



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

Second Quarter Financial Information and Dividend Announcement
for the period ended

31 December 2016

Statements of Financial Position

		Group			Company		
	Note	31 December 2016 \$'000	30 June 2016 \$'000	Var. %	31 December 2016 \$'000	30 June 2016 \$'000	Var. %
Non-current assets							
Property, plant and equipment	2	11,206	11,840	(5)	4	4	–
Intangible assets	3	42,487	41,213	3	–	–	–
Subsidiaries		–	–	–	80,000	79,602	–
Associates	4	780	8,385	(91)	–	4,868	(100)
Joint ventures		75	68	10	–	–	–
Financial assets		3,615	5,203	(31)	3,390	4,970	(32)
Deferred tax assets		3,086	3,374	(9)	84	84	–
		<u>61,249</u>	<u>70,083</u>	(13)	<u>83,478</u>	<u>89,528</u>	(7)
Current assets							
Inventories		8,611	9,115	(6)	–	–	–
Trade and other receivables		33,744	37,157	(9)	183	187	(2)
Amounts due from related parties		–	–	–	80	361	(78)
Assets classified as held for sale	4	7,351	–	100	4,868	–	100
Cash and cash equivalents	5	45,009	40,036	12	13,480	16,938	(20)
		<u>94,715</u>	<u>86,308</u>	10	<u>18,611</u>	<u>17,486</u>	6
Total assets		<u>155,964</u>	<u>156,391</u>	–	<u>102,089</u>	<u>107,014</u>	(5)
Equity attributable to Owners of the Company							
Share capital	6	89,566	89,566	–	89,566	89,566	–
Reserves		40,527	38,171	6	11,042	15,815	(30)
		<u>130,093</u>	<u>127,737</u>	2	<u>100,608</u>	<u>105,381</u>	(5)
Non-controlling interests		412	385	7	–	–	–
Total equity		<u>130,505</u>	<u>128,122</u>	2	<u>100,608</u>	<u>105,381</u>	(5)
Non-current liabilities							
Provisions		213	214	–	–	–	–
Interest-bearing borrowings	7	252	471	(46)	–	–	–
Deferred tax liabilities		562	581	(3)	–	–	–
		<u>1,027</u>	<u>1,266</u>	(19)	<u>–</u>	<u>–</u>	–
Current liabilities							
Trade and other payables		21,087	22,572	(7)	704	1,426	(51)
Provisions		386	231	67	–	–	–
Amounts due to related parties		76	72	6	570	–	100
Interest-bearing borrowings	7	1,871	3,347	(44)	–	–	–
Current tax payable		1,012	781	30	207	207	–
		<u>24,432</u>	<u>27,003</u>	(10)	<u>1,481</u>	<u>1,633</u>	(9)
Total liabilities		<u>25,459</u>	<u>28,269</u>	(10)	<u>1,481</u>	<u>1,633</u>	(9)
Total equity and liabilities		<u>155,964</u>	<u>156,391</u>	–	<u>102,089</u>	<u>107,014</u>	(5)

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

Consolidated Statement of Comprehensive Income

	Note	1 October 2016 to 31 December 2016 \$'000	1 October 2015 to 31 December 2015 \$'000	Var. %	1 July 2016 to 31 December 2016 \$'000	1 July 2015 to 31 December 2015 \$'000	Var. %
Revenue		29,657	32,350	(8)	57,318	57,639	(1)
Cost of revenue		(19,195)	(21,812)	(12)	(37,411)	(38,301)	(2)
Gross profit		10,462	10,538	(1)	19,907	19,338	3
Other income	8	455	428	6	921	2,191	(58)
Distribution expenses		(3,109)	(3,698)	(16)	(6,204)	(6,922)	(10)
Administrative expenses		(3,994)	(4,202)	(5)	(8,009)	(7,969)	1
Research & development expenses		(802)	(938)	(14)	(1,505)	(1,922)	(22)
Other expenses		(532)	(409)	30	(1,591)	(420)	279
Results from operating activities	8	2,480	1,719	44	3,519	4,296	(18)
Finance income		28	19	47	50	32	56
Finance expenses		(17)	(44)	(61)	(40)	(90)	(56)
Net finance income/(expenses)	9	11	(25)	(144)	10	(58)	(117)
Share of results of associates (net of tax)		41	69	(41)	146	212	(31)
Share of results of joint ventures (net of tax)		–	29	(100)	–	69	(100)
Profit before income tax		2,532	1,792	41	3,675	4,519	(19)
Income tax expenses	10	(876)	(486)	80	(1,354)	(945)	43
Profit for the period		1,656	1,306	27	2,321	3,574	(35)
Other comprehensive income							
Items that are or may be reclassified subsequently to profit or loss							
Exchange differences arising from:							
- liquidation of subsidiaries reclassified to profit or loss		–	–	–	(206)	–	(100)
- monetary items forming part of net investments in foreign operations		232	(58)	500	402	(11)	3,755
- translation of financial statements of foreign operations		1,764	(860)	305	2,875	2,799	3
Net change in fair value of available-for-sale financial assets		(526)	(474)	(11)	(1,579)	(1,885)	16
Net change in fair value of available-for-sale financial assets, reclassified to profit or loss		526	401	31	1,578	401	294
Tax effect		–	–	–	–	–	–
Other comprehensive income for the period, net of income tax		1,996	(991)	301	3,070	1,304	135
Total comprehensive income for the period		3,652	315	1,059	5,391	4,878	11
Profit attributable to:							
Owners of the Company		1,654	1,307	27	2,321	3,567	(35)
Non-controlling interests		2	(1)	300	–	7	(100)
Profit for the period		1,656	1,306	27	2,321	3,574	(35)

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

Ellipsiz Ltd and its Subsidiaries
Second quarter results ended
 31 December 2016

Note	1 October 2016 to 31 December 2016 \$'000	1 October 2015 to 31 December 2015 \$'000	Var. %	1 July 2016 to 31 December 2016 \$'000	1 July 2015 to 31 December 2015 \$'000	Var. %
Total comprehensive income attributable to:						
Owners of the Company	3,632	316	1,049	5,364	4,879	10
Non-controlling interests	20	(1)	2,100	27	(1)	2,800
Total comprehensive income for the period	3,652	315	1,059	5,391	4,878	11
Earnings per share						
11 - Basic (cents)	0.99	0.78	27	1.39	2.13	(35)
- Diluted (cents)	0.99	0.78	27	1.39	2.13	(35)

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
30 September 2015									
Balance as at 1 July 2015	89,566	(11,648)	2,212	2,290	(12,415)	51,454	121,459	398	121,857
Total comprehensive income for the period									
Profit for the period	–	–	–	–	–	2,260	2,260	8	2,268
Other comprehensive income									
Exchange differences arising from:									
- monetary items forming part of net investments in foreign operations	–	–	–	–	47	–	47	–	47
- translation of financial statements of foreign operations	–	–	–	–	3,667	–	3,667	(8)	3,659
Net change in fair value of available-for-sale financial assets	–	–	(1,411)	–	–	–	(1,411)	–	(1,411)
Total other comprehensive income	–	–	(1,411)	–	3,714	–	2,303	(8)	2,295
Total comprehensive income for the period	–	–	(1,411)	–	3,714	2,260	4,563	–	4,563
Balance as at 30 September 2015	89,566	(11,648)	801	2,290	(8,701)	53,714	126,022	398	126,420

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
31 December 2015									
Balance as at 1 October 2015	89,566	(11,648)	801	2,290	(8,701)	53,714	126,022	398	126,420
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	1,307	1,307	(1)	1,306
Other comprehensive income									
Exchange differences arising from:									
- monetary items forming part of net investments in foreign operations	-	-	-	-	(58)	-	(58)	-	(58)
- translation of financial statements of foreign operations	-	-	-	-	(860)	-	(860)	-	(860)
Net change in fair value of available-for-sale financial assets	-	-	(474)	-	-	-	(474)	-	(474)
Net change in fair value of available-for-sale financial assets, reclassified to profit or loss	-	-	401	-	-	-	401	-	401
Total other comprehensive income	-	-	(73)	-	(918)	-	(991)	-	(991)
Total comprehensive income for the period	-	-	(73)	-	(918)	1,307	316	(1)	315
Transactions with Owners, recorded directly in equity									
Contributions by and distributions to Owners									
Final dividend of 0.67 ⁽¹⁾ cents per share in respect of 2015	-	-	-	-	-	(1,114)	(1,114)	-	(1,114)
Special dividend of 0.67 ⁽¹⁾ cents per share in respect of 2015	-	-	-	-	-	(1,114)	(1,114)	-	(1,114)
Total contributions by and distributions to Owners	-	-	-	-	-	(2,228)	(2,228)	-	(2,228)
Total transactions with Owners	-	-	-	-	-	(2,228)	(2,228)	-	(2,228)
Balance as at 31 December 2015	89,566	(11,648)	728	2,290	(9,619)	52,793	124,110	397	124,507

⁽¹⁾ On 30 October 2015, the Group completed a share consolidation of 10 existing issued ordinary shares in 3 ordinary shares. Accordingly, retrospective adjustments have been made to the final and special dividend in respect of 2015 (see note 6).

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
30 September 2016									
Balance as at 1 July 2016	89,566	(11,648)	60	2,290	(10,185)	57,654	127,737	385	128,122
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	667	667	(2)	665
Other comprehensive income									
Exchange differences arising from:									
- liquidation of subsidiaries reclassified to profit or loss	-	-	-	-	(206)	-	(206)	-	(206)
- monetary items forming part of net investments in foreign operations	-	-	-	-	170	-	170	-	170
- translation of financial statements of foreign operations	-	-	-	-	1,102	-	1,102	9	1,111
Net change in fair value of available-for-sale financial assets	-	-	(1,053)	-	-	-	(1,053)	-	(1,053)
Net change in fair value of available-for-sale financial assets, reclassified to profit or loss	-	-	1,052	-	-	-	1,052	-	1,052
Total other comprehensive income	-	-	(1)	-	1,066	-	1,065	9	1,074
Total comprehensive income for the period	-	-	(1)	-	1,066	667	1,732	7	1,739
Balance as at 30 September 2016	89,566	(11,648)	59	2,290	(9,119)	58,321	129,469	392	129,861

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									
31 December 2016																		
Balance as at 1 October 2016	89,566	(11,648)	59	2,290	(9,119)	58,321	129,469	392	129,861									
Total comprehensive income for the period																		
Profit for the period	-	-	-	-	-	1,654	1,654	2	1,656									
Other comprehensive income																		
Exchange differences arising from:																		
- monetary items forming part of net investments in foreign operations										-	-	-	-	232	-	232	-	232
- translation of financial statements of foreign operations										-	-	-	-	1,746	-	1,746	18	1,764
Net change in fair value of available-for-sale financial assets										-	-	(526)	-	-	-	(526)	-	(526)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	-	526	-	-	-	526	-	526									
Total other comprehensive income	-	-	-	-	1,978	-	1,978	18	1,996									
Total comprehensive income for the period	-	-	-	-	1,978	1,654	3,632	20	3,652									
Transactions with Owners, recorded directly in equity																		
Contributions by and distributions to Owners																		
Final dividend of 0.80 cents per share in respect of 2016	-	-	-	-	-	(1,337)	(1,337)	-	(1,337)									
Special dividend of 1.00 cents per share in respect of 2016	-	-	-	-	-	(1,671)	(1,671)	-	(1,671)									
Total contributions by and distributions to Owners	-	-	-	-	-	(3,008)	(3,008)	-	(3,008)									
Total transactions with Owners	-	-	-	-	-	(3,008)	(3,008)	-	(3,008)									
Balance as at 31 December 2016	89,566	(11,648)	59	2,290	(7,141)	56,967	130,093	412	130,505									

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/(losses) \$'000	Total equity \$'000
30 September 2015					
Balance as at 1 July 2015	89,566	2,212	2,290	12,248	106,316
Total comprehensive income for the period					
Profit for the period	-	-	-	197	197
Other comprehensive income					
Net change in fair value of available-for-sale financial assets	-	(1,411)	-	-	(1,411)
Total other comprehensive income	-	(1,411)	-	-	(1,411)
Total comprehensive income for the period	-	(1,411)	-	197	(1,214)
Balance as at 30 September 2015	89,566	801	2,290	12,445	105,102
31 December 2015					
Balance as at 1 October 2015	89,566	801	2,290	12,445	105,102
Total comprehensive income for the period					
Loss for the period	-	-	-	(736)	(736)
Other comprehensive income					
Net change in fair value of available-for-sale financial assets	-	(474)	-	-	(474)
Net change in fair value of available-for-sale financial assets, reclassified to profit or loss	-	401	-	-	401
Total other comprehensive income	-	(73)	-	-	(73)
Total comprehensive income for the period	-	(73)	-	(736)	(809)
Transactions with Owners, recorded directly in equity					
Contributions by and distributions to Owners					
Final dividend of 0.67 ⁽¹⁾ cents per share in respect of 2015	-	-	-	(1,114)	(1,114)
Special dividend of 0.67 ⁽¹⁾ cents per share in respect of 2015	-	-	-	(1,114)	(1,114)
Total contributions by and distributions to Owners	-	-	-	(2,228)	(2,228)
Total transactions with Owners	-	-	-	(2,228)	(2,228)
Balance as at 31 December 2015	89,566	728	2,290	9,481	102,065

⁽¹⁾ On 30 October 2015, the Group completed a share consolidation of 10 existing issued ordinary shares in 3 ordinary shares. Accordingly, retrospective adjustments have been made to the final and special dividend in respect of 2015 (see note 6).

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/ (losses) \$'000	Total equity \$'000
30 September 2016					
Balance as at 1 July 2016	89,566	60	2,290	13,465	105,381
Total comprehensive income for the period					
Loss for the period	-	-	-	(1,356)	(1,356)
Other comprehensive income					
Net change in fair value of available-for-sale financial assets	-	(1,053)	-	-	(1,053)
Net change in fair value of available-for-sale financial assets, reclassified to profit or loss	-	1,052	-	-	1,052
Total other comprehensive income	-	(1)	-	-	(1)
Total comprehensive income for the period	-	(1)	-	(1,356)	(1,357)
Balance as at 30 September 2016	89,566	59	2,290	12,109	104,024
31 December 2016					
Balance as at 1 October 2016	89,566	59	2,290	12,109	104,024
Total comprehensive income for the period					
Loss for the period	-	-	-	(408)	(408)
Other comprehensive income					
Net change in fair value of available-for-sale financial assets	-	(526)	-	-	(526)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	-	526	-	-	526
Total other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(408)	(408)
Transactions with Owners, recorded directly in equity					
Contributions by and distributions to Owners					
Final dividend of 0.80 cents per share in respect of 2016	-	-	-	(1,337)	(1,337)
Special dividend of 1.00 cents per share in respect of 2016	-	-	-	(1,671)	(1,671)
Total contributions by and distributions to Owners	-	-	-	(3,008)	(3,008)
Total transactions with Owners	-	-	-	(3,008)	(3,008)
Balance as at 31 December 2016	89,566	59	2,290	8,693	100,608

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

Consolidated Cash Flow Statement

	1 October 2016 to 31 December 2016 \$'000	1 October 2015 to 31 December 2015 \$'000	1 July 2016 to 31 December 2016 \$'000	1 July 2015 to 31 December 2015 \$'000
Operating Activities				
Profit for the period	1,656	1,306	2,321	3,574
Adjustments for:				
(Reversal of allowance)/Allowance for:				
- doubtful debts from trade receivables	(20)	–	(20)	–
- inventory obsolescence	81	42	307	243
Amortisation of intangible assets	267	281	529	493
Bad debts recovered	–	–	–	(1,403)
Depreciation of property, plant and equipment	861	754	1,687	1,476
(Gain)/Loss on disposal of property, plant and equipment	(2)	20	(133)	(18)
Gain on liquidation of subsidiaries	–	–	(206)	–
Gain on disposal of assets classified as held for sale	–	(361)	–	(361)
Interest income	(28)	(19)	(50)	(32)
Interest expense	17	44	40	90
Inventories written off	–	38	4	38
Impairment loss on other financial asset	526	401	1,578	401
Share of results of associates and joint ventures (net of tax)	(41)	(98)	(146)	(281)
Income tax expense	876	486	1,354	945
Operating profit before working capital changes	4,193	2,894	7,265	5,165
Changes in:				
Amounts due from related parties (trade)	–	(3)	–	–
Amounts due to related parties (trade)	–	3	–	3
Inventories	(14)	2,144	363	1,420
Trade and other receivables	270	(1,341)	4,084	(98)
Trade and other payables	(986)	(33)	(1,846)	(92)
Release of pledged deposits with financial institutions	–	–	–	214
Cash generated from operations	3,463	3,664	9,866	6,612
Interest received	28	19	50	32
Interest paid	(17)	(44)	(40)	(90)
Income taxes paid	(466)	(754)	(712)	(902)
Net cash generated from operating activities	3,008	2,885	9,164	5,652
Investing Activities				
Amounts due from related parties (non-trade)	–	17	–	15
Dividend received from associates	–	–	–	134
Purchase of intangible assets	–	(33)	(7)	(64)
Purchase of property, plant and equipment ⁽¹⁾⁽²⁾	(352)	(767)	(631)	(978)
Purchase of other financial assets	(1)	(15)	(4)	(17)
Proceeds from disposal of property, plant and equipment	10	68	141	106
Proceeds from disposal of assets classified as held for sale	–	1,432	–	1,432
Net cash (used in)/generated from investing activities	(343)	702	(501)	628
Financing Activities				
Dividend paid	(3,008)	(2,228)	(3,008)	(2,228)
Proceeds from bank loans	–	18	–	858
Repayment of bank loans	(111)	(797)	(1,797)	(3,743)
Repayment of finance lease creditors	(7)	(14)	(11)	(20)
Net cash used in from financing activities	(3,126)	(3,021)	(4,816)	(5,133)

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

Ellipsiz Ltd and its Subsidiaries
Second quarter results ended
 31 December 2016

	1 October 2016 to 31 December 2016 \$'000	1 October 2015 to 31 December 2015 \$'000	1 July 2016 to 31 December 2016 \$'000	1 July 2015 to 31 December 2015 \$'000
Net (decrease)/increase in cash and cash equivalents	(461)	566	3,847	1,147
Cash and cash equivalents at beginning of period	44,617	41,650	40,036	40,065
Effect of exchange rate changes on balances in foreign currencies	853	(241)	1,126	763
Cash and cash equivalents at end of period	45,009	41,975	45,009	41,975

(1) In the last financial period ended 31 December 2015, property, plant and equipment of \$20,000 was acquired through finance leases.

(2) The Group accrued reinstatement cost of S\$123,000 (31 December 2015: \$Nil) 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 9 February 2017.

1. Basis of Preparation

The Group has applied the same accounting policies and methods of computation in the financial information for the current reporting period as those used in the audited financial statements for the year ended 30 June 2016.

In the current financial period, the Group and the Company have adopted all the new and revised Financial Reporting Standards (FRSs) and Interpretations of FRSs (INT FRSs) that are relevant to its operations and effective for annual periods beginning on 1 July 2016. The adoption of these new/revised FRSs and INT FRSs does not result in substantial changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

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

2. 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
31 December 2016										
Cost										
At 1 July 2016	1,986	2,205	3,857	559	1,235	3,825	361	32,764	69	46,861
Additions	–	–	153	3	14	113	29	247	195	754
Disposals	–	–	–	(5)	(86)	(12)	(29)	(70)	–	(202)
Reclassification	(19)	–	19	–	–	–	–	–	–	–
Translation difference on consolidation	(191)	159	159	10	(20)	247	10	2,182	15	2,571
At 31 December 2016	1,776	2,364	4,188	567	1,143	4,173	371	35,123	279	49,984
Accumulated depreciation and impairment losses										
At 1 July 2016	218	524	2,231	482	802	3,382	176	27,206	–	35,021
Depreciation charge for the period	33	35	472	30	78	150	19	870	–	1,687
Disposals	–	–	–	(5)	(82)	(9)	(29)	(69)	–	(194)
Translation difference on consolidation	(13)	41	124	10	(4)	221	6	1,879	–	2,264
At 31 December 2016	238	600	2,827	517	794	3,744	172	29,886	–	38,778
Carrying amounts										
At 1 July 2016	1,768	1,681	1,626	77	433	443	185	5,558	69	11,840
At 31 December 2016	1,538	1,764	1,361	50	349	429	199	5,237	279	11,206

Company	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Total \$'000
31 December 2016				
Cost				
At 1 July 2016	9	5	12	26
Additions	1	–	–	1
At 31 December 2016	10	5	12	27
Accumulated depreciation				
At 1 July 2016	9	5	8	22
Depreciation charge for the period	*	*	1	1
At 31 December 2016	9	5	9	23
Carrying amounts				
At 1 July 2016	–	–	4	4
At 31 December 2016	1	–	3	4

* Less than \$1,000

Leasehold land and building and plant and machinery of the Group with carrying amounts of \$1,074,000 (30 June 2016: \$1,477,000) and \$362,000 (30 June 2016: \$530,000) respectively, have been pledged to banks as securities for certain bank loans (note 7).

The carrying amounts of property, plant and equipment include amounts totalling \$63,000 (30 June 2016: \$76,000) for the Group in respect of assets acquired under finance leases (note 7).

3. Intangible Assets

Group	Computer software \$'000	Technology licence \$'000	Intellectual property \$'000	Development expenditure \$'000	Goodwill \$'000	Total \$'000
31 December 2016						
Cost						
At 1 July 2016	842	2,106	10,447	6,738	27,371	47,504
Additions	7	–	–	–	–	7
Translation difference on consolidation	18	150	751	484	837	2,240
At 31 December 2016	867	2,256	11,198	7,222	28,208	49,751
Accumulated amortisation and impairment losses						
At 1 July 2016	695	1,119	3,586	891	–	6,291
Amortisation for the period	35	55	272	167	–	529
Translation difference on consolidation	16	83	272	73	–	444
At 31 December 2016	746	1,257	4,130	1,131	–	7,264
Carrying amounts						
At 1 July 2016	147	987	6,861	5,847	27,371	41,213
At 31 December 2016	121	999	7,068	6,091	28,208	42,487

4. Associate

Assets classified as held for sale

On 15 November 2016, the Company entered into a share purchase agreement with unrelated third party, to dispose its entire 40% shareholding in Kita Manufacturing Co., Ltd for a cash consideration of US\$6,000,000 (approximately \$8,600,000).

The investment in the afore-mentioned associate was reclassified to current assets as assets classified as held for sale during the current financial period.

The transaction was completed on 5 January 2017. The gain on disposal of associate (net of tax) to be recorded in the Group's third quarter results is estimated to be \$700,000.

5. Cash and Cash Equivalents

	Group		Company	
	31 December 2016 \$'000	30 June 2016 \$'000	31 December 2016 \$'000	30 June 2016 \$'000
Cash at banks and in hand	33,802	32,434	6,389	9,871
Deposits with financial institutions	11,207	7,602	7,091	7,067
Cash and cash equivalents in the consolidated statement of cash flows	45,009	40,036	13,480	16,938

6. Share Capital

	Group and Company 31 December 2016		Group and Company 30 June 2016	
	No. of shares '000	Share capital \$'000	No. of shares '000	Share capital \$'000
Fully paid ordinary shares, with no par value:				
Ordinary shares				
At 1 July 2016 and 1 July 2015	167,128	89,566	557,094	89,566
Reduction in number of shares arising from share consolidation	–	–	(389,966)	–
At 31 December 2016 and 30 June 2016	167,128	89,566	167,128	89,566

The Group had not acquired any treasury shares for the financial period ended 31 December 2016. There were no treasury shares held by the Group as at 31 December 2016 and 30 June 2016.

During its annual general meeting on 19 October 2015, the Company obtained approval from its members to consolidate every 10 existing issued ordinary share in the Company into 3 consolidated shares ("share consolidation"). The exercise was completed on 30 October 2015. The number of issued shares of the Company following the share consolidation exercise was 167,128,185.

7. Interest-Bearing Borrowings

Interest-bearing borrowings consist of the following:

	Group	
	31 December 2016 \$'000	30 June 2016 \$'000
Non-current liabilities		
Secured bank loans	–	44
Unsecured bank loans	203	366
Obligations under finance leases	49	61
	252	471
Current liabilities		
Secured bank loans	95	838
Unsecured bank loans	1,760	2,492
Obligations under finance leases	16	17
	1,871	3,347
	2,123	3,818

Maturity of liabilities (excluding finance lease liabilities)

	Group	
	31 December 2016 \$'000	30 June 2016 \$'000
Within 1 year	1,855	3,330
After 1 year but within 5 years	203	410
	2,058	3,740

The borrowings are secured on the following assets:

	Note	Group	
		31 December 2016 \$'000	30 June 2016 \$'000
Leasehold land and building	2	1,074	1,477
Plant and equipment	2	362	530
Total carrying amount		1,436	2,007

Obligations under finance leases

Group	31 December 2016			30 June 2016		
	Principal \$'000	Interest \$'000	Total \$'000	Principal \$'000	Interest \$'000	Total \$'000
Repayable within 1 year	16	3	19	17	4	21
Repayable after 1 year but within 5 years	49	4	53	61	5	66
	65	7	72	78	9	87

8. Results from Operating Activities

Group	Note	1 October 2016 to 31 December 2016 \$'000	1 October 2015 to 31 December 2015 \$'000	1 July 2016 to 31 December 2016 \$'000	1 July 2015 to 31 December 2015 \$'000
Other income					
Bad debts recovered		–	–	–	1,403
Exchange gain, net		363	34	462	297
Gain/(Loss) on disposal of property, plant and equipment		2	(20)	133	18
Gain on liquidation of subsidiaries		–	–	206	–
Gain on disposal of asset classified as held for sale		–	361	–	361
Rental income		18	4	35	8
Sundry income		72	49	85	104
		<u>455</u>	<u>428</u>	<u>921</u>	<u>2,191</u>
Other expenses					
Reversal of allowance for doubtful debts from trade receivables		(20)	–	(20)	–
Allowance for inventory obsolescence		81	42	307	243
Amortisation of intangible assets	3	267	281	529	493
Depreciation of property, plant and equipment	2	861	754	1,687	1,476
Impairment loss on other financial asset		526	401	1,578	401
Inventories written off		–	38	4	38

Increase in the depreciation expenses during the period was mainly due to expansion of certain facilities for Probe Card Solutions business and purchase of new equipment during the financial year ended 30 June 2016.

9. Net Finance Income/(Expenses)

Group		1 October 2016 to 31 December 2016 \$'000	1 October 2015 to 31 December 2015 \$'000	1 July 2016 to 31 December 2016 \$'000	1 July 2015 to 31 December 2015 \$'000
Finance income					
Interest income from:					
- financial institutions		28	16	50	26
- joint venture		–	2	–	3
- third parties		–	1	–	3
		<u>28</u>	<u>19</u>	<u>50</u>	<u>32</u>
Finance expenses					
Interest expenses to:					
- finance leases		(1)	(1)	(2)	(2)
- financial institutions		(16)	(43)	(38)	(88)
		<u>(17)</u>	<u>(44)</u>	<u>(40)</u>	<u>(90)</u>
		<u>11</u>	<u>(25)</u>	<u>10</u>	<u>(58)</u>

10. Income Tax Expenses

Group		1 October 2016 to 31 December 2016 \$'000	1 October 2015 to 31 December 2015 \$'000	1 July 2016 to 31 December 2016 \$'000	1 July 2015 to 31 December 2015 \$'000
Current tax					
- current period		836	291	1,272	1,048
- under/(over) provision in prior year		9	(13)	11	(13)
- Utilisation of previously unrecognised deferred tax assets		(131)	(18)	(385)	(359)
		<u>714</u>	<u>260</u>	<u>898</u>	<u>676</u>
Deferred tax					
- origination and reversal of temporary differences		162	228	456	271
- over provision in prior year		–	(2)	–	(2)
		<u>162</u>	<u>226</u>	<u>456</u>	<u>269</u>
Total income tax expenses		<u>876</u>	<u>486</u>	<u>1,354</u>	<u>945</u>

On 7 July 2016, one of the shareholders of the Company made a mandatory conditional cash offer for all the issued and paid-up ordinary shares in the capital of the Company other than those already owned, controlled or agreed to be acquired by the shareholder. On 24 August 2016, the shareholder had acquired 54.41% of the total number of issued shares.

This substantial change in the Company's shareholdings may affect the ability of the Company and its subsidiaries residing in Singapore and the United States of America to carry forward its recognised deferred tax assets of \$3,108,000 arising from unutilised tax losses and credits, unabsorbed wear and tear allowances and other temporary differences as well as the unrecognised temporary differences amounting to \$13,473,000.

The Group intends to apply to the relevant tax authorities for a waiver on the basis that the change in shareholdings was not for the purpose of obtaining any tax advantage. The full impact to the financial statements is subject to the outcome of the waiver appeal.

11. Earnings Per Share

Group	1 October 2016 to 31 December 2016 \$'000	1 October 2015 to 31 December 2015 \$'000	1 July 2016 to 31 December 2016 \$'000	1 July 2015 to 31 December 2015 \$'000
Basic earnings per share is based on: Profit for the period attributable to Owners of the Company	1,654	1,307	2,321	3,567
	No. of shares '000	No. of shares '000	No. of shares '000	No. of shares '000
Weighted average number of: - Shares outstanding during the period	167,128	167,128	167,128	167,128

Diluted earnings per share is the same as basic earnings per share as there are no potentially dilutive ordinary shares for both current and previous financial period.

12. Net Asset Values Per Ordinary Share

	Group cents	Company cents
Net asset values per ordinary share based on issued share capital of the Company as at		
(a) 31 December 2016	77.84	60.20
(b) 30 June 2016	76.43	63.05

13. Dividends

Dividends declared or recommended for the current financial period reported on or the corresponding period of the immediate preceding financial period is as follows:

	1 July 2016 to 31 December 2016	1 July 2015 to 31 December 2015
Name of dividend	Interim	Interim
Dividend type	Cash	Cash
Dividend rate	1.00 cent per ordinary share	0.70 cent per ordinary share
Tax	Tax exempt (One-Tier)	Tax exempt (One-Tier)

Name of dividend	Interim Special	Interim Special
Dividend type	Cash	N.A.
Dividend rate	1.50 cent per ordinary share	N.A.
Tax	Tax exempt (One-Tier)	N.A.

Date payable

The interim and interim special dividends were approved by the Board of Directors. The dividends are payable on 16 March 2017.

Book closure date

The book closure date is 23 February 2017, after 5.00 pm.

14. Significant Related Party Transaction

Significant transactions with related parties are as follows:

Group	1 October 2016 to 31 December 2016 \$'000	1 October 2015 to 31 December 2015 \$'000	1 July 2016 to 31 December 2016 \$'000	1 July 2015 to 31 December 2015 \$'000
Rental expenses paid to a director	(31)	(33)	(61)	(66)

15. Interested Person Transactions

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

During the financial period, 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) Rental expenses	\$'000 61	\$'000 -

The total value of interest person transaction of \$61,000 is approximately of 0.07% of the Group's audited consolidated net tangible assets of FY2016.

16. Commitments

Lease commitments

As at 31 December 2016, commitments of the Group for minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	31 December 2016 \$'000	30 June 2016 \$'000
Payable:		
Within 1 year	1,888	1,785
After 1 year but within 5 years	3,214	2,543
After 5 years	-	21
	5,102	4,349

Capital commitments

Capital commitments contracted but not provided for

153	256
-----	-----

Corporate guarantees

As at 31 December 2016, the Company provided corporate guarantees amounting to \$17,607,000 (30 June 2016: \$16,678,000) to banks for banking facilities made available to its subsidiaries, of which the subsidiaries have utilised \$2,640,000 (30 June 2016: \$2,439,000).

17. Other information

Reportable segments

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and Expense								
Total revenue from external customers	20,240	21,676	37,078	35,963	–	–	57,318	57,639
Inter-segment revenue	714	369	–	3	(714)	(372)	–	–
	<u>20,954</u>	<u>22,045</u>	<u>37,078</u>	<u>35,966</u>			<u>57,318</u>	<u>57,639</u>
Segment results	972	1,046	4,771	4,043	(36)	–	5,707	5,089
Unallocated corporate results							(2,188)	(793)
							<u>3,519</u>	<u>4,296</u>
Share of results of associates and joint ventures								
- allocated to reportable segments	61	157	85	124	–	–	146	281
Profit before finance income/(expenses) and taxation							3,665	4,577
Finance income							50	32
Finance expenses							(40)	(90)
Income tax expenses							(1,354)	(945)
Non-controlling interests							–	(7)
Profit for the period attributable to Owners of the Company							<u>2,321</u>	<u>3,567</u>

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June
	2016	2016	2016	2016	2016	2016	2016	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets and liabilities								
Segment assets	40,095	39,344	87,680	83,280	–	–	127,775	122,624
Investments in associates								
- allocated to reportable segments	780	682	–	7,703	–	–	780	8,385
Investments in joint ventures								
- allocated to reportable segments	75	68	–	–	–	–	75	68
Tax receivables	–	1	–	–	–	–	–	1
Assets classified as held for sale	–	–	7,351	–	–	–	7,351	–
Deferred tax assets	771	947	2,231	2,343	–	–	3,002	3,290
Unallocated corporate assets							16,981	22,023
Total assets							<u>155,964</u>	<u>156,391</u>
Segment liabilities	8,976	8,819	12,082	12,844	–	–	21,058	21,663
Interest-bearing borrowings	–	–	2,123	3,818	–	–	2,123	3,818
Income tax liabilities	235	203	1,132	952	–	–	1,367	1,155
Unallocated corporate liabilities							911	1,633
Total liabilities							<u>25,459</u>	<u>28,269</u>

Ellipsiz Ltd and its Subsidiaries
Second quarter results ended
31 December 2016

Group	Distribution & Services solutions		Probe Card solutions		Eliminations		Consolidated	
	31 December 2016 \$'000	31 December 2015 \$'000	31 December 2016 \$'000	31 December 2015 \$'000	31 December 2016 \$'000	31 December 2015 \$'000	31 December 2016 \$'000	31 December 2015 \$'000
Capital expenditure								
- allocated to reportable segments	60	229	693	833	-	-	753	1,062
- unallocated corporate expenses							1	-
							<u>754</u>	<u>1,062</u>
Other items								
Amortisation of intangible assets								
- allocated to reportable segments	3	6	526	487	-	-	529	493
Bad debts recovered								
- allocated to reportable segments	-	-	-	(1,403)	-	-	-	(1,403)
Depreciation of property, plant and equipment								
- allocated to reportable segments	175	168	1,511	1,305	-	-	1,686	1,473
- unallocated corporate expenses							1	3
							<u>1,687</u>	<u>1,476</u>
Gain on disposal of property, plant and equipment								
- allocated to reportable segments	(132)	(17)	(1)	(1)	-	-	(133)	(18)
Loss/(Gain) on liquidation of subsidiaries								
- allocated to reportable segments	248	-	(454)	-	-	-	(206)	-
Gain on disposal of assets classified as held for sale								
- allocated to reportable segments	-	-	-	(361)	-	-	-	(361)
Inventories written off								
- allocated to reportable segments	4	-	-	38	-	-	4	38
Impairment loss on other financial asset								
- unallocated corporate expenses							1,578	401
Reversal of allowance for doubtful trade receivables								
- allocated to reportable segments	(20)	-	-	-	-	-	(20)	-
(Reversal of allowance)/Allowance for inventory obsolescence								
- allocated to reportable segments	(4)	(40)	311	283	-	-	307	243

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	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue from external customers	11,381	11,328	2,968	3,138	13,617	14,046	6,015	9,894	8,252	8,427	10,612	5,845	1,861	1,732	2,612	3,229	57,318	57,639
Non-current segment assets	41,726	40,527	29	30	719	712	2,187	2,195	1,001	1,212	2,692	3,153	24	3	5,315	5,221	53,693	53,053
Investments in associates	-	-	-	-	-	-	-	-	-	-	-	7,703	-	-	780	682	780	8,385
Investments in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75	68	75	68
Investments in other financial assets	3,332	4,910	-	-	-	-	-	-	-	-	225	233	58	60	-	-	3,615	5,203
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,086	3,374
Total non-current assets	45,058	45,437	29	30	719	712	2,187	2,195	1,001	1,212	2,917	11,089	82	63	6,170	5,971	61,249	70,083
Capital expenditure	58	36	6	11	174	37	371	213	65	321	41	336	-	-	46	108	761	1,062

CONFIRMATION BY THE BOARD
PURSUANT TO RULE 705(5) OF THE SGX-ST LISTING MANUAL

We, Chan Wai Leong and Kelvin Lum Wen-Sum being Chief Executive Officer and Executive Director 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 information of the Company and of the Group for the 2nd quarter results ended 31 December 2016 to be false or misleading in any material aspect.

PURSUANT TO RULE 720(1) OF THE SGX-ST LISTING MANUAL

We further confirm that the Company has procured undertakings from the Company's directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing Manual.

On behalf of the Board of Directors



Chan Wai Leong
Chief Executive Officer



Kelvin Lum Wen-Sum
Executive Director

Singapore
9 February 2017