QFY2014, the Group recorded one-time negative goodwill of \$11.5 million as well as post-acquisition integration and restructuring costs of \$5.2 million and acquisition cost of \$1.1 million. Excluding the one-time income and expenses, the Group had profit of \$1.1 million from its operating activities, an increase of 227% over 1QFY2013's profits.

Financial Conditions

Non-current assets

The non-current assets increased by 7% from \$65.9 million to \$70.6 million. Attributing to the business acquisition during the quarter, property, plant and equipment and intangible assets increased by 71% and 3% respectively. A portion of trade and other receivables as at 30 June 2013 had been re-classified as current trade and other receivables as it becomes receivable within 12 months from 30 September 2013. This led to the 64% drop in non-current trade and other receivables. Due to the increase in market value of the financial assets during the quarter, the financial assets increased by 17% to \$8.2 million.

Current assets

Total current asset as at 30 September 2013 was \$92.3 million, an increase of 24% from \$74.5 million as at 30 June 2013. Project-in-progress increased by 116% during the quarter while inventory, resulted primarily from the acquisition of businesses from TCL, increased by 61% to \$11.7 million. Trade and other receivables increased by 18% as a result of the classification of certain non-current receivables to current as mentioned earlier and the additions from the newly acquired businesses. Cash and cash equivalents increased by 20% as a result of the cash inflows from the operating, investing and financing activities.

Current liabilities and non-current liabilities

Total liabilities as at 30 September 2013 stood at \$49.9 million, a 47% increase from \$33.9 million as at 30 June 2013. The higher interest-bearing borrowings and the additions to trade and other payables as well as provisions from the acquisition led to the increase 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 net cash inflow of the Group for financial period ended 30 September 2013 was \$7.0 million. This can be accounted by:

- (a) cash inflow of \$1.8 million for operating activities;
- (b) cash inflow of \$1.0 million for investing activities; and
- (c) cash inflow of \$4.2 million for financing activities.

The positive results in the quarter, partially offset by the net negative cash movement in working capital, led to the cash inflow from operating activities of \$1.8 million in 1QFY2014. The increases in project-in-progress and inventory were the main causes for the net negative cash movement in working capital.

Net cash inflow from acquisition of businesses and dividend received from other financial asset, partially offset by the purchase of plant and equipment and payment of acquisition costs incurred, led to the net cash inflow of \$1.0 million from investing activities.

Net increase in interest-bearing borrowings was the main cause for the cash inflow from financing activities.

As at 30 September 2013, the Group's cash and cash equivalents position (including fixed deposits held as securities) was \$38.8 million.

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

Not applicable.

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

The Group's operating and performance prospects for the rest of 2013 are highly dependent on the global economic, financial and geopolitical development. In its latest World Economic Outlook, the IMF shaved its 2013 global growth forecast by 0.3 percentage point to 2.9% and 2014 forecast by 0.2 percentage point to 3.6%. It has also warned that the outlook could get bleaker if the US political stand-off over finances drags on. Meanwhile, the inventory correction situation in the IC supply chain, weakening demand for certain high-end mobile devices and slow seasonal demand are factors expected to negate the Group's performance. Nevertheless, we remained committed to sustain growth and performance for the financial year ahead.