



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

Full Year Financial Information and  
Dividend Announcement for the year ended

**30 June 2015**

**Statements of Financial Position**

	Note	2015 \$'000	Group 2014 \$'000	Var. %	2015 \$'000	Company 2014 \$'000	Var. %
<b>Non-current assets</b>							
Property, plant and equipment	3	11,365	12,707	(11)	6	10	(40)
Intangible assets	4	41,974	39,711	6	–	–	–
Subsidiaries	5	–	–	–	85,513	86,426	(1)
Associates	6	6,350	8,039	(21)	4,868	4,868	–
Joint ventures		118	228	(48)	–	–	–
Financial assets		7,687	9,551	(20)	7,523	9,404	(20)
Trade and other receivables		–	495	(100)	–	–	–
Deferred tax assets		3,403	4,476	(24)	84	59	42
		<u>70,897</u>	<u>75,207</u>	(6)	<u>97,994</u>	<u>100,767</u>	(3)
<b>Current assets</b>							
Inventories		11,185	12,823	(13)	–	–	–
Trade and other receivables		30,466	33,835	(10)	209	698	(70)
Amounts due from related parties		117	338	(65)	393	7,532	(95)
Assets classified as held for sale	7	991	–	Nm	–	–	–
Cash and cash equivalents	8	40,279	32,016	26	18,338	12,196	50
		<u>83,038</u>	<u>79,012</u>	5	<u>18,940</u>	<u>20,426</u>	(7)
<b>Total assets</b>		<u>153,935</u>	<u>154,219</u>	–	<u>116,934</u>	<u>121,193</u>	(4)
<b>Equity attributable to Owners of the Company</b>							
Share capital	9	89,566	88,773	1	89,566	88,773	1
Reserves	10	31,893	28,029	14	16,750	19,011	(12)
		<u>121,459</u>	<u>116,802</u>	4	<u>106,316</u>	<u>107,784</u>	(1)
<b>Non-controlling interests</b>		398	378	5	–	–	–
<b>Total equity</b>		<u>121,857</u>	<u>117,180</u>	4	<u>106,316</u>	<u>107,784</u>	(1)
<b>Non-current liabilities</b>							
Interest-bearing borrowings	11	511	651	(22)	–	–	–
Deferred tax liabilities		580	1,041	(44)	–	–	–
		<u>1,091</u>	<u>1,692</u>	(36)	<u>–</u>	<u>–</u>	–
<b>Current liabilities</b>							
Trade and other payables		21,965	23,730	(7)	1,768	1,352	31
Provisions		100	2,056	(95)	–	281	(100)
Amounts due to related parties		116	64	81	8,625	11,536	(25)
Interest-bearing borrowings	11	7,783	8,976	(13)	–	–	–
Current tax payable		1,023	521	96	225	240	(6)
		<u>30,987</u>	<u>35,347</u>	(12)	<u>10,618</u>	<u>13,409</u>	(21)
<b>Total liabilities</b>		<u>32,078</u>	<u>37,039</u>	(13)	<u>10,618</u>	<u>13,409</u>	(21)
<b>Total equity and liabilities</b>		<u>153,935</u>	<u>154,219</u>	–	<u>116,934</u>	<u>121,193</u>	(4)

Nm: Not meaningful

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

## Consolidated Statement of Comprehensive Income

	Note	Group		Var. %
		2015 \$'000	2014 \$'000	
<b>Revenue</b>		112,515	144,474	(22)
Cost of revenue		(72,384)	(105,671)	(32)
<b>Gross profit</b>		<u>40,131</u>	<u>38,803</u>	3
Other income	12	1,355	14,559	(91)
Distribution expenses		(12,335)	(13,697)	(10)
Administrative expenses		(17,051)	(16,964)	1
Research & development expenses		(3,309)	(2,389)	39
Other expenses		(407)	(6,721)	(94)
<b>Results from operating activities</b>	12	<u>8,384</u>	<u>13,591</u>	(38)
Finance income		73	248	(71)
Finance expenses		(240)	(364)	(34)
<b>Net finance expenses</b>	13	<u>(167)</u>	<u>(116)</u>	44
Share of results of associates (net of tax)		1,171	665	76
Share of results of joint ventures (net of tax)		(112)	(284)	(61)
<b>Profit before income tax</b>		<u>9,276</u>	<u>13,856</u>	(33)
Income tax expenses	14	(2,612)	(1,070)	144
<b>Profit for the year</b>		<u><u>6,664</u></u>	<u><u>12,786</u></u>	(48)
<b>Other comprehensive income</b>				
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
Exchange differences arising from liquidation of subsidiaries reclassified to profit or loss		(16)	–	Nm
Exchange differences arising from disposal of subsidiaries reclassified to profit or loss		–	84	Nm
Exchange differences arising from disposal of an associate reclassified to profit or loss		248	–	Nm
Exchange differences on monetary items forming part of net investments in foreign operations		74	(89)	183
Exchange differences on translation of financial statements of foreign operations		2,079	(1,547)	234
Net change in fair value of available-for-sale financial assets, net of tax		(1,881)	2,390	(179)
<b>Other comprehensive income for the year, net of income tax</b>		<u>504</u>	<u>838</u>	(40)
<b>Total comprehensive income for the year</b>		<u><u>7,168</u></u>	<u><u>13,624</u></u>	(47)
<b>Profit attributable to:</b>				
Owners of the Company		6,663	13,513	(51)
Non-controlling interests		1	(727)	(100)
<b>Profit for the year</b>		<u><u>6,664</u></u>	<u><u>12,786</u></u>	(48)
<b>Total comprehensive income attributable to:</b>				
Owners of the Company		7,148	14,347	(50)
Non-controlling interests		20	(723)	103
<b>Total comprehensive income for the year</b>		<u><u>7,168</u></u>	<u><u>13,624</u></u>	(47)
<b>Earnings per share</b>				
- Basic (cents)	15	1.20	2.44	(51)
- Diluted (cents)		1.20	2.44	(51)

Nm: Not meaningful

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

## Consolidated Statement of Changes in Equity

Group	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Exchange translation reserve \$'000	Accumulated profits \$'000	Total attributable to Owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>30 June 2014</b>									
Balance as at 1 July 2013	88,773	(11,720)	1,703	2,481	(13,225)	36,475	104,487	1,910	106,397
<b>Total comprehensive income for the year</b>									
Profit for the year	–	–	–	–	–	13,513	13,513	(727)	12,786
<b>Other comprehensive income</b>									
Exchange differences arising from disposal of subsidiaries reclassified to profit or loss	–	–	–	–	96	–	96	(12)	84
Exchange differences on monetary items forming part of net investments in foreign operations	–	–	–	–	(89)	–	(89)	–	(89)
Exchange differences on translation of financial statements of foreign operations	–	–	–	–	(1,563)	–	(1,563)	16	(1,547)
Net change in fair value of available-for-sale financial assets, net of tax	–	–	2,390	–	–	–	2,390	–	2,390
Total other comprehensive income	–	–	2,390	–	(1,556)	–	834	4	838
Total comprehensive income for the year	–	–	2,390	–	(1,556)	13,513	14,347	(723)	13,624
<b>Transactions with Owners, recorded directly in equity</b>									
<b>Contributions by and distributions to Owners</b>									
Final dividend of 0.20 cents per share in respect of 2013	–	–	–	–	–	(1,105)	(1,105)	–	(1,105)
Interim dividend of 0.18 cents per share in respect of 2014	–	–	–	–	–	(996)	(996)	–	(996)
Total contributions by and distributions to Owners	–	–	–	–	–	(2,101)	(2,101)	–	(2,101)
<b>Changes in ownership interests in subsidiaries</b>									
Arising from disposal of subsidiaries reclassified to profit or loss	–	69	–	–	–	–	69	(914)	(845)
Acquisition of non-controlling interest of a subsidiary	–	–	–	–	–	–	–	10	10
Reclassification of preference shares from liability	–	–	–	–	–	–	–	95	95
Total changes in ownership interests in subsidiaries	–	69	–	–	–	–	69	(809)	(740)
Total transactions with Owners	–	69	–	–	–	(2,101)	(2,032)	(809)	(2,841)
Balance as at 30 June 2014	88,773	(11,651)	4,093	2,481	(14,781)	47,887	116,802	378	117,180

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

**Consolidated Statement of Changes in Equity**

Group	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Exchange translation reserve \$'000	Accumulated profits \$'000	Total attributable to Owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>30 June 2015</b>									
Balance as at 1 July 2014	88,773	(11,651)	4,093	2,481	(14,781)	47,887	116,802	378	117,180
<b>Total comprehensive income for the year</b>									
Profit for the year	-	-	-	-	-	6,663	6,663	1	6,664
<b>Other comprehensive income</b>									
Exchange differences arising from liquidation of subsidiaries	-	-	-	-	(16)	-	(16)	-	(16)
Exchange differences arising from disposal of an associate	-	-	-	-	248	-	248	-	248
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	-	-	74	-	74	-	74
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	2,060	-	2,060	19	2,079
Net change in fair value of available-for-sale financial assets, net of tax	-	-	(1,881)	-	-	-	(1,881)	-	(1,881)
Total other comprehensive income	-	-	(1,881)	-	2,366	-	485	19	504
Total comprehensive income for the year	-	-	(1,881)	-	2,366	6,663	7,148	20	7,168
<b>Transactions with Owners, recorded directly in equity</b>									
<b>Contributions by and distributions to Owners</b>									
Issuance of shares pursuant to the exercise of share options	602	-	-	-	-	-	602	-	602
- Exercise price	191	-	-	(191)	-	-	-	-	-
- Value of employees services received	-	-	-	-	-	(995)	(995)	-	(995)
Final dividend of 0.18 cents per share in respect of 2014	-	-	-	-	-	(995)	(995)	-	(995)
Final special dividend of 0.18 cents per shares in respect of 2014	-	-	-	-	-	(995)	(995)	-	(995)
Interim dividend of 0.20 cents per share in respect of 2015	-	-	-	-	-	(1,106)	(1,106)	-	(1,106)
Total contributions by and distributions to Owners	793	-	-	(191)	-	(3,096)	(2,494)	-	(2,494)
<b>Changes in ownership interests in subsidiaries</b>									
Arising from liquidation of subsidiaries reclassified to profit or loss	-	3	-	-	-	-	3	-	3
Total changes in ownership interests in subsidiaries	-	3	-	-	-	-	3	-	3
Total transactions with Owners	793	3	-	(191)	-	(3,096)	(2,491)	-	(2,491)
Balance as at 30 June 2015	89,566	(11,648)	2,212	2,290	(12,415)	51,454	121,459	398	121,857

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

## Statement of Changes in Equity

Company	Share capital \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Accumulated profits \$'000	Total equity \$'000
<b>30 June 2014</b>					
Balance as at 1 July 2013	88,773	1,703	2,481	14,379	107,336
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	-	159	159
<b>Other comprehensive income</b>					
Net change in fair value of available-for-sale financial assets, net of tax	-	2,390	-	-	2,390
Total other comprehensive income	-	2,390	-	-	2,390
Total comprehensive income for the year	-	2,390	-	159	2,549
<b>Transactions with Owners, recorded directly in equity</b>					
<b>Contributions by and distributions to Owners</b>					
Final dividend of 0.20 cents per share in respect of 2013	-	-	-	(1,105)	(1,105)
Interim dividend of 0.18 cents per share in respect of 2014	-	-	-	(996)	(996)
Total transactions with Owners	-	-	-	(2,101)	(2,101)
Balance as at 30 June 2014	<b>88,773</b>	<b>4,093</b>	<b>2,481</b>	<b>12,437</b>	<b>107,784</b>
<b>30 June 2015</b>					
Balance as at 1 July 2014	88,773	4,093	2,481	12,437	107,784
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	-	2,907	2,907
<b>Other comprehensive income</b>					
Net change in fair value of available-for-sale financial assets, net of tax	-	(1,881)	-	-	(1,881)
Total other comprehensive income	-	(1,881)	-	-	(1,881)
Total comprehensive income for the year	-	(1,881)	-	2,907	1,026
<b>Transactions with Owners, recorded directly in equity</b>					
<b>Contributions by and distributions to Owners</b>					
Issuance of shares pursuant to the exercise of share options					
- Exercise price	602	-	-	-	602
- Value of employees services received	191	-	(191)	-	-
Final dividend of 0.18 cents per share in respect of 2014	-	-	-	(995)	(995)
Final special dividend of 0.18 cents per share in respect of 2014	-	-	-	(995)	(995)
Interim dividend of 0.20 cents per share in respect of 2015	-	-	-	(1,106)	(1,106)
Total transactions with Owners	793	-	(191)	(3,096)	(2,494)
Balance as at 30 June 2015	<b>89,566</b>	<b>2,212</b>	<b>2,290</b>	<b>12,248</b>	<b>106,316</b>

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

## Consolidated Cash Flow Statement

	Group	
	2015 \$'000	2014 \$'000
<b>Operating Activities</b>		
Profit for the year	6,664	12,786
Adjustments for:		
(Reversal of allowance)/Allowance for:		
- doubtful debts from trade and other receivables	(10)	924
- inventory obsolescence	466	73
Amortisation of intangible assets	744	868
Acquisition-related costs	-	1,127
Bad debts recovered	-	(770)
Depreciation of property, plant and equipment	2,774	2,403
Dividend income from other financial asset	-	(351)
Gain on disposal of property, plant and equipment	(209)	(111)
Gain on liquidation of subsidiaries	(13)	-
Interest income	(73)	(248)
Interest expense	240	364
Inventories written off	97	181
Impairment of property, plant and equipment	-	115
Loss on disposal of subsidiaries	-	83
Loss on disposal of an associate	343	-
Negative goodwill on business combination	-	(13,175)
Post-acquisition integration and restructuring costs	-	4,562
(Reversal of provision)/Provision for retrenchment costs	(203)	342
Share of results of associates and joint ventures (net of tax)	(1,059)	(381)
Income tax expense	2,612	1,070
Operating profit before working capital changes	12,373	9,862
Changes in working capital:		
Amounts due from related parties (trade)	87	52
Amounts due to related parties (trade)	52	(478)
Inventories	1,306	(1,535)
Project-in-progress	-	(2,484)
Post-acquisition integration and restructuring & retrenchment costs paid	(1,594)	(2,961)
Retrenchment costs paid	(139)	-
Release of pledged deposits with financial institutions	1,425	7
Trade and other receivables	3,800	(1,299)
Trade and other payables	(2,194)	3,383
Cash generated from operations	15,116	4,547
Interest received	73	248
Interest paid	(240)	(364)
Income tax paid	(871)	(762)
<b>Net cash generated from operating activities</b>	<b>14,078</b>	<b>3,669</b>
<b>Investing Activities</b>		
Acquisition-related costs paid	-	(1,088)
Acquisition of non-controlling interest of a subsidiary	-	(5)
Amounts due from related parties (non-trade)	134	430
Dividend received from associates	958	59
Dividend received from other financial asset	-	351
Net cash inflow on acquisition of subsidiaries <sup>(1)</sup>	-	1,876
Net cash outflow from disposal of subsidiaries <sup>(2)</sup>	-	(2,972)
Purchase of intangible assets	(1,033)	(1,387)
Purchase of property, plant and equipment <sup>(3)(4)</sup>	(2,699)	(4,004)
Purchase of other financial asset	(3)	-
Proceeds from disposal of property, plant and equipment	500	314
Proceeds from disposal of an associate	1,209	-
<b>Net cash used in investing activities</b>	<b>(934)</b>	<b>(6,426)</b>
<b>Financing Activities</b>		
Amounts due to related parties (non-trade)	-	(333)
Dividend paid	(3,096)	(2,101)
Issuance of new shares	602	-
Proceeds from bank loans	7,899	20,742
Repayment of bank loans	(9,460)	(15,389)
Repayment of finance lease creditors	(93)	(149)
<b>Net cash (used in)/generated from financing activities</b>	<b>(4,148)</b>	<b>2,770</b>

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

Note	Group	
	2015 \$'000	2014 \$'000
<b>Net increase in cash and cash equivalents</b>	8,996	13
Cash and cash equivalents at beginning of year	30,377	30,744
Effect of exchange rate changes on balances in foreign currencies	692	(380)
<b>Cash and cash equivalents at end of year</b>	8 40,065	30,377

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

	Group 2014 \$'000
Property, plant and equipment	4,750
Intangible assets	3,718
Financial assets	152
Inventories	4,556
Trade and other receivables	5,370
Tax recoverable	44
Cash and cash equivalents	5,528
Trade and other payables	(5,237)
Interest-bearing borrowings	(967)
Deferred tax liabilities	(1,087)
Net identifiable assets and liabilities acquired	16,827
Negative goodwill on business combination	(13,175)
Consideration satisfied in cash	3,652
Cash acquired from business combination	(5,528)
Net cash inflow	(1,876)

(2) The effect of disposal of subsidiaries is set out below:

	Group 2014 \$'000
Property, plant and equipment	89
Intangible assets	15
Deferred tax assets	54
Inventories	123
Project-in-progress	2,035
Trade and other receivables	7,375
Amounts due from related parties	710
Cash and cash equivalents	4,744
Trade and other payables	(8,778)
Provisions	(234)
Amounts due to related parties	(1,808)
Interest-bearing borrowings	(1,424)
Current tax payable	(216)
Non-controlling interests	(926)
Net identifiable assets disposed	1,759
Realisation of exchange translation reserves	96
Loss on disposal of subsidiaries	(83)
Cash proceeds from disposal of subsidiaries	1,772
Less: Cash and cash equivalents disposed	(4,744)
Net cash outflow from disposal of subsidiaries	(2,972)

(3) Property, plant and equipment amounting to \$Nil (2014: \$201,000) were acquired through hire purchase arrangement and finance lease.

(4) The Group accrued reinstatement cost of \$Nil (2014: \$240,000) under property, plant and equipment.

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



## Notes to the Financial Information

These notes form an integral part of the financial information.

The announcement was authorised for issue by the directors on 18 August 2015.

### 1. Basis of Preparation

The Group has applied the same accounting policies and methods of computation in the financial information for the current financial year as those used in the audited financial statements for the year ended 30 June 2014. In addition, the Group has adopted new/revised FRS and INT FRS that have become effective for the financial year beginning 1 July 2014 (see note 2).

The financial information were not audited or reviewed by the auditors.

### 2. Changes in the Accounting Policies, Methods of Computation and Accounting Standards

At the beginning of the financial year, 1 July 2014, the Company and the Group adopted new or revised FRSs (below), which are effective for the first time:

- Amendments to FRS27 *Separate Financial Statements*
- Amendments to FRS28 *Investments in Associates and Joint Ventures*
- FRS110 *Consolidated Financial Statements*
- FRS111 *Joint Arrangement*
- FRS112 *Disclosure of Interests in Other Entities*
- Amendments to FRS32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
- Amendments to FRS36 *Impairment Assets – Recoverable Amount Disclosure for Non-Financial Assets*
- INT FRS121 *Levies*
- Amendments to FRS19 *Employee Contributions*

In addition, the Company and the Group have also adopted the Improvements to FRSs (*January 2014*) and Improvements to FRSs (*February 2014*) which are effective 1 July 2014.

The adoption of these accounting standards and improvements has no material 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 improve- ment \$'000	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Motor vehicles \$'000	Plant and machinery \$'000	Assets under construct- ion \$'000	Total \$'000
<b>30 June 2015</b>										
<b>Cost</b>										
At 1 July 2013	–	2,006	2,961	507	798	4,230	148	29,801	1,665	42,116
Additions	1,614	–	943	95	640	463	32	656	2	4,445
Disposals	–	–	(498)	(122)	(216)	(694)	(20)	(3,180)	–	(4,730)
Acquisition of businesses	1,473	–	157	142	16	8	–	2,954	–	4,750
Arising from disposal of subsidiaries	–	–	(24)	(45)	(65)	(142)	–	(108)	–	(384)
Reclassification	–	–	–	–	–	(5)	–	1,663	(1,658)	–
Translations difference on consolidation	(119)	(31)	(44)	(11)	(6)	(63)	(2)	(499)	(7)	(782)
At 30 June 2014	2,968	1,975	3,495	566	1,167	3,797	158	31,287	2	45,415
Additions	9	56	203	3	31	318	194	1,874	11	2,699
Disposals	–	–	(110)	(15)	(22)	(347)	(8)	(1,384)	–	(1,886)
Reclassification to assets classified as held for sale (note 7)	(998)	–	–	–	–	–	–	–	–	(998)
Translation difference on consolidation	(425)	165	123	8	(50)	243	8	2,302	1	2,375
At 30 June 2015	1,554	2,196	3,711	562	1,126	4,011	352	34,079	14	47,605

**Ellipsiz Ltd and its Subsidiaries**  
Financial Information  
Year ended 30 June 2015

Group	Freehold land and building \$'000	Leasehold land and building \$'000	Leasehold improvement \$'000	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Motor vehicles \$'000	Plant and machinery \$'000	Assets under construction \$'000	Total \$'000
<b>Accumulated depreciation and impairment losses</b>										
At 1 July 2013	–	333	2,725	461	701	3,787	132	27,383	–	35,522
Depreciation charge for the year	64	51	380	61	120	283	10	1,434	–	2,403
Impairment charge for the year	–	–	–	–	–	–	–	115	–	115
Disposals	–	–	(427)	(106)	(214)	(680)	(18)	(3,082)	–	(4,527)
Arising from disposal of subsidiaries	–	–	(23)	(35)	(27)	(103)	–	(107)	–	(295)
Reclassification	–	–	–	–	–	(5)	–	5	–	–
Translation difference on consolidation	(1)	(6)	(41)	(5)	(4)	(48)	(2)	(403)	–	(510)
At 30 June 2014	63	378	2,614	376	576	3,234	122	25,345	–	32,708
Depreciation charge for the year	77	53	330	63	133	335	26	1,757	–	2,774
Disposals	–	–	(74)	(6)	(18)	(325)	(8)	(1,164)	–	(1,595)
Reclassification to assets classified as held for sale (note 7)	(7)	–	–	–	–	–	–	–	–	(7)
Translation difference on consolidation	(10)	33	123	8	(6)	209	8	1,995	–	2,360
At 30 June 2015	123	464	2,993	441	685	3,453	148	27,933	–	36,240
<b>Carrying amounts</b>										
At 1 July 2013	–	1,673	236	46	97	443	16	2,418	1,665	6,594
At 30 June 2014	2,905	1,597	881	190	591	563	36	5,942	2	12,707
At 30 June 2015	1,431	1,732	718	121	441	558	204	6,146	14	11,365

Company	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Total \$'000
<b>30 June 2015</b>				
<b>Cost</b>				
At 1 July 2013	62	34	68	164
Additions	–	–	13	13
Disposals	(53)	(27)	(60)	(140)
At 30 June 2014	9	7	21	37
Additions	–	–	1	1
At 30 June 2015	9	7	22	38
<b>Accumulated depreciation</b>				
At 1 July 2013	62	34	68	164
Depreciation charge for the year	–	*	3	3
Disposals	(53)	(27)	(60)	(140)
At 30 June 2014	9	7	11	27
Depreciation charge for the year	–	*	5	5
At 30 June 2015	9	7	16	32
<b>Carrying amounts</b>				
At 1 July 2013	–	–	–	–
At 30 June 2014	–	–	10	10
At 30 June 2015	–	–	6	6

\* Amount less than \$1,000

Leasehold land and building and plant and machinery of the Group with carrying amounts of \$1,524,000 (2014: \$1,451,000) and \$641,000 (2014: \$696,000) respectively, have been pledged to banks as securities for certain bank loans (note 11).

The carrying amount of property, plant and equipment includes amounts totalling \$42,000 (2014: \$59,000) for the Group in respect of assets acquired under finance leases (note 11).

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

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Cost of revenue	2,062	1,725
Distribution expenses	163	220
Administrative expenses	407	430
Research and development expenses	142	28
	<b>2,774</b>	<b>2,403</b>

#### 4. Intangible Assets

<b>Group</b>	<b>Computer software</b>	<b>Technology licence</b>	<b>Intellectual property</b>	<b>Development expenditure</b>	<b>Goodwill</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>30 June 2015</b>						
<b>Cost</b>						
At 1 July 2013	644	1,972	6,102	3,989	27,423	40,130
Additions – acquired	3	–	–	–	–	3
Additions – internally developed	134	–	31	1,219	–	1,384
Write off	(10)	–	–	–	–	(10)
Acquisition of businesses	3	–	3,715	–	–	3,718
Arising from disposal of subsidiaries	(50)	–	–	–	–	(50)
Translation difference on consolidation	(5)	(31)	(183)	(75)	(175)	(469)
At 30 June 2014	719	1,941	9,665	5,133	27,248	44,706
Additions – acquired	17	–	–	–	–	17
Additions – internally developed	30	–	–	986	–	1,016
Write off	(9)	–	–	–	–	(9)
Translation difference on consolidation	14	158	797	459	887	2,315
At 30 June 2015	771	2,099	10,462	6,578	28,135	48,045
<b>Accumulated amortisation and impairment losses</b>						
At 1 July 2013	559	979	1,846	101	744	4,229
Amortisation for the year	72	101	315	380	–	868
Write off	(10)	–	–	–	–	(10)
Arising from disposal of subsidiaries	(35)	–	–	–	–	(35)
Reclassification	–	(232)	232	–	–	–
Translation difference on consolidation	(3)	(14)	(35)	(5)	–	(57)
At 30 June 2014	583	834	2,358	476	744	4,995
Amortisation for the year	70	105	555	14	–	744
Write off	(9)	–	–	–	–	(9)
Translation difference on consolidation	14	73	214	40	–	341
At 30 June 2015	658	1,012	3,127	530	744	6,071
<b>Carrying amounts</b>						
At 1 July 2013	85	993	4,256	3,888	26,679	35,901
At 30 June 2014	136	1,107	7,307	4,657	26,504	39,711
At 30 June 2015	113	1,087	7,335	6,048	27,391	41,974

<b>Company</b>	<b>Computer software</b>
	<b>\$'000</b>
<b>30 June 2015</b>	
<b>Cost</b>	
At 1 July 2013	21
Write off	(10)
At 30 June 2014 and 30 June 2015	11
<b>Accumulated amortisation</b>	
At 1 July 2013	21
Write off	(10)
At 30 June 2014 and 30 June 2015	11

<b>Company</b>	<b>Computer software</b>
	<b>\$'000</b>
<b>Carrying amounts</b>	
At 1 July 2013, 30 June 2014 and 30 June 2015	—

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

	Group	
	2015 \$'000	2014 \$'000
Cost of revenue	710	830
Distribution expenses	—	5
Administrative expenses	34	33
	744	868

**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 segments as follows:

	Group	
	2015 \$'000	2014 \$'000
Probe Card solutions	11,999	11,112
Distribution and Services solutions	15,392	15,392
	27,391	26,504

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	
	Revenue growth rate %	Discount rate %
<b>2015</b>		
Probe Card solutions	5.2	17.1
Distribution and Services solutions	6.2	13.1
<b>2014</b>		
Probe Card solutions	5.2	14.8
Distribution and Services solutions	5.7	13.7

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. No growth has been projected on the cash flows beyond the five-year period covered by the financial budget and projection.

**5. Subsidiaries**

***Increase in share capital***

During the financial year, SV TCL Kabushiki Kaisha ("SV TCL KK"), a wholly-owned subsidiary of the Group held through SV Probe Pte. Ltd. ("SVPL") increased its share capital by JPY140,000,000 (approximately \$1,526,000) by way of capitalisation of a loan of the same amount provided by SVPL (the "share capitalisation"). SV TCL KK remains a wholly-owned subsidiary of the Group.

***Liquidation of subsidiaries***

iNETest Resources HK Limited ("IRHK") previously placed under the application for the striking off under the applicable local laws, was dissolved by deregistration during the financial year.

During the financial year, the Company's subsidiaries, Ellipsiz Ventures Pte Ltd, Ellipsiz Semilab Holdings Pte Ltd, Ellipsiz Testlab Pte Ltd, and Ellipsiz Singapore Pte Ltd which were placed under liquidation previously, were dissolved and ceased to be subsidiaries of the Group.

**6. Associates**

In August 2014, iNETest Resources Pte Ltd entered into an agreement to dispose its entire 49% interest in IRC Technologies Ltd ("IRCT"), to two of the other shareholders in IRCT, for a total cash consideration of Thai Baht 31,000,000 (approximately \$1,209,000).

**7. Assets classified as held for sale**

During the financial year, SV TCL Kabushiki Kaisha, a wholly-owned subsidiary (within the Probe Card solutions segment), entered into an agreement to sell one of its freehold land and building to a third party for a cash consideration of \$1,374,000 (JPY125,000,000). The sale transaction is expected to be completed by October 2015.

**8. Cash and Cash Equivalents**

	Note	Group		Company	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash at banks and in hand		35,768	28,328	14,326	10,196
Deposits with financial institutions		4,511	3,688	4,012	2,000
		40,279	32,016	18,338	12,196
Deposits held as securities by financial institutions	11	(214)	(1,639)		
Cash and cash equivalents in the consolidated cash flow statement		40,065	30,377		

**9. Share Capital**

	Group and Company 2015		Group and Company 2014	
	No. of shares '000	Share capital \$'000	No. of shares '000	Share capital \$'000
<b>Fully paid ordinary shares, with no par value:</b>				
Ordinary shares				
At 1 July	552,794	88,773	552,794	88,773
Issuance of shares pursuant to the exercise of share options	4,300	793	–	–
At 30 June	557,094	89,566	552,794	88,773

The Group had not acquired any treasury shares for the financial year ended 30 June 2015. There were no treasury shares held by the Group as at 30 June 2015 (2014: Nil).

**Options**

- (1) In October 2014, 18,900,000 options that were granted on 26 October 2009 expired. These options had an exercise price of \$0.135 per share and were vested in three tranches on 26 October 2010, 26 October 2011 and 26 October 2012.
- (2) During the year, a total of 4,300,000 options with grant date of 25 August 2010 and exercise price of \$0.14 per share were exercised.
- (3) 1,194,000 options with grant date of 25 August 2010 and exercise price of \$0.14 per share lapsed during the year.
- (4) As at 30 June 2015, 8,269,000 options with grant date of 25 August 2010 and exercise price of \$0.14 per share were outstanding. These options were vested in two tranches on 25 August 2011 and 25 August 2012. The expiry date of the options is 25 August 2015. (As at 30 June 2014, the outstanding options were 13,763,000 options with exercise price of \$0.14 per share and 18,900,000 options with exercise price of \$0.135 per share).

**10. Reserves**

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Capital reserve	(11,648)	(11,651)	–	–
Fair value reserve	2,212	4,093	2,212	4,093
Share-based compensation reserve	2,290	2,481	2,290	2,481
Exchange translation reserve	(12,415)	(14,781)	–	–
Accumulated profits	51,454	47,887	12,248	12,437
	<u>31,893</u>	<u>28,029</u>	<u>16,750</u>	<u>19,011</u>

**11. Interest-Bearing Borrowings**

*Interest-bearing borrowings consist of the following:*

	Group	
	2015 \$'000	2014 \$'000
<b>Non-current liabilities</b>		
Secured bank loans	162	331
Unsecured bank loans	333	273
Obligations under hire purchase agreements and finance leases	16	47
	<u>511</u>	<u>651</u>
<b>Current liabilities</b>		
Secured bank loans	188	177
Unsecured bank loans <sup>(1)</sup>	7,569	8,718
Obligations under hire purchase agreements and finance leases	26	81
	<u>7,783</u>	<u>8,976</u>

<sup>(1)</sup> One of the Group's subsidiaries in Japan did not meet the financial covenant for its bank loans as at 30 June 2015 and 30 June 2014. The breach involves one term loan (2014: two term loans) and the outstanding amount of the loan as at 30 June 2015 was JPY7,760,000 or \$85,000 (2014: JPY40,360,000 or \$497,000). The bank will not demand for the immediate settlement of the outstanding borrowing, provided the subsidiary continues to service the loan instalments. The Group and the subsidiary have the funds to fulfil the obligations if the bank requires immediate repayment of the loan.

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

	Group	
	2015 \$'000	2014 \$'000
Within 1 year	7,757	8,895
After 1 year but within 5 years	495	604
	<u>8,252</u>	<u>9,499</u>

The borrowings are secured on the following assets:

	Note	Group	
		2015 \$'000	2014 \$'000
Leasehold land and building	3	1,524	1,451
Plant and equipment	3	641	696
Deposits with financial institutions	8	214	1,639
Total carrying amount		<u>2,379</u>	<u>3,786</u>

**Obligations under finance leases**

Group	2015			2014		
	Principal \$'000	Interest \$'000	Total \$'000	Principal \$'000	Interest \$'000	Total \$'000
Repayable within 1 year	26	1	27	81	5	86
Repayable after 1 year but within 5 years	15	3	18	41	3	44
Repayable after 5 years	1	*	1	6	*	6
	<u>42</u>	<u>4</u>	<u>46</u>	<u>128</u>	<u>8</u>	<u>136</u>

\* Amount less than \$1,000

**12. Results from Operating Activities**

	Note	Group	
		2015 \$'000	2014 \$'000
<b>Other income</b>			
Dividend income from other financial asset		–	351
Exchange gain, net		584	118
Gain on disposal of property, plant and equipment		209	111
Gain on liquidation of subsidiaries		13	–
Negative goodwill on business combination		–	13,175
Rental income		16	10
Sundry income		533	794
		1,355	14,559
<b>Other expenses</b>			
(Reversal of allowance)/Allowance for doubtful debts from trade and other receivables		(10)	924
Allowance for inventory obsolescence		466	73
Amortisation of intangible assets	4	744	868
Acquisition-related costs		–	1,127
Bad debts recovered		–	(770)
Depreciation of property, plant and equipment	3	2,774	2,403
Inventories written off		97	181
Impairment losses on property, plant and equipment		–	115
Loss on disposal of subsidiaries		–	83
Loss on disposal of an associate		343	–
Operating lease expenses		2,256	2,821
Post-acquisition integration and restructuring costs		–	4,562
(Reversal of provision)/Provision for retrenchment costs		(203)	342
		(203)	342

The higher depreciation expenses were due to the increase in property, plant and equipment arising from capital spending during the last financial year.

**13. Net Finance Expenses**

	Group	
	2015 \$'000	2014 \$'000
<b>Finance income</b>		
Interest income from:		
- financial institutions	36	31
- joint venture	7	5
- third parties	30	108
Interest income arising from the unwinding of discount implicit in the interest-free third parties receivables	–	104
	73	248
<b>Finance expenses</b>		
Interest expenses to:		
- finance leases	(9)	(13)
- financial institutions	(231)	(260)
- non-controlling interests	–	(91)
	(240)	(364)
Net finance expenses	(167)	(116)

**14. Income Tax Expense**

	Group	
	2015 \$'000	2014 \$'000
<b>Current tax</b>		
- Current year	986	799
- withholding tax	410	162
- under/(over) provision in prior year	462	(76)
	1,858	885

	Group	
	2015 \$'000	2014 \$'000
<b>Deferred tax</b>		
- origination and reversal of temporary differences	986	257
- over provision in prior years	(232)	(72)
	754	185
Total income tax expenses	2,612	1,070

## 15. Earnings Per Share

Group	2015 \$'000	2014 \$'000
Basic earnings per share is based on:		
Profit for the year attributable to Owners of the Company	6,663	13,513
	No. of shares '000	No. of shares '000
Weighted average number of:		
- Shares outstanding during the year	552,794	552,794
- Shares issued during the year:		
- pursuant to the exercise of share options	931	-
	553,725	552,794

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 period outstanding.

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

Group	2015 No. of shares '000	2014 No. of shares '000
Weighted average number of share issued, used in the calculation of diluted earnings per share	553,725	552,794

As at 30 June 2015, 8,269,000 (2014: 32,663,000) options were excluded from the diluted weighted average number of ordinary shares calculations as their effect would have been anti-dilutive.

## 16. 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 2015	21.80	19.08
(b) 30 June 2014	21.13	19.50
Net tangible asset <sup>(1)</sup> value per ordinary share based on issued share capital of the Company as at		
(a) 30 June 2015	14.27	19.08
(b) 30 June 2014	13.95	19.50

<sup>(1)</sup> Net tangible asset is equity attributable to Owners of the Company less intangible assets.



**17. Breakdown of Revenue and Profit After Tax Before Non-Controlling Interests**

Group	2015 \$'000	2014 \$'000	Variance %
Revenue reported for first half year	59,497	74,146	(20)
Profit after tax before deducting non-controlling interests for first half year	3,458	7,604	(55)
Revenue reported for second half year	53,018	70,328	(25)
Profit after tax before deducting non-controlling interests for second half year	3,206	5,182	(38)

**18. Dividends**

**18.1 Dividend Paid**

The resolution in respect of the final dividend declared for the financial year ended 30 June 2014 was approved at the Company's Annual General Meeting convened on 17 October 2014. The final and final special tax exempt, one-tier cash dividend totalling 0.36 cents per ordinary share was paid on 13 November 2014.

The Company declared and paid a tax exempt one-tier interim dividend of 0.20 cents per share on 12 March 2015.

**18.2 Dividend Declared (Proposed)**

	2015	2014
Name of dividend	Final (Proposed)	Final
Dividend type	Cash	Cash
Dividend rate	0.20 cents per ordinary	0.18 cents per ordinary share
Tax	Tax exempt (One-Tier)	Tax exempt (One-Tier)

	2015	2014
Name of dividend	Final Special (Proposed)	Final Special
Dividend type	Cash	Cash
Dividend rate	0.20 cents per ordinary share	0.18 cents per ordinary share
Tax	Tax exempt (One-Tier)	Tax exempt (One-Tier)

*Date payable*

The final dividends proposed, if approved at the 20<sup>th</sup> Annual General Meeting, will be payable on 18 November 2015.

*Book closure date*

The book closure date is 29 October 2015, after 5.00 pm.

**18.3 Annual Dividend**

	Net Dividend	
	2015 \$'000	2014 \$'000
<b>Ordinary shares</b>		
Interim dividend	1,106	996
Final dividend	2,228 <sup>(1)</sup>	1,990
	3,334	2,986

<sup>(1)</sup> The final dividends for 2015 is estimated based on the number of ordinary shares issued by the Company as at 30 June 2015. The dividends have not been provided for in the financial information.

**19. Significant Related Party Transactions**

Significant transactions with related parties are as follows:

Group	Group	
	2015 \$'000	2014 \$'000
Sales and service income to:		
- a joint venture	65	–
- an associate	7	186
- other affiliates	–	30
Purchases from/Service fee paid to:		
- a joint venture	(72)	–
- an associate	–	(405)
Rental expenses paid to:		
- director	(124)	(123)
- non-controlling interest of subsidiary	–	(55)
- other affiliate	–	(159)
Services rendered by an affiliate <sup>(1)</sup>	–	(597)

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

There was no managerial position in the Company or any of 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.

**20. Interested Person Transactions**

The Company does not have any general mandate from shareholders for interested person transactions (IPT).

During the year, the total transactions with interested person are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholder's mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Chan Wai Leong (Director)	\$'000	\$'000
Rental expenses	124	–

The total IPT of \$124,000 is less than 1% of our audited consolidated net tangible assets of FY2014.

**21. Commitments**

***Lease Commitments***

As at 30 June 2015, commitments of the Group for minimum lease receivables and payments under non-cancellable operating leases are as follows:

	Group	
	2015 \$'000	2014 \$'000
<b>Receivable:</b>		
Within 1 year	–	2
<b>Payable:</b>		
Within 1 year	1,638	1,666
After 1 year but within 5 years	1,034	1,743
After 5 years	1	–
	2,673	3,409

***Capital Commitments***

Capital commitments contracted but not provided for

	30	902
--	----	-----

***Corporate guarantees***

As at 30 June 2015, the Company provided corporate guarantees amounting to \$19,911,000 (2014: \$14,434,000) to banks for banking facilities made available to its subsidiaries, of which the subsidiaries have utilised \$9,574,000 (2014: \$8,868,000).

**22. Other information**

**Reportable segments**

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Revenue and Expense</b>								
Total revenue from external customers	45,761	81,551	66,754	62,923	–	–	112,515	144,474
Inter-segment revenue	604	326	–	20	(604)	(346)	–	–
	<u>46,365</u>	<u>81,877</u>	<u>66,754</u>	<u>62,943</u>			<u>112,515</u>	<u>144,474</u>
Segment results	<u>2,775</u>	<u>(1,411)</u>	<u>6,426</u>	<u>15,289</u>	–	–	9,201	13,878
Unallocated corporate results							(817)	(287)
							<u>8,384</u>	<u>13,591</u>
Share of results of associates and joint ventures								
- allocated to reportable segments	103	258	956	355	–	–	1,059	613
- unallocated corporate & others							–	(232)
Profit before finance income/(expenses) and taxation							9,443	13,972
Finance income							73	248
Finance expenses							(240)	(364)
Income tax expense							(2,612)	(1,070)
Non-controlling interests							(1)	727
Profit for the year attributable to Owners of the Company							<u>6,663</u>	<u>13,513</u>
<b>Assets and liabilities</b>								
Segment assets	41,771	45,567	75,381	73,208	–	–	117,152	118,775
Investments in associates								
- allocated to reportable segments	690	2,657	5,660	5,382	–	–	6,350	8,039
Investments in joint ventures								
- allocated to reportable segments	118	228	–	–	–	–	118	228
Tax receivables	28	419	–	126	–	–	28	545
Deferred tax assets	1,154	1,656	2,165	2,761	–	–	3,319	4,417
Assets classified as held for sale	–	–	991	–	–	–	991	–
Unallocated corporate assets							25,977	22,215
Total assets							<u>153,935</u>	<u>154,219</u>
Segment liabilities	10,503	10,268	9,910	13,950	–	–	20,413	24,218
Interest-bearing borrowings	729	3,591	7,565	6,036	–	–	8,294	9,627
Income tax liabilities	105	118	1,273	1,204	–	–	1,378	1,322
Unallocated corporate liabilities							1,993	1,872
Total liabilities							<u>32,078</u>	<u>37,039</u>
Capital expenditure								
- allocated to reportable segments	430	938	3,301	4,881	–	–	3,731	5,819
- unallocated corporate expenses							1	13
							<u>3,732</u>	<u>5,832</u>
<b>Other items</b>								
Amortisation of intangible assets								
- allocated to reportable segments	24	38	720	830	–	–	744	868
Acquisition-related costs								
- allocated to reportable segments	–	–	–	1,127	–	–	–	1,127
Bad debts written off/ (recovered)								
- allocated to reportable segments	–	9	–	(779)	–	–	–	(770)
Depreciation of property, plant and equipment								
- allocated to reportable segments	347	479	2,422	1,921	–	–	2,769	2,400
- unallocated corporate expenses							5	3
							<u>2,774</u>	<u>2,403</u>

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Loss/(Gain) on disposal of property, plant and equipment - allocated to reportable segments	22	(64)	(231)	(47)	-	-	(209)	(111)
Inventories written off - allocated to reportable segments	88	105	9	76	-	-	97	181
Impairment loss on property, plant and equipment - allocated to reportable segments	-	115	-	-	-	-	-	115
Loss on disposal of subsidiaries - allocated to reportable segments	-	83	-	-	-	-	-	83
Loss on disposal of an associate - allocated to reportable segments	343	-	-	-	-	-	343	-
Negative goodwill on business combination - allocated to reportable segments	-	-	-	(13,175)	-	-	-	(13,175)
Post-acquisition integration and restructuring costs - allocated to reportable segments	-	-	-	4,562	-	-	-	4,562
Allowance/(Reversal of allowance) for doubtful trade and other receivables - allocated to reportable segments	-	898	(10)	26	-	-	(10)	924
(Reversal of allowance)/Allowance for inventory obsolescence - allocated to reportable segments	(12)	272	478	(199)	-	-	466	73
(Reversal of provision)/Provision for retrenchment costs - allocated to reportable segments	(203)	342	-	-	-	-	(203)	342

**Geographical segments**

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Group	Singapore		Malaysia		China		Taiwan		USA		Japan		Europe		Other Regions		Consolidated	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Total revenue from external customers	24,508	46,655	8,053	13,119	28,444	20,178	11,748	23,840	16,206	16,526	13,305	11,171	4,607	4,603	5,644	8,382	112,515	144,474
Non-current segment assets	41,272	32,898	32	66	511	1,429	2,141	2,227	916	7,599	2,366	4,258	19	49	6,082	4,387	53,339	52,913
Investments in associates	–	–	–	–	–	–	–	–	–	–	5,660	5,382	–	–	690	2,657	6,350	8,039
Investments in joint ventures	47	164	–	–	–	–	–	–	–	–	–	–	–	–	71	64	118	228
Investments in other financial assets	7,015	9,119	–	–	–	–	–	–	–	–	164	147	508	285	–	–	7,687	9,551
Deferred tax assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3,403	4,476
<b>Total non-current assets</b>	<b>48,334</b>	<b>42,181</b>	<b>32</b>	<b>66</b>	<b>511</b>	<b>1,429</b>	<b>2,141</b>	<b>2,227</b>	<b>916</b>	<b>7,599</b>	<b>8,190</b>	<b>9,787</b>	<b>527</b>	<b>334</b>	<b>6,843</b>	<b>7,108</b>	<b>70,897</b>	<b>75,207</b>
Capital expenditure	1,372	2,138	9	10	364	91	376	286	168	382	127	2,253	–	42	1,316	630	3,732	5,832



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

Financial Information and Dividend Announcement for  
full year ended

**30 June 2015**

***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 information of Ellipsiz Ltd and its subsidiaries (the Group), including the notes thereto.*

## **Results of Operations**

### ***Revenue and gross profits***

The Group recorded full year's revenue of \$112.5 million, a drop of 22% compared to last financial year. The 44% drop in revenue of the Distribution & Services (DSS) was the main reason for the lower revenue at group level. The Group divested two of its DSS activities, namely facilities and communication activities, towards the end of last financial year and the loss in revenue from the divestments accounted for the major part of the decrease in revenue of DSS.

The negative impact of the decrease in DSS revenue was partially offset by a 6% improvement in revenue of Probe Card Solution (PCS) to \$66.7 million for the year ended 30 June 2015 (FY2015). The improved revenue from PCS had also led to higher revenue in China and Japan in FY2015. The decline in revenue of DSS, on the other hand, had adversely impacted the net revenue in Singapore and Taiwan, with negative variances of 47% and 51% respectively.

Despite the decrease in revenue, gross profit in FY2015 increased by 3% from \$38.8 million to \$40.1 million. The change in revenue mix brought a 9% improvement in gross profit margin for FY2015. Generally PCS has a higher gross profit margin than that generated by DSS. Therefore the replacement of revenue lost in DSS with improved PCS revenue led to the better margin.

### ***Other income***

Other income decreased significantly from \$14.6 million in last financial year to \$1.4 million in FY2015. Included in other income of last financial year were the negative goodwill from its acquisition of businesses of \$13.2 million and dividend income from its financial investment of \$0.4 million. The negative variance from the non-recurrence of these one-time items was negated by the recording of higher exchange gain in FY2015. Details of other income is disclosed in note 12 to the financial information.

### ***Operating expenses***

Total operating expenses decreased by 17% from \$39.8 million to \$33.1 million in FY2015. Included in other expenses of FY2014 were acquisition-related cost of \$1.1 million, post-acquisition integration and restructuring costs of \$4.6 million relating to the acquisition of businesses, loss on disposal of investments in subsidiaries of \$0.1 million and certain retrenchment costs of \$0.3 million to streamline its operational structure. The one-time costs in FY2015 were lower and consist only those relating to loss on disposal of investment in an associate of \$0.3 million. Excluding the one-time costs, operating expenses decreased by 3% from \$33.7 million to \$32.8 million in FY2015. The decrease was mainly led by the decrease in distribution expenses, partially offset by the increase in administrative and research and development expenses during the year.

### ***Net finance expenses***

Due to the lower finance income in FY2015, partially offset by decrease in finance expenses, the net finance expenses increased from \$116,000 in FY2014 to \$167,000 in FY2015.

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

The Group recorded profits of \$1.1 million from share of results from associates and had share of losses of \$112,000 from its joint ventures for FY2015.

### **Income taxes**

In FY2015, the Group recorded tax expense of \$2.6 million, mainly for the tax expense in the current financial year and adjustment for the net movement in deferred taxes. During the year, the Group had also made an adjustment for the under-provision of tax of \$417,000 for one of its business activities lost in a fire in FY2009. The under-provision arose from the additional assessment imposed by the local tax authority on certain insurance compensation received. The Group is in the process of appealing against this additional assessment.

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

In FY2015, the Group had net profits after taxes and non-controlling interests of \$6.7 million, a 51% drop as compared to net profits of \$13.5 million in FY2014. In the last financial year, the Group included one-time negative goodwill income of \$13.2 million as well as post-acquisition integration and restructuring costs of \$4.6 million, acquisition-related cost of \$1.1 million, loss on disposal of investments in subsidiaries of \$0.1 million and certain retrenchment cost of \$0.3 million to streamline its operational structure. In FY2015, the Group had a one-time loss of \$0.3 million arising from disposal of an associate and additional tax of \$0.4 million assessed by tax authority on certain insurance compensation received for a fire incident that took place in FY2009.

Excluding the one-time income and expenses in both FY2014 and FY2015, the Group had net profits of \$7.4 million from its operating activities in FY2015, an increase of 15% over FY2014's profits \$6.4 million.

### **Financial Conditions**

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

The non-current assets decreased by 6% from \$75.2 million in last financial year to \$70.9 million as at 30 June 2015.

Property, plant and equipment decreased by 11% mainly due to the reclassification of a piece of land and a building to current assets held for sales. One of the wholly-owned subsidiaries in Japan had in June 2015, entered into an agreement to dispose its freehold land and building for cash. The completion of the transaction is expected to take place in October 2015. Hence the relevant assets were re-classified as current assets as at 30 June 2015.

The disposal of an associate during the year, the share of results, receipt of dividend and translation movement in associates led to a 21% drop in investments in associates. The share of losses from joint ventures on the other hand accounted for the 48% decrease in joint ventures.

The movement in the market price of a quoted investment was the main cause for the decrease in carrying amount of financial assets by 20%. The reclassification of the trade and other receivables to current assets as well as the 24% reduction in deferred tax assets had also contributed to the overall decrease in non-current assets.

#### **Current assets**

Total current asset as at 30 June 2015 was \$83.0 million, an increase of 5% from \$79.0 million as at 30 June 2014. The 26% increase in cash and cash equivalents resulting from positive cash flows from operating activities and recovery of its investment in an associate through dividend collected and sales proceeds, coupled with the reclassification of certain freehold land and building as current asset held for sales led to the overall increase in current assets. The impact of the increase was partially offset by the drop in inventories and the net collections of trade and other receivables as well as amounts due from related parties.



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

Total liabilities as at 30 June 2015 stood at \$32.1 million, a decrease of 13% from \$37.0 million as at 30 June 2014. The lower trade and other payables, provisions, interest-bearing borrowings and deferred tax liabilities, partially offset by tax payable, led to the net decrease in total liabilities.

### **Non-controlling interests**

The increase in the non-controlling interests was primarily due to share of profits as well as translation movements in FY2015.

### **Liquidity and Capital Reserves**

During the financial year, the Group recorded net cash inflow of \$9.0 million. This can be accounted by:

- (a) cash inflow of \$14.1 million for operating activities;
- (b) cash outflow of \$1.0 million for investing activities; and
- (c) cash outflow of \$4.1 million for financing activities.

The positive results in the year coupled with the net positive cash movement in working capital, led to the cash inflow from operating activities of \$14.1 million in FY2015.

The capital expenditure of \$3.7 million during FY2015, partially offset by the recovery of its investment of an associate through the collection of dividend and proceeds from disposal, collection of related party balances and proceed from disposal of property, plant and equipment, led to the net cash outflow of \$1.0 million from its investing activities.

Dividend payment totalling \$3.1 million during FY2015, coupled with the net repayment of interest-bearing borrowings were the main reasons for the cash outflow for the financing activities of the Group.

As at 30 June 2015, the Group's cash and cash equivalents position (including fixed deposits held as securities) was \$40.3 million.

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

Not applicable.

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

The Group remains cautious over our business and financial prospects for the rest of 2015 with a high inventory of semiconductor devices built up in the semiconductor industry during first half of the year amidst softness in electronic equipment purchases such as PCs, tablets and smartphones. In view of the macroeconomic uncertainties, the slowing demand in emerging markets and China as well as the cautious capital expenditure budget by our customers, we are expecting our business activities to be affected as a result. Nevertheless, the Group remains committed to leverage on our core strengths to sustain growth and shape the future with all of our stakeholders.