



Ellipsiz Ltd
(Co. Reg. No. 199408329R)
and its subsidiaries

Financial Information and Dividend Announcement
For the second quarter and half year ended 31 December 2017

Statements of Financial Position

	Note	Group		Company	
		31 December 2017 \$'000	30 June 2017 \$'000	31 December 2017 \$'000	30 June 2017 \$'000
Non-current assets					
Property, plant and equipment		641	10,984	6	5
Intangible assets		15,416	41,425	–	–
Subsidiaries		–	–	31,214	79,749
Associate		945	862	–	–
Joint ventures		67	71	–	–
Financial assets		6,166	5,179	6,166	4,952
Other receivables	2	9,297	–	9,297	–
Deferred tax assets		621	3,612	–	–
		<u>33,153</u>	<u>62,133</u>	<u>46,683</u>	<u>84,706</u>
Current assets					
Inventories		3,532	7,843	–	–
Trade and other receivables	2	16,967	35,036	5,369	187
Amounts due from related parties		–	–	131	251
Cash and cash equivalents	3	101,530	53,762	89,626	23,091
		<u>122,029</u>	<u>96,641</u>	<u>95,126</u>	<u>23,529</u>
Total assets		<u>155,182</u>	<u>158,774</u>	<u>141,809</u>	<u>108,235</u>
Equity attributable to Owners of the Company					
Share capital	4	89,566	89,566	89,566	89,566
Reserves		48,346	41,918	42,574	15,566
		<u>137,912</u>	<u>131,484</u>	<u>132,140</u>	<u>105,132</u>
Non-controlling interests		402	413	–	–
Total equity		<u>138,314</u>	<u>131,897</u>	<u>132,140</u>	<u>105,132</u>
Non-current liabilities					
Provisions		–	244	–	–
Interest-bearing borrowings	5	–	205	–	–
Deferred tax liabilities		66	903	–	–
		<u>66</u>	<u>1,352</u>	<u>–</u>	<u>–</u>
Current liabilities					
Trade and other payables		16,551	21,917	5,618	1,459
Provisions		70	257	–	–
Amounts due to related parties		71	74	4,051	546
Interest-bearing borrowings	5	–	946	–	–
Current tax payable		110	2,331	–	1,098
		<u>16,802</u>	<u>25,525</u>	<u>9,669</u>	<u>3,103</u>
Total liabilities		<u>16,868</u>	<u>26,877</u>	<u>9,669</u>	<u>3,103</u>
Total equity and liabilities		<u>155,182</u>	<u>158,774</u>	<u>141,809</u>	<u>108,235</u>

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

Consolidated Statement of Comprehensive Income

	Note	Group			Group		
		1 October 2017 to 31 December 2017 \$'000	Restated* 1 October 2016 to 31 December 2016 \$'000	+ / (-) %	1 July 2017 to 31 December 2017 \$'000	Restated* 1 July 2016 to 31 December 2016 \$'000	+ / (-) %
Continuing operations							
Revenue		10,495	10,147	3	21,875	20,240	8
Cost of revenue		(7,874)	(7,779)	1	(16,595)	(15,545)	7
Gross profit		2,621	2,368	11	5,280	4,695	12
Other income	6	14,188	361	NM	14,204	565	NM
Distribution expenses		(1,027)	(672)	53	(1,817)	(1,468)	24
Administrative expenses		(8,576)	(1,612)	NM	(9,876)	(3,218)	207
Other expenses		(1,997)	(526)	280	(2,323)	(1,826)	27
Results from operating activities	6	5,209	(81)	NM	5,468	(1,252)	NM
Finance income	7	17	17	–	39	34	15
Share of results of associates (net of tax)		52	41	27	83	146	(43)
Profit/(Loss) before tax from continuing operations		5,278	(23)	NM	5,590	(1,072)	NM
Income tax credit/(expenses)	8	85	(250)	(134)	(61)	(375)	(84)
Profit/(Loss) from continuing operations, net of tax		5,363	(273)	NM	5,529	(1,447)	NM
Discontinued operations							
Profit from discontinued operations, net of tax	9	446	1,929	(77)	2,556	3,768	(32)
Profit, net of tax		5,809	1,656	251	8,085	2,321	248
Other comprehensive income							
<i>Items that are or may be reclassified subsequently to profit or loss</i>							
Exchange differences arising from:							
- liquidation of a subsidiary reclassified to profit or loss		–	–	–	21	(206)	(110)
- disposal of subsidiaries reclassified to profit or loss		9,164	–	100	9,164	–	100
- monetary items forming part of net investments in foreign operations		–	232	(100)	(98)	402	(124)
- foreign currency translation differences for foreign operations		184	1,764	(90)	(1,106)	2,875	(138)
Net change in fair value of available-for-sale financial assets		1,389	(526)	NM	1,214	(1,579)	(177)
Net change in fair value of available-for-sale financial assets, reclassified to profit or loss		–	526	(100)	–	1,578	(100)
Tax effect		–	–	–	–	–	–
Other comprehensive income for the period, net of tax		10,737	1,996	NM	9,195	3,070	200
Total comprehensive income for the period		16,546	3,652	NM	17,280	5,391	221

* See note 9

NM – Not Meaningful

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

Ellipsiz Ltd and its Subsidiaries
For the second quarter and half year ended
31 December 2017

	Group			Group		
	1 October 2017 to 31 December 2017 \$'000	Restated* 1 October 2016 to 31 December 2016 \$'000	+ / (-) %	1 July 2017 to 31 December 2017 \$'000	Restated* 1 July 2016 to 31 December 2016 \$'000	+ / (-) %
Profit/(Loss) attributable to:						
Owners of the Company						
- Continuing operations, net of tax	5,365	(275)	NM	5,531	(1,447)	NM
- Discontinued operations, net of tax	446	1,929	(77)	2,556	3,768	(32)
	5,811	1,654	251	8,087	2,321	248
Non-controlling interests						
- Continuing operations, net of tax	(2)	2	NM	(2)	-	NM
- Discontinued operations, net of tax	-	-	-	-	-	-
	(2)	2	NM	(2)	-	NM
	<u>5,809</u>	<u>1,656</u>	251	<u>8,085</u>	<u>2,321</u>	248
Total comprehensive income attributable to:						
Owners of the Company						
- Continuing operations, net of tax	6,800	(144)	NM	6,828	(508)	NM
- Discontinued operations, net of tax	9,748	3,776	158	10,463	5,872	78
	16,548	3,632	NM	17,291	5,364	222
Non-controlling interests						
- Continuing operations, net of tax	(2)	20	(110)	(11)	27	(141)
- Discontinued operations, net of tax	-	-	-	-	-	-
	(2)	20	(110)	(11)	27	(141)
	<u>16,546</u>	<u>3,652</u>	NM	<u>17,280</u>	<u>5,391</u>	221
Earnings per share						
- Basic (cents)	3.48	0.99	252	4.84	1.39	248
- Diluted (cents)	3.48	0.99	252	4.84	1.39	248
Earnings/(Loss) per share – Continuing operations attributable to owners of the Company						
- Basic (cents)	3.21	(0.16)	NM	3.31	(0.87)	NM
- Diluted (cents)	3.21	(0.16)	NM	3.31	(0.87)	NM

* See note 9

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	Retained earnings \$'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/(Loss) for the period	-	-	-	-	-	667	667	(2)	665
Other comprehensive income									
Exchange differences arising from the									
- liquidation of a subsidiary reclassified to profit or loss	-	-	-	-	(206)	-	(206)	-	(206)
- monetary items forming part of net investments in foreign operations	-	-	-	-	170	-	170	-	170
- foreign currency translation differences for 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	Retained earnings \$'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 the									
- monetary items forming part of net investments in foreign operations	-	-	-	-	232	-	232	-	232
- foreign currency translation differences for 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 cent per share in respect of 2016	-	-	-	-	-	(1,337)	(1,337)	-	(1,337)
Special dividend of 1.00 cent 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.

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	Retained earnings \$'000	Total attributable to Owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
30 September 2017									
Balance as at 1 July 2017	89,566	(11,648)	1,620	2,290	(9,313)	58,969	131,484	413	131,897
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	2,276	2,276	-	2,276
Other comprehensive income									
Exchange differences arising from the									
- liquidation of a subsidiary reclassified to profit or loss	-	-	-	-	21	-	21	-	21
- monetary items forming part of net investments in foreign operations	-	-	-	-	(98)	-	(98)	-	(98)
- foreign currency translation differences for foreign operations	-	-	-	-	(1,281)	-	(1,281)	(9)	(1,290)
Net change in fair value of available-for-sale financial assets	-	-	(175)	-	-	-	(175)	-	(175)
Total other comprehensive income	-	-	(175)	-	(1,358)	-	(1,533)	(9)	(1,542)
Total comprehensive income for the period	-	-	(175)	-	(1,358)	2,276	743	(9)	734
Balance as at 30 September 2017	89,566	(11,648)	1,445	2,290	(10,671)	61,245	132,227	404	132,631

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	Retained earnings \$'000	Total attributable to Owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
31 December 2017									
Balance as at 1 October 2017	89,566	(11,648)	1,445	2,290	(10,671)	61,245	132,227	404	132,631
Total comprehensive income for the period									
Profit/(Loss) for the period	-	-	-	-	-	5,811	5,811	(2)	5,809
Other comprehensive income									
Exchange differences arising from the disposal of subsidiaries reclassified to profit or loss	-	-	-	-	9,164	-	9,164	-	9,164
- foreign currency translation differences for foreign operations	-	-	-	-	184	-	184	-	184
Net change in fair value of available-for-sale financial assets	-	-	1,389	-	-	-	1,389	-	1,389
Total other comprehensive income	-	-	1,389	-	9,348	-	10,737	-	10,737
Total comprehensive income for the period	-	-	1,389	-	9,348	5,811	16,548	(2)	16,546
Transactions with Owners, recorded directly in equity									
Contributions by and distributions to Owners									
Final dividend of 2.00 cents per share in respect of 2017	-	-	-	-	-	(3,342)	(3,342)	-	(3,342)
Final special dividend of 4.50 cents per share in respect of 2017	-	-	-	-	-	(7,521)	(7,521)	-	(7,521)
Total contributions by and distributions to Owners	-	-	-	-	-	(10,863)	(10,863)	-	(10,863)
Total transactions with Owners	-	-	-	-	-	(10,863)	(10,863)	-	(10,863)
Balance as at 31 December 2017	89,566	(11,648)	2,834	2,290	(1,323)	56,193	137,912	402	138,314

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	Retained earnings \$'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					
<i>Contributions by and distributions to Owners</i>					
Final dividend of 0.80 cent per share in respect of 2016	-	-	-	(1,337)	(1,337)
Special dividend of 1.00 cent 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.

Statement of Changes in Equity

Company	Share capital \$'000	Fair value reserve \$'000	Share-based compensation reserve \$'000	Retained earnings \$'000	Total equity \$'000
30 September 2017					
Balance as at 1 July 2017	89,566	1,620	2,290	11,656	105,132
Total comprehensive income for the period					
Loss for the period	-	-	-	(512)	(512)
Other comprehensive income					
Net change in fair value of available-for-sale financial assets	-	(175)	-	-	(175)
Total other comprehensive income	-	(175)	-	-	(175)
Total comprehensive income for the period	-	(175)	-	(512)	(687)
Balance as at 30 September 2017	89,566	1,445	2,290	11,144	104,445
31 December 2017					
Balance as at 1 October 2017	89,566	1,445	2,290	11,144	104,445
Total comprehensive income for the period					
Profit for the period	-	-	-	37,169	37,169
Other comprehensive income					
Net change in fair value of available-for-sale financial assets	-	1,389	-	-	1,389
Total other comprehensive income	-	1,389	-	-	1,389
Total comprehensive income for the period	-	1,389	-	37,169	38,558
Transactions with Owners, recorded directly in equity					
Contributions by and distributions to Owners					
Final dividend of 2.00 cents per share in respect of 2017	-	-	-	(3,342)	(3,342)
Special dividend of 4.50 cents per share in respect of 2017	-	-	-	(7,521)	(7,521)
Total contributions by and distributions to Owners	-	-	-	(10,863)	(10,863)
Total transactions with Owners	-	-	-	(10,863)	(10,863)
Balance as at 31 December 2017	89,566	2,834	2,290	37,450	132,140

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

Consolidated Statement of Cash Flows

	Note	Group		Group	
		1 October 2017 to 31 December 2017 \$'000	1 October 2016 to 31 December 2016 \$'000	1 July 2017 To 31 December 2017 \$'000	1 July 2016 to 31 December 2016 \$'000
Cash flows from operating activities					
Profit for the period		5,809	1,656	8,085	2,321
Adjustments for:					
(Reversal of allowance)/Allowance for:					
- doubtful debts from trade receivables		-	(20)	-	(20)
- inventory obsolescence		50	81	126	307
Amortisation of intangible assets		94	267	369	529
Depreciation of property, plant and equipment		230	861	776	1,687
Dividend income from other financial asset		-	-	(14)	-
Gain on disposal of property, plant and equipment		(10)	(2)	(13)	(133)
Gain on disposal of subsidiaries	9	(14,164)	-	(14,164)	-
Loss/(Gain) on liquidation of a subsidiary		-	-	21	(206)
Interest income		(18)	(28)	(45)	(50)
Interest expense		1	17	24	40
Inventories written off		-	-	-	4
Impairment loss on other financial asset		-	526	-	1,578
Provision for ex-gratia		4,100	-	4,100	-
Share of results of associates (net of tax)		(52)	(41)	(83)	(146)
Income tax expenses		118	876	628	1,354
Operating (loss)/profit before working capital changes		(3,842)	4,193	(190)	7,265
Changes in:					
Inventories		(1,428)	(14)	(1,611)	363
Trade and other receivables		(133)	270	193	4,084
Trade and other payables		(52)	(986)	1,576	(1,846)
Cash generated from operations		(5,455)	3,463	(32)	9,866
Interest received		18	28	45	50
Interest paid		(1)	(17)	(24)	(40)
Income tax paid		(280)	(466)	(2,076)	(712)
Net cash (used in)/from operating activities		(5,718)	3,008	(2,087)	9,164
Cash flows from investing activities					
Dividend received from other financial asset		-	-	14	-
Net cash inflow on disposal of subsidiaries	9	62,125	-	62,125	-
Purchase of intangible assets		(16)	-	(115)	(7)
Purchase of property, plant and equipment		(347)	(352)	(517)	(631)
Purchase of other financial asset		-	(1)	-	(4)
Proceeds from disposal of property, plant and equipment		104	10	107	141
Net cash from/(used in) investing activities		61,866	(343)	61,614	(501)
Cash flows from financing activities					
Dividends paid		(10,863)	(3,008)	(10,863)	(3,008)
Proceeds from bank loans		-	-	471	-
Repayment of bank loans		(13)	(111)	(851)	(1,797)
Repayment of finance lease creditors		-	(7)	(5)	(11)
Net cash used in financing activities		(10,876)	(3,126)	(11,248)	(4,816)
Net increase/(decrease) in cash and cash equivalents		45,272	(461)	48,279	3,847
Cash and cash equivalents at beginning of period		42,968	44,617	53,762	40,036
Cash and cash equivalents of Disposal Group classified as held for sale at the beginning period		13,321	-	-	-
Effect of currency translation on cash and cash equivalents		(31)	853	(511)	1,126
Cash and cash equivalents at end of period	3	101,530	45,009	101,530	45,009

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 6 February 2018.

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 2017.

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 2017. 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. Other receivables

Other receivables relate to the consideration held in an escrow account for the sale of the Disposal Group (note 9), where an amount of \$4,649,000 is due on 31 October 2018 (12 months from completion of sale) and classified in current assets. The remaining amount of \$9,297,000 is due on 31 October 2019 (24 months from completion of sale) and classified in non-current assets.

3. Cash and Cash Equivalents

	Group		Company	
	31 December 2017 \$'000	30 June 2017 \$'000	31 December 2017 \$'000	30 June 2017 \$'000
Cash at banks and in hand	98,219	44,757	86,563	15,976
Deposits with financial institutions	3,311	9,005	3,063	7,115
Cash and cash equivalents in the consolidated statement of cash flows	<u>101,530</u>	<u>53,762</u>	<u>89,626</u>	<u>23,091</u>

4. Share Capital

	Group and Company 31 December 2017		Group and Company 30 June 2017	
	No. of shares '000	Share capital \$'000	No. of shares '000	Share capital \$'000
<i>Fully paid ordinary shares, with no par value:</i>				
Ordinary shares At 1 July 2017/31 December 2017 and 1 July 2016/ 30 June 2017	<u>167,128</u>	<u>89,566</u>	<u>167,128</u>	<u>89,566</u>

The Group had not acquired any treasury shares for the financial period ended 31 December 2017. There were no treasury shares held by the Group as at 31 December 2017 and 30 June 2017.

5. Interest-bearing Borrowings

Interest-bearing borrowings consist of the following:

	Group	
	31	30 June
	December 2017 \$'000	2017 \$'000
Non-current liabilities		
Unsecured bank loans	–	164
Obligations under finance leases	–	41
	–	205
Current liabilities		
Secured bank loans	–	48
Unsecured bank loans	–	882
Obligations under finance leases	–	16
	–	946
	–	1,151

Maturity of liabilities (excluding finance lease liabilities)

	Group	
	31	30 June
	December 2017 \$'000	2017 \$'000
Within 1 year	–	930
After 1 year but within 5 years	–	164
	–	1,094

Collaterals for secured borrowings:

	Group	
	31	30 June
	December 2017 \$'000	2017 \$'000
Plant and machinery	–	486

Obligations under finance leases

Group	31 December 2017			30 June 2017		
	Principal \$'000	Interest \$'000	Total \$'000	Principal \$'000	Interest \$'000	Total \$'000
Repayable within 1 year	–	–	–	16	3	19
Repayable after 1 year but within 5 years	–	–	–	41	2	43
	–	–	–	57	5	62

6. Results from Operating Activities

	Note	Group		Group	
		1 October 2017 to 31 December 2017 \$'000	1 October 2016 to 31 December 2016 \$'000	1 July 2017 to 31 December 2017 \$'000	1 July 2016 to 31 December 2016 \$'000
Continuing operations					
Other income					
Dividend income from other financial asset		–	–	14	–
Exchange gain, net		–	334	–	398
Gain on disposal of property, plant and equipment		18	–	18	131
Gain on disposal of subsidiaries	9	14,164	–	14,164	–
Sundry income		6	27	8	36
		<u>14,188</u>	<u>361</u>	<u>14,204</u>	<u>565</u>
Other expenses					
Amortisation of intangible assets		1	1	2	2
Depreciation of property, plant and equipment		42	87	88	176
Exchange loss, net		1,993	–	2,320	–
Loss on liquidation of subsidiary		–	–	–	248
Reversal of allowance for:					
- doubtful debts from trade receivables		–	(20)	–	(20)
- inventory obsolescence		(5)	(4)	(5)	(4)
Inventories written off		–	–	–	4
Impairment loss on other financial asset		–	526	–	1,578
Provision for ex-gratia		4,100	–	4,100	–

Depreciation of property, plant and equipment decreased as some plant and equipment had fully depreciated in the last financial year ended 30 June 2017.

Exchange loss of \$2,320,000 arose mainly from USD denominated consideration received from the sale of the Disposal Group. See note 9.

Provision for ex-gratia of \$4,100,000 payable to the Chief Executive Officer and Chief Financial Officer on their retirements on 31 January 2018, was approved by the Board in November 2017.

7. Finance Income

		Group		Group	
		1 October 2017 to 31 December 2017 \$'000	1 October 2016 to 31 December 2016 \$'000	1 July 2017 to 31 December 2017 \$'000	1 July 2016 to 31 December 2016 \$'000
Continuing operations					
Finance income					
Interest income from financial institutions		17	17	39	34

8. Income Tax Expenses

	Group		Group	
	1 October 2017 to 31 December 2017 \$'000	1 October 2016 to 31 December 2016 \$'000	1 July 2017 to 31 December 2017 \$'000	1 July 2016 to 31 December 2016 \$'000
<u>Continuing operations</u>				
<i>Current tax</i>				
- current period	(38)	130	82	186
- over provision in prior year	(121)	-	(121)	-
- withholding tax	1	-	1	-
	<u>(158)</u>	<u>130</u>	<u>(38)</u>	<u>186</u>
<i>Deferred tax</i>				
- origination and reversal of temporary differences	73	120	99	189
	<u>73</u>	<u>120</u>	<u>99</u>	<u>189</u>
Total income tax (credit)/expenses	<u>(85)</u>	<u>250</u>	<u>61</u>	<u>375</u>

9. Discontinued Operations

On 21 August 2017, the Company announced that it has entered into a conditional Sale and Purchase Agreement ("the Agreement") with Nidec-Read Corporation ("the Purchaser"), a company incorporated in Japan, to dispose its wholly-owned subsidiary, SV Probe Pte Ltd ("SVPL") and certain of SVPL's subsidiaries (collectively known as "the Disposal Group"). These entities are categorised under the Probe Card solutions reportable segment.

On 31 October 2017, the Company announced the Agreement was completed ("Completion") and the initial consideration was determined to be approximately US\$69.5 million (approximately \$94.9 million, based on an US\$/S\$ exchange rate of 1.366 as at 30 October 2017, source: The Business Times). The effects of the disposal on the cashflows of the Group as at 31 October 2017 were as follows:

Carrying amounts of assets and liabilities	\$'000
Property, plant and equipment	(9,930)
Intangible assets	(13,265)
Other investment	(221)
Deferred tax assets	(2,542)
Inventories	(5,699)
Trade and other receivables	(22,808)
Cash at bank	(14,104)
Trade and other payables	10,888
Provisions	382
Interest-bearing borrowings	753
Tax payable	795
Deferred tax liabilities	474
Translations	(9,164)
Net identifiable assets disposed	<u>(64,441)</u>
Goodwill on consolidation disposed	<u>(12,119)</u>
Net carrying amount of assets disposed	<u>(76,560)</u>
Gain on disposal	<u>(14,164)</u>
Total Consideration⁽¹⁾	<u>(90,724)</u>
Less:	
Consideration held in an escrow account ⁽²⁾	13,946
Accrued Final Adjustment	549
Consideration in cash	<u>(76,229)</u>
Cash and cash equivalents disposed of	<u>14,104</u>
Net cash inflow on disposal of subsidiaries	<u>(62,125)</u>

9. Discontinued Operations (Cont'd)

(1) Total Consideration comprised:

	\$'000
Initial Consideration	94,920
Final Adjustments ⁽²⁾	549
Introduction fee	(4,745)
	90,724

(2) 85% of the initial consideration was paid to the Company in cash and the remaining 15% of the initial consideration is being held in an escrow account. 5% and 10% of the initial consideration will be released to the Company 12 months and 24 months from Completion respectively.

(3) The Purchaser and the Company shall undertake a review of the financial statements of the Disposal Group after the Completion to determine the final adjustments ("the Final Adjustments") to be made to the Consideration as at the Completion. Final Adjustments to the consideration have preliminary been estimated to be US\$402,000 (approximately \$549,000). The financial statements of the Disposal Group are being reviewed by the parties to the Agreement to determine the Final Adjustments and this is expected to finalise by the end of the financial year.

For the current reporting period, the results of the Disposal Group have been presented as discontinued operations in the consolidated statement of comprehensive income. The comparative consolidated statement of comprehensive income has been restated to show the discontinued operations separately from continuing operations.

Consolidated statement of comprehensive income disclosures

The results of the Disposal Group for the period ended 31 December 2017 were as follows:

	1 October 2017 to 31 December 2017 \$'000	1 October 2016 to 31 December 2016 \$'000	1 July 2017 to 31 December 2017 \$'000	1 July 2016 to 31 December 2016 \$'000
Revenue	6,122	19,510	23,812	37,078
Cost of revenue	(3,140)	(11,416)	(13,495)	(21,866)
	2,982	8,094	10,317	15,212
Expenses	(2,333)	(5,533)	(7,176)	(10,441)
Finance costs	-	(6)	(18)	(24)
Profit before tax from discontinued operations	649	2,555	3,123	4,747
Taxation	(203)	(626)	(567)	(979)
Profit from discontinued operations, net of tax	446	1,929	2,556	3,768

Earnings per share – Discontinued operations attributable to Owners of the Company

	1 October 2017 to 31 December 2017 \$'000	1 October 2016 to 31 December 2016 \$'000	1 July 2017 to 31 December 2017 \$'000	1 July 2016 to 31 December 2016 \$'000
Earnings per share – Discontinued operations attributable to Owners of the Company				
- Basic (cents)	0.27	1.15	1.53	2.25
- Diluted (cents)	0.27	1.15	1.53	2.25

For the period from 1 July 2017 to 31 December 2017, the profit from discontinued operations of \$2,556,000 (1 July 2016 to 31 December 2016: \$3,768,000) was attributable entirely to the Owners of the Company.

For the period from 1 October 2017 to 31 December 2017, the profit from discontinued operations of \$446,000 (1 October 2016 to 31 December 2016: \$1,929,000) was attributable entirely to the Owners of the Company.

9. Discontinued Operations (Cont'd)

Cash flow from discontinued operations

	1 October 2017 to 31 December 2017 \$'000	1 October 2016 to 31 December 2016 \$'000	1 July 2017 to 31 December 2017 \$'000	1 July 2016 to 31 December 2016 \$'000
Net cash from operating activities	1,020	4,303	3,798	10,421
Net cash used in investing activities	(85)	(356)	(447)	(638)
Net cash used in financing activities	(8)	(166)	(403)	(1,871)
	927	3,781	2,948	7,912

10. Earnings Per Share

	Group		Group	
	1 October 2017 to 31 December 2017 \$'000	1 October 2016 to 31 December 2016 \$'000	1 July 2017 to 31 December 2017 \$'000	1 July 2016 to 31 December 2016 \$'000
<u>Continuing operations</u>				
Basic earnings per share is based on:				
Profit for the period attributable to Owners of the Company	5,809	1,656	8,085	2,321
Less: Profit for the period from discontinued operations attributable to Owners of the Company	(446)	(1,929)	(2,556)	(3,768)
Profit/(Loss) from continuing operations, net of tax	5,363	(273)	5,529	(1,447)
	1 October 2017 to 31 December 2017	1 October 2016 to 31 December 2016	1 July 2017 to 31 December 2017	1 July 2016 to 31 December 2016
	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 the current and previous financial periods.

11. Net Asset Value Per Ordinary Share

	Group cents	Company cents
Net asset value per ordinary share based on issued share capital of the Company as at:		
(a) 31 December 2017	82.52	79.07
(b) 30 June 2017	78.67	62.91

12. Dividends

- (a) On 6 February 2018, the Directors approved an interim one-tier tax exempt dividend of 2.00 cents (FY 2017 1H: 1.00 cent) per share and a special interim one-tier tax exempt dividend of 8.00 cents (FY2017 1H: 1.50 cents) per share, in respect of the half year ended 31 December 2017.

The financial statements for the half year ended, and as at, 31 December 2017 have not reflected these dividends. The dividends will be accounted for in shareholders' equity as an appropriation of 'Retained Earnings' in the next quarter ending 31 March 2018.

During the half year ended 31 December 2017, a final one-tier tax exempt dividend of 2.00 cents per share and a special final one-tier tax exempt dividend of 4.50 cents per share, totalling \$10,863,000, were paid in respect of the previous financial year ended 30 June 2017.

- (b) Date Payable

The interim and special interim dividends will be paid on 7 March 2018.

- (c) Books Closure Date

The books closure date is 14 February 2018, as at 5.00 p.m.

13. Interested Person Transactions

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

14. Commitments

Continuing operations
Lease Commitments

As at 31 December 2017, commitments of the Group for minimum lease payments under non-cancellable operating leases were as follows:

	Group	
	31 December 2017 \$'000	30 June 2017 \$'000
Payable:		
Within 1 year	565	1,711
After 1 year but within 5 years	926	4,166
After 5 years	–	30
	1,491	5,907

Capital Commitments

Capital commitments contracted but not provided for	–	45
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Corporate guarantees

As at 31 December 2017, the Company provided corporate guarantees amounting to \$5,958,000 (30 June 2017: \$17,022,000) to banks for banking facilities made available to certain of its subsidiaries, of which the subsidiaries have utilised \$Nil (30 June 2017: \$807,000).

15. Other Information

Reportable segments

Group	Distribution & Services Solutions		Probe Card Solutions (Discontinued operations)		Eliminations		Consolidated	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and Expenses								
Total revenue from external customers	21,875	20,240	-	-	-	-	21,875	20,240
Inter-segment revenue	343	714	-	-	(343)	(714)	-	-
	<u>22,218</u>	<u>20,954</u>	<u>-</u>	<u>-</u>			<u>21,875</u>	<u>20,240</u>
Segment results	<u>1,312</u>	<u>972</u>	<u>-</u>	<u>-</u>	<u>(14)</u>	<u>(36)</u>	<u>1,298</u>	<u>936</u>
Unallocated corporate results							4,170	(2,103)
							<u>5,468</u>	<u>(1,167)</u>
Share of results of associates								
- allocated to reportable segments	83	61	-	-	-	-	83	61
Profit/(loss) before finance income/(expenses) and taxation							5,551	(1,106)
Finance income							39	34
Income tax expenses							(61)	(375)
Non-controlling interests							2	-
Profit/(Loss) from continuing operations, net of tax							<u>5,531</u>	<u>(1,447)</u>
Profit from discontinued operations, net of tax							<u>2,556</u>	<u>3,768</u>
Profit for the period							<u>8,087</u>	<u>2,321</u>

Group	Distribution & Services Solutions		Probe Card Solutions (Discontinued operations)		Eliminations		Consolidated	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017	31 December 2017	30 June 2017	31 December 2017	30 June 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets and liabilities								
Segment assets	43,080	42,352	-	83,752	-	-	43,080	126,104
Investments in associates								
- allocated to reportable segments	945	862	-	-	-	-	945	862
Investments in joint ventures								
- allocated to reportable segments	67	71	-	-	-	-	67	71
Tax receivables	104	8	-	43	-	-	104	51
Deferred tax assets	621	716	-	2,896	-	-	621	3,612
Unallocated corporate and others							110,365	28,074
Total assets							<u>155,182</u>	<u>158,774</u>
Segment liabilities	11,049	9,276	-	11,757	-	-	11,049	21,033
Interest-bearing borrowings	-	-	-	1,151	-	-	-	1,151
Income tax liabilities	176	179	-	1,957	-	-	176	2,136
Unallocated corporate and others							5,643	2,557
Total liabilities							<u>16,868</u>	<u>26,877</u>

15. Other Information (Cont'd)

Group	Distribution & Services Solutions		Probe Card Solutions (Discontinued operations)		Eliminations		Consolidated	
	31	31	31	31	31	31	31	31
	December 2017 \$'000	December 2016 \$'000	December 2017 \$'000	December 2016 \$'000	December 2017 \$'000	December 2016 \$'000	December 2017 \$'000	December 2016 \$'000
Capital expenditure								
- allocated to reportable segments	186	60	-	-	-	-	186	60
- unallocated corporate expenditure							2	1
							<u>188</u>	<u>61</u>
<i>Other items</i>								
Amortisation of intangible assets								
- allocated to reportable segments	2	2	-	-	-	-	2	2
Dividend income from other financial asset								
- unallocated corporate income							(14)	-
Depreciation of property, plant and equipment								
- allocated to reportable segments	87	175	-	-	-	-	87	175
- unallocated corporate expenses							1	1
							<u>88</u>	<u>176</u>
Gain on disposal of property, plant and equipment								
- allocated to reportable segments	(18)	(131)	-	-	-	-	(18)	(131)
Inventories written off								
- allocated to reportable segments	-	4	-	-	-	-	-	4
Impairment loss on other financial asset								
- unallocated corporate expenses							-	1,578
Loss on liquidation of subsidiary								
- allocated to reportable segments	-	248	-	-	-	-	-	248
Gain on disposal of subsidiaries								
- unallocated corporate income							(14,164)	-
Reversal of allowance for doubtful debts from trade receivables								
- allocated to reportable segments	-	(20)	-	-	-	-	-	(20)
Reversal of allowance for inventory obsolescence								
- allocated to reportable segments	(5)	(4)	-	-	-	-	(5)	(4)

Ellipsiz Ltd and its Subsidiaries
For the second quarter and half year ended
31 December 2017

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 2017	31 December 2016	31 December 2017	31 December 2017	31 December 2016	31 December 2017	31 December 2017	31 December 2016	31 December 2017	31 December 2017	31 December 2016	31 December 2017	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	
Total revenue from external customers	10,986	10,487	2,140	2,256	5,386	2,087	1,893	104	89	—	—	155	119	—	—	—	—	—	—	—	—	—	21,875	20,240	—	—	—	
Non-current segment assets	24,930	40,458	28	31	501	153	2,850	—	902	—	2,591	23	—	5,053	25,354	52,409	—	—	—	—	—	—	—	—	—	—	—	—
Investments in associates	—	—	—	—	—	—	—	—	—	—	—	—	—	—	945	862	862	—	—	—	—	—	—	—	—	—	—	—
Investments in joint ventures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	67	71	71	—	—	—	—	—	—	—	—	—	—	—
Investments in other financial assets	6,138	4,910	—	—	—	—	—	—	—	—	227	28	42	—	—	6,166	5,179	—	—	—	—	—	—	—	—	—	—	—
Deferred tax assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	621	3,612	—	—	—	—	—	—	—	—	—	—	—
Total non-current assets	31,068	45,368	28	31	501	153	2,850	—	902	—	2,818	28	65	1,012	33,153	62,133	—	—	—	—	—	—	—	—	—	—	—	—
Capital expenditure	83	55	4	6	—	88	13	—	—	—	—	—	—	—	—	188	61	—	—	—	—	—	—	—	—	—	—	—

CONFIRMATION BY THE BOARD

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

We, Chng Hee Kok and Kelvin Lum Wen-Sum being Non-Executive Chairman and Executive Director of Ellipsiz Ltd (the "Company") respectively, 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 2017 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



*Chng Hee Kok
Non-Executive Chairman*



*Kelvin Lum Wen-Sum
Executive Director*

Singapore
6 February 2018